

- **Belmont Warrant Committee Meeting Minutes**

- **FINAL**

- **March 14, 2012, 7:30 p.m.**

- **Chenery Community Room**

- Present: Chair Allison; Members Baghdady, Becker, Brusch, Epstein, Grob, Lynch, McLaughlin, Millane, Sarno; School Committee Representative Slap

- Members Absent: Dash, Libenson, McHugh, and Manjikian

- The meeting was called to order at 7:30 p.m. by Chair Allison.

- Chair Allison began by reviewing the evening's agenda items. She then turned to the first item on the agenda.

- ***Warrant Committee Draft Report Overview***

- Chair Allison distributed a "Summary Sheet" handout. This handout reviewed statistical numbers pertaining to the town departments. She noted that the numbers will change in the coming months as the budgets get revised and FTE numbers get adjusted. Chair Allison then reviewed the handout, describing the data and identifying points that the subcommittees will need to clarify. Various categories include: FTEs, capital budget, pensions, retiree health care, Medicare, total OPEB (other post-employee benefits), building services costs, debt service costs, and the CAGR (compound annual growth rate) for departmental expenses between 2002 and 2012.

- The WC briefly discussed the handout.

- Chair Allison then reviewed graphic presentations of key summary sheet data, starting with the FTEs by department. The WC noted that the Police Department number seemed high at 110. Member Sarno noted that the School Department number (431.24) seemed low. It was pointed out that some of these employees may be grant-funded and not town-funded.

- Regarding operating budget as the percent of the total programmatic expenditures, Member Sarno suggested a "stacked bar" to communicate the relationship of operating budgets to total costs more clearly. Chair Allison noted that growth rates for certain departments (e.g., General Government) may reflect reclassification of legal and insurance expenses, and that more study is required. The WC discussed ways to put the long-term growth rates into perspective. Chair Allison noted the Minuteman number (3.3%) as being unexpected.

- The next chart reviewed was the PEB cost per FTE. Member Sarno noted that the School Department was missing from the analysis. Chair Allison explained that this is because teacher pensions are paid by the state and thus the comparison would be

misleading. It was noted that these differences may not be statistically significant in smaller departments. Member McLaughlin asked: how is this data useful to TM? What can they do about these numbers? Chair Allison said it will help TM to understand public sector benefit costs and thus the impact of adding to staff counts. Member Lynch agreed that this data was relevant as a cost driver, now and in the future.

-

Available Revenue Discussion, as of March 12, 2012

-

Chair Allison began with the updated available revenue changes that School Committee representative Slap and she had identified that are more than \$10K. The new available revenue number is \$73,559 (which is \$37K less than the November estimate). Chair Allison then reviewed the revenue line item numbers. Regarding the debt service of \$140K, which was saved by refinancing debt, that number needs to be refunded to the taxpayers. Regarding meals tax, it was agreed that the year-to-date revenue numbers supported the Town Accountant's increased projection by \$70K. Fire Department revenue (from ambulance fees) will require further study, as will the budgeted overtime costs.

-

Regarding costs, Chair Allison reported that state charges/fees were forecasted at 2.5%. Unfortunately, she noted, the MBTA has increased its surcharges by almost 10%, thus reducing available revenue by \$120K.

-

Regarding remaining opportunities and risks, Chair Allison noted that the health care plan design number is in flux but that the state aid number is unlikely to change significantly. SC Chair Graham spoke from the audience on the topic of solar panels for the schools. She said the cost to install the panels is being treated as a wash by the School Department. Member Baghdady agreed that the installation should be for free and that energy savings should be forthcoming. It is all hypothetical at this point, he said.

-

One-time cash adjustments are monies that are available for a one-time expenditure only. Chair Allison noted that the Town Accountant is working on finalizing these numbers and will have an updated report in two weeks. Member Millane asked about earmarking one-time expenses for the School Department. Member Bruschi said that yes, this has been done (informally), for textbooks for example, in the past.

-

Review of 2011 Investment Results for Town Pension Funds

-

Chair Allison referred to the "Town of Belmont Retirement Plan" handout, which was distributed in advance. She offered that the return numbers are gross, not net, and asked for other questions. Member McLaughlin asked for bench-mark and total numbers to be included on this handout. Member Grob requested to know the number of people who are drawing from the retirement fund.

-

The WC discussed what the Retirement Board (RB) should cover in its presentation. Member Lynch requested that the RB be sent the WC's questions from last year.

-
- Member Epstein asked about the money that the RB begins with, noting that employees and the town make contributions into the fund. He asked about the fund growing based on those contributions, specifically, do these return numbers include the new money coming into the fund?

-
- ***Initial Review of Warrant for April TM***

- Chair Allison noted that the Warrant is not available yet. However, the April Warrant should not have a lot of financial items on it.

-
- ***SC and PB Updates***

- SC Representative Slap informed the WC that there have been some school department budget changes that result in a bigger gap. The SC will meet with the Board of Selectmen on Friday to discuss the developing budget.

- Member Baghdady noted that over 100 people attended the Cushing Village presentation last night. The presentation focused on bulk, size, and mass. He noted that he may seek the WC's advice regarding the fiscal impact of the residential piece to the municipal and school infrastructure.

-
- ***Status Updates from Subcommittee Chairs***

- Chair Allison reminded the WC that draft reports are due next week: 3/21/12.

- **Culture and Recreation:** Member Lynch gave an overview of the process that they have been engaged in. He said the subcommittee is on the right path.

- **Education:** Member Bruschi said the gap is in the \$650K range and that a lot of questions have been answered earlier than usual in the budget cycle. However, it would be good to know how much revenue will go to the schools.

- **General Government:** Member Millane said she is hoping to condense the report into two major sections and that the groundwork is almost done.

- **Public Safety:** Member Epstein said they are underway and draft reports will be in next week.

- **Public Works:** Member Lynch said that meetings are ongoing and he assumes they will be on track for next week.

-
- ***Public Contributions***

- There were none.

