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**MINUTES
SPECIAL BUDGET WORK SESSION**

**TOWN OF BELMONT
BOARD OF SELECTMEN
SELECTMEN'S MEETING ROOM
Saturday, April 21, 2012
8:00 AM**

CALL TO ORDER

A special meeting and work session of the Board was called to order in open session at 8:08 am by Chair Paolillo in the Selectmen's Meeting Room. Selectmen Jones and Rojas were present. Interim Town Administrator Kellie Hebert was also present.

ACTION BY APPOINTMENT

Discuss and Vote on FY13 Budget

Chair Paolillo began by noting that the financial team (led by Kellie Hebert, Chitra Subramanian, and Glen Castro) has been working diligently over the past few weeks finalizing the budget. He said a consensus has been reached regarding the direction of the budget and that the Warrant Committee will need to review it. He said the news is good all around for everyone: the gap has been bridged for the schools and there is a fair amount of money to appropriate to the general government departments.

Ms. Hebert led the group through a presentation of where the budget numbers currently stand. She said that the departmental requests will be discussed and that decisions can now be made regarding these requests.

Chair Paolillo invited Superintendent Kingston, School Committee Chair Graham, and Town Accountant Subramanian to the table to discuss the school budget. Ms. Hebert noted that the school's budget numbers have been updated and that the additional state aid helped to fill the gap. The schools will be able to begin the next fiscal year in solid shape.

She noted that the new growth number is now \$540K (up \$40K) and that meals tax is projected at \$145K. WC Chair Allison, who was present in the audience, agreed with this number. Ms. Hebert then reviewed the slight adjustments in budget numbers concerning the cemetery, library, and ambulance. The state aid amount is just under \$300K. Selectman Jones noted that the circuit breaker number is unknown at this point.

Ms. Hebert reviewed the state aid split; Selectman Jones noted that this money is not typically allocated by split at this late point in the process, and he said he would not like the allocation be precedent setting.

Ms. Hebert reviewed the one-time funds from FEMA, local aid, and savings on the snow and ice

budget, which total \$505K. Chair Paolillo explained the state aid distribution of \$65M to municipalities, noting Belmont's share (which includes the \$138K from 2011) of one-time money. WC Chair Allison asked a clarifying question about this allocation.

Ms. Hebert then asked Dr. Kingston to present an overview of the school's budget numbers. He noted some of the changes to the budget and explained that the numbers have been fluid for some months. Town Accountant Subramanian explained that the gap (\$70K) was bridged using health design savings and additional local aid funding.

Chair Paolillo then framed the SPED stabilization fund issue, noting that the level service budget did not reflect \$200K in out-of-district costs that could not have been anticipated. However, that number (\$200K) is not in the current budget. Chair Paolillo said that the establishment of a stabilization fund could be seeded with one-time money (\$200K – 250K) and voted on at Town Meeting ("TM"). Selectman Jones asked if there is policy on how the funds could be used.

Chair Paolillo said that other communities have successfully established SPED stabilization funds so that one-time funds would not need to be used to address the unpredictable budget. TM would need to approve both what goes into the fund as well as what gets drawn down out of the fund. Paolillo said that the School Department was comfortable with this process. The SPED stabilization fund will be presented to TM in May.

WC Chair Allison noted that the fund is being established with one-time revenues and that SPED is not a one-time expense. She said she hoped that other options were also being explored to provide some cost containment for SPED. Cost containment would need to happen or the school budget will be digging itself into a hole for the coming years, said Allison. Chair Paolillo agreed, noting that, if the stabilization fund is fully spent, additional monies will not be there for 2014. Superintendent Kingston noted that these costs are both mandated and unpredictable and that a long-term stabilization account is a recommended as a way to manage these costs. Kingston said one-time funds could be found each year to enrich the stabilization fund. The Board agreed that this will need to be discussed, as finding one-time funds year after year is not advisable.

School Committee Chair Graham agreed and added that the school committee would continue to look for ways to manage SPED costs.

The conversation turned to the OPEB fund policy which Treasurer Carman has suggested be put in place. Selectman Jones noted that a policy needs to be in place using a certain amount certified of free cash in the fall. WC Chair Allison noted that the establishment of a specific policy needs to be discussed with the Town Treasurer. Chair Paolillo agreed and added that pension money could be used to fund OPEB down the road.

Ms. Hebert noted that the intention all along has been to have an OPEB policy and that the issue is centered on identifying the funding. This year there is some funding that can be used and that is fortunate for this year, but a stable policy needs to be in place. Selectman Jones explained that the policy would state that some percentage of free cash would go into OPEB each year once free cash is certified. WC Chair Allison said the specific percentage will be extremely important

and that in proceeding this way, OPEB becomes an absolute obligation before any other budget item is considered.

The Board agreed that establishing an OPEB policy will require further discussion.

Chair Paolillo returned to the issue of establishing a stabilization fund for SPED.

The Board moved: To propose (at TM) the establishment a stabilization fund for SPED. The motion passed unanimously (3-0).

Ms. Hebert continued with the budget presentation, noting that \$409K is available for allocation. She reviewed various possibilities (totaling \$98K) where this money could be directed based on the various priorities that the Board has set during its goal setting process. Approximately \$311K is available for allocation based on department needs and Board priorities. Selectman Jones asked about spending for oil and natural gas. Hebert said they are projecting enough money in these areas so as not to fall short next year; left over money would be turned back.

Chair Paolillo noted that there were about \$440K in additional requests from the governmental departments. The Fire Department withdrew a request for additional personnel as the Fire Chief is applying for federal grants to fund those positions. This takes \$140K out of the \$440K in requests, bringing the total to about \$300K.

Chair Paolillo suggested that the requests be discussed, starting with the Library. Ms. Maureen Connors, Library Director, and Ms. Keene, Library Trustee, approached the table to discuss the Library requests. Selectman Jones noted that once this budget is increased, the town will be required to keep the increase for next year. The Board then discussed how the state requirements impact any budget additions.

Ms. Connors noted that the Young Adult position is part-time and benefited; the request is to have this position be full-time, adding five hours and \$7.1K, which is a recurring salary cost. The Board discussed the numbers, which are complex. WC Chair Allison noted that the pension contribution is not being captured in these numbers. She added that this needs to be coordinated with the schools as these added hours are school related. Selectman Jones said he is concerned about part-time employees who receive full benefits. The effective hourly costs for these employees becomes quite high. The Board agreed that this will require further discussion.

Ms. Connors then reviewed the request to add back one summer evening to the Children's Library. Selectman Jones noted that this is consistent with the WC subcommittee report. Ms. Connors then reviewed the other requests: Library materials and e-readers, which are one-time costs. She explained these requests in more detail. Selectman Jones said he would like more information on Library requirements.

Mr. Dave Petto, IT Director, appeared before the Board, to discuss his additional requests. Mr. Petto explained that one request concerns bringing the Library into the Town's wireless network. Chair Paolillo noted that IT requests should be coming through IT and then he should present those requests through the Board. Mr. Petto agreed.

Mr. Petto explained why the town's wireless network would be advantageous for the Library. This is a one-time expense, except for equipment updating every five years. Selectman Jones asked how this impacts the state's MARS library aid requirements.

The second request (\$35K) is for funding to add consulting hours for the security consultant. He said he is getting requests to connect personal computing devices to the town's network. This would require the security consultant to study what would be needed to secure these networks. He said there would be some savings for the town on cell phones. The Board asked some questions about the study and what the study would provide as well as what the potential savings would be. Mr. Petto said the security piece is absolutely necessary.

Ms. Ellen O'Brien Cushman, Town Clerk, appeared before the Board to discuss her request to have a part-time position become full-time.

Before addressing this, the Board briefly discussed the timing of TM articles, motions, and amendments for the May meeting, which pertains to the budget. Chair Paolillo explained that the budget articles need to reflect the Board's deliberations and the Board is concerned about the particular budget materials for TM members. This, said Cushman, needs to be in her office by May 3. WC Chair Allison suggested that some of this information could be placed in a letter to TM members. A one-page budget document can be emailed to TM members. Chair Paolillo reviewed the immediate dates that impact the budget planning process.

Superintendent Kingston offered that the SC will vote its budget on Tuesday, the 24th.

Ms. Cushman then spoke to the supplemental budget request of changing a part-time employee clerk position (currently 18 hours) to a full-time employee (35 hours), which would add health and pension benefits. She said the Town Clerk's office needs additional support to handle all of the paperwork that the Clerk's office is required to process. She reviewed the areas where there are requirements, e.g. TM, elections, health documents, birth certificates (and the many other certificates), and licenses. She said the Clerk's office also handles numerous residents' requests on a daily basis. The part-time to full-time addition would also allow the Clerk's office to handle all of these requests and work better with other town departments and town businesses (to comply with state law).

Chair Paolillo said that the cost of benefits needs to be included in this request. He also suggested that a summer intern option could be explored. He said the Board will discuss this on Tuesday morning.

Chair Paolillo then returned to the other departmental requests. He said some of these requests he is in support of, and votes can be taken today or Tuesday.

Ms. Hebert explained that the Police Department has requested an additional crossing guard for Trapelo Road in order to service the needs of the Butler School children. She then reviewed other requests: additional support for the Town Administrator's Office (\$15K), additional hours for the budget analyst (\$34K: part-time to full-time). The Board agreed that the new Town

Administrator should be able to oversee the hiring of these positions, should the funding be approved.

Ms. Hebert then reviewed requests centered on part-time recreation, COA transportation, COA summer hours, and Library part-time personnel. WC Member Lynch offered some comments from the WC Culture and Recreation's subcommittee's perspective.

Chair Paolillo noted that some funds may be moved back to offset the free cash; not all available funding will be appropriated for FY13, but should be put aside for FY14.

Discuss and Vote on Warrant Articles for Annual Town Meeting (4/23/12)

Chair Paolillo noted that the Board will not meet prior to TM and so they will vote on the remaining Warrant Articles.

Article 2: Authorization to Represent Town's Legal Interest

The Board moved: To rec favorable action.
The motion passed unanimously (3-0).

Article 16: Minuteman School Capital Building Stabilization Fund

The Board moved: To recommend unfavorable action on Article 16.

Selectman Jones noted that there are several reasons not to support this article. Minuteman cannot support its audit, this would allow Minuteman to fund its capital expenses without town support, and member towns would be subsidizing non-member towns. Chair Allison noted that the WC was unanimous in its support of unfavorable action on this article. Chair Paolillo agreed that this is not the appropriate mechanism for stabilization funding.

The motion passed unanimously (3-0).

Articles 17: Amend General By-Law: Electronic Voting By-law

Chair Paolillo said there is an amendment to this that a committee be established to study this article. He read the amendment. He noted that the CBC supported the \$19K allocation contingent upon the committee's recommendation.

The Board moved: To support the amended article as read.
The motion passed unanimously (3-0).

Article 18: General By-Law Change: Demolition By-Law

Chair Paolillo noted that Mr. Adam Dash and the Planning Board have submitted amendments to this article. As a result, the Historic District Commission (HDC) would like to review the amendments and is withdrawing the article at this time.

Vote to Open and Close Warrant for Special Town Meeting (5/14)

Ms. Hebert reviewed the Special TM articles that are on the May 14 Warrant for consideration. She noted that the Board will not need to vote on these articles on Tuesday morning, but rather when the Board meets on Monday, May 7.

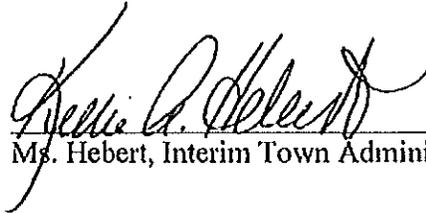
The Board moved: That the Town call a Special Town Meeting for Monday, May 14, 2012 at 7:00 p.m. at the Belmont High School and that the Special Town Meeting Warrant open on April 23 at 9:00 a.m. and close on April 23 at 12:00 p.m.
The motion passed unanimously (3-0).

The Board thanked the Budget Team for their tremendous work on the budget process. Ms. Hebert acknowledged the support and assistance of all the department heads who worked very hard to meet the many deadlines and reporting requirements, especially during this time of great transition.

Selectman Rojas asked about the next Capital Endowment meeting.

The Board moved: To appoint Selectman Rojas to the Capital Endowment Committee as the Board representative.
The motion passed unanimously (3-0).

The Board moved to adjourn the meeting at 10:46 am.



Ms. Hebert, Interim Town Administrator