

Brookline Fiscal Advisory Committee (B-FAC) - Forecasting Sub-Committee
April 8, 2019

Sub-Committee Members Present (all): Mini Kolluri (Co-Chair), Paul Saner (Co-Chair), Jeff Rudolph, Nathan Shpritz

Others: Ben Franco (Select Board Liaison), David Kirshner (B-FAC Chair), Melissa Goff (Deputy Town Administrator), and Jeana Franconi (Treasurer and Finance Director), Mark Gray

The Town will be implementing this summer ClearGov, a cloud-based interactive municipal budgeting system which will replace using Excel spreadsheets for the budget. ClearGov does not currently have a forecasting capability adequate for the Town's needs, and an Excel based model would have to be used for forecasting purposes. Although the Schools are aware of this Town initiative to implement ClearGov, there are no present plans to use the same budgeting platform.

Forecasting sub-committee members presented several Excel tabs to be integrated into a 10-year forecasting model. This included School analysis tabs showing data like # of students, student to teacher ratio, classroom size. Assumptions like Transportation costs should be further tested within the model. The main Summary tab of the present Town forecast and Summary Revenue and Expenditure tabs were also presented, showing various "knobs" to facilitate further analysis. Also discussed was a draft tab showing the Capital Improvement Program (CIP).

There was a discussion of the crosswalk that would be needed to provide forecasted financial statements similar in format to the audited financials. It was pointed out that there are considerable inconsistencies between internal actual results (vs. budgeted) and financial statement reports. Town officials and staff, and for that matter the municipal world doesn't operate according to GAAP audited results. On the other hand, few municipalities will experience the growth in debt, with potential impact on the Town's present AAA bond rating, which are based in part on financial statement ratios.

The possibility of a Land Bank to help fund Town priorities was referenced. It was noted that this would require State House legislation. It was suggested that the committee model the Town's Housing Trust Fund, and work with Melissa to understand data in current forecast.

What would constitute a Minimum viable product (MVP) for the Forecasting model was discussed. All agreed the forecasting model should include tabs forecasting fiscal policies, both present and proposed. Interest rate and cost escalation features should be built into the model. Also, estimates for the Driscoll and Baldwin overrides and operating expenditure should be added into the model. As these tabs are created, they will need to be integrated into the model.

Mini referenced the workplan she has developed for the Forecasting subcommittee showing responsibility, information needed, tasks and potential timing. The reporting issue needs to be resolved to complete the MVP.

Next steps identified included resolving the GAAP crosswalk issue, Jeff continuing to work on the CIP tab, and Mini looking at Moody's ratios.

The Committee unanimously Voted to approve minutes for March 18th and 25th.
The next meeting was scheduled for Monday, April 29th @ 6 pm