

**MINUTES
TOWN OF BELMONT
BOARD OF SELECTMEN
SELECTMEN'S MEETING ROOM
Wednesday, November 2, 2011
8:00 AM**

CALL TO ORDER

A joint meeting of the Board of Selectmen and the School Committee (SC) was called to order in open session at 8:06 am by Vice Chair Paolillo in the Selectmen's Meeting Room. Selectmen Firenze was also present; Chair Jones arrived at 8:09. Town Administrator Tom Younger and Assistant Town Administrator Kelli Hebert were present.

The Chair of the School Committee called the SC meeting to order at 8:06 am, as well. School Committee members present: Chair Graham, Cunningham, Lougee, Scharfman, Slap, and Vose.

Also present: Superintendent Kingston, Finance Director DiCologero

ACTION BY APPOINTMENT

Budget Issues and Process

Selectman Paolillo began by noting that while specific budget numbers were not available yet, the WC is working with the Board in framing this year's budget process. He said the Board is anxious to work closely with the SC as well. He said the Board has begun meeting with the department heads. He explained the ways in which the Board is framing its meetings with the various department heads. He said the numbers drive the policy, instead of policy driving the numbers. He said this year, they are striving to understand better the services that the departments are delivering. He used the fire department and the public works department as examples of understanding a department from the perspective of the services it delivers.

Selectman Paolillo referenced Envision Belmont's speech by Clayton Christenson on "disruptive innovation." How can a department do what it has been doing with less resources? How can it do what it does differently? Selectman Firenze said a department must ask: "whose needs are we trying to meet?" The SC, he suggested, is trying to meet the needs of the students in Belmont. He said there are two goals to consider, two questions to ask: how do we get through the current budget year, and how do we analyze the budget from a long-term perspective? The budget process, as is, cannot continue. We need a fresh start.

Selectman Paolillo said that the framework needs to be “one town, one budget.” Efficiencies can be instituted across the town and schools. He added that the “financial team” from the town and schools should meet regularly to discuss the budget numbers. He said capital needs should be included in these conversations.

SC Chair Graham thanked the Board for setting up this morning’s meeting. She noted that the SC formed a Finance Subcommittee made up of members Cunningham and Slap. SC member Cunningham began by saying that the SC intends to work collaboratively with the entire town. He said the SC would like to minimize the crisis in the budget process. He the process needs to produce better use of staff time and that more effective innovation is a goal.

He reported that the goal of the SC’s finance subcommittee was to lay the groundwork (via budget analysis) for long-term planning. The three goals were to: improve the budget process, to consider whether the SC should have a finance subcommittee (it was decided yes), and to find the metrics for the school finances. Several key stakeholders were identified in attempt to gather information. Selectman Firenze suggested that Seniors are a stakeholder that need to be brought into the mix. Selectman Paolillo agreed that it was challenging to get more broad range input across the community.

Regarding budget analysis, Cunningham said that last year’s process was reviewed. He highlighted some of the areas of concern, some of the symptoms of the problem: the SC was caught off guard, the SC only “rubber stamps” the budget, too many budgets were under consideration, the crisis was largely emotional, the school system will “cry wolf” and find the money, personality issues were playing out, and there was re-hashing of the issues.

Cunningham reviewed last year’s process, explaining that budgets were due to the WC in January, were reviewed, and then presented to TM. The allocation and split produces a separation of town and school, from the beginning.

He said the budget is revealed, communicated about, and forced into the community in January. One of the recommendations is for the SC (specifically the finance committee) to be in touch with those involved with the budget and meeting regularly with those entities throughout the fall. The components of the budget can be learned about, analyzed, and understood before the budget is presented. There is a need, continued Cunningham, to understand what this budget even means before the January cram session.

SC Member Scharfman explained that the level service and available revenue budget disputes need to be worked out earlier. SC Member Slap said that the level service definition is already being analyzed. SC Member Cunningham noted earlier learning will be helpful to the overall process.

Selectman Firenze noted that “level service” definitely needs re-defining. SC Chair Graham said that the term “level outcomes” is starting to be used. SC Member

Cunningham noted that the focus on producing comparables (in a level service budget) impedes the ability to innovate. SC Member Scharfman said it is impossible to have that kind of discussion in the middle of a budget crisis.

The second recommendation addresses that the way the split is set, almost inherently puts the school and town in “oppositional camps.” The proposal honors the reference data, but suggests that the two camps need to work on this in relation to each other. The goal is to continue to work together and to negotiate with the town. Selectman Paolillo said he agrees that the split should be a starting point and not an ending point. But, there is a need to start somewhere. Cunningham noted that this is worth exploring and that understanding the split’s history is also important and should be explored more.

SC Member Cunningham then addressed the consequences of producing both the level services and available revenue budgets simultaneously in January. The cuts to the budget become highlighted, and that has unfortunate consequences. Community input as to what should be done differently is circumvented in the process. Solving the gap becomes the main focus (override conversations inevitably arise) and the available revenue becomes the reference budget. This budget is often very conservative too. Slap added that the crisis seems premature as the available revenue estimate is often increased.

Cunningham offered that, by presenting the available revenue budget in mid-February, there will be a more accurate budget number and there will have been time to engage the community (and the WC) in the actual budget. The level service budget could then be used as the reference frame. The January-based budget causes more crisis than is necessary. This proposal gives the SC more time to engage the community about the delivery of priorities and gives the SC a more accurate budget number.

Dr. Kingston noted that this process (as outline by SC Member Cunningham) conforms to what is done in many cities, from his experience. Selectman Paolillo said that this perspective makes sense in creating an end product that works for everybody.

SC Member Cunningham offered a last recommendation, noting that there is an intention to work collaboratively across town this year. He noted that personality issues eroded the process last year. The SC is committed to making the budget process run more smoothly this year. SC Member Vose said that this is one of the main duties that the SC is charged with. She said these recommendations permit town bodies to take the appropriate responsibilities, that the roles are clearly defined.

Chair Jones said that this is what the SC used to do many years ago. He said he was intrigued by the notion of reducing staff burden. Finance Director DiCologero said he is required to go through every line item of both budgets thoroughly.

The Board discussed the recommendations (somewhat focused on the split) and expressed affirmation of the SC presentation.

Next steps include meeting again.

The Board stayed in session.

The SC moved to adjourn the meeting at 9:11 am.

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Thomas G. Younger, Town Administrator