

- **Belmont Warrant Committee Meeting Minutes**  
- **FINAL**  
- **February 25, 2009, 7:30 p.m.**  
- **Chenery Middle School Community Room**

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- Present: Chair Curtis; Members Allison, Brusch, Callanan (arrived late), Heigham, Hofmann, Libensen, Lynch, McLaughlin, Millane, Paolillo, Smith, Widmer; BOS Chair Firenze, School Committee Chair Bowe

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- Town Administrator Younger, Assistant Town Administrator Conti, Town Accountant Hagg, Treasurer Carman

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- Members Absent: Epstein

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- The WC meeting was called to order at 7:35 pm by Chair Curtis.

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- Chair Curtis began the meeting by turning to the FY09 cuts in local aid. He said the WC would also discuss the timing of the FY10 budget.

- ***Discussion of FY09 Cuts in Local Aid***  
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- Town Accountant Hagg: The town lost \$270K from the mid-year 9c cuts. The hiring freeze has helped the town side with mid-year “savings” to offset their share of the \$270K, which is \$127K. Member Brusch noted that \$500K was held over from free cash for FY09 and this is a perfect example why money is held over. She noted the town absorbed all of the new growth money last fall – it wasn’t split between town and school – so maybe we should not split the \$270K. Member Allison asked about special fund accounts. Are there positive balances in those accounts that could be taken down to zero? All revolving funds should be looked at, she said. Chair Curtis noted that the town side has produced \$125K savings, which leaves about \$150K to be covered. We could use free cash for this, he said. Member Paolillo asked about the budget reconciliation to date. Town Accountant Hagg noted that the snow fund is about \$300K over budget so far, with more bills coming in (and more snow expected). The reserve fund will need to be replenished (most likely from free cash) to deal with the snow budget. There is \$190K remaining in the reserve fund, she said. However, Chair Curtis pointed out that the WC last month had appropriated \$100K from the reserve fund for the Wellington building committee and will ask TM to restore that \$100K back to the reserve fund from the Kendall insurance fund. So there is actually a little over \$90K presently left in the reserve fund.

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- Regarding the money that remains in the revolving funds that Member Allison inquired about, Town Accountant Hagg said: there are five revolving account funds which are gifts and can’t be used in the general fund. That money is restricted. SC Chair Bowe asked about the federal stimulus money. The response was that those funds are

narrowly marked for some particular purpose, and it is unknown when and how much the stimulus money will be, as well as the fact that the stimulus money is project-related e.g. building envelope and road projects. Member Widmer did note that there is a billion for education, but that the state will control the distribution of that money. It could go to communities that are under foundation level, and Belmont is above foundation level.

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### ***Continued Discussion of FY10 Budget and Timing***

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- Chair Curtis: \$37,895,000 is the number allotted for school spending (which is \$600K less than expected) and \$29,534,000 is the number allotted for town spending. I would like to know what will these numbers mean for town and school budgets. I would like this for next week, if possible.

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- Regarding the issue of when to do the budget, the WC unanimously opted to present the budget in June. The BOS voted on Monday to do a “a contingency or probable budget” in April. The WC had lots of reasons for presenting the budget in June. There is \$1.3M of unallocated free cash, some of which may go toward gaps in the FY09 budget (\$110K) and/or snow budget shortfalls (\$250K). However, the BOS voted not to apply any more money to FY10. Chair Curtis explained: of the \$2.6M in original free cash, \$800K was applied for the FY10 budget, which leaves \$1.8M in unallocated free cash. The WC believes that \$500K of this should be carried it over for FY10 in case there is a problem in FY10. This leaves \$1.3M in free cash that has not been assigned. The BOS wants to hold that \$1.8M (\$1.3M + \$500K) in reserve. Chair Firenze stated that the BOS is concerned about the budget in FY10. We are not comfortable with estimates, he said, and want to have the full amount available for potential future shortfalls. Member McLaughlin said to forget about any override with \$1.8M in free cash. Member Bruschi: FY10 will be a lean budget and the money saved in FY09 can’t be saved again. Chair Curtis said that the budget should be presented in June, as there are enough moving pieces – including free cash. TM may want to debate whether the \$1.8M being held is too much.

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- BOS Chair Firenze: The level service budget has a \$5M gap; we can narrow that gap by applying some free cash. Another way is by aggressively reducing spending. The sense of the BOS is to be aggressive in preparing the FY10 budget. We are expecting that revenue won’t be met and that the \$1.8M could be needed in FY10. Member Widmer: we need to analyze potential shortfalls, but it is difficult to make an informed decision without knowing the variables. Member McLaughlin: it may lessen the override amount if we use some of this money. BOS Chair Firenze: the Board wants the use of free cash to be conservative, to cover worst case scenarios that have a high probability of happening in FY10. Regarding the timing question, we want to present “a contingency or probable budget” at April’s TM, so that a discussion could take place with the reaction of TM members. We are not proposing that this will be a complete budget. The BOS is unanimous that the override presented will be an override for an amount that has the highest probability of passing – but probably not higher than \$2.5M. Member Widmer: I understand the need for a TM discussion, but we generally don’t discuss

budgets and then table the vote. Chair Curtis: the WC ought to present an “available funds budget” for TM, and June seems optimal.

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- Member Allison: FY10 is an uncertain year and there could be dramatic cuts in state aid. It may be prudent to have as many reserves as possible. Early cuts can be planned for, mid-year corrections are difficult. Member Bruschi requested a joint meeting of the BOS and WC. We need to come together as to how to proceed; we must decide what to do with the free cash.

- Member Paolillo offered that the WC could present two substantive budgets: an override and a non-override (available funds). Member Smith added that the two budgets – override and non-override – must be clearly detailed. Chair Curtis agreed, adding that, if the override amount was \$2.5M, we would need to inform voters precisely how the override money would be spent. Chair Firenze: Why not make the best possible guess with the information at hand in April? We can get a reaction and put the budget together from there. Member Widmer: Because we have an unusual number of variables at play this year and we will know more in June. It is not responsible to present in April two budgets based on what will be better known in June. The WC has the responsibility of presenting to TM the best budget. This is a serious responsibility and we need information around which to build a budget. June will give us the best possible budget.

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- Member Allison: A big concern about this budget is the salary increases that are not seen anywhere else. It is troubling – as this is not sustainable. This budget is a “budget in a bubble.” She added that as part of our role in informing the discussions, we need to obtain accurate information on what those numbers are – including base raises, steps, longevity, and whatever name is applied – and calculate a weighted average. Member Widmer concurred that calculating weighted average for salary increases was the correct methodology. Chair Curtis: letters have gone out to town unions regarding a “salary maintenance plan”. If something were agreed upon, it is likely to take place in June, rather than April. This is yet another one of the “moving pieces”. Next week, Curtis continued, I want to hear from the town and schools what it means to budget to the current available funds. Minuteman will be here next week (Mr. Younger advised the WC to read through the Minuteman packet), and I am inviting the BOS to this meeting as well.

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- Member Paolillo asked Chair Curtis for an update on how the Committee that looks to changing the way the town does business (or re-engineer how we deliver services) is doing. Chair Curtis replied that it is moving along and has been a learning experience. BOS Chair Firenze added that the department heads are hearing a unified voice from this committee that structural changes will be required; the status quo is not sustainable.

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- ***Minutes of 2-11-09***  
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- The minutes of 2/11/09 were approved with a small amendment. Two members abstained as they were not in attendance at the 2/11/09 meeting.  
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- *Other*

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- Member Heigham moved that the WC adjourn at 9:26 pm.

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- Submitted by Lisa Gibalerio

- WC Recording Secretary