

BELMONT WARRANT COMMITTEE FY08 MEETING MINUTES
FINAL

OCTOBER 17, 2007, 7:30 P.M.

CHENERY MIDDLE SCHOOL COMMUNITY ROOM

The meeting was called to order at 7:32 pm by Chair Curtis. Present: Chair Curtis; Members Bruschi, Callanan, Epstein, Heigham, Hofmann, Jones, Lynch, McLaughlin, Paolillo, Oates, White, and Widmer, Town Administrator Younger, Assistant Town Administrator Conti; BOS Chair Firenze, School Committee Chair Bowe, and Town Accountant Hagg. Absent: Members Allison; and Town Treasurer Carman

Warrant Articles for Town Meeting Chair Curtis began the meeting by turning the WC's attention to the Warrant Articles for Town Meeting (to be held on Monday, October 22). We need to decide what action (if any) to take, he said, on a number of articles. Regarding Article 1 ("Reports"), the WC agreed to take "no position".

Regarding Articles 2, 3, 4, motions for "approval" were made, the motions were seconded, and the WC was unanimously in favor.

Article 5 ("Authorization to Transfer Balances") was motioned for approval, and seconded. Chair Curtis noted that he wanted to briefly discuss this article, as a TM member raised a question about it at the League of Women Voters information night. Last June, \$165K was transferred out of the Reserve Fund and allocated to the school department to fix the door of the high school entrance, Curtis explained. The transfer occurred with the understanding that any money remaining after the repair would be returned by the School Committee to the WC, and it would be restored to the WC Reserve Fund. The Reserve Fund presently has \$400K in it - when the remaining \$156K is restored, it will have \$556K. The questions raised: Is it appropriate for the WC to have that much money in its Reserve Fund? - Is there another account for that money? Town Accountant Hagg said it can go toward another project, or can go into Free Cash at the end of the fiscal year, if it is not spent. Member Hofmann declared "The WC said we'd put it [any remaining money] back in the Reserve Fund and it is appropriate for the WC to do with it what it said we would." The motion for approval passed unanimously. The remaining TM Articles deal with zoning, Curtis continued, and it is the default option of the WC to take no position. The WC agreed to take no position on Articles 6 and 7.

There was discussion regarding Article 8 ("Amendment to Zoning By-law: Special Permits for Banks"). BOS Chair Firenze stated that "this [article] has an economic impact in the zoning areas that will be affected by it, but it may be beyond our scope to study the impact in the short term." Therefore, he continued, the BOS would like to see this amendment withdrawn. Member Bruschi offered that perhaps the WC should recommend that there is not enough information regarding the properties that will be impacted by this for TM to take a vote. Chair Curtis put in that perhaps the WC should take no position, for the above reason of insufficient information. Member Paolillo agreed that the WC does not have enough information to assess the financial impact, but can we agree that there is a financial impact? Member Hofmann motioned: The WC does not have enough information regarding the financial impact of this article, and, therefore, will take no position. The motion was seconded. Chair Curtis and School Committee Chair Bowe agreed that the WC should simply take no position, and that it was not necessary to say why. 12 voted in favor, 2 were opposed. Regarding Article 9 ("Amendment to Zoning By-law: Our Lady of Mercy Overlay District", also known as "Oakley Neighborhood Zoning Overlay"), Chair Curtis noted that there had been a request for financial information, and some data had since been provided by Jay Szklut. The question remains, should the WC take a position on this?

Member Jones asked why the 40B scenario seems to have so few children. Member Bruschi replied that the number of children anticipated depended on the number of bedroom units: one-bedroom units typically imply no children, and there are a lot more one-bedroom units in the 40B, while the units under 40R are more 2- and 3-bedrooms, which implies more children. School Committee Chair Bowe noted that there is no state aid for education for children under 40B, but (in theory) state aid is available with a 40R. Member Widmer said that there is a financial impact

related to Article 9 and he motioned to support this article. The motion was seconded, all voted in favor. Chair Curtis mentioned that there was an email sent out today pertaining to Roger Colton's two amendments to change the definition of affordable units (from 20% to 25%). Should this be discussed here or at TM? Curtis asked. Member Brusch offered that there is precedent for the WC (where there is a financial impact) "to opine on amendments that we know are coming." Member Oates added that, since we voted on Article 9, we need to also take a position on this. A short discussion ensued regarding the tax implications of affordable housing units. BOS Chair Firenze then made a motion to oppose both amendments 1 and 2, the motion was seconded, and was unanimously approved (i.e., the WC opposed the amendments). Health Insurance Chair Curtis directed the WC's attention to Member White, who (Curtis explained) would provide financial analysis and tell us what it will cost to achieve health insurance reform. BOS Chair Firenze informed the WC that plan design changes already underway for retirees include increases to 20% contribution on HMOs (up from 10%) and to 25% percent contribution on PPOs (up from 20%); these changes are being implemented, and will be effective on Jan 1, 2008. Firenze noted that he has met with SC Chair Bowe to discuss those unions whose contracts are coming up.

White directed the WC's attention to his handout entitled "Belmont Healthcare Transition - Comparison of Projected Healthcare Savings to Offsetting Compensation Increases" (see attachment). This spreadsheet, he began, is a work in progress. It shows the projected impact of the new health insurance forecasted out until FY2020. There are a lot of assumptions built into this analysis, he explained, including the following: an 8.5% health care increase per year through FY20, an estimated plan design savings of 2%, and average salary increases per year of 3%. BOS Chair Firenze noted that the fallout of the design changes (for instance, some retirees may opt to switch from PPO to HMO) will be a savings that is not reflected here. SC Chair Bowe added that another savings potential that can't yet be quantified involves employees who opt to switch to their spouses' plans.

Town Accountant Hagg noted that since changes for retirees aren't effective until January 1, 2008, the savings noted on the spreadsheet will need to be halved. White noted that under the assumptions made in this analysis, including increased retiree premium payments, the Town would reach a cumulative breakeven on the healthcare transition in FY13. Member Jones observed that, without the retiree component, real savings can't be expected in health care, and he acknowledged the BOS for their important work in that area.

White reiterated that this was a work in progress and that, after open enrollment in November, we will have more information for a more realistic forecasting approach. Chair Curtis applauded member White for his "outstanding efforts" in this forecasting exercise. "This is a very important tool," Curtis said, "and we will look at it again after November when the plan design changes are implemented."

October 10 Minutes The October 10 Minutes were unanimously approved, with no changes.

Other: Sale of Harvard Lawn Fire Station

BOS Chair Firenze updated the WC that a bid for the Fairview Fire Station came in (at \$615K) which was \$215K higher than the previous bid. This brings the total for the three fire stations to \$2,718,000. Member Oates asked if the proceeds from the sale of Fairview will go toward the debt to help pay off the new fire stations. Firenze replied that the fire stations debt can't be reduced by \$615K (i.e., that the funds can't be applied there), but that the debt incurred by the next project can be reduced by \$615K. Member Jones asked why not apply the \$615K to the new fire stations? Chair Curtis said that he would put this issue on the agenda to be discussed at the next WC meeting (November 14).

Member Heigham moved to adjourn the meeting at 8:52.

Submitted by Lisa Gibalerio
Recording Secretary