

Town of Belmont

Progress Report from Financial Task Force (FTF) – May 5, 2014

The following is a progress report from the Financial Task Force formed by the Belmont Board of Selectmen in the fall of 2013 to explore key financial issues facing the Town in future years, research possible solutions and initiatives to address such issues, and report back to the Board of Selectman, the School, Warrant, Capital Budget and Other Committees and the Townspeople on its findings.

The Financial Task Force is comprised of representatives of elected boards and officials, appointed committees, town and school staff, and citizens who volunteered to serve. It is divided into five Working Groups focused on the following areas of interest:

1. Group A – Education
2. Group B – Revenue Opportunities
3. Group C – Capital Projects
4. Group D – Town Government (Programmatic Requirements & Opportunities for Structural Changes)
5. Group E – Financial Projections

Working Groups have been meeting since December, 2013, and have reported back to the overall Task Force at monthly meetings. Attached is a list of the members of each Working Group. The following are brief summary reports from each Working Group chairperson on progress to-date and remaining work to be done.

Group A – Education

The charge to the Education Group of the Town of Belmont Financial Task Force Working Group is to review both financial and programmatic topics relative to providing quality education and to relay information to the Task Force for the development of an overall plan. Prior to the summoning of the Task Force, the School Department had organized eight “modeling groups” to examine trends and projections for the Department’s own long-term planning. Once the Task Force began meeting, it seemed appropriate to merge the work of the modeling groups with the mission of the Task Force. Sitting on the School Departments eight groups were teachers, administrators, parents, and other Belmont citizens and partners.

The School Department’s eight modeling groups have been exploring the following topics: 1) Salary and Compensation; 2) Special Education; 3) Enrollment; 4) Operations and Maintenance; 5) Supplemental Revenue Sources; 6) Student Services and Student Life; 7) Instruction, Curriculum, and Innovation; and 8) Instructional Technology.

Six of the eight reports have now been filed with the School Committee, and the complete reports are available on the Department’s website, along with appendices and data sources:

<http://www.belmont.k12.ma.us/bps/School-Committee/Public-Documents/Article/394/Modeling-Group-Reports>

The remaining reports will be added prior to the end of the current school year.

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Findings of the groups include projections of student enrollment for the next decade; anticipated needs for facilities and personnel; services to improve the quality of students' social and emotional development; financial resources other than tax-generated allocations; longer-term special education needs and trends; longer-term support for curriculum, instruction, and innovation; and infrastructural requirements to maintain the district's success well into the present century. The compensation group will be suggesting alternative compensation models, and the operations and maintenance group is merging its work with the forthcoming town-wide facilities audit.

Group B – Revenue Opportunities

The Revenue Opportunities Working Group of the Financial Task Force was formed in December 2013 and held their first meeting on January 15, 2014. The purpose of the Working Groups is to investigate revenue generating opportunities for the Town of Belmont. The Working Group will examine municipal fee schedules, parking revenue, PILOT programs, new growth opportunities, sale of Town owned parcels, Parks and Recreation opportunities, and other revenue opportunities. The results of this investigation will be documented in a report package that is anticipated to be completed by August 2014.

To date, the Working Group has documented the municipal fee schedules for each Town Department. The Working Group is currently in the process of reviewing these fees and comparing Belmont's consolidated fee schedule against the fee schedules of neighboring communities. Additionally, three opportunities to raise parking revenue have been identified and the Working Group will be meeting with the Town Administrator to discuss implementation. The Working Group agreed to remain as an active committee through June 30, 2015, at which point the continued need for the Working Group will be reevaluated.

Group C – Capital Projects

The goal of the Capital Projects Working Group of the Financial Task Force is to identify and prioritize outstanding capital projects so that the Town can form a reasonable and workable plan for funding and completing these projects. The Working Group has reviewed the tool that the Capital Budget Committee created for prioritizing capital projects and requested that department heads use it to give the Working Group current, usable data for scope of project, siting, timing and funding. The Working Group has met with representatives of the Police and Public Works Departments to understand their needs for new and/or renovated space. The group will meet with representatives from the stakeholders of other pending projects. In order to have the most current information the group has requested that feasibility studies and cost estimates be updated for all pending projects.

The Capital Projects Working Group has spent considerable discussion time analyzing siting, funding and timing of projects. This includes reviewing town owned parcels such as the incinerator site, VFW, and parking lots as well as the Belmont Center Reconstruction project and the skating rink/White Fieldhouse complex. Further, the Working Group is well aware that there are projects which were completed in the 1970s, '80s and '90s which will need updating in the foreseeable future such as the Butler, Burbank and Winn Brook Schools. On an optimistic note, the Underwood Pool debt exclusion passed in April and the project will be completed in 2015 using a combination of bonding and Community Preservation money, subject to Town Meeting approval. Careful timing and creative financing using private donations, grants, state matching funds and CPA money should be the future strategy if the Town is to complete all outstanding projects in a timely yet financially responsible manner. The limits of construction disruption and the taxpayer's good will should be primary concerns in any long range plan.

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The Working Group intends to form a plan which may stretch over twenty years. It is currently studying the following projects (in no particular order): library; Belmont High School; police headquarters; Department of Public Works facility; skating rink/White field house; incinerator site; parking, especially in and around Belmont Center; Belmont Center reconstruction; pavement management, including sidewalks; energy conservation projects. Projects which are funded or underway include the BMLD substation, Underwood Pool, Harris Field, and Town Hall repairs.

Group D – Town Government (Programmatic Requirements & Opportunities for Structural Changes)

The Town Government Working Group is charged with exploring programmatic requirements and opportunities for structural changes including; regionalization, consolidation, alternative service delivery models, establishing enterprise funds for certain activities, staff planning, review of services not currently provided, developing maintenance cost estimates for possible building projects, and the like.

The Working Group decided to contact other comparable communities to compare Town government structures and programs and identify initiatives undertaken by various towns that might be explored by Belmont. Members of the Working Group have had discussions with officials from Winchester and Arlington to-date, and intend to contact other towns considered to be comparable communities.

In addition, Working Group members have met, and continue to meet, with department heads of major departments to review statutory mandates, project future needs and possible service delivery efficiencies, and long-range department goals. An attempt is being made to explore future goals within the most realistic framework possible, taking into account the Town's ability to fund programs.

Group E – Financial Projections

The task of this Working Group is to develop a working model of revenue and expenditure projections, utilizing historical data (5 years) and projected future estimates (5 years). The model will establish baseline information, include data developed by the other working groups as needed, and allow for revisions in response to various budget assumptions and variables. It is intended that the model will be developed and presented in a format that is easy to understand, and can be updated in the future by Town staff.

As of the end of April, 2014, 5-year historical baseline revenues have been entered into a spreadsheet format based on state DOR (Dept. of Revenue) Town Recap sheets used annually in the setting of the property tax rate. From this data and estimates by town financial staff, baseline projections of revenues 5 years into the future have been projected. Historical expenditure data is being captured from two sources; Schedule A data submitted annually to the state DOR, and Town of Belmont financial and budget reports used in development of the annual budget. Other detailed data is being obtained from Town and School financial staff.

Necessary revisions to this baseline data will be made following review by members of the Working Group and discussion by the overall Financial Task Force. It is of particular importance that; 1) the historical data has integrity and has a consistent source, 2) data presented is clear and understandable to individuals with a range of exposures to municipal finance.

A final report to the Board of Selectmen and Other Committees will be prepared and presented in the fall of 2014. A presentation also will be made to Town Meeting in the fall.

Name	Representing	Notes:
<p>Group A – Education: The School Group will review both financial and programmatic topics related to providing quality education and will provide information to the Task Force in the development of the overall plan. Topics under review include the following:</p> <ul style="list-style-type: none"> • Salary and Compensation • Enrollments • Revenue Sources • Instructional Modeling and Innovation • Special Education • Operations & Maintenance • Student Services • Instructional Technology 	<p>Thomas Kingston Laurie Graham Laurie Slap Anthony DiCologero Mark Paolillo</p>	<p>Supt. of Schools - Chair School Committee School Committee (also on Warrant Committee) School Finance Director Board of Selectman (BOS)</p>
<p>Group B – Revenue Opportunities: This Group will investigate opportunities for the Town to maximize non-property tax revenues. It will also analyze current fee structures for revenues which fund the budget and make recommendations for changes, as well as validate our current fees in relation to other municipalities.</p> <p>This Group will also generate estimates of the impact of potential future development on the “new growth” component of the property tax levy, for inclusion in the Financial Projections of Group E below.</p>	<p>Floyd Carman Anne Helgen Charles Laverty Charles Clark James Williams</p>	<p>Town Treasurer - Chair Warrant Committee Board of Assessors Planning Board Resident</p>
<p>Group C – Capital Projects: The Capital Group will prioritize major capital projects and analyze debt service costs & cost estimates on major capital projects and the impact on the property tax levy. It will review allocations for pavement management, non-debt exclusion projects and other pay-as-you-go projects.</p>	<p>Anne Marie Mahoney David Kale Floyd Carman Mark Paolillo Laurie Graham</p>	<p>Capital Budget Comm. - Chair Town Administrator Town Treasurer Board of Selectmen School Committee</p>
<p>Group D – Town Government (Programmatic Requirements & Opportunities for Structural Changes): This Group will explore a variety of issues regarding service delivery for Town services. Examples of some of the areas to be discussed include:</p> <ul style="list-style-type: none"> • Regionalization • Alternative service delivery Models • Review of services not currently provided • Staffing planning • Consolidation • Establishing enterprise funds for certain activities • Developing cost estimates for maintenance of possible building projects 	<p>David Kale Mark Paolillo Paul Lisanke Laurie Slap</p>	<p>Town Admin. - Co-Chair BOS - Co-Chair Resident School Committee (also on Warrant Committee)</p>
<p>Group E – Financial Projections: This Group will develop a working model to provide revenue and expenditure projections, including data collected by working groups. The model will be created and presented in a format that is easy to understand and can be revised in response to various budget assumptions and variables.</p>	<p>David Kale Floyd Carman Anne Helgen Anthony DiCologero</p>	<p>Town Administrator - Chair Town Treasurer Warrant Committee School Finance Director</p>