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BELMONT WARRANT COMMITTEE MEETING MINUTES
OCTOBER 30, 2019, 7:30PM
CHENERY MIDDLE SCHOOL, LARGE COMMUNITY ROOM

Present: Chair Slap, Members Alcock, Dionne, Doyle, Fallon, Helgen, Lubien, McLaughlin, Read, Rickter and Weis.
School Committee Liaison Crowley.
Select Board Chair Caputo. Town Administrator (TA) Garvin. HR Director Porter.

Members Absent: Cragg, Gonzalez, Halston, Schreiber

The meeting was called to order at 7:31pm by Chair Slap who reviewed the agenda.

I-Approve minutes

- October 6, 2019: Chair Slap had some minor corrections.
Motion: To approve the October 6, 2019 minutes, as amended. Motion passed by acclamation.

II-Review Final FY19 Town Report

TA Garvin provided an overview of the report, highlighting revenue and expense items that were below projected. Overall, on the revenue side, conservative budgeting practices had resulted in \$1.9m in revenue beyond what was projected, contributing to Free Cash. Garvin would follow up with Town Treasurer Carman with respect to uncollected property taxes; and, to a question raised by Helgen on the increase in budget allocated to police licenses. Finally, the Town had turned back a total of \$1.5m in expenses.

Slap commented that it would be useful for the WC to weigh in on the revenue side assumptions for the FY21 budget and for future budgets. Any further details requested from subcommittees on the FY19 Town Report should be directed to Chair Slap and TA Garvin.

III-FY21 Budget strategy

Caputo went through a draft presentation for upcoming Special Town Meeting that provided an update on the work of the Financial Task Force II. WC members provided feedback on the presentation.

TA Garvin outlined the preliminary strategy for FY21, which was to utilize reserve funds from Free Cash to extend the previous override an additional year. This would put off an override vote to November 2020. Of the \$8.1m in certified Free Cash: \$2m was annually allocated to replenish the operating budget; \$500k to OPEB; ~\$350k for the second half of the fire pumper truck. There was an article for upcoming Special Town Meeting to transfer

\$2.5m of the remaining Free Cash to the General Stabilization Fund, but this amount was still up for debate. Town and Schools were working together on a 'belt-tightening' budget that would bring down the estimated \$5-6m structural deficit to a more manageable number, that could then be covered using remaining reserve funds; numbers for the belt-tightening budget would be firmed up by next week.

IV-Review Warrant for STM

Chair Slap reviewed the Articles for upcoming Special Town Meeting to gather consensus on which articles the WC should weigh in on. It was agreed to not weigh in on Article 5, concerning the roll-call vote bylaw; the WC would vote its position on the remainder of the articles.

V-Discussion and potential vote on STM Articles

- Article 2: Appropriation of Free Cash to pay for the fire engine pumper truck.
 - o Fallon provided context from the Capital Budget Committee (CBC): Capital Budget has remained flat in recent years and the CBC has had trouble funding large items such as this. Decision to put off half the amount was to buy time to find the optimal funding solution. Ultimately, CBC recommends to fund out of Free Cash versus out of this year's Capital Budget, in part due to numerous facilities requests in the pipeline.
 - o Crowley suggested to delay the appropriation one more year, due to current financial circumstances / pressures on the budget.
 - o Helgen commented that it would be an appropriate time to review the overall equipment replacement schedule.
 - o *Motion: That the Warrant Committee recommend Favorable action on Article 2. (Vote passed 12-1; Crowley voted no)*

- Article 3: Transfer of Free Cash to the General Stabilization Fund. The recommendation from Town Treasurer Carman was to transfer \$2.5m; Garvin explained the rationale was to demonstrate planning for the event that an override fails, in doing so sending a positive signal to ratings agencies in advance of borrowing. No formal vote would be taken tonight as the actual number to be transferred was not yet finalized.
 - o Caputo stressed the Financial Task Force II / Select Board was looking for input on whether this was a good strategy, and if so, whether the amount of \$2.5m was appropriate. Further clarity would come next week once the belt-tightening budget was more developed, hence the projected deficit would be known.
 - o There was general support for demonstrating good fiscal management, but some concerns that the amount being transferred was too high.
 - o Recognition that an ongoing guideline for transfers to the General Stabilization Fund (GSF) should be established going forward; the GSF had only been used for the override; would demonstrate good management to make transfers on a more regular basis.

- Article 4: To rescind the notice of withdrawal from the Minuteman (MM) Regional school district. Jim Gammill (Belmont representative, Minuteman School Committee (MMS)) was present. Chair Slap provided some recent updates around the matter: the Capital Endowment Fund Committee had decided to cover (if required) the ~\$472k in capital payments if Belmont were to remain in the MM network, in turn holding back the annual \$125k disbursement to the Capital Budget for several years to make up for the payment; the CBC had voted 4-0 (1 absent) in favor of rescinding the withdrawal.

WC members weighed in with their perspectives on the article.

- o *McLaughlin*: Against rescinding the notice of withdrawal: MM is most expensive vocational program in Commonwealth, did the right thing to leave in 2016, cheaper to be non-member; unknown is whether the increase in enrolment this year is temporary – once the new 7-12 School is online Belmont students will want to stay; would be committing to 50 years of over paying as a member, in addition to assuming debt, OPEB, other liabilities.
- o *Crowley*: In favor of rescinding: MM is best program in the Commonwealth; certain kids need the type of education which can't be provided in-district; enrolment has increased dramatically, school size is down – at risk of being frozen out and picture gets worse over time; alternative placements would be in substandard programs.
- o *Lubien*: In favor of rescinding: three changes since previous vote to withdraw – 1) DESE closed the cost gap between members/non-members, 2) formal recommendation from committee to study alternatives that MM is best option, endorsed by School Committee, 3) indications of higher enrolment; see the \$472k payment as an insurance premium to mitigate risk of being frozen out, gain predictability of cost structure and voice at the table (MMS).
- o *Doyle*: Against rescinding: enrolment chart is compelling not to rescind, only one data point for high enrolment (not yet a trend) – don't know what will happen once the new 7-12 School opens; MM will accept us rejoining later on (perhaps begrudgingly) because it reduces member's fixed costs; savings to be had being a non-member, can manage volatility in a way similar to SPED, reassess in a few years.
- o *Dionne*: Against rescinding: facing override, would be irresponsible to fund before override vote takes place; Town Meeting voted strongly to leave and to reject assumption of debt for the new MM school – even if circumstances have changed, strong message to be fiscally responsible; seems joining is an easier process than getting out, maintain flexibility and reassess in a few years; not same legal obligation as SPED, for e.g., priority should be to fully fund in-district needs first.
- o *Weis*: Against rescinding: fundamentally believe long term enrolment driven by demographics, not physical building or marketing; shouldn't make decision to rejoin based on just one year's data; appreciate the risk that certain kids may get frozen out, however have made cuts in other areas of schools as well because of fiscal constraints.

- *Slap*: Against rescinding: difficult decision because many unknowns, one year spike in enrolment but will this continue with opening of new schools in Belmont and Arlington?; need to wait and see whether enrolment is in fact a trend; wish that certain programs (e.g. robotics) could actually be offered in district in the future.
- *Motion: That the Warrant Committee recommends favorable action on Article 4. (Vote failed 5-8; Crowley, Lubien, Rickter, Fallon, and Read voted yes; Slap, McLaughlin, Dionne, Weis, Helgen, Alcock, Doyle, and Caputo voted no)*
- Article 5: WC had decided not to weigh in on the roll-call bylaw article.
- Article 6: Non-binding citizens petition to express disapproval of the Select Board's August 26, 2019 vote to enter into negotiations to make health insurance plan design changes under MGL Chapter 32B Sections 21-23. The WC would not take a vote on the Article tonight.
 - Dan Barry, who had sponsored the petition, gave a statement explaining his rationale for introducing the petition. Caputo responded with context from the perspective of the Select Board.
 - Some points of discussion: clarification the vote is related to the Select Board's decision to enter into the process, not necessarily the proposed changes to the plan design; how the savings from implementing plan design were to be divided between Town and employees; negotiations of plan design had to follow the MGL Chapter 32B process, could not be taken up via collective bargaining (only the splits could be negotiated at collective bargaining).
 - Comments from the public:
 - *Julia Huestis (Chenery Middle School)*: Suffers from chronic illness, increases to copays will reduce access to preventative care – not a good long term solution.
 - *Lisa Carlivati (Belmont resident, Teacher at Belmont High School)*: Shifting costs to people who get sick. Employees ask to be treated with respect, to be partners in the process of dealing with difficult fiscal situation.
 - *Ann Mahon (Belmont resident)*: Parents have called to talk about setting up Go-fund-me campaigns for teachers affected by illness. Select Board should have given more notice to employees, give them opportunity to find different jobs.

VI-Reports from Select Board, Town Administrator, School Committee and liaisons

[Deferred due to time.]

VII-Adjournment

Motion (Member McLaughlin): To adjourn at 10:07pm. Motion passed.

Submitted by
Christopher S. Henry