

**Warrant Committee FY07 Meeting Minutes**  
**April 4, 2007, 7:30 p.m.**  
**Chenery Middle School Community Room**

Meeting was called to order at 7:33 by Chair Jones.

Present: Town Administrator Younger, Assistant Town Administrator Conti, Town Accountant Hagg; BOS Chair Firenze; School Committee Member Stratford; Town Treasurer Carmen

Absent: Members Christensen, Callanan, and Hobbs

Chair Jones began the meeting noting that he had just received an email from Representative Brownsberger stating that the money allocated from Chapter 70 is more than previously expected – about \$332K.

Chair Jones then welcomed BOS Chair Firenze to the WC table. (John Bowe will represent the School Committee at WC meetings beginning next week.)

***Minutes Approved for 3-28-07***

After corrections were made, the minutes of 3-28-07 were approved, with two abstentions (from members who had been absent).

***Appropriation of Free Cash for FY08 Budget***

Chair Jones referred to Town Accountant Hagg's handouts 39A (a "with enhancements" budget) and 40A (a "level service" budget). As part of their analysis, these handouts include implications for costs in future years, as well as built-in cost assumptions. Those assumptions include a road operating override for \$2.1M (assumed to be held next year), plus \$2.5M in various increases. The new Chapter 70 money is not in here – that money will go toward reducing the gap in the current fiscal year budget.

Chair Jones asked if there were any proposals for closing the gap? Members White and Curtis then presented a proposal they had prepared ("BELMONT PROPERTY TAX FORECAST/ANALYSIS (\$000)"). Member White took the WC through the handout. He referred to 40A from Town Accountant Hagg's handout, which describes a \$1.937M deficit, if we add \$0.5M for various maintenance items that did not meet the guidelines for the Capital Budget Committee, and assuming the same amount in savings on health insurance. Members White and Curtis propose offsetting the operating budget deficit with \$1.9M from free cash, using the balance of free cash for roads and retiree health care. There would be projected operating overrides in FY09, 10, and 11 which would

result in a 33% increase in property taxes over a 4-year period. Chair Jones asked whether maintenance of computers and/or buildings were included in the proposal of the \$500K for maintenance in FY08. Member Brusch said that both were included. But we haven't seen building requests, Member Curtis added. A discussion of this proposal ensued.

BOS Chair Firenze asked whether health care cost increases are assumed in the proposal. Member White explained that it assumes 10% increase per year. Member Brusch noted that, regarding the Wellington, the debt exclusion would be in FY08, but we won't be tapping the funds in FY08 – perhaps we'd see the Wellington bill in FY10, she said. SC Member Stratford noted that in Member Curtis' proposal from last week, the assumed health care savings were large in year one (\$1M), whereas this proposal phases in health care savings. Members White and Curtis agreed that they used a "kinder phasing in method", and that the savings were "compounded" – which was also different from last week's proposal. Firenze asked about the maintenance and capital items' number: \$300K for maintenance items, small capital is \$400K – \$500K is all inclusive. If funded, is everything covered? he asked. Brusch replied that a number of school, recreation, and DPW items that were under maintenance in the Capital Budget listing (which is not yet finalized). Member Allison offered that the \$500K number may be conservative (i.e., low). Member Curtis noted that the distinction "pulse" (alive) and "non pulse" (not alive) applied here. Maintenance is non-pulse, and this proposal uses \$1.4M of free cash on pulse items, while \$.5M is the assumed savings from health care, and the remaining is for maintenance, capital, roads, etc. The proposal also suggests that \$537K of previously-proposed health insurance savings be instead split as cuts: 63% for schools, and 37% for town side – not huge for either side, Curtis said.

SC Member Stratford noted that both enterprise and light employees had been taken out of the calculations, but he inquired whether the budget includes those employees (he presumed so). It's a summary across the board, answered Town Accountant Hagg. Not in general fund budget, in total cost of community: \$10.022M is from general fund only. Stratford noted that the schools' split is not 63% of that \$10.022M.

Member Allison asked if a higher use of free cash is proposed than \$1.9M + \$800K — where will the money come from? It will have to come out of roads, said Member White. Chair Jones observed that looking out at the next several years (FY09, 10, and 11) show the need for substantial overrides. BOS Chair Firenze computed that the deficit in the 40A handout is \$1.937M, less \$332K from Chapter 70, = \$1.6M deficit now. If we applied free cash over and above, we would balance the budget if we assumed level service. Can we assume level service? he asked. The March 10 meeting implied that the school budget at level service is \$310K less, which excludes the following: full-day Kindergarten, a guidance position, and a network administrator position, offered SC Member Stratford.

Member Allison asked: Would full-day Kindergarten impact special education costs (with the one-on-one aids, for example)? Full-day Kindergarten costs don't take the special education budget into account, answered Stratford.

BOS Chair Firenze asked whether there was a WC consensus regarding using \$1.6M from free cash to get a balanced budget?

Member Doblin wasn't sure she was comfortable including the newly allocated Chapter 70 \$332K, in this configuration. Member Widmer replied that the Senate and House have agreed on this figure and Widmer feels it's "pretty solid", but we'll know for sure in the next few days. Firenze agreed that he is confident that this will happen (Chapter 70 allocation.) Member Curtis asked where to put the \$332K in the budget proposals. Retiree health, answered Jones. Which leaves \$332K in free cash, noted Member White.

A question from the audience: Gretchen McClain, Precinct 1 Town Meeting member, noted that at last week's meeting, \$3.3M was needed to close the budget gap; why is \$2.4M the number that is put forth this week to close budget gap?

BOS Chair Firenze cited revenues and expenses from Town Accountant Hagg's spreadsheet (\$1.9M deficit) minus \$800 from free cash, less \$300K from Chapter 70, amounts to a \$1.6M deficit. We could spend \$1.6M of free cash to get to a balanced budget at level service. Chair Jones agreed with this analysis. Member White offered that the deficit is close to \$3M when looking to fund "enhanced budgets". Town Administrator Younger noted what would need to be omitted in the town's level service budget: school resource officer for the police department, network administrator cost at the school (Town's share), increase in sidewalk budget, mowing Rock Meadow, cost of half time public health nurse, summer labor working on deltas & grounds, additional weekend hours at the library, and an increase in hours for Human Resource personnel.

Gretchen McClain continued that she was concerned that tax increases were not being leveled out over time. Why not put some free cash put into next year's operating budget to minimize the operating budget impact for taxpayers?

Chair Jones noted that, while it does make sense to smooth out potential override expenses, the Pavement Management requests for improving the roads needs attention. "If we don't do it now," he said. "it will continue to cost more and more – fixed capital needs costs have skyrocketed." BOS Chair Firenze wondered if a \$5.8M override for next year would even get passed?

From the audience; Anne Mahon, Town Meeting member from Precinct 4, offered the following observations: Last week's WC meeting enthused many parents to get elected to Town Meeting – those same TM parents could reject this budget if they feel the schools are short-changed. Parents remain very concerned. There are ever-rising student populations at the Butler, as per Principal MacDonald. Please come into a classroom to see 26 kids, see how difficult it is to teach and learn in a crowded classroom.

Chair Jones replied that he felt confident that kids will continue to receive a good education. Also, by the time we get to Town Meeting, this budget will have BOS and WC consensus, he said.

SC Member Stratford offered that population increases are of intense interest to many, and that the SC has bottom line autonomy to find funds if the population goes up significantly. He also noted that taxpayers were given the option to fund roads last year, and overwhelmingly they chose not to. It's curious to go contrary to the voters, he said.

Member Heigham motioned that the WC use the \$2.4M number from free cash to work with to balance the budget (i.e., for the purposes of a planning exercise only).

Motion made and seconded: All in favor, no oppose, no abstentions.

### *Warrant Articles for Annual Town Meeting*

WC discussed which articles to take action on: 5, 6, 7, 9 10, 11, 12, 13, 14, 19. Asked to have some proponents to talk about their motions.

Back to audience - McClain continued: I am very concerned about populations increasing throughout Belmont. I am also concerned also about spending \$332K from Chapter 70 that we haven't seen yet. Is it possible to hold the \$332K aside for unexpected enrollment? Chair Jones cited a reserve fund for unexpected costs that refer to schools.

Member Doblin said it was an excellent point to amend the prior motion to support \$2.7M from free cash if \$332K from Chapter 70 doesn't materialize. Chair Jones reiterated that Representative Brownsberger and Member Widmer think it's solid, but we won't use it (i.e., the \$332K) unless we have it, he said.

Donna Ruvolo from the audience noted that many parents are here and we are concerned about the town, as well as the schools. Last year's override did not pass. While there is a fiduciary responsibility to fix roads, she said, the Vision 21 exercise revealed this nugget: the quality of schools is paramount to people in Belmont. Can we, she inquired, create a budget that looks at free cash use for the enhanced budgets?

Chair Jones replied that the enhanced budgets are still on the table. Schools are important, and they're far better than mediocre, he said.

BOS Chair Firenze noted that we make cost per student comparisons – Watertown spends more – but what does that mean? The nature of the kids in Belmont contributes to the excellence in the schools. People move to Belmont for the educational environment.

Member White noted that the conversation has been about an enhanced vs. level service budget, it looks at school vs. town – this amounts to pie splitting, he said. We need to focus on how we can make the pie bigger. We need to consider the long term, best interest of schools and town. The answer is on this spreadsheet ("BELMONT PROPERTY TAX FORECAST/ANALYSIS (\$000)"). Health care and roads will eat us alive. This proposal addresses both of these concerns on a sustained and rational basis.

We need to fix health care and we need to sustain the roads. Long-term, structural changes will help schools and town, concluded White.

*Executive Session*

At 9:04, Chair Jones made a motion to go into executive session for the purpose of a collective bargaining discussion, with no plan to return to open session. Motion was seconded. Roll call vote was taken on the motion. Each member said yes. The School Committee members were invited to join the discussion.

Member Heigham motioned to come out of executive session at 9:51 (approved). Member Heigham moved to adjourn the meeting at that time also.

Submitted by Lisa Gibalerio  
Recording Secretary