

## **Warrant Committee Meeting Minutes April 13, 2005**

*Handout(s) distributed tonight are:*

1. *Belmont Memorial Library Grant Application Approval*
2. *TOB Reserve Fund Transfers FY2005*
3. *YTD Comparative Operating Statement February 05 vs. 04 vs. 03*

Member(s) absent: Hofmann, Oates

Also present: Town Administrator Tom Younger, Assistant Town Administrator Becky Vose, Town Treasurer Floyd Carmen, Library Board of Trustees, Library Director Maureen Connors, and Town Accountant Barbara Hagg

Chairman Widmer called the meeting to order at 7:40 PM.

### ***Town Meeting Article 20 – Library Grant Application (Handout 1)***

Library Trustee Jil Wescott reviewed the Article with the Committee. It is not a request for a building committee. It is part of our application process that indicates an approval of the preliminary design concept. This is critical to the Library and important to the Town to get into the State's construction queue. This past year, 1,000 people *per day* come to the Library. Our inter-library loans are up tremendously – 146%. We do not have enough room to support the services the residents demand. We do not have any place to conduct children's programs. A grant of \$250K was given to the Library, and we use that to help fund the children's programs.

We did explore moving the Library location, but in the end, everyone decided to stay put. The Warrant Committee viewed a preliminary design of the proposed Library. There is a young adult area created for them to work with privacy. A computer lab would be a classroom and a place for others to use in the down time. We will be able to expand the Clafflin Room.

In 2010, \$22.3 million is our estimate of what the cost will be to build with an estimated state grant of \$4.6 million. We realize that Belmont may need a few more years. Between the grant award and the fundraising challenge, we believe we can raise serious funds for the new building. Chairman Widmer read a letter of support from the Belmont Library Foundation. A "yes" vote on Article 20 is critical to our success in mounting a fundraising campaign.

Ms. Wescott then reviewed the grant submission process. Almost everyone within Rt. 128 has taken advantage of construction funds. With a support vote from Town Meeting, the grant will be submitted to the State with an award queue notification in July 2005.

The Directors reiterated a “yes” vote opens up the opportunity of getting in line for construction funds from the State. It does not cost the Town anything to pass this Article. Ms. Wescott pointed out the State tends to fund lower income towns first.

Ms. Conners said there are 41 libraries applying. In 2000, 52 applied with some still on the queue. There is no guarantee to be in the next queue or what the funding would be for such a queue. One of the features of the library queue is that the funding is provided immediately rather than after construction.

Selectman Solomon asked the opportunity cost for not applying. Ms. Wescott answered \$4.6 million. There is money set aside for the previous round, with new funding for this round.

Member Heigham asked and it was answered the funding for the study was provided by a grant and a \$6K donation.

Town Administrator Younger asked how the funding would be done. Ms. Wescott believes the funds are available before the building is built. The appropriation would be the public portion of the needed funds.

Member White has a problem supporting this article. The current capital projects for Belmont do not include the Library for at least 10 years out. By recommending approval, we are saying we think we will do this in the near future. He is concerned what our real capability is. To say, let's go forward may give the wrong impression that this is going ahead of other projects. Ms. Wescott pointed out the Board of Selectmen unanimously voted to support this Article.

Member Heigham supports this article in order to get in the State's queue. Member Doblin also supports this, but she would like to send a message that this project does not come before the already planned projects. Member Paolillo agrees.

Member Hobbs does not think this ties us to changing any schedule. Member Curtis agrees and supports this article without any stipulations on it. If the State awards us a construction grant, we will have to consider it when it shows up no matter what our list is at that point. We are trying to establish that this vote does not mean more than that.

An audience member asked the Trustees what they think could be achieved through fundraising. The Trustees expect a “considerable amount of funding” to come in.

- *Member Heigham made a motion, Member Tillotson seconded said motion, and Members Widmer, Solomon, Paolillo, Gibson, Callanan, Curtis, Fitzgerald, Heigham, Hobbs, Doblin, and Tillotson voted to **recommend approval** of Town Meeting **Article 20**. This does not indicate that we are changing Belmont's capital project queue.*

- Member White **opposed** said vote.
- Vice Chair Jones **abstained** said vote.

### **Town Meeting Article 21 – Home Rule Petition for Post Employment Health Liability Trust Fund (GASB 45)**

Chairman Widmer informed the Committee that the Board of Selectmen voted to take this Article off the warrant. Town Accountant Hagg gave a brief overview of this article. We are not currently accruing any future health insurance costs for retirees. She looked at our total accrued liability for our regular retirement system (\$95 million), not including teachers. The health liability would be \$64 million (includes both the Town and School) earning 3% per year even though our health liability is increasing over 10% per year. If we put those funds into the Retirement system, returns are averaging 8.5% - worst is negative, best has been 22%. In FY07, we need to put the liability on the books, not the cash in the bank yet.

Chairman Widmer's recommendation of not taking this up at this time is simply that it is premature. We have not had an analysis of our liability. It is not in the budget to measure it, but it does need to be done by 2008. We know Belmont's resources are under great financial strain. There will be major discussion in the State about the unfunded retiree health liability. By FY07, one of the topics of major discussion around municipal finances would be coming from the State. Chairman Widmer suggested that we not act, but wait until we have an understanding of the accrued liability. At that point, we can vote on this.

Vice Chair Jones would not like to wait on informing Town Meeting of this. This is a legitimate obligation to present this to Town Meeting. Chairman Widmer added that it is important and will be presented to Town Meeting.

- Member Heigham made a motion, Member Hobbs seconded said motion, and the Warrant Committee unanimously voted to follow the Board of Selectmen's vote to **withdraw Article 21** from Town Meeting.

### **Reserve Fund Transfers (Handout 2)**

Town Accountant Hagg reviewed the Handout and added there will be an Article at Town Meeting to use the Town's excess budgeted health insurance to support the Reserve Fund.

### **FY06 Budget Discussion and Recommendations**

The FY06 Budget will be voted June 6, either as a continuation of Town Meeting or at a Special Town Meeting. In addition, the Board of Selectmen decided to not proceed with an override at this time. They are going back to their latest recommendation.

Tier 2 Capital totaled \$284K. Do we fund this Tier 2 and cut \$284K from operating, or do we stay with only Tier 1? Since then, we have the funding of the additional three projects: financial software, Concord Ave. property, and the hockey rink.

The debt service on those projects in FY06 comes to around \$300K. The Capital Budget Committee said they would agree from their point of view to amend their recommendation to include funding for those three projects for FY06 as their Tier 2. This is debt however, and the Capital Budget Committee does not like to fund debt in capital. If we are going to proceed with these three projects, we need to find a source to fund them. If we decide to fund them, we need to find in the combined budgets (Town/School/Capital) \$280K - \$300K.

Vice Chair Jones also put on the table \$20K for the actuarial study for GASB 45.

Chairman Widmer said we are presenting this on June 6 to Town Meeting. Is there agreement by the Warrant Committee we should proceed on all three items?

Member Fitzgerald is concerned that we are voting on our rink without knowing the real dollar amounts. He asked if anyone knew the true costs for operating the rink. Member Brusch answered that DPW Director Peter Castanino might have those costs.

Member Tillotson said it is \$120K next year to run a hockey program. We are not spending \$600K to save the \$120K in costs just for FY06. We are spending it for the years beyond that.

Chairman Widmer asked the Committee that, understanding we will have to find the money in the Town/School/Capital Project, should we proceed with:

	Concord Ave 11-2-1	Financial Software 13-1	Hockey Rink 10-3-1
Widmer	Yes	Yes	Yes
Solomon	Yes	Yes	Yes
Paoillo	No	Yes	No
Gibson	Yes	Yes	Yes
Callanan	No	Yes	Yes
Curtis	Yes	Yes	Yes
Fitzgerald	Yes	Yes	No
Heigham	Yes	Yes	Yes
Hobbs	Yes	No	Yes
Dobbin	Yes	Yes	No
Tillotson	Abstain	Yes	Yes
White	Yes	Yes	Yes
Jones	Yes	Yes	Yes
Brusch	Yes	Yes	Abstain

Vice Chair Jones proposed a Capital Stabilization Fund for \$2 million. Chairman Widmer thinks that would be an impossibility with an override this year, an operating override for FY07 and two debt exclusions for FY07.

Selectman Solomon explained why the Board of Selectmen decided to not support the Capital Stabilization Fund of \$3 million for FY06. He reiterated the Board of Selectmen would not put an override on the ballot for FY06.

Member Callanan supports a \$2 million capital override this year because we would have to make some serious cuts otherwise. Member Brusch believes it will be difficult to get an operating override next year, so if we do the capital

override this year, it will create the \$2 million buffer for the FY07 Budget. She hopes it will "soften" next year's problem.

- Vice Chair Jones made a motion, Member Callanan seconded said motion, and Members Jones, Callanan, Bruschi Gibson, White, Fitzgerald, Heigham, Hobbs, Tillotson voted to **recommend a \$2 million capital override** for a \$2 million Capital Stabilization Fund for FY06 subject to the voters.
- Chairman Widmer, Selectman Solomon, and Members Paolillo, Curtis, and Doblin **opposed** said motion.

Chairman Widmer added that we have to assume the Board of Selectmen will not change their position and there will be no override on the ballot. On Tuesday, we will assume there will not be an override. We will have a discussion on Tuesday on where we will find \$300K. Chairman Widmer does not want to spend time chasing something that will not happen. The Board of Selectmen will not be meeting between now and Tuesday.

The Committee discussed different ways to allocate the \$2 million in capital. Member Gibson added that some of these cuts are needs that will still be here next year.

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### **Other**

Member Bruschi made a motion, Member Heigham seconded said motion, and it was unanimously voted to adjourn the regular meeting at 9:50 PM and enter into Executive Session for the purpose of acquisition of property. The Warrant Committee will not return into Open Session.

Respectfully submitted,

Kristina Frizzell, Recording Clerk