

BELMONT WARRANT COMMITTEE MEETING MINUTES
FINAL
SEPTEMBER 12, 2012, 7:30 P.M.
CHENERY COMMUNITY ROOM

RECEIVED
TOWN CLERK
BELMONT, MA.

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

Members Absent: None

Chair Allison called the meeting to order at 7:30 pm.

Chair Allison began by welcoming the WC back and noting that BOS Chair Paolillo will be representing the Board of Selectmen. She then reviewed the evening's agenda.

Old Business

Review of Year End Financials, FY2012

Chair Allison asked if the school and town departments finished "on budget" for the fiscal year.

SC Rep Slap said that the school did finish on budget. Slap said a more detailed report will be forthcoming on October 2, 2012. She informed the WC that there is a small balance that will revert back to the town.

Transitional Items

Introduction of New Town Administrator

Chair Allison introduced the new TA David Kale.

Mr. Kale thanked Chair Allison and informed the WC that none of the town departments exceeded their budgets.

Report of Nominating Committee

Chair Allison stated that the WC's purpose and guiding principles have remained constant over the years. The purpose of the WC is to serve TM (Article 19). The WC works hard to give TM the best possible analysis with "no spin on the ball." The WC guiding principles are that the town must budget to revenue, no commitment should be made to ongoing expenses from one time revenue, and the reserve fund shall never be used as a bailout for bad budgeting.

She noted, however, that the WC's officers do change. She remarked that, as the financial watchdog, the WC needs a fresh pair of eyes in new officers.

Member Millane, Chair of the Nominating Committee, said the nominating committee met last summer and unanimously voted to put forth Member Lynch as Chair of the WC, Member Libenson as Vice Chair of the WC, and Member Epstein as Secretary of the WC.

Member Millane moved: To nominate Member Lynch as Chair of the WC.
The motion was seconded and passed unanimously.

Member Millane moved: To nominate Member Libenson as Vice Chair of the WC.
The motion was seconded and passed unanimously.

Member Millane moved: To nominate Member Epstein as Secretary of the WC.
The motion was seconded passed unanimously.

New Business

Chair Lynch reviewed the new business agenda.

Review of Fall 2012 Schedule

Chair Lynch proposed that the WC meet every other week this fall. He noted there may be exceptions to this schedule.

Report on Health Department Reserve Fund Transfer Request

Chair Lynch noted that in July Health Director Russakow sent a request to the WC for a reserve fund transfer. Chair Lynch informed Mr. Russakow that the WC will look at this request in the fall. Chair Lynch explained that the projected shortfall would be \$ 2,173 at year-end if all things remained constant. He explained that the request would be referred to the Culture and Recreation Subcommittee Chair, once appointed on September 26th.

Mr. Kale noted that additional funding may be required, in the future.

The WC briefly discussed this matter.

Discussion of OPEB Reserve Policy

Chair Lynch invited Treasurer Carman to speak on this issue. Chair Lynch reviewed the issue of establishing the OPEB reserve policy. He then reviewed the summary points of the WC's discussion, which occurred at its last meeting on June 20th.

Mr. Carman said that he would like to have a policy in place first and then, after the

policy is in place, to establish the contribution. BOS Chair Paolillo said he supports having a policy, but is concerned that the town would be committed to the policy year after year. Mr. Carman said the policy amount could be reviewed each year.

Member McLaughlin agreed that a policy is important, but indicated that reviewing it each year seems inconsistent with having set a policy. Several members agreed with Mr. McLaughlin, indicating that the policy should not be reexamined each year.

Member Libenson asked what percent of towns have an OPEB policy. Mr. Carman said that there are 13 AAA-rated communities and, of those, five have an OPEB policy and another six are working on getting a policy in place. He said the first question from the rating agencies is: does the town have an OPEB policy? Mr. Kale said that a sustainable, stable number is favorable. The WC discussed this issue. Many members reiterated that a sustainable number was important.

Member Epstein suggested that the amount be manageable long-term, noting that 95% of towns get by with a AA rating. He said, based on Moody's feedback, the number could be reevaluated in the future. He said the future of this unfunded liability is speculative and unknown.

Mr. Kale noted that the AAA rating does have value in saving money on debt service, which impacts the town's operating budget. Regarding bonding needs, Mr. Carman noted that there are many projects in town (the high school, for example) that are in need of attention. He noted that \$53M will be bonded for the new electrical light substation.

Member Dash suggested starting off with a low number and then working up to 5%. Member Allison noted that deferred liabilities do turn into liabilities at some point. She said having an OPEB reserve is a safeguard of the operating budget. Member Bruschi said she liked the idea of setting a dollar amount rather than a percentage. She also stated that the town owes this money and needs to be putting a contribution aside.

Member Epstein said there should be a cap of \$200K. Member Manjikian also suggested a \$200K amount. SC Rep Slap noted there were years where the \$200K amount seems would have exceeded 5%. Member Libenson suggested setting the policy at 5%, knowing the amount will fluctuate somewhat.

Chair Lynch asked for a general sense of the WC on establishing 5% as its contribution amount. The WC unanimously supported a 5% contribution. BOS Chair Paolillo said that the Board could discuss this at its next meeting on September 24, and then put its draft policy before the WC.

Update re: Minuteman

Chair Lynch noted that there was a joint meeting on Monday night with the BOS and the Capital Budget Committee regarding Minuteman (MM). He briefly reviewed the issue. Chair Lynch indicated that, in the Spring of 2010, MM sought approval from the 16

member towns to borrow \$724K for a feasibility study for a new building. Belmont Town Meeting defeated this request largely based on concerns that funds were to be spent before a determination was made on the size of the facility.

Despite the fact that there was no consensus on the size of the facility, the MM SC voted on May 22, 2012, to execute the Feasibility Study Agreement. Town Counsel expressed Belmont's concerns in a letter to MM dated June 5, 2012. MM's counsel responded and the joint meeting followed.

BOS Chair Paolillo said Belmont is disappointed in Minuteman moving forward with the feasibility study, before having established enrollment. BOS Chair Paolillo added that the separate capital repairs have never been costed out. He said this analysis needs to be done before moving forward.

Member McLaughlin reminded the WC that MM needs unanimous support from all member towns before they can move forward with the project. Member Bruschi noted that the per-pupil cost will go way up (for member towns) with every single out-of-district student that attends. Member Libenson said that the member-town agreement is very problematic. He said he would like Belmont to not be beholden to the 16-member-town agreement. He added that he strongly supports technical education, but that this member-town contract is untenable for Belmont.

BOS Chair Paolillo said that a letter will be sent to MM memorializing Belmont's position.

Public Contributions

SC Chair Graham offered public contribution on MM.

Approval of Minutes

The WC approved the minutes of 6/20/12, with four abstentions.

Adjournment

Member McLaughlin moved to adjourn at 9:12 pm.

Submitted by Lisa Gibalerio
WC Recording Secretary