

BELMONT WARRANT COMMITTEE MEETING MINUTES
FINAL
SEPTEMBER 22, 2010, 7:30 P.M.
CHENERY COMMUNITY ROOM

Present: Chair Allison; Members Becker, Bruschi, Callanan, Dash, Epstein, Grob, Libenson, Lynch, Manjikian, McHugh, Millane, Sarno, Smith; BOS Chair Jones; School Committee Chair Rittenburg

Town Administrator Younger and Town Accountant Hagg

Members Absent: Dash

The meeting was called to order at 7:30 pm by Vice Chair Allison.

Vice Chair Allison began by turning to the introductions of new Warrant Committee (WC) members. She asked Town Moderator Widmer to introduce the new members and to speak on the role and function of the WC.

Welcome and Introduction of New Members

Moderator Widmer noted that the new individuals would complement the talent of the existing membership well. He said that he takes the appointments seriously and strives for balance. He asked each member to provide brief introductory remarks:

- Member Sarno said that he is a new TM member and that he has worked in state human services and then for a consulting and outsourcing firm focusing on government services.
- Member McHugh mentioned that she is employed at IBM and has focused on IT re-engineering, consolidation, and restructuring.
- Member Grob has been a TM member for nine years and highlighted her experience in public policy.

Moderator Widmer noted he was a WC member for 15 years. He thanked the WC and acknowledged the contribution that the WC offers the town. He noted that the WC is above "advocacy". The WC role, he said, is to do your best and to think of 'the town as a whole' as the group you are advocating for. He noted that the school budget is always a tricky issue. He asked members to think of the WC as a part of the political process in town. The point of view of the WC – while not unanimous – serves Town Meeting, he said, and it is helpful to think about the WC's responsibility in educating TM members. Another piece to consider is the cooperative relationship of the School Committee, WC, and Board of Selectmen. A strong WC, he concluded, enhances the power of the BOS and the SC.

Report of the Nominating Committee and Election of Officers

Nominating Committee Chair Libenson noted the members of the nominating committee and said that they had met over the summer. They are putting forward Vice Chair Allison for WC Chair, Member Lynch for Vice Chair, and Member Smith for WC Secretary.

Member Libenson moved: To appoint Vice Chair Allison to Chair of the WC.
The motion passed unanimously.

Member Libenson moved: To appoint Member Lynch to Vice Chair of the WC.
The motion passed unanimously.

Member Libenson moved: To appoint Member Smith as Secretary of the WC.
The motion passed unanimously.

Discussion of Resource Materials

Chair Allison noted that the present WC is comprised of (relatively) new members. She distributed a binder with handouts entitled "Warrant Committee Resource Materials." She said she believes these materials may be helpful to the newer WC members. She reviewed some of the documents within the handout. SC Chair Rittenburg suggested that a handout explaining the WC's role within the town's overall structure would be useful.

Review of FY2010 Actuals

Chair Allison asked Town Accountant Hagg to review the current fiscal picture.

Town Accountant Hagg began with the General Fund Revenues. She noted that "free cash" had been \$1.7M and now it is \$4M (up \$2.3M). She explained that revenues are up \$1.227M from what had been budgeted. Revenues are up due to a number of factors and some of this revenue is set aside for future budgets (premium on debt refinancing, and transfers from old capital funds). Building permits were strong, and some of this was due to the new Wellington construction. State aid, however, came in lower than anticipated.

Hagg then reviewed various operating expenses. Public Safety departments had open positions and therefore turned back funds at year's end. She explained that the School Department has the ability to reallocate money among budget categories, whereas, on the town side, monies budgeted for a line item expense can only be spent on that particular item (for example, salary money must be spent on salaries, by law). She reviewed several key revenue and expenditure lines.

The total revenue budget for FY10 is \$77M versus \$79M of appropriations. The difference is funded by the proposed use of the town's reserves. She noted, however, that

this was only a projection developed by the Town Accountant's office and would require review.

Review of Preliminary FY2012 Forecast

Town Accountant Hagg next reviewed the Estimated Revenues for FY12. This compares FY10 to FY11 and makes estimates for FY12, Hagg explained. She reviewed the data on the revenue estimates and noted that she is estimating state aid to drop by 15%. If the sales tax referendum passes, she warned, state aid would drop even more.

Five Year Projections

Town Accountant Hagg said that five year projection figures are not "fixed" and the that numbers will change as more information is received. She reviewed some of the projections. Chair Allison noted that collective bargaining agreements are up for renewal.

Upcoming Projects (including CPA and Budget Analyses)

Chair Allison reviewed topics to be discussed for the next two weeks.

She then noted that the Community Preservation Act (CPA) will be on the ballot in Belmont in November. The WC will analyze the financial impact of the CPA. It will break down the components and analyze the pieces. Chair Allison presented a plan for the analysis, which would subdivide the work into modules. She said that every calculation must be transparent and 'sourced' (footnoted).

Modules include: analysis of the net revenue that the CPA can be expected to actually generate, the cost per single-family home, a review of the history of the state match, and cost estimates for potential projects. Comparable communities (who have adopted the CPA) will be looked at.

Individual WC members then took on responsibility for particular modules. Initial findings will be presented at the WC's October 6 meeting.

On September 29, the WC will start its budget analysis work on the Program Budgeting Structure. Chair Allison noted that last year's report will be used as a reference.

Town Accountant Hagg introduced Mr. Glen Castro, the new, part-time budget analyst. Mr. Castro reviewed his background and said that he has already begun to analyze various programs and goals, as well as the efficiency, effectiveness, and overall outcomes of those programs.

Chair Allison reviewed areas of the WC budget report structure.

Approval of Minutes

The minutes of June 16 were approved with four abstentions.

Summary

Chair Allison informed the WC that each meeting will end with a brief summary of the major topics covered. WC members will alternate giving the summary review.

She noted that this evening's meeting began with a welcome to new members. The Nominating Committee then put forth its nominations. Background documents were disseminated and an analysis of FY10 budget numbers and a FY12 forecast were presented. The WC then considered how to analyze the CPA, as well as a structure and approach for the WC Budget report. The minutes of June 16 were approved.

BOS Chair Jones moved to adjourn the meeting at 9:20 pm.

Submitted by Lisa Gibalerio
WC Recording Secretary

Warrant Committee Agenda

September 22, 2010, Chenery Middle School, Community Room, 7:30 p.m.

- I. Welcome and introduction of new members
- II. Report of the Nominating Committee and election of officers
- III. Discussion of resource materials
- IV. Review of FY2010 actuals
- V. Review of preliminary FY2012 forecast
- VI. Approval of minutes
- VII. Wrap-up/adjournment

BUDGET PROJECTIONS

REVENUE LINE ITEM	Level FY11	% INCR	FY10 BUD	FY11 % INCR	FY11 BUD	FY12 % INCR	FY12 BUD	FY13 % INCR	FY13 BUD	FY14 % INCR	FY14 BUD	FY15 % INCR	FY15 BUD	FY16 % INCR	FY16 BUD	COMMENT
PROPERTY TAXES																
INCR UNDER 2 1/2 ¹			58,978	2.5%	61,002		63,127		65,305		67,538		69,726		71,969	
CAPACITY NOT RAISED			1,472		1,525		1,578		1,633		1,688		1,743		1,799	
DEBT EXCLUSION ²			652		600		600		600		500		500		500	
TOTAL PROPERTY TAXES			3,365		4,733		4,603		4,542		4,273		4,170		3,517	
MOTOR VEHICLE EXCISE			64,368		67,920		69,908		72,079		73,999		76,140		77,786	
ADDED INTEREST COST			2,400	2%	2,400		2,420		2,468		2,518		2,588		2,619	
PAYMENT IN LIEU OF TAXES ⁴			153		150		160		160		160		160		160	
TOTAL TAXES & COST			66,935		70,504		72,523		74,768		76,737		78,928		80,625	
FEES & FINES (COURT PARKING)			337		295		340		340		340		340		340	
LICENSES & PERMITS (BUILDING)			400		600		550		420		450		500		500	
DEPARTMENTAL																
LIBRARIES			49	2%	45		46		47		48		49		50	
CEMETERIES			125	10%	125		138		151		166		183		201	
RECREATIONAL			606	2%	640		653		666		679		693		707	
OTHER ³			578		500		510		520		531		541		552	
TOTAL DEPARTMENT			1,358		1,310		1,384		1,394		1,424		1,466		1,510	
INTEREST ON INVESTMENT			400		300		325		400		450		500		500	
STATE AID ⁵																
STIMULUS FEDERAL GRANT			7,191		8,224		7,049		7,049		7,049		7,049		7,049	
TRANSFERS & OTHER ⁶			1,721		526		0		0		0		0		0	
TOTAL REVENUE BUDGET (EXCLUDING RESTRICTED) ¹⁰			81,392		84,532		85,737		86,456		88,544		90,877		92,618	
EXPENSE LINE ITEM																
SALARIES & WAGES - Town/School ⁹			42,378	3.2%	42,745		44,028		45,349		46,709		48,110		49,554	
HEALTH (ACTIVE & RETIRED) ⁸			8,521	-3.8%	8,521		8,470		8,422		8,374		8,326		8,278	
RETIREMENT (EXCL. TEACHERS)			4,366	6.3%	4,567		5,115		5,422		5,748		6,093		6,458	
SCHOOL NON-SALARIES ⁸			4,644	8.4%	4,947		5,244		5,401		5,563		5,730		5,902	
SPECIAL EDUC OUT-OF-DIST TUITION			3,682	24.3%	3,682		3,814		4,205		4,416		4,636		4,868	
MINUTE MAN VOCATIONAL			810	17.8%	751		900		945		992		1,042		1,094	
STATE CHARGES ¹⁰			1,554	2.4%	1,494		1,531		1,569		1,608		1,649		1,690	
TOWN NON-SALARY ¹¹			5,452	-5.2%	5,541		5,707		5,878		6,055		6,236		6,423	
SOLID WASTE COLLECTION ¹²			2,325	0.0%	2,385		2,467		2,541		2,617		2,696		2,777	
RESERVE FUND			400	0.0%	400		400		400		400		400		400	
OVERLAY RESERVE ABATEMENT			800	0.0%	800		800		800		800		800		800	
ROADS OVERRIDE																
ROADS			1,077	2.5%	1,104		1,132		1,160		1,189		1,219		1,249	
OTHER CAPITAL			681	-39.3%	996		984		1,034		1,075		1,118		1,163	
SUB-TOTAL CAPITAL			1,759		2,060		2,126		2,194		2,264		2,337		2,412	
COMMITTED DEBT W/O LTW/ATISE			4,611		6,074		5,482		5,413		5,137		4,896		4,636	
WELLINGTON SCHOOL TEMP DEBT INT			100		0		0		0		0		0		0	
TOTAL EXPENSE BUDGET			81,403		84,441		87,275		90,346		93,356		96,556		100,159	
(EXCLUDING ENTERPRISE) ¹³			(11)		92		(1,539)		(3,890)		(4,812)		(5,679)		(7,541)	
REVENUE OVER/(UNDER) EXPENSES:			11		-92		1,539		3,890		4,812		5,679		7,541	
EXP REDU/OPERATING ORIDE RECD:																

9/17/2010

Assessment of Report Structure

WC is to look @ each dept & evaluate according to following criteria

Phase

Status

Comprehensive, meaningful program structure established

All program related expenses identified

All program related expenses allocated to program category

Activity indicators established for each program

Activity indicators collected for each program

Performance/quality measures established for each program

Performance/quality measures collected for each program

Department Specific Analysis

Relevance

Distribution of benefits

Overhead costs: administrative costs as % of whole

Allocation of resources

Impact of mandates

Opportunities for revenue offsets

CPA Analysis: Major Modules

Calculations + sources must be transparent w/o advocacy footnote sources

*Ruffi pt 1
Eric
Awards*

*Max
Shadow
Shaw*

Purpose	Work product(s)	Resources/sources
Clarify mechanics (financial and funding) for current year (FY2011) and projected FY2012	\$ cost for average single family home* Supported by: annotated calculation Description of decision making process re individual projects	Treasurer's office, FY2012 projections (distributed 09/22)
Develop total \$ revenue estimate (FY2011)	Total \$ revenue if applied in FY2011 Supported by: Total valuation of town, minus valuation for planned exclusions	Treasurer's office, Assessor's office, TBD (to be discovered)
Estimate remaining financial capacity for additional overrides	% increase for average single family home, assuming 21/2% and remaining financial capacity. Supported by: schedule assuming various levels of willingness to pay higher taxes (up to 10% increase)	Override calculation WC FY2010
History of state match (and forecast if available)	History of % state match since 2000 Forecast Supported by: state website or other reference; publication by Mass Tax, etc.	State website
Provide cost estimates for potential projects: initial (capital) and life cycle	Project list with initial costs and estimated operating costs	Capital budgeting committee reports, DPW estimates School Department analysis Various WC analyses
Document experience in comparable communities	List of projects by town and year	List of comparable communities with CPA's and phone/contact information

Mike

Liz

*Bob
Shadow*

Miriam

*Pw Sukum
Cap Budget
survivor*

*Ray + Pat
Kimberly
Judy Fine
Afford Hsg*

Ben Lynch

Because funds are only for specific purposes \$ may be spent on our 2nd choice or lower

Comparable communities w/ CPA