

# **THE MINUTES OF THE WARRANT COMMITTEE MEETING FEBRUARY 4, 2004**

*Handout(s) given out tonight:*

1. *Salary Summary Sheet memo dated February 2, 2004 from Town Administrator Kleckner*
2. *FY 2005 Public Works Reorganization Position Cost/Savings memo dated January 26, 2004*
3. *Belmont Police Department Fiscal Year 2005 staff spreadsheet*
4. *TOB's Comparative Operating Statements for the six months ending 12/31/03*
5. *Minuteman Regional School Fiscal News for Town Officials dated January 12, 2004*
6. *Proposed Minuteman Regional High School Budget for 2004-05 dated January 2004*
7. *Belmont Public Schools January 28, 2004 memo to the Capital Budget Committee*

Members absent: W. Flewelling and W. Hofmann

Also present: Selectman Paul Solomon, Selectman Anne Marie Mahoney, Town Administrator Mel Kleckner, Town Accountant Barbara Hagg, School Director of Finance & Administration Dr. Gerry Missal, Fire Station Building Committee Chair Bob McLaughlin, Fire Station Building Committee Bill Webster, and Treasurer Susan Kendall Freiner

Chairman Widmer called the meeting to order at 7:41 PM.

Chairman Widmer welcomed newly appointed member Jim Fitzgerald to the Warrant Committee.

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

The Committee discussed and the minutes of the January 14, 2004 meeting.

- *Member Stratford made a motion, Member Heigham seconded said motion, and the Committee unanimously voted to accept the minutes of the January 14, 2004 meeting.*

### ***Financing Fire Stations***

This is a continuation of a discussion from last meeting pertaining to the length of the bond financing for the fire stations. Selectman Brownsberger summarized the Board of Selectmen's earlier discussion regarding the appropriate length of financing. The sense of the Board was to go somewhere between 10 to 20 years, since it is a longer-life project.

Mr. McLaughlin said we are getting near the preliminary plans. By the 19<sup>th</sup>, we will have a cost estimate done by an outside firm. We are here tonight for the discussion of the length of the bond issue. At Town Meeting, Treasurer Freiner said the net cost would be \$97/household. When you start pulling it back over 5 or 10 years, it may be disastrous.

Chairman Widmer reminded the Committee we would have a bigger discussion that includes the Capital Budget Committee at our February 25<sup>th</sup> meeting.

Selectman Mahoney mentioned there is interest in buying the Waverley Fire Station property. If the public knew the proceeds would go towards the financing amount, the override may have a better chance.

Mr. McLaughlin asked if we owed back the \$1.5 million to the Kendall Insurance Fund. Treasurer Freiner said we would borrow for that.

Member Brusch said since the debt exclusion does not include a definite cost, would it be possible to do a short-term borrowing and use the sale proceeds to pay down the BAN's. Treasurer Freiner said we could do it if that is the only project we are contemplating at that time. Member Brusch added that we need to decide on that part before the debt exclusion is definite.

Vice Chairman White said a long-term recommendation cannot be made unless we know the long-term capital projects on the horizon. What does the tax rate look like at five years versus ten? Are there other projects coming on board in five to 10 years? Before we dismiss the five year option and the 7.2% increase, we have to be saying, "What else are likely to finance in that five to ten year period? (Possibly the Wellington)"

Chairman Widmer said one could make the argument if you had layers of 20 year bonds it would be more palatable? Vice Chairman White answered more palatable, but more expensive.

Member Schafer thinks that if we pay equal principal amounts, we could sell the properties and use that to underwrite the cost of the fire stations in the later years to keep the tax rate level. Treasurer Freiner answered there are variable ways to structure the bond if you don't do the maximum. Town Accountant Hagg replied a more stable debt service is better. We want to keep it level. Member Schafer broke down her points: to keep the impact on the tax rate level, and if we bond for very long periods of time (20 years), it costs us more money than bonding for a short period.

Member Curtis thinks the projects have a long political life. The fire stations are needed, and the community is unified about this need. In order to find out what is on our horizon for the next 10 years would take a long time to get agreement within the community.

Member Heigham said we cannot ask the community to put a tax burden of over \$300 per year, especially since the last vote barely passed. Member Hobbs is concerned that debt service on a five-year financing would preclude the issuance of debt for other projects

during that five-year period. Selectman Brownsberger added his concern that we are then telling the voters this is now the new standard of project financing. Bonding the project for a longer term gives the voters more options of financing future projects, and it is more likely to pass.

Member Curtis said there is the notion it was sold to Town Meeting on \$130 per year, and there is a lot to be said for coming in around that amount. Chairman Widmer asked the Committee if there is a consensus on the longer term.

- *Member Heigham made a motion, Member Hobbs seconded said motion, and members: Widmer, Brownsberger, Curtis, Stratford, Hobbs, Schafer, Callanan, Tillotson, Heigham, Oates, Bruschi and Kobus voted to **recommend** the 20 year financing to the Board of Selectmen.*
- *Members White and McCormick voted to **not recommend** the 20-year financing.*
- *Member Fitzgerald **abstained** from said vote.*
- *Members Flewelling and Hofmann were absent from said vote.*

### ***Update on Oil Spill***

An ad-hoc Committee has been created in dealing with this topic (Members Bruschi, McCormick, Hoffmann, Stratford). They will be ready by next week's Warrant Committee meeting to discuss the possible funding sources to cover the costs of the oil release at the Burbank. Member Stratford said the school has had an engineer inspect the Winn Brook School oil tank that was installed in the same time frame as the Burbank and the return pipe has been identified as having a similar problem as the Burbank (without any holes). There is a cost of \$12K - \$15K to replace this pipe that will be absorbed by the school's current year operating budget.

Town Administrator Kleckner informed the Committee of an agreement with National Environmental Services. This is the company that has been dealing with the oil spill. The Board of Selectmen voted to go into session, voted to sign the contract (and did so), and then voted to go adjourn.

### ***Legal Expenditures***

Chairman Widmer said the discussion would be focused on \$113K in settlements approved by the Board of Selectmen.

- *At 8:23 PM, Member Stratford made a motion, Member Bruschi seconded said motion, and the Committee voted by majority to go into Executive Session to discussing legal settlements.*
- *Member Heigham abstained from said motion.*

The Committee resumed regular session at 8:47 PM.

### ***Initial Subcommittee Comments on 2005 Budget***

Chairman Widmer questioned the Committee when the Subcommittee reports are due. Member Brusch said Subcommittee oral reports would begin on February 25<sup>th</sup>, March 3<sup>rd</sup>, and March 10<sup>th</sup> if needed. The written reports are due March 10<sup>th</sup>. (See the schedule dated September 25, 2003.)

February 25<sup>th</sup> – Department of Public Works

March 3<sup>rd</sup> – General Government, Library, Culture & Human Services

March 10<sup>th</sup> – Public Safety, School

Member Hobbs thinks we should think about Town generated fees (i.e., Library book fines) going into the General Fund to be shared with both Town and Schools. The School Department retains their fees in revolving funds. Member Brusch mentioned the COA will be requesting a revolving account for their funds. The Recreation Department is also revisiting their fees. They are trying to figure out how much they need to raise their fees to really cover their costs.

Vice Chairman White thanked Town Administrator Kleckner and Assistant Town Administrator Munro for the new budget format. He particularly likes the idea of having objectives for each department. He asked if there is a staffing summary for each of the major departments. He pointed out there is a summary of financials, but not of staffing per department. Town Administrator Kleckner said it is created and will be available shortly.

Member Schafer and the Committee also thanked Town Administrator Kleckner, Assistant Town Administrator Munro, and the Department Heads for working together on the new budget format.

Chairman Widmer asked Town Accountant Hagg if the Committee could see the loose pieces from the pro-forma to now. Town Accountant Hagg agreed she would bring those big pieces together for the Committee.

### ***Other***

Member Heigham made a motion, and it voted unanimously to adjourn the meeting at 9:10 PM.

Respectfully submitted,

Kristina E. Frizzell

Recording Clerk