

BELMONT WARRANT COMMITTEE FY08 MEETING MINUTES
FINAL

NOVEMBER 28, 2007, 7:30 P.M.

CHENERY MIDDLE SCHOOL COMMUNITY ROOM

Present: Chair Curtis; Members Allison, Bruschi, Callanan, Heigham, Hofmann, Lynch, McLaughlin, Paolillo, Oates, White, and Widmer; Town Administrator Younger, Assistant Town Administrator Conti, Town Treasurer Carman; BOS Chair Firenze, School Committee Chair Bowe, Town Accountant Hagg
Absent: Members Epstein and Jones

The meeting was called to order at 7:30 pm by Chair Curtis.

Presentation and Discussion of Initial Revenue and Expense Assumptions for FY09
Chair Curtis began the meeting by turning the WC's focus to the first item on the agenda: a preliminary view of the FY09 budget, including revenue and expense assumptions and a look at possible overrides and/or debt exclusions. Curtis acknowledged Member White and Town Accountant Hagg for the work done on the spreadsheet. Member White also thanked Town Accountant Hagg for her extraordinary efforts. He then began reviewing the handout. Although the numbers are preliminary, the revenue assumptions in this spreadsheet seem reasonable. White continued: Assumptions regarding revenue include property tax increases at 2.5%, new growth at 0.5%, and a potential debt exclusion, bringing revenues to somewhere between \$60-62M (a 4% increase). MV excise is slowly increasing at 2% a year, cemetery revenue is increasing at 10% per year (due to an increase in the sale of plots) and state aid for education (Chapter 70) will increase at 15%.

On the expense side, White reviewed the salary/wage line for school and town side. He noted that there were no retirements forecasted (retirements can typically produce a savings [school side] based on a higher step employee being replaced by lower step employee). Regarding health care, FY09 assumes a savings based on 90/10 being shifted to 80/20, but no PPO savings are assumed, and no plan design savings are assumed as well. Retirement has the standard increases. Together, these elements bring the projected deficit to \$2,759M.

Member White then turned his focus to the second spreadsheet - "Belmont Property Tax Forecast/Analysis (000)" - which is broken down into three sections: Section A: Operating Deficit, Section B: Property Tax - No Overrides and Section C: Free Cash assumptions. BOS Chair Firenze commented that the numbers are broad, and seem "shoot from the hip" in nature. Chair Curtis clarified that while the numbers may be preliminary, they are credible and "not shoot from the hip." White continued: the property tax figure amounts to 3% (0.5% from new growth and 2.5% from Proposition 2 and ½). When looking at the potential for overrides and debt exclusions, there could be a 31% increase in the tax rate over a 4-year period. Free cash is certified for \$2.9M for FY09. Possible overrides include: roads, operating budget, and a debt exclusion for the Wellington.

A short question/discussion period ensued and touched on the topics of: 1) the overlay reserve, and 2) the Assessors' ability to levy an amount up to 5 to 50% of \$800K for abatements during the year (where the remainder is released as a source of revenue). Chair Curtis will invite the 3 elected Assessors to a future WC meeting to discuss issues relating to overlay and abatements. Regarding overrides, BOS Chair Firenze suggested that voters should get to see all three on a ballot and then vote on each one (i.e., separately). Town Administrator Younger said that he will receive town budgets (level service) on Monday, and the school budget should come in the second week of January.

Chair Curtis concluded this portion of the meeting by stating, "The question of free cash and what to do with it, will be with us for a while . . ."

Wellington School Update

Member Brusch was pleased to announce that there was good news today from the MSBA (Massachusetts School Building Authority) board. The MSBA announced a list of school projects that will be allowed through the pipeline to the "feasibility phase" - and the Wellington school made this list. Brusch continued: the State has \$500M allocated for this fiscal year and will have \$500M available for the next fiscal year to spend on all school-related projects (i.e., State-wide). In placing Belmont on the list, the MSBA recognizes the real need for the Wellington project, recognizes that Belmont is far enough along in its process to be moved forward, and shows that it [the MSBA] is committed to working with Belmont.

At some point in the near future, the MSBA will attend an "open meeting" in Belmont. This meeting will include the School Committee, members of the BOS, members of the Finance Committee, as well as the public. One reason for the MSBA to hold this "open meeting" is to get a sense from the general public whether the people in the town are "committed" to this project.

Brusch also emphasized that the MSBA will only pay for educational necessities (and then only up to 40% in Belmont's case) - they will not finance non-educational extras, such as a new swimming pool, for example.

Member Widmer added that the State approved 83 projects to the feasibility phase, but that some communities won't pass their debt exclusions, so not all 83 projects will get done. Several WC members were concerned about how the timing of State commitment related to the passage of a debt exclusion - could the State commit to this project before the voters passed a debt exclusion? would they? Brusch replied that yes, the State could and might do so, but this is why they (i.e., the State) want to get a good sense (during the open meeting) of the Town's commitment to the undertaking.

Regarding a debt exclusion, Brusch reminded the group that we do not yet know the possible timing of a debt exclusion (the Town needs State approval before it can place a debt exclusion on the ballot) - but that she's not giving up hope of getting this on the ballot as soon as April 2008.

Chair Curtis and other WC members enthusiastically commended Member Brusch on her amazing work on this project.

Other

Chair Curtis noted there was no news from Town Counsel regarding the questions put before it from the WC (i.e., from the last meeting).

Minutes of 11/14/2007 Due to the need for further corrections to the 11/14/07 minutes, they were not approved. A new draft of the 11/14/07 minutes will be sent to all WC members and review of these amended minutes will take place at the next WC meeting: 1/2/08.

Member Heigham moved to adjourn the meeting at 9:00 pm.

Submitted by Lisa Gibalerio
Recording Secretary