

**MINUTES
TOWN OF BELMONT
BOARD OF SELECTMEN
JOINT MEETING WITH THE SCHOOL COMMITTEE
SELECTMEN'S MEETING ROOM
Monday, January 14, 2013
8:00 AM**

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CALL TO ORDER

A Joint Meeting of the Board of Selectmen and the School Committee (SC) was called to order in open session at 8:10 am by Chair Paolillo in the Selectmen's Meeting Room. Selectmen Jones and Rojas were present. Town Administrator David Kale and Assistant Town Administrator Kellie Hebert were also present.

School Committee Members Present: Dan Scharfman, Anne Lougée, Pascha Griffiths, Laurie Slap, Kevin Cunningham. School Department Members Present: Interim Superintendent Tom Kingston, Assistant Superintendent Janice Darias, Director of Finance Anthony DiCologero.

Chair Paolillo outlined the context for the meeting. He stated that he would like to start the annual budget process together with the SC to ensure a "one-town, one-budget result." School Department and School Committee members agreed. Dr. Kingston offered the following updates about ongoing initiatives, based on a presentation prepared by the School Committee Finance Subcommittee:

- The School Department is working closely with the Town Administrator and Assistant Town Administrator regarding the FY14 budget.
- The SC intends to generate a balanced budget as required, while also meeting new state mandates such as fingerprinting of all new employees (an extension of current background checks – a state law). Selectman Jones asked if it was possible to move to digital fingerprints.
- General Fund Town funding, it was noted, is only part of the total school budget.
- The FY14 budget calendar and schedule was outlined and key dates were highlighted.
- A \$50,000 grant is available to foster innovation, especially with regard to new instructional models and efficiency/efficacy. The SC will formally accept the gift at its next meeting.
- The SC finance subcommittee has begun the process of looking forward five years for budget priorities and directions.
- The educator evaluation system is largely in place, and Belmont's plan has been accepted by the state.
- FY14 estimates, including utilities, special education, and enrollments are continuing to be refined.

Dr. Kingston noted that with regard to budgeting, “level service” represents a continuity of the services and quality currently in place this year (FY13). Level service would represent no cuts to direct service. He informed the Board that there has been growth in student population. In fact, NESDEC assumes an additional 57 students (on top of 90 new students this year), which will create the need for additional staff at least at the Wellington and at the Chenery to retain effective “level service.” This does not constitute a “wish list” budget item. An example of a wish list item would include the funding of a new math series.

The Selectmen and Superintendent discussed some reasons that enrollment is growing in Belmont while some other local districts are shrinking. Enrollment in Belmont is projected to continue to increase. The NESDEC projections appear to be more accurate than the MSBA’s projections. Private school placement, it was noted, is impacted by fluctuations in the economy. Ms. Darias clarified that recently these enrollments have been stable.

Dr. Kingston indicated that the Selectmen will need to approve Belmont’s “Statement of Interest” to the Building Authority regarding Belmont High School. The plan is forming as a comprehensive plan, perhaps implemented in stages to meet logistical needs.

Regarding budget numbers, Dr. Kingston noted that School Department has had to limit services due to available funds not meeting needs. This is in spite of the fact that actual funding dollars have increased every year in Belmont. It is premature to predict how close this year’s available funds will come to meeting level service needs. Cooperation has been excellent, and all departments of the town have worked together well.

Regarding the long-term planning process, Dr. Kingston noted that this is happening within the Finance Subcommittee. Programmatic and capital needs are also under discussion. The Finance Subcommittee has been meeting with Warrant Committee Education Subcommittee. SC Member Cunningham noted that the Finance Subcommittee has been developing projection tools to make long-term planning more accurate and feasible. Chair Paolillo added that projections of possible debt exclusions and operating overrides should be part of the long-term plan. This would allow the town’s leaders to lay the long-term plan out for residents and town meeting members.

Chair Paolillo asked Mr. Kale to add his feedback and perspective on the budgeting process. Mr. Kale offered several insights.

First, he noted that a “granular” understanding of budget dynamics will add accuracy, although it is necessary to remember that many cost drivers are well-defined. The present level service budgets are very difficult to reconcile with limited Prop 2 ½ revenue increases. Even with restrained and modest increases, it is very difficult for a level service budget to be funded with predicted revenue increases. In fact, present levels of service decrease slightly from year to year. At this point, revenues and expenses don’t quite match up, not to mention any enhancements. We start the budgeting process with a less-than-present-level-service funding, despite the fact that dollars do increase year to year.

Mr. Kale continued: Going forward, budgets will be balanced either by new revenues or by decreasing services. The state budget does not appear at this point to provide for a bailout for FY14, e.g., there will be no increases to state aid. For communities at the 2.5 percent limit, there are few other sources of additional funds.

Mr. Kale noted that frequent conversations with the Superintendent on bridging the gap of revenues and costs has occurred. All town departments, he added, are meeting to present their budgets to the Town Administrator and his team. Mr. Kale noted that the Capital Budget Committee submissions are due this week.

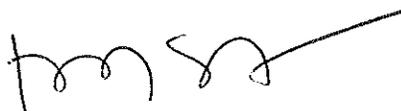
He then explained the free cash estimates for FY14, and he also reviewed the FY13 process for determining free cash. SC Member Scharfman suggested that more clarity on how free cash accumulates and also how it will be used in long-term planning will be necessary as Town Meeting deliberates in the spring.

Mr. Kale briefly touched upon other factors that impact the budget process, including utilities, Minuteman, state aid OPEB contributions, and retirement board adjustments.

Next Meeting: The Board of Selectmen has scheduled the next Budget update and Joint Meeting with the School Committee for Monday, February 4th at 5:30 p.m.

The SC will receive its preliminary budget numbers by February 5th and the budget will be submitted to the Boards on February 11, 2011. The SC will then meet jointly with the Warrant Committee on the 13th.

The Board moved to adjourn the meeting at 9:02 am.



Mr. David Kale, Town Administrator