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**BELMONT WARRANT COMMITTEE MEETING MINUTES  
FINAL**

**NOVEMBER 13, 2013, 7:30 P.M.  
CHENERY COMMUNITY ROOM**

Present: Chair Libenson; Members Allison, Baghdady, Bruschi, Dash, Epstein, Gammill, Grob, Helgen, Manjikian, Mennis (arrived at 8:17), Sarno; BOS Chair Paolillo; School Committee Representative Slap

Town Administrator Kale

Members Absent: McLaughlin

The meeting was called to order at 7:32 pm by Chair Libenson.

Chair Libenson began by turning to the first item on the agenda. He noted that the first agenda item will dovetail into the second agenda item.

***Review of Current Revenue Forecast for FY15***

The WC took a moment to review the document (distributed earlier by Mr. Kale) entitled "FY15 Preliminary Revenue Estimates".

Mr. Kale stated that this marks the beginning of the process; slight changes are expected with regard to local aid and fixed costs. He said the levy is expected to increase by \$2,407,000. He reviewed the sources of non-property-tax revenues, noting that they came in at \$6M. The revenue budget is about \$94M for FY15. New growth is estimated at about \$725K, which is higher than anticipated. Regarding state aid, it is expected to be level funded.

Mr. Kale then reviewed some of the fixed (non-variable) costs, e.g., state charges, debt service, the retirement assessment, the roads' override, and the Minuteman Assessment. He noted that it is possible that Minuteman will change its non-member agreement, such that non-member districts may need to contribute toward capital needs going forward. The consequences of this proposed change are unclear.

Mr. Kale noted there is a chance the Underwood pool may not open next year, depending on the Health Department's inspection. Should this happen, it will impact both revenue and expenditures.

***Town/School Available Revenue Budget Allocations***

Mr. Kale said that, based on the available revenue of \$78,476,000, the school budget share is \$45,453,640 and the Town budget share is \$33,022,360. Mr. Kale noted that the Town will receive 42% of the overall budget, resulting in an \$800K increase over last

year's allocation, while the School Department will receive 58% of the overall budget, amounting to a \$1.1M increase over last year's allocation.

### **Revenue Estimate Discussion**

Member Allison asked about the big projects (Cushing Village, new restaurants, etc.) that will bring revenue in, in the form of permit fees. She said if the numbers are estimated low, it will create a great deal of alarm for the school budget, for example.

Mr. Kale reiterated that this was just a starting point for FY15 revenue assumptions. He said the numbers could be adjusted upwards, but that doing so will impact the free cash number.

Member Gammill said that it was consistent with last year's approach to estimate the revenues conservatively to protect the \$2M in free cash (for operating). However, the revenues could be projected less conservatively and free cash adjusted accordingly.

Ms. Slap concurred with Member Allison and said she'd like to avoid the "found money phenomenon" whereby things look dire (esp. for the school budget) and then money is allocated at the last minute.

Member Brusch suggested that the FY13 figures get firmed up, as the actual numbers are available. She said this budget is not a "best guess" at this point. She added that presently there is not a free cash policy, but it looks like there is ample money in free cash. Having \$6.2M in free cash could be challenging during a contract negotiation year.

BOS Chair Paolillo outlined a free cash scenario looking ahead a few years, noting that free cash will eventually run very low. Member Allison said that the revenue numbers need to be defensible, transparent, and likely to occur.

Chair Libenson summarized some of the potential philosophies that are on the table regarding revenue projections and the implications for free cash ("conservative" versus "realistic"). Member Sarno said that these revenue estimates need to reflect what we really think the numbers will be (i.e., the "most likely" scenario). He added that the sources (consistent sources versus not-continuous sources) of free cash need to be considered.

The relationship of the revenue estimates to free cash was further discussed. Mr. Kale added that school and town expenditure budgets are not clearly known at this point. The process, he said, needs more time to play out.

Chair Libenson summarized that the WC would like to be transparent about what it thinks is actually going to happen (in FY15) based on observed facts. BOS Chair Paolillo asked what happens if the numbers that are being budgeted end up needing to be pulled back. He suggested that it is better to build a budget up, as money becomes available, than to build a budget down. Member Brusch said that an analysis of free cash would be very

useful.

### **Process and Timing**

Mr. Kale said that the budget numbers will become more clear as the budget process unfolds in the coming months. Revenues numbers, state aid, and cost drivers will be assessed as the process continues.

Chair Libenson reviewed the WC calendar looking ahead at the next eight weeks, noting what the goals and concerns are regarding the budget development. The WC will meet on December 11. He then reviewed the 2014 “notable” dates on the WC calendar.

### ***Approval of Minutes***

The minutes of 10/16/13 were approved, with two abstentions.

### ***Budget Deliverable Expectations (Available/Level Service)***

This topic was not addressed at this meeting.

### ***Updates: Subcommittee Status***

Chair Libenson said that the Subcommittee status reports will occur before the December break.

### ***Updates: Board of Selectman, School Committee, Planning Board***

**Board of Selectmen:** BOS Chair Paolillo noted that two bids have been received on Woodfall Road. Also, the Financial Task Force will meet on Friday, December 13.

**Planning Board:** Member Baghdady noted that the PB approved the Demolition Delay By-law (subsequently adopted by Town Meeting). Site Plan Review hearings are being held for solar panels to be placed on the roof of the Wellington School.

**School Committee:** SC Representative Slap noted that the Superintendent search process is on track and a subset of candidates will be presented to the community in early December. Contract negotiations are upcoming and related training sessions have been scheduled.

### ***Public Contributions***

There were none.

### ***Adjournment***

Member Allison moved to adjourn at 9:30 pm.

Submitted by Lisa Gibalerio  
WC Recording Secretary