

**THE MINUTES  
OF THE  
WARRANT COMMITTEE MEETING  
February 12, 2003**

Chairman Widmer called the meeting to order at 7:38 PM.

Members absent: None

Also present: Town Administrator Melvin Kleckner, Selectman Anne Marie Mahoney, Selectman Paul Solomon, Town Accountant Barbara Hagg, Town Treasurer Susan Kendall Freiner, School Director of Finance and Administration Gerry Missal, the Board of Assessors, Assessing Administrator Robert Reardon, Town Meeting Member Jonathan Green, Capital Budget Committee and School Committee Member Scott Stratford

*Handout(s) given out tonight:*

- (1) Municipal Vehicle Policy and Inventory February 10, 2003 memo from Mel Kleckner
- (2) FY2003 Snow Accounts update from the Belmont Highway Department
- (3) Quarterly Tax Billing presentation by Treasurer Freiner
- (4) Planning issues related to the budget February 9<sup>th</sup> email from Selectman Brownsberger

***Quarterly Tax Billing***

Treasurer Freiner gave a presentation regarding Quarterly Tax Billing (*Handout 3*). Her main concern for necessitating this discussion is the Town's cash flow. The Town does earn some yearly investment income (a little over \$50K), but cash flow fluctuates between positive and negative throughout the year. Some advantages to quarterly billing are: stabilizing cash flow, avoiding RAN borrowing, and maintaining the Town's Aaa bond rating. Drawbacks include: increased costs to the Collector's and Assessor's office, bill confusion, increase in abatement requests, and an impact on June 30's overlay amount.

The Massachusetts laws do allow for quarterly tax billing (see Handout 3 for timeline). Treasurer Freiner informed the Committee on problems with the current Massachusetts General Laws (MGL) quarterly schedule and proposed a quarterly schedule for Belmont's needs listing the required steps necessary to go forward with quarterly tax billing. She then mentioned alternatives to billing quarterly and the financial impact of making this change in Belmont.

Mr. Reardon discussed the overlay account explaining how it is derived and how it will be calculated if using the quarterly cycle. As far as this year goes, the Assessor's Office can get the bills out in February in order to speed up cash flow a bit. Workload will be

more for both offices with quarterly billing but that will primarily be at certain times of the year.

Member Morley and Member Heigham (both members of the General Government Subcommittee) agreed Treasurer Freiner and Mr. Reardon have come up with great alternatives to the current cash flow position. Member Morley recommended the Town goes forward with quarterly tax billing. She also agreed with Treasurer Freiner and Mr. Reardon the Town begin this in FY05 due to pursuing Home Rule with the State. Member Heigham concurred with Member Morley.

Member White clarified the schedule of bills and when they would be distributed to the residents. July's bill would be 25% of the prior year's bill, while the remaining three bills would be based on an actual amount.

Selectman Solomon questioned Treasurer Freiner if the total cost of changing to quarterly billing would be less than \$10K. She agreed, and Mr. Reardon added there could be a small increase in getting the deeds from the Registry. Selectman Solomon also asked Treasurer Freiner what would be the best way to educate the public on the financial impacts of quarterly billing. It was suggested this presentation be given at Town Meeting. Treasurer Freiner also talked of the \$195K cost in the presentation was a worst-case scenario. Chairman Widmer clarified what will be saved is much more than what will be spent in changing to quarterly billing.

Member Heigham remarked roughly half of the homeowners have their taxes included in their mortgage so that they would not even recognize a change. Treasurer Freiner agreed.

The Committee discussed with Mr. Reardon how other communities have handled this change. He reviewed this issue with many peers and State House officials and affirmed the Home Rule petition was the way to go.

- *Member Flewelling made a motion, Member Hofmann seconded said motion, and it was unanimously voted to accept the recommendation of the Board of Assessors and Town Treasurer to change to quarterly tax billing.*

### ***Acceptance of Minutes***

The Committee discussed and the minutes of the January 15, 2003 meeting.

- *Member Heigham made a motion, Member Hofmann seconded said motion, and it was unanimously voted to accept the minutes as amended of January 15, 2003.*

The Committee discussed and the minutes of the February 5, 2003 meeting.

- *Member Heigham made a motion, Member Hofmann seconded said motion, and it was unanimously voted to accept the minutes as amended of February 5, 2003.*

## ***FY04 Status***

Town Accountant Hagg presented the FY03 Snow and Ice memo (*Handout 2*), which lists the amounts through Monday February 10<sup>th</sup>. Member Brusch asked that Highway Superintendent Castanino be thanked.

Selectman Brownsberger noted the Board of Selectmen is very concerned to put in place a multi-year budget (*Handout 4*). He would like to tack down some various costs in order to pull together the big picture. Things will be coming together the week of February 24<sup>th</sup> due to waiting for the State, and on March 1<sup>st</sup>, will be a major budget meeting with the School Committee. Selectman Brownsberger expects to have the big picture pulled together before the March 6<sup>th</sup> Budget Meeting. **Chairman Widmer requested the Warrant Committee attend the March 1<sup>st</sup> Board of Selectmen/School Committee budget meeting. It will be at 9 am in the Chenery Middle School Community Room.**

Member Miller asked Chairman Widmer if the State budget will be presented by February 26<sup>th</sup>, and Chairman Widmer responded the Governor was only granted one month's extension, so yes it will be ready by then.

Chairman Widmer and the Committee discussed whether to meet on February 19<sup>th</sup>, and it was decided **there will be no meeting on February 19<sup>th</sup>**. Member Brusch asked if Chairman Widmer could request from Town Counsel and/or the Town Moderator if Town Meeting could approve a budget with a second article of "If there were an additional \$XXX, then it will be applied to..."? Town Administrator Kleckner will be checking with Town Counsel and/or the Town Moderator on that issue.

Town Administrator Kleckner reviewed his memo with the Committee regarding the school allocation formula (previously distributed for the February 5<sup>th</sup> meeting). What he has done is assumed: (1) the relative allocation of funds is equitable and would carry forward to next year, and (2) taking things off the budget to make sure we are not counting things that should not be counted such as: water/sewer, projects covered by the debt exclusion, etc. He remarked there was a "pure error" made in the debt exclusion costs taken out of the pie. Around \$300K of health insurance costs the Town had previously assumed, they asked the School Department to share. He chose not to make any further adjustment to the formula.

Member Hofmann clarified the allocation passed was 52% (Town) / 48% (School). With the health insurance error, he wonders if there are other issues the Town needs to review in case of error. He thinks the total cost of the Schools needs to be determined because it's misleading during the planning and budgeting process. Member Hofmann would like to know what it costs to run the School System. Member Oates agrees and affirmed she doesn't see where the Committee is seeing where all the real costs are located.

Member Curtis noted we should look at what every Town department needs because we need to allocate scarce resources carefully. He affirmed that as long as we know what the assumptions are, we can use the formula accordingly.

Member Brusch remarked that what it essentially says is \$400K is missing from the Capital Budget, and that \$400K went into operating. We've worked hard to not shift funds from capital into operating in the last few years. She is concerned since all the capital needs are tremendous, and she is bothered with departments losing staff. Her real concern is that the Capital Budget has decreased \$400K and the School's operating has increased \$400K, and while the Schools need it, things everywhere are scarce this year.

Mr. Stratford commented on there are a lot of aspects of what should be, but we need to focus on what is included in the 52/48 formula. He clarified with Town Administrator Kleckner some points of his memo. He commented the Capital Budget spending has increased. Town Administrator Kleckner clarified his point in his memo that in the past, it has not been credited properly. So when he says a refined formula should be used, that was primarily the difference. This is not a new \$600K in the Capital Budget but has not been previously contained in the formula.

Town Accountant Hagg offered to provide Member Hofmann a copy of an End of Year School Report completed each year with allocations of Town departments to the School. This would help clarify the School's actual costs captured each year.

Mr. Missal noted there are no local costs for retirement for teachers. The Massachusetts Teachers Retirement System is funded by the State. The only pension costs are non-teaching secretaries and custodians. Because of the problems budgeting health insurance in the past few years, the School Department is looking at those costs much more closely this year. In adding positions or calculating attritions, pension costs are factored into the School budget. He further discussed comparative per pupil costs.

Member Heigham clarified that teacher's pensions are paid for by the State, but their health plans are covered locally until age 65.

Member Kobus asked what Town Administrator Kleckner was proposing to the Committee. He responded that he is not proposing anything; this memo was merely a clarification of the formula. He noted you would see the School budget different due to the late-breaking State Aid issue. It has nothing to do with the formula allocation.

Chairman Widmer summarized the issues on this topic with the Committee. Member Miller responded that operating schools is an important function of the municipality. It is not practical to put the Schools against the Town. She also mentioned salary increases that were bargained when the State was in a different position that it is now. It was not until a year after the contract was bargained that the economy "tanked." Belmont is still in the middle for salaries in the State. It may be that Belmont does not want to stay there. As a School Committee, we have decided we can never be the top, but we've been where we are for years. She also took a moment and clarified Needham's contract. Member

Miller noted our School Department, as is compared to the rest of the State, is slowly moving down the list of schools for the per pupil funding. It is an accurate representation as to where we are in respect to the State. We were at 140 in the State, and now we are at 169. She is not suggesting Belmont come up with enough money to pull us up to the State average. Belmont has to decide what it wants. We cannot cut \$400K out of the School budget and retain the level of services currently within the School Department.

Member Flewelling mentioned he has always been led to believe there are things not included in Belmont that are included in other costs. Mr. Missal answered that is a myth, and Belmont is compared as apples to apples with other towns.

Member Oates asked who tracks the users fees and how has those numbers changed in the past few years. Mr. Missal answered the responsibilities of the Director of Student Activities tracks those numbers and chases down fees. It is easier to collect for Athletics than Student Activities though. She asked for specific numbers of user fees. Mr. Missal answered for this year about \$150K with a slight increase for next year. Last year, before the increased rates, about \$126K was collected. Member Oates pointed out she has not been asked for fees for her child yet this year, so the fees are obviously not being shared equitably.

Member Callanan noted no matter what we decide through public discussions, that if we talk about the formula, we need to be clear as to what is being presented and what those numbers represent. Selectman Brownsberger views the Town Administrator's recommendation as a great starting point, but not to get hung up on the formula because it is only a starting point.

Chairman Widmer noted what is important is to surface the trade-offs because we will be sacrificing a lot this year.

### ***Cost-cutting Initiatives***

This item has been moved to the February 26<sup>th</sup> meeting. Member Brusch asked for the cost-cutting initiative subcommittees to bring their reports about their topic to the next meeting.

### ***Other***

Chairman Widmer informed the Committee that Town Administrator Kleckner would like to add an update on collective bargaining issues to tonight's agenda. With sixteen members present, Chairman Widmer then took a roll call vote to enter into Executive Session at 9:31 pm.

- *Member Flewelling made a motion, Member Heigham seconded said motion and the Committee took a unanimous roll call vote to enter into Executive Session for the purpose of discussing collective bargaining issues.*

- *Member Flewelling made a motion, Member Heigham seconded said motion and the Committee unanimously voted to return to regular session.*

The Committee returned to regular session at 9:47 pm.

Member Flewelling made a motion, and it was unanimously voted to adjourn the meeting at 9:47 PM.

Respectfully submitted,

Kristina E. Frizzell

Recording Clerk