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**MINUTES
TOWN OF BELMONT
FINANCIAL TASK FORCE
SELECTMEN'S MEETING ROOM
Friday, January 23, 2015
8:00 AM**

CALL TO ORDER

A regular meeting of the Financial Task Force (FTF) was called to order in open session at 8:10 a.m. by FTF Chair Paolillo in the Selectmen's Meeting Room. Town Administrator David Kale was present; Assistant Town Administrator Phyllis Marshall was not present.

FTF Members Present: Superintendent Phelan, Mr. Tony DiCologero, Mr. Charles Laverty, Mr. Daniel Dargon, Ms. Anne Marie Mahoney, Mr. Paul Lisanke, Ms. Laurie Slap, Mr. Floyd Carman, Mr. James Tzouvelis, Ms. Laurie Graham, and Ms. Anne Helgen

Members Absent: Mr. Charles Clark, Mr. James Conroy, Mr. Angelo Firenze, Mr. Andrew Levin, and Mr. Justin Amico

Chair Paolillo summarized what the FTF has accomplished in the past few weeks; he also reviewed the morning's agenda. The reports, he said, are finished; the findings and the recommendations are ready to be reviewed. While the first phase of work is completed, the FTF will continue its work. The recommendations are ready to be voted on and that could happen today or the vote could be deferred as well. The Board of Selectmen will meet on Monday morning to hear the findings and recommendations of the FTF. The Board will need to take a vote on the recommendations, including the possibility of placing an override on the April ballot.

Chair Paolillo thanked the FTF for its efforts over the past year and for creating excellent reports.

Review: Executive Summary Report and Final Reports

Mr. Kale began with the membership of the FTF. The working groups are made up of the following: Education, Revenue Opportunities, Capital Projects, Town Government, and Financial Projections.

Education

Superintendent Phelan summarized the key findings of the Education Working Group, which include the need for additional staff in response to increased enrollment and the social/emotional learning needs of the student body. He detailed the specific places where additional staffing is needed (20 positions over the next three years) including the staffing that is mandated by the state to address non-English speaking students.

He noted that aligning budget expenditures with key areas of the FY15 shortfall is a goal. He explained the current shortfall, noting that these are bills that must be paid in order to deliver

services to students that must be delivered.

The final recommendation pertains to space needs due to increased enrollment. The system is on the verge of requiring temporary modular classroom space, with the imminent need for permanent classroom space. He noted that space is a real and concerning issue, short and long term.

Chair Paolillo raised the topic of new development (e.g., Uplands and Cushing Village) adding to the enrollment numbers. He asked about the space potential at the high school. Superintendent Phelan spoke to the possible expansion opportunities across the elementary, middle, and high schools. He said that there is a “space” task force exploring all of these issues.

Revenue Opportunities

Mr. Carman reviewed the members of the working group and summarized the key Revenue Opportunity findings and recommendations:

- Cellular Antennas – Belmont is currently getting revenue
- Parking fee changes – will result in \$50K of additional revenue (to cover current expenses), and a Parking Management Plan for Belmont Center will be implemented
- Maximize and combine revenue opportunities for the Recreation assets (e.g., the town pools, rink)
- Sell town-owned land (Woodfall Road, Pleasant, Mill, and Orchard Streets)
- PILOT programs – are being pursued and will continue to be pursued
- Hire a Recreational Manager to manage town and school programs, facilities, and fields
- Create a field management task force for all field stake holders

Mr. Carman explained the Parking Management plan for Belmont Center.

Capital Projects

Ms. Mahoney summarized the Capital Projects key findings. The focus, she said, was two-fold: analyzing the annual capital budget (pay as you go), and assess the outstanding capital needs.

She reviewed the funding of the annual capital budget, noting that it needs to be increased to \$3M. The requests include updating necessary equipment items, which impact safety.

Ms. Mahoney reviewed the capital projects that have been addressed, e.g., two fire stations, the Senior Center, Wellington School, Harris Field, etc. Projects that are currently in process include the Underwood pool, the Light sub-station, Trapelo Road, Belmont Center Reconstruction, etc.

Capital projects (which require a viable location and funding) that still need to be addressed:

1. BHS - \$70M – location is identified, but the expense is huge, and the MSBA process

- is hard to predict
2. Incinerator site - \$2M
 3. DPW - \$28M
 4. Library - \$18M – the timing of the state grant funding is unclear
 5. Police Station - \$20M, location is unclear

She noted that recommendations include increased funding for roadway improvements (\$300,000), sidewalk repairs (\$200,000), and increased funding to the Capital Budget through increased bonding capacity - \$120,000 in FY16 and an additional \$120,000 in FY17. She added that there are many other items on the horizon, e.g., the cost of modular space for the schools, elementary school upgrades (not Wellington), the rink, and various equipment upgrades.

Ms. Helgen suggested that Minuteman be included as an imminent capital project. Chair Paolillo summarized the possibilities concerning the capital costs associated with Minuteman: a new facility, a renovation, or a series of repairs.

Chair Paolillo noted that the infusion of money into the Capital Budget is needed but doesn't address the larger capital needs.

Town Government

Mr. Lisanke summarized the Town Government working group's key findings. The group analyzed the essential and non-essential services as well as efficiencies across town (technology, collaboration, and/or regionalization). Arlington and Winchester were looked for insights into towns that are similar to Belmont. Staffing levels were looked at across town departments and staffing was down across the departments (DPW, Police and Fire).

Recommendations include establishing an incentive bonus pool for department heads to reward them for innovative and cost saving ideas, continuing to explore regionalization/collaboration with other communities, share innovative ideas with other communities, and work more closely with state legislatures to lobby for state-level changes in health care, OPEB. Overall, services have been diminishing over time.

Financial Projections

Mr. Kale stated that this group not only developed a financial projection model but also included the findings of the other FTF working groups into the financial model. He noted that the group worked with a large number of key personnel across town in creating the model and the projections.

He raised the issue of the school budget deficit: \$500,000. The freezes that have been implemented have not had an impact on this net deficit. He reviewed the SPED circuit breaker funds, LABBB credits, and revolving funds, noting that they have all been applied to the budget. The \$500K deficit will likely be addressed in two ways: 1. a SPED stabilization fund transfer 2. a reserve fund transfer. He reiterated how increasing enrollment is impacting the budget, e.g., out-of-district placements, ELL staffing requirements, etc.

He reviewed the projected *cumulative* shortfalls for the overall Town budget – over \$7M by FY19. He detailed where this funding would be applied within the school budget.

Mr. Kale then reviewed some FY16, 17, 18, and 19 budget projections. Revenue sources (building permit fees, parking lot fees, new growth) were reviewed.

Recommendations include:

- a. Utilize the FY15-19 model for budget projections as a framework for future budget planning
- b. Implement the Revenue Working Group's recommendations whenever possible
- c. Request that the Board of Selectmen consider placing a \$4.5M operating override on the April 2015 ballot

The operating override recommendation (\$4.5M) was discussed in some detail, e.g., override stabilization fund, wording of an override, the fact-based discussion perspective.

Chair Paolillo laid out the operating override rationale. There will be no influx of state aid funding to assuage the budget shortfalls. He stated that the override request is a fiscally prudent measure for the town to take.

FTF Votes

The FTF moved: To support and endorse the recommendations of **Modeling Group A: Education**, with the provision that the FTF members who are School Committee members are not voting on behalf of the entire School Committee.
The motion passed unanimously.

The FTF moved: To support and endorse the recommendations of **Modeling Group B: Revenue Opportunities**, with the provision that the FTF members are not voting on behalf of any other group.
The motion passed unanimously.

The FTF moved: To support and endorse the recommendations of **Modeling Group C: Capital**, with the provision that the FTF member who is a member of the Capital Budget Committee is not voting on behalf of the Capital Budget Committee.
The motion passed unanimously.

The FTF moved: To support and endorse the recommendations of **Modeling Group D: Town Government**, with the provision that the FTF members are not voting on behalf of any other committee.
The motion passed unanimously.

The FTF moved: To support and endorse the recommendations of **Modeling Group E: Financial Projections**, with the provision that the FTF members are not voting on behalf

of any other committee.
The motion passed unanimously.

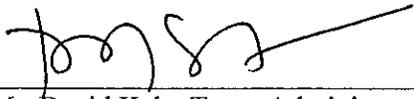
Next Meetings

Monday, January 26 at 8:00 a.m. with the Board of Selectmen

Approval of Meeting Minutes

The FTF will need in the future to review outstanding meeting minutes:

The FTF moved to adjourn the meeting at 10:02 a.m.



Mr. David Kale, Town Administrator