

Name of Committee: **Town of Brookline Fiscal Advisory Committee**

Meeting Date: August 21, 2019 Time: 6:00 p.m.

Meeting Location: Town Hall, 6th Floor Select Board Conference Room

Members Present:

Attendees indicated by x			
David Kirshner, Committee Chair	x	Carol Levin	x
Peter von Bleyleben	X	Paul Saner	x
Cliff Brown	X	Jeff Rudolph	x
Nathan Shpritz	x	Nancy Daly	
Mike Toffel	x	Mini Kolluri	x
Arthur Segel		Ben Franco, Select Board Liaison	x
David Pearlman, School Committee Liaison	X		

Staff Present: Justin Casanova-Davis, Assistant Town Administrator; Melissa Goff, Deputy Town Administrator; Mel Kleckner, Town Administrator; Kevin Stokes, Chief Information Officer; Sara Gooding, Building Department.

Other Attendants: Mark Gray, citizen; Janice Kahn, Advisory Committee member.

The meeting was brought to order at 6:02 p.m.

Topic: Approval of meeting minutes of BFAC 6/27/19 Meeting

David Kirshner asked for discussion of the minutes from the June meeting.

Carol Levin made motion to approve the meeting minutes from June 27th meeting.
Unanimously approved

Topic: Meeting Objectives – Select Board and School Finance Sub-Committee update

Ben Franco updated the Committee on the BFAC presentation at the Select Board meeting July 23rd. Mr. Franco stated that the Select Board was provided an understanding of the framework and current trajectory of the BFAC committee. Mr. Franco confirmed that the Committee's

findings to date and direction moving forward were reviewed and discussed by the Select Board with members of the BFAC Committee.

David Kirshner updated the Committee on meetings to date with the School Department Administrative staff. The BFAC presentation to the Select Board was also reviewed with School Department Finance Sub Committee on August 19th. Mr. Kirshner stated that the BFAC Committee has presented questions and requests for information to the School Department with the intent to gather information on how the Committee can assist the School Department and enhance the Town-School partnership. David Pearlman stated that both the School Department Admin and Finance staff and School Committee are receptive to working with the BFAC Committee to enhance operations and revise operations/improve methodologies if necessary.

Cliff Brown stated that the entire School Committee was not present for the most recent BFAC update to School Department staff on 8/19. Mr. Brown suggested presenting the BFAC mission and work to date to the entire School Committee would enhance communication and allow for greater exposure and opportunity for information exchange. A discussion took place amongst the Committee regarding the School Department's involvement thus far and moving forward. David Kirshner added that the Committee will be requesting input and data from the School Department in order to create a comprehensive financial model reflective of both the Town and School budget.

Topic: Brookline's Financial Projection and Forecasting Model

David Kirshner stated the charge and scope of the BFAC Committee remains of utmost importance: to review and evaluate Brookline's financial projections and forecasting model, to examine Town and School budget principles and financial policies and encourage working partnership, and to suggest actions that address misalignment between projected revenues and expenses. Ben Franco stated that clear recommendations and narrative policy should be established to enhance the working relationship between the Town and Schools. Mel Kleckner added that the Town-School partnership would benefit from clear guidelines and simplification of policy.

Ms. Kolluri reviewed Brookline's financial projections and forecasting model (slide 1) with the Committee. The BFAC forecasting subcommittee has completed a long term ten year financial forecast minimum viable product ("MVP") model to support sensitivity analyses desired by the BFAC committee. This forecast builds on the Town's present five year forecast and CIP. Ms. Kolluri described the MVP working model which includes the following features:

- Ability to add new projects and borrowing beyond the 5 year CIP projection
- financial impact of key operating assumptions
- Clear Town-School partnership established
- Interaction of various reserves including free cash waterfall and Moody's credit rating
- Moody's ratios in order to project requirements to maintain AAA rating

Mini Kolluri reviewed the BFAC forecasting subcommittee work to date. She stated that substantial completion of the forecast for the next ten years has resulted in a minimum viable product model. The Committee discussed the structure of the model. Nathan Shpritz noted that school funds are often based on enrollment of students and maintaining teacher-student ratio standards. The Committee discussed the key School operating assumptions and importance to establish realistic baseline values with the School department. David Pearlman added that enrollment projections are being worked on and taken seriously by School Department staff.

Ms. Kolluri stated that work has also been done by the forecasting subcommittee to simplify and define the Town/School partnership. Melissa Goff added that neighboring communities, such as Arlington or Lexington, that share a similar Town/School partnership structure should be reviewed. A discussion took place with the Committee regarding the research of these communities in order to refine the model. David Kirshner stated that in addition to researching these example communities, the MVP model will need to be presented in a format that the public can easily understand and approve of. Other suggestions made included outlining the individual staffing cost for each employee including labor/benefits/and inflation variable. Paul Saner stated that stress testing the MVP model against inflation and including the cost of a 9th school in the forecast would be useful exercises.

Susan Wolf-Ditkoff, School Committee, called into the meeting at 6:52 p.m.

The Committee discussed the forecast over the next ten years. Carol Levin suggested reviewing upcoming warrant articles for the next Town meeting in order to plug-in one or two into the model and review the impact on the financial forecast. It was emphasized that the public, Town and School operating government all have to understand the current financial situation in order to endorse the model and make decisions accordingly. Paul Saner stated that the forecasting subcommittee will continue to work with the MVP model and take into consideration these suggestions while gathering more information. Paul Saner added Mini Kolluri and Nathan Shpritz should be contacted if the Committee has additional comments and information regarding the model. Melissa Goff added that she would further discuss Moody's ratings with Peter Frasier to ensure the model is accurate.

Mini Kolluri requested further review of the model with Melissa Goff in order to align with the OpenGov software currently being used. A discussion took place regarding the OpenGov software including the OpenGov model, connections to specific policy and data visualization tools. Mini Kolluri and Melissa Goff agreed to meet to review the MVP model and OpenGov software before the next full BFAC meeting.

Mr. Kirshner requested that Nathan Shpritz review the findings on slide #6, reality check. Mr. Shpritz stated that in order for Brookline's fiscal future to be strengthened incremental adjustments to revenue and expenses are needed; and certain fiscal policy changes may be

needed. Mr. Shpritz added that the guiding assumption being used is based on the notion the Brookline's capital and operations spending is close to optimal. This does not take into account that the current state of operating may need to be radically changed or that in order to make improvements the current deficit will need to be taken care of with an override. The Committee discussed the possibility of long term policy changes needed to implement a solution to the current budget issues. Mike Toffel stated that often times organizations that are struggling to break even financially are under-investing in their department. A possible recommendation from the BFAC to the Select Board could be a 5 year status and needs assessment of Town/School infrastructure including: buildings, libraries, roads, parks, fields, etc.

Topic: Town and School Budget Principles and Financial Policies: In Depth Review **Data and Analytics Infrastructure**

David Kirshner stated that a recent meeting with Kevin Stokes, Brookline's Chief Information Officer, and Melissa Goff provided opportunity to gather additional information regarding the culture of environment and how data is currently used. The Committee discussed the high level goal for the Town's data and analytics policy moving forward: the collection and distribution of data in order to make better decisions and improve efficiency. Mr. Kirshner stated that in essence, better data will lead to better decisions. Mel Kleckner voiced support of increased data collection, including performance and qualitative departmental data, in order to develop enhanced budgets and planning for the future. Janice Kahn voiced that data collection done collaboratively between the Town and Schools would improve the Town/School partnership.

Kevin Stokes stated a variety of data is currently collected through Information Technology, including GIS data tracking safety, permitting, population geography, school zones, and school enrollment. Mr. Stokes added that data is ideally used as a part of a proactive plan to manage performance and measure information necessary to forecast departmental budgets. Today the Town is often more defensive in its use of data.

Open Checkbook is a resource currently used by the Town/Schools to provide the public with data and full transparency regarding data collection and how money is spent each fiscal year. Mr. Stokes stated that I.T. also works to use technology to increase convenience to the public and improve departmental efficiencies through online transactions and resources. Melissa Goff added that the OpenGov platform can be used to create a budget book.

Paul Saner asked Mr. Stokes to speak on being a department that services both Town and Schools. Kevin Stokes stated that I.T. works successfully within the Town/School partnership. It was noted that other departments currently work within the Town/School partnership including DPW, Parks and Building's.

David Kirshner asked for the BFAC to review the data and analytics infrastructure Q and A. The Committee reviewed the BFAC questions that require further information. Mr. Kirshner noted that some data is not currently available, including individual Profit and Loss data for individual

school locations. Nathan Shpritz suggested a review of the similar municipalities that have successfully built data and analytics into their Town/School budgeting may provide best starting point for a template. The Committee agreed that three or four concrete recommendations should be made to the Select Board to enhance data collection and analysis.

David Kirshner emphasized the need to cost out the expense of each employee-personnel statements for each individual employee in the Town and Schools would provide necessary forecasting data. Ben Franco stated that increased data collection should be done in tandem with expertise and tools to understand the data that is already available. Mr. Franco added that the OpenGov software use will provide information beneficial to both the Select Board and the public.

Mike Toffel stated that information and data collected should be filtered so that it is clear what data is relevant to high leverage point decisions and policy making. Carol Levin added that data comparisons to other municipalities regarding lack of spending in the upkeep of buildings and roads would be useful to highlight spending priorities or lack thereof if applicable.

A discussion took place regarding how to use data once it is collected within context in order to make effective changes and impact policy in a way to assist the budget. The Committee stated that the entire compensation package that union staff benefits from has to be reviewed and taken into consideration. David Kirshner added that further review of budget spending in direct relationship to data collected will create clear alignment towards a specific initiative. Justin Casanova-Davis added that OpenGov software will assist with data distribution throughout the Town/School departments and the public.

Topic: Suggested Actions that Address Misalignment between Projected Revenues and Expense

The Committee next reviewed the slide titled “Enhanced PILOT Policy: Sample Initiative” (page 18). Mr. Kirshner stated that the information is an illustrative mock up improvement plan idea. He emphasized the numbers and next steps are only illustrative and must be carefully worked through with Mr. Kleckner to confirm their validity. Mr. Kirshner updated the Committee that information has been gathered from Boston and Cambridge regarding their PILOT programs and the financial benefits associated. The Committee discussed the use of PILOT programs within municipalities, including community benefits credits which add to the funding for town and school programming.

Mr. Kirshner asked for BFAC Committee members to send additional comments to himself or to Cliff Brown. Mr. Kirshner added that this evening’s power point is a working document that includes information to be consolidated and presented through recommendations to the Select Board. He stated that the BFAC research to date does indicate change will be necessary in order to ensure that the fiscal health of the town can continue and improve in the decades to come.

Topic: Roadmap of Next Steps: Upcoming BFAC meetings

Cliff Brown stated that four slides were not discussed during this meeting and will need some review. Cliff added that there needs to be continued conversation with Town/School/BFAC/Select Board to move the process forward with group involvement, but that Town Meeting and warrant articles have not been taken into consideration. The Committee discussed town meeting bylaws and the warrant article review process.

Carol Levin stated that it may be useful for a BFAC representative to provide a brief update at Town Meeting. A discussion took place regarding the Advisory Committee and review of warrant articles presented at Town Meeting. Ben Franco stated there has to be clear messaging presented at Town Meeting and to the Public that limited funds are available and the town can't pass warrant articles that can't be funded.

Mini Kolluri asked if the next meeting could involve further discussion on Part 3 – suggested actions that address misalignment between projected revenues and expenses. David Kirshner requested to see the ideas and options for the development of ten suggestions from BFAC, and requested David Pearlman asks the Superintendent and Mary Ellen Normen to do the same exercise.

Paul Saner stated the next 3 months will be very hectic. Mr. Saner requested that the next set of meetings be scheduled in advance and a schedule established at the next meeting in September.

With no further business, the meeting was adjourned at 8:26 pm

Minutes respectfully submitted,

Sara Gooding
Building Department