

**BELMONT WARRANT COMMITTEE MEETING MINUTES  
FINAL**

**MAY 22, 2013, 7:00 P.M.  
CHENERY COMMUNITY ROOM**

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Present: Chair Lynch; Members Allison, Baghdady, Bruschi, Dash, Epstein, Gammill, Grob, Helgen, Manjikian, McLaughlin, Millane, Sarno; BOS Chair Paolillo; School Committee Representative Slap

Mr. Libenson arrived at 9:01 pm

The meeting was called to order at 7:05 pm by Chair Lynch.

Chair Lynch began by noting that the WC will meet again on Thursday, May 23 at 7:30 p.m.

***Capital Budget Committee (CBC) Presentation and WC Vote***

Chair Lynch invited CBC Chair Mahoney to present the CBC Budget to the WC.

Ms. Mahoney noted that the capital budget requests exceeded \$5M and that the CBC's recommended budget for capital expenditures totals \$ 1,222,000. She outlined the capital budget items. Ms. Mahoney noted that money has been set aside for a feasibility study for the Harris Field turf. She stated that TM would not consider bonding the Harris Field turf project this spring. The goal would be for TM to consider whether to bond the turf project at a fall TM, after the feasibility study is complete.

The WC asked questions regarding the CBC-supported items. The debt service/need for the two fire trucks was discussed in greater detail as well as the replacement of the Town Hall windows. Member Epstein asked if the big-ticket fire truck items could be shared with neighboring communities.

BOS Chair Paolillo noted that this is worth exploring as the amount of money is significant. CBC Chair Mahoney informed the WC that this request was deferred last year and moved to this year. Member Allison noted that if the CBC moves to bonding for the larger items, it reduces the available revenue budget for the term of the bond and defers the policy discussion that ought to take place. CBC Chair Mahoney agreed, but said that Chief Frizzell has expressed a concern about the availability of sharing certain vehicles because they could be needed by both communities at the same time.

*Member Bruschi moved:* That \$1,222,000 be appropriated for capital expenditures.

The motion passed unanimously.

*Member Bruschi moved:* That \$1,189,000 be appropriated for road paving

projects.

The motion passed unanimously.

*Member Brusch moved:* That \$1,420,000 be appropriated for the purchase of capital equipment.

The motion passed with 14 in favor and one opposed.

### ***Belmont Municipal Light Department (BMLD) Presentation***

At this time, Selectman Jones approached the WC table; BOS Chair Paolillo called the BOS as the Light Board to order at 7:35 p.m.

BMLD members present in the audience included Mr. Jim Palmer (General Manager), Mr. Ashley Brown, Mr. Robert Forrester, and Ms. Gretchen McClain.

Selectman Jones stated that in February 2012, TM authorized the Light Board to borrow up to \$ 53.7M to construct a new transmission line to connect with the grid and build a new substation on 20 Flanders Road. This was needed to provide Belmont with adequate power supply to meet peak loads and to increase the reliability of that supply.

Mr. Jones indicated that the situation has changed since February 2012. The bottom-line is that the town will now borrow \$30M less than it had anticipated for a new substation. Member Allison clarified that the town will still borrow \$53M for the project and then transfer a portion of the transmission line to NSTAR.

Selectman Jones explained that the town purchased an easement from the MBTA. He noted that the 115 kV line will now be sold to NSTAR. Belmont will be directly connected to the grid and operated by ISO, New England (Independent System Operator). He said this development will save ratepayers money and will achieve the same objectives as the original plan.

He then provided some background information on how these changes came about. He reiterated the project objectives: achieve the best deal for ratepayers, connect Belmont to the grid, and reduce the transmission service agreement payment to NSTAR. NSTAR proposed that Belmont build the transmission line and that they would buy it. Negotiations with NSTAR began in January 2013. Selectman Jones explained that a Joint Development Agreement (JDA) was negotiated with NSTAR. The agreement ensures that NSTAR will pay the full cost of the transmission line and related equipment. Belmont insisted and obtained agreement that no costs of the transmission line would be borne exclusively by Belmont, instead they would be spread across the pool of ISO customers if we received Pooled Transmission Facility (PTF) status. If we only received partial or no PTF status, then costs would be spread across the pool of all NSTAR customers.

Regarding public involvement, Selectmen Jones said it was neither required nor appropriate. Mutual pledges of confidentiality were made during the negotiations, which

made it impossible to include the public. If these negotiations had been brought to TM's attention, the town could be accused of bad faith negotiations. The Selectmen, he said, acted as the Light Board on behalf of the town. He said he hopes to receive the WC's support for Article 16.

Member Allison said there is not savings because Belmont will sell a major chunk of this to NSTAR. She said it is unclear whether this is a good deal for Belmont. She asked about the financial analysis that shows that this is, in fact, a good deal.

Member Epstein asked why NSTAR would buy this for \$30M – unless they have a way to recover the costs. Selectman Jones said they do. Member Epstein then asked about the “switch gear” costs. Mr. Palmer approached the table to explain the double/single loop design distinction. Mr. Ashley Brown then approached the table to discuss regulatory risk and the transmission rate that Belmont will pay to the ISO. He also discussed the PTF agreement and related numbers.

Member Allison observed that a great deal has been learned over the past year. She asked: Has the learning come to end? Selectman Jones replied that there may be more learning and that this shift may, in fact, lead to more savings. He said the meetings with NSTAR led to options that were not even illuminated a year ago.

Member Manjikian said that the WC finds itself in a place it is not often in. He said that this arrangement with NSTAR is basically complete and that there is little room for the WC to weigh in on the issue. Member McLaughlin said that the process has been appropriate, given the WC's role in this town. Selectman Jones added that Chair Lynch has been kept advised along the way. He said that is all he could do while keeping the confidentiality agreement intact.

Member Baghdady noted that the motion lacks the information contained in Selectman Jones's narrative, which he found very useful. More information, he offered, may be required in order for that motion to be clearer to TM.

Member Helgen asked about risks. Selectman Jones replied that the regulatory environment is complex and that obtaining PTF status is an open question. Member Dash asked about the future possibility of selling the BMLD. Selectman Jones said that Belmont now has a smaller asset to sell, should it choose to sell.

Member Millane asked if the WC could have been kept advised through executive session. Selectman Jones said that a decision was made not to enter into a WC executive session because of the confidentiality agreement. Mr. Lynch indicated that he made that decision with Selectman Jones.

Member Allison said that as a WC member, she does not have sufficient information to advise TM, which is the WC's role. Member Epstein voiced a PTF concern, which Mr. Forrester and others addressed. Member Manjikian asked about the impact of this on rates and on assumed debt. This was briefly discussed.

BOS Chair Paolillo adjourned the BOS as the Light Board at 9:05 p.m.

*Member McLaughlin moved:* Favorable action on Article 16.

Motion discussion: Member Brusch said she would like time to deliberate because there is a lot of detailed information to absorb in a short time. Member Millane agreed. Member Epstein noted that much of the evening's discussion is not related to Article 16. Member McLaughlin agreed. Member Gammill said he felt prepared to vote favorably this evening. Selectman Jones said if waiting would garner more yes votes from the WC, he would like the WC to be given more time to consider the article.

Member McLaughlin withdrew the motion.

### ***Vote on Budget Articles***

#### **Article 4: FY14 Budget Appropriation (All funds to be raised by the General Tax.)**

*Member Allison moved:* That \$4,134,041 be appropriated under General Government.

The motion passed unanimously.

*Member Brusch moved:* That \$5,634,285 be appropriated for retirement expenses.

The motion passed unanimously.

*Member Brusch moved:* That \$2,227,301 be appropriated for other Other Reserves.

The motion passed unanimously.

*Member Brusch moved:* That \$12,318,651 be appropriated for Public Safety.

The motion passed unanimously.

*Member Grob moved:* That \$44,349,100 be appropriated for Belmont Public Schools.

The motion passed unanimously.

*Member McLaughlin moved:* That 851,984 be appropriated for Minuteman Regional school.

Member Brusch asked about the 7.5% increase. Member McLaughlin explained the increase. It was noted that 14 other towns have approved Minuteman's budget, so that Belmont's vote is meaningless. The WC discussed.

The motion passed with 14 in favor and 2 opposed.

*Member Dash moved:* That \$9,449,218 be appropriated for Public Services.

The motion passed unanimously.

*Member Brusch moved:* That \$843,631 be appropriated for Human Services.  
The motion passed unanimously.

*Member Brusch moved:* That \$2,025,190 be appropriated for Culture and Recreation.  
The motion passed unanimously.

*Member Brusch moved:* That \$5,036,027 be appropriated for Debt and Interest on Debt.  
The motion passed unanimously.

Chair Lynch thanked the subcommittees for their work on the subcommittee reports.

### ***Reserve Fund Transfer (RFT) Requests***

Member Helgen reviewed the Fire Department's two RFT requests (totaling \$34K), one for vehicle maintenance and one for a medical leave shortfall. She explained the RFT amounts and why the requests were unanticipated. She then noted that the FD anticipates that it will return at least \$34K in free cash at the end of the year.

Fire Chief Frizzell explained that the Fire Department budget begins to be formulated in the fall. He said it is not possible to budget for the unforeseen items.

*Member Helgen moved:* Favorable action on the Reserve Fund Transfer requests.  
The motion passed unanimously.

### ***Adjournment***

Member McLaughlin moved to adjourn at 9:38 pm.

Submitted by Lisa Gibalerio  
WC Recording Secretary