

BELMONT WARRANT COMMITTEE FY08 MEETING MINUTES
FINAL
SEPTEMBER 17, 2008, 7:30 P.M.
CHENERY MIDDLE SCHOOL COMMUNITY ROOM

Present: Chair Curtis; Members Allison, Brusch, Callanan, Epstein, Heigham, Hofmann, Libenson, McLaughlin, Smith, Widmer; BOS Chair Firenze, School Committee Chair Bowe

Town Accountant Hagg, Town Administrator Younger, Assistant Town Administrator Conti

Absent: Members Lynch and Paolillo

The meeting was called to order at 7:35 pm by Chair Curtis.

Chair Curtis began the meeting by welcoming to the Warrant Committee its newest member, Michael Libenson. He then moved on to the first order of business: hearing from the Nominating Committee on its vote for WC officers.

Organization Vote for Officers

Member Widmer, on behalf of the committee, nominated Chair Curtis for Chair, Vice Chair Brusch for Vice Chair, and Secretary Allison for Secretary. The WC motioned to accept the nominating committee's nominations. The motion passed unanimously.

Minutes of Meeting 6/18/08 and 7/23/2008

The minutes of the 7/23/08 were accepted, as written, with 3 abstentions.
The minutes of 6/18/08 were accepted, as written, with one abstention.

Report on FY08 End of Year Revenue versus Projections

Town Accountant Hagg reviewed a handout and updated the WC on the town's current revenue picture, "estimating revenue based on what actually came in the door." She highlighted a few specific areas that may require adjustment: smaller fee revenue is being generated by the police department; motor vehicle excise tax is up, but the increase is not sustainable (she will therefore stay with same estimate); the estimated interest on taxes will go up to \$540K (a 40K increase), there is a PILOT payment drop in revenue (due to McLean property); and it was good year for revenues in the recreation department. Hagg added that the town's earnings on its investment is up about \$130K. Regarding free cash, it has a remaining balance of \$500,000 unspent on July 1, 2008. Hagg sent in \$2.3M for certification (this is inclusive of the \$500K), and will know by the end of September if that amount is certified. This money is traditionally applied to the following year budget, not FY09 (unless there are emergencies).

Budget Projections for FY10

Chair Curtis turned the WC's attention to a "budget projections" handout and noted that there is \$4.1M difference in what we take in and what we'd like to spend. Town Accountant Hagg added that the Chapter 70 money is the only thing increasing (14%), but that even that increase is not definite. Member Widmer: The odds are not good that the State will come through with that much Chapter 70 money. Hagg continued: The biggest expenses are salaries and benefits. The 6% health insurance increase is questionable, but the trust is healthy. She added that costs are going up across the board due to rising energy costs. BOS Chair Firenze asked Hagg if this first pass assumed a conservative level of risk? Hagg replied that she was not overly conservative on revenues estimates. Chair Curtis concluded this topic by noting that "the preservation of level

services has us at a \$4.1M shortfall - it is useful to get the numbers out early and get the discussion started on what the town and schools have to work with (e.g. the non-override picture) to start budgeting on."

Initial Town/School Split of Available Revenues for FY10

Chair Curtis: Last year, the school/town split was 56.2% percent of the total budget (school) and 43.8% (town). The WC will recommend doing the same thing for FY10. No override budget numbers are available and revenue could go down by \$700K (less the expected Chapter 70 money). Regarding the timeline, Chair Curtis stated that, on December 9, the school and town will present their available funding and level service budgets. Budget books will be distributed by Dec. 19. At that time, we will have to consider an override budget, he said. Member McLaughlin: We will need to let people know clearly what will be cut without an override - e.g. how many firefighters cut, how many teachers laid off.

Chair Curtis said that the Dec. 9 budgets will have all the information on cuts and the public will be made aware. Curtis continued: With a \$4M gap in our level service budget, the override conversation will be an important one. We need to earn the right to an override, and an initial step towards this end was to pursue the WC's "summer projects." I would also like the WC to focus on structural changes in how the town does business. There is a perception among the residents that there exists a duplication of efforts on the town/school side in the IT, Legal, HR, Buildings and Grounds, and Financial Administration departments.

Member Jones: The Government Structure committee, which is chaired by Paul Solomon, will meet at end of September to look at these sorts of issues. Among the topics the committee will analyze, BOS Chair Firenze added, are the appropriate number of BOS members, appropriate number of Town Meeting members, and the overall structure of Belmont's town government. Member Widmer: Also important is the issue of how we are managing ourselves. There is a trust issue that was raised in the general meeting that was held in the aftermath of the override failure. I would like to see the issues raised at the meeting brought to light. These are two different conversations: The government structure discussion and the issues raised by residents.

Chair Curtis: The WC is not charged with managing the town, but we are in a position to follow up on concerns of the town. We can look at areas to see what money could be saved via consolidation. The WC has the talent and initiative to advance the consolidation discussion. Member Widmer added that the WC has spearheaded very significant changes in recent years, notably health insurance. As a result, Belmont is leading the Commonwealth in saving money in this area, which makes other changes look like nickels and dimes. Member Heigham noted that Belmont's tax rate is going up as real estate values go down. Residents may feel their taxes have already been raised (to get to the same revenue). Member Bruschi: The town will need to look at doing things differently as it is going to be a difficult climate to get an override passed in. Residents want neither a cut in services nor to pay more for them. We must ask: is there another way to do that business? For example, could the Benton Branch's story hour be moved over to the Chenery library at 3:00 some afternoon. (The Chenery is a building that is already being heated.) Bruschi added that the "no override" picture needs to be realistic.

Member Epstein noted that, with revenues up by only 2% per year and expenses up 5-10%, how can we (i.e., the Town as a whole) impact a budget over which we control only 25%? Much of the budget is non-discretionary. Member Allison: Salaries are discretionary. Chair Curtis: Employees may need to be reduced to close the budget gap.

From the audience, Anne Mahon asked if the WC would prepare a budget in anticipation of ballot Question One (abolishing state income tax) passing. Chair Curtis replied no.

Chair Curtis stated that there will be some subcommittee changes (i.e., new assignments) announced next week. He added that Linda Oates submitted her WC resignation today.

Discussion of Warrant Committee Summer Projects

This will be moved to next week's meeting: 9/24/08.

Possible Warrant Committee Liaison to the Planning Board

Chair Curtis reiterated Jenny Fallon's request to have a WC representative attend some Planning Board meetings. The impetus would be to keep the WC in the loop and also to get WC feedback/input sooner rather than just before TM. The PB has found themselves surprised by the WC's reaction to zoning changes that they (the PB) have discussed for many hours. One possibility, Curtis continued, would be to provide the PB with a list of items that are likely to trigger a strong WC response. Member Allison said that it would be helpful for the PB to specifically identify a list of WC decisions that they found surprising. Member Hofmann suggested that maybe the PB could be responsible for keeping the WC in the loop on issues they're working on. Member Widmer agreed, adding that it would be helpful if Ms. Fallon came in to the WC periodically to tell us what they're looking at and to get our feedback throughout the process. This should minimize the element of surprise. He added: Historically, major issues that impact the finances in town tend to get revealed late in the game (e.g., closer to Town Meeting). The WC also would like to know about such issues sooner rather than later.

Chair Curtis said he will communicate with Ms. Fallon and summarize the WC's feedback.

Member Heigham moved that the WC adjourn at 9:24 pm.

Submitted by Lisa Gibalerio
WC Recording Secretary