

**THE MINUTES OF THE
WARRANT COMMITTEE MEETING
JANUARY 14, 2004**

Handout(s) given out tonight:

1. *FY2005 "Budget Book" distributed by Town Accountant Hagg*
2. *Fire Stations Financing Options – Summary distributed by Treasurer Freiner*
3. *Belmont Public Schools Superintendent's Recommended FY 2005 Budget as per School Committee Meeting of January 13, 2004*
4. *Belmont Public Schools Calendar for the Development of the 2004-05 (FY05) Budget*
5. *Belmont Financial Picture in Summary distributed by Vice Chairman White*

Members absent: L. Oates

Also present: Selectman Paul Solomon, Town Administrator Mel Kleckner, Assistant Town Administrator Joyce Munro, Town Accountant Barbara Hagg, School Director of Finance & Administration Dr. Gerry Missal, School Superintendent Dr. Peter Holland and Treasurer Susan Kendall Freiner

Chairman Widmer called the meeting to order at 7:42 PM.

Acceptance of Minutes

The Committee discussed and the minutes of the January 7, 2004 meeting.

- *Member Brusch made a motion, Member White seconded said motion, and the Committee unanimously voted to accept the minutes of the January 7, 2004 meeting.*

Financing Fire Stations

Treasurer Freiner discussed *Handout 2* regarding various debt payments for the fire station financing. Treasurer Freiner is recommending the five-year financing for the fire stations. Vice Chairman White asked what the assumptions are on the other capital projects, possible overrides, and the tax increase from the operating budget as well. We need to come up with another scenario with all those factors to see how this five-year recommendation works.

Member Kobus suggested the 10-year debt option because it matches more of the asset life, and it keeps the debt exclusion amount at a level that would allow other projects to coincide at the same time. Treasurer Freiner mentioned the proceeds from the fire stations sale are not included in this amount.

Member Stratford asked what would be done with the proceeds of the fire station sale. Town Accountant Hagg said sale of Town property is put into a separate fund to be used to offset the cost of the fire station replacement.

Member Heigham does not recommend the five-year since the financial impact on a single family would be too costly. Member Bruschi agrees. The five-year scenario would probably not be able to pass the debt exclusion. She noted anything less than 10 years is not practical.

Member Hofmann asked if we could approximate the budget increase and be able to add about 2½% to the scenario. He also asked if we had a sense of the possible proceeds. Town Administrator Kleckner answered the average is \$1 million per station—\$3 million in total.

Member Flewelling liked the idea of using the BAN's instead of bonding because that way we can put the proceeds against paying down the debt. Treasurer Freiner said she is apprehensive about the timing of the BAN's and the sale allowing the debt pay down.

Selectman Brownsberger thinks the five-year plan fits well into a 15-year overall plan of keeping up with major capital projects.

Member Callanan noticed the Committee is not confident with the five-year financing. She thinks it would be easier to work with a longer term financing. Member Schafer thinks that having a longer financing allows the Senior Center to have a better possibility of adding on it's own smaller debt exclusion in the next few years.

Selectman Solomon is in favor of presenting a long-term plan to the Town. The fire stations are first, the Senior Center is second, but it is all part of a package. One of the things we have always talked about is presenting this a part of a package. This may get more voters to go along with one project because it is part of the whole. Member Bruschi feels it is important for the voter to know they can say "yes" or "no" to each project. She is fine with informing the voters that this is the first of a series of projects.

Member Hofmann is more concerned with selling the fact the Town even needs the new fire stations rather than how much should we finance it. Member Curtis said it would be difficult to unbundle those questions because people probably do want a station but at what price. That function of how much it is worth to an individual is constantly going on.

Member Callanan wants people to know that what they have done in the past has been appreciated, but their tax dollars are still needed.

Selectman Brownsberger mentioned the Board of Selectmen has on their February 2nd agenda a discussion of capital issues and budget discussion. He is willing to make that a "Mega" Meeting so the Capital Budget Committee and Warrant Committee could attend. Chairman Widmer would like the Warrant Committee to revisit the issue on February 4th with the assumptions Vice Chairman White and Treasurer Freiner are working on.

Fiscal 2005 Budget Discussion
Town

Town Administrator Kleckner reviewed the budget presentation he gave to the Board of Selectmen earlier this week. The two new things are we are asking of each department: a set of department goals, and having the departments measure some performance by quantifying some things they do and try to put a number on it. There is no McLean development revenues or expenditures in this budget. Town Administrator Kleckner included an 8½% reduction in State Aid. We have allocated about half of the Free Cash mentioned in the pro forma exercise. He has decided to reserve the remainder of Free Cash for the Burbank Oil Tank Release Project. Town Administrator Kleckner went through the budget process and schedule with the Committee.

There is one change from the pro forma. Town Administrator Kleckner has asked Treasurer Freiner to quantify the income from the Capital Endowment Fund. The income is expected to be around \$100K, which will be used toward the Capital Budget.

School (Handout 3)

Dr. Holland reviewed his budget presentation that he gave to the School Committee last night. Labor negotiations and State Aid are uncertainties. He reviewed enrollment trends and per pupil costs. He does not anticipate asking the School Committee to consider expanding the School Choice Program for FY05.

Member Brusch asked the potential staff FTE decrease in FY05. Dr. Holland answered none. In fact, some additional teachers would be added for the High School due to increasing class size as discussed in the presentation. In the technology area, there is a new position called “Compliance Officer” to handle reports sent to the State.

Other

Upcoming Schedule

Chairman Widmer reviewed the upcoming Warrant Committee schedule:

Wednesday, January 21 – *No* Warrant Committee meeting
Saturday, January 24 – Board of Selectmen Budget Hearing
Wednesday, January 28 – Public Meeting at the Butler
Saturday, January 31 – Board of Selectmen Budget Hearing
Monday, February 2 – Mega Meeting
Wednesday, February 4 – Warrant Committee meeting
Saturday, February 7 – Board of Selectmen Budget Hearing

3 Public Meetings

January 28, 7 PM at the Butler
February 3, 2 PM at the Sr. Center
February 12, 7 PM at the Winn Brook

It will be advertised in the newspaper, Town Meeting members mailing, Channel 8, School Department, the League of Women Voters, the Library, and the Internet. Vice Chairman White distributed and reviewed with the Committee an overview of the presentation (*Handout 5*) for the public meetings.

Member Hofmann made a motion, and it voted unanimously to adjourn the meeting at 9:39 PM.

Respectfully submitted,

Kristina E. Frizzell

Recording Clerk