

BELMONT WARRANT COMMITTEE MEETING MINUTES
APPROVED (ON OCTOBER 14, 2015)
SEPTEMBER 30, 2015, 7:30 P.M.
CHENERY COMMUNITY ROOM

2015 OCT 15 AM 8:23

Present: Chair Libenson; Members Alcock, Dash, Epstein, Fallon, Gammill, Helgen, Lisanke, McLaughlin, McVay, Mennis, Sarno, Schreiber, Starzec; BOS Chair Baghdady; School Committee Rep. Slap

Town Administrator Kale

Members Absent:

The meeting was called to order at 7:31 pm by Chair Libenson.

Chair Libenson began by turning to the first item on the agenda.

Introduction of New Members

Chair Libenson asked the three newest WC members to introduce themselves.

Mr. Alcock, Mr. Lisanke, and Ms. McVay each provided some information (personnel and professional) on his/her background.

Introductions were then made (by WC members) around the table.

Nominating Working Group Report and Elections of Warrant Committee (WC) Officers

Chair Libenson introduced the members of the Nominating Working Group and then turned to Member McLaughlin.

Chair of the *Nominating Working Group*, Member McLaughlin, reviewed the nominations and put forth the following motion:

Member McLaughlin moved: To nominate Member Libenson as Chair of the WC, to nominate Member Epstein as Vice Chair of the WC, and to nominate Member Gammill as Secretary of the WC.
The motion passed unanimously.

Warrant Committee: Role and Objectives

Chair Libenson reviewed the WC's primary role, which is to advise and guide Town Meeting in fiscal matters. The Warrant Committee is charged with advising Town

Meeting on all warrant articles that involve an appropriation. Additionally, the WC provides its guidance to TM on matters that the WC deems have a meaningful financial impact. Finally, the WC contributes to the development of the budget, and recommends a budget in June. The WC, he said, is not a policy-making board and provides only non-political guidance to TM.

Review: FY15 Financial Results, including Revolving Funds

Mr. Kale reviewed that the FY15 fiscal year ended on June 30, 2015 and a new fiscal year began on July 1. He noted that free cash will be certified this fall and a new tax rate will be set. A recap sheet has been submitted to the DOR and revenues for FY16 are already being looked at.

Revenues and Town Expenditures

Mr. Kale stated that 99% of the property taxes billed in FY15 were collected. The yet-to-be collected amount of \$589,927 will be booked as a receivable and efforts to collect will continue.

He highlighted some of the major revenue sources, including excise tax, meals tax, penalties and interest, PILOT, ambulance, and other fees. The town did well in actuals overall. He then reviewed the Recreation revenue (\$72K shortfall), noting that the shortfall is due to the late opening of the new pool (fewer pool passes were sold in June than in previous years). The revenue numbers of the new pool were briefly discussed.

Licenses and permits were large (\$1.1M over the projected) and Mr. Kale explained why (McLean had several projects, Light Department, etc.). Interest on earnings had an overage of \$144K. The overages will help to replenish free cash.

Mr. Kale then reviewed the unbudgeted revenues, e.g., deferred real estate taxes, premium on bond sales, Medicare Part D reimbursement.

The new growth number was discussed. It came in at \$700K while \$450K was projected. The \$250K delta was discussed, specifically its impact on the levy capacity and property taxes.

Mr. Kale reviewed the potential FEMA and MEMA reimbursements; about \$100K is expected as a result of the record-breaking snowy winter.

Mr. Kale stated that some savings were generated by salary turnover (personnel vacancies). The WC left some of its reserve fund allocation on the table. In total, Mr. Kale expects that \$1.3M will revert to free cash.

He briefly reviewed the Revolving Funds explaining that they are “pass through” accounts. The fees collected for a program will eventually offset the expense of running the program.

School Expenditures

SC Rep Slap stated that the school ended with a positive balance of \$2,526, after additions totaling \$535,000 from the WC Reserve Fund and the SPED Stabilization Fund, all of which was applied to SPED tuitions and expenses. For FY16, the Q1 numbers are not finalized. As of now, the number of SPED students is about the same as last year. Maintenance costs are being closely monitored. There have been no major surprises so far.

SC Rep Slap reviewed the school revolving accounts, noting that the data represents a “snap shot” of where things stand. SC Rep Slap raised the topic of replenishing the SPED Stabilization Fund, as the SPED costs are very difficult to predict. Chair Libenson asked about the process of submitting a warrant article to replenish the SPED Stabilization Fund.

Update on Pension Work

Member Mennis provided an overview of his pension report. He briefly discussed the rising pension obligations and developing a funding schedule. He reviewed that Belmont has a target date of 2027, which is considered aggressive and fiscally disciplined. The potential budget impacts of this obligation, as well as modifications to the funding schedule, were touched on.

The WC discussed some of the points raised by Member Mennis.

Mr. Tom Gibson, of the Belmont Retirement Board, introduced the other present members of the Board and spoke to the charge of the Retirement Board. He discussed Massachusetts’ law on pension systems and the funding schedule, which the Retirement Board has the authority to control. He noted that the numbers are fluid; they are a moving target and are captured once every two years.

Member Mennis then discussed the risks and benefits of Pension Obligation Bonds (POBs). There is risk inherent in this type of investment.

The WC discussed the ultimate audience for this report, once it is final. Chair Libenson offered that Town Meeting requested more information on the Pension obligation. The WC is providing this information to TM. Member Helgen suggested that TM understand the Retirement Board’s role and authority in this process. She added that areas that the WC has no control over will need to be explained to TM as well. Member McLaughlin suggested that TM is looking to understand the impact of the pension obligation on the operating budget. Member Fallon added that they are seeking to understand the overall pension platform.

Member Mennis added that TM is looking for various options/strategies and recommendations, which this report provides. The WC further discussed the report and

its goals.

Chair Libenson summarized that the town has three basic options with regard to the obligation: stay the course, modify the schedule, and pursue the POB option.

Approval of Minutes

The minutes of June 10, 2015 will be approved at a future meeting.

Updates: Board of Selectmen, School Committee, Planning Board, and Minuteman

Board of Selectmen: BOS Chair Baghdady reported that the BOS approved a final design for the Belmont Center Center delta. He explained the details of the enhanced delta. The BOS also met as the Light Board and approved a solar net metering policy and tariff. He explained that the Light Board has also asked the Energy Committee to work on a campaign to encourage solar use across town. He then apprised the WC of the current MBTA situation (the triggering of handicap accessibility at Waverley and combining the two stations into one station on South Pleasant Street).

School Committee: SC Rep Slap reported that she will share the enrollment numbers at a future meeting.

Planning Board: There is no current PB representative to the WC.

Minuteman: No report.

Public Contributions

Ms. Julie Crockett, TMM Pct. 5, thanked the WC for the pension report and clarified that TM wants to understand “how” this obligation will be funded.

Adjournment

Member McLaughlin moved to adjourn at 9:52 p.m.

Submitted by Lisa Gibalerio
WC Recording Secretary