

**Warrant Committee**  
**November 18, 2020 7:30pm**  
**Remote Meeting via Zoom**

**RECEIVED**  
**TOWN CLERK**  
**BELMONT, MA**

DATE: June 21, 2021  
TIME: 9:01 AM

**Meeting Minutes**

**Members in Attendance**

**Warrant Committee:** Laurie Slap, Paul Rickter, Mike Crowley, Ellen Schreiber, Elizabeth Dionne, John Alcock, Christine Doyle, Jennifer Fallon, Elizabeth Goss, Andrew Levin, Daniel Halston, Anne Helgen, Geoffrey Lubien, Robert McLaughlin, Lynn Read, Jack Weis, Roy Epstein, Michael Crowley

**Other:** Jon Marshall

**Call to Order**

The meeting was called to order at 7:30pm.

Ms. Slap informed the Committee that Mr. Michael Craig has resigned from the Warrant Committee and Ms. Liz Goss has been appointed in his place.

**I. Approve minutes.**

Pension, OPEB, Debt Subcommittee 11/18/20 Meeting Minutes

*Motion: Mr. Lubien moved to approve the 11/18/20 meeting minutes, seconded by Mr. Levin (Motion passed unanimously, 4-0).*

Pension, OPEB, Debt Subcommittee 9/24/20 Meeting Minutes

*Motion: Mr. Lubien moved to approve the 9/24/20 meeting minutes, seconded by Mr. Epstein (Motion passed unanimously, Mr. Lubien abstained, 3-1-0).*

**II. Review FY20 Unreserved Fund Balance (Free Cash).**

Ms. Garvin reviewed the FY20 Unreserved Fund Balance presentation.

- Free cash is essentially the town's cash reserves. This changes from year to year. Belmont's FY20 free cash is \$11.2 million. This year's free cash is so high because of hiring freezes, a slowdown in spending, federal assistance (about \$1 million) and one-time accounting adjustments.
- In 2017, there was a dip in free cash, but overall Belmont's free cash balance has been increasing gradually over the last fifteen years.
- Free cash has been used for the operating budget and one-time capital projects.
- Belmont's recurring revenue does not meet recurring expenses. This is creating a gap, growing year over year now, requiring the town to seek an operating override to cover the gap for the next few years.

- In FY20 water and sewer revenues were reclassified. The free cash report was resubmitted to the Department of Revenue. This increased the town's free cash estimate.
- Receipts higher than budgeted are a primary source of free cash. The town has also received investment income related to the High School construction borrowing. It is unknown if Belmont will receive any more state or federal aid.
- Turn-backs drive the town's free cash the most. Over the last year the town has seen savings related to saved overtime costs due to a pause on vacations for Police and Fire. There were savings from the DPW related to minimal snow and ice costs from the 2019-2020 winter.
- The Town Administrator's office has been working with the Financial Task Force model to determine how much free cash is available to mitigate an operating override. What the town has in free cash and how free cash is used is not related to the structural deficit. The structural deficit will continue regardless of how free cash is used in FY22. The town learned of the certified free cash amount on October 28, 2020.

Committee member questions and comments:

- Is the \$1.4 million related to the issuance of the bond for the High School project a return on investment or is it a result of low interest rates?
  - The \$1.4 million investment earnings are a direct result of the borrowing of the money and placing it into a money market account with favorable rates.
- Characterization of the structural deficit is most related to expenses that grow beyond 2.5%.
- Will the school surplus, that includes the expenditures of technology purchases which were reimbursed from the CARES Act, require a future accounting adjustment?
  - That is something the town will have to watch out for. The town will ensure that they are classifying COVID related expenses. The technology costs associated with COVID were reimbursed and allocated to free cash.
- The town is continually trying to find additional revenue sources.

**III. Financial Taskforce II Update / IV. FY22 Budget Process Update.**

The FTF2 is looking at the overall reserve fund balance policy, free cash policy and amount that could be available for the override with an eye to future years. If the town uses a significant amount of free cash this year, then it would create a fiscal cliff for next fiscal years.

Committee member questions and comments:

- The last override was supposed to last three years but lasted longer. There is a worry that the town waited too long to ask for an override. When presenting to the public do you intend to incorporate proposing operating overrides every three years? Is there a good plan to match recurring revenues with recurring expenses in the long term?
  - There has yet to be a formal consensus regarding proposing regular overrides. It would be beneficial to propose minor, regular operating overrides because they would be more manageable.

- The town should continue a public discussion over the next several years regarding long term financial planning. We must educate the public regarding the financial history of Belmont.
  - The Warrant Committee is planning on holding multiple public forums in December to accomplish this. The town can also create a page on the website to increase the instructiveness of this process.
- Can the Warrant Committee get copies of the initial budget and presentations before the public forums?
  - There is still a lot up in the air and the numbers still may be changed slightly. The FY22 is largely a rollover of expenses. Town information can be shared by Monday at the latest. Input from Warrant Committee members is valued by the town.
- Is the town preparing two budgets in the event of an override/no override?
  - Yes, the town will provide budgets in the event of either scenario.
- It would be beneficial if the Town Department heads could share in a public setting their roles, essential functions, and mandated services.

Mr. Marshall reported that the town recently submitted a request for CARES Act funding with known and estimated expenses through December 30, 2020. The town received confirmation that they will be receiving an additional \$1.1 million in CARES Act funding for both the town and school.

## **V. Reports from Select Board, Town Administrator, School Committee, and liaisons.**

The Select Board has begun the FY22 budget process. Mr. Caputo reported that a public-private partnership for a hockey rink will not be moving forward.

The School Committee received a recommendation for a hybrid model that includes 170 minutes per class per week of instructional time compared to the current 180 minutes under the remote model. The Committee moved to accept this model which may be executed as early as November. Discussion with the teacher's union still needs to take place. Parents have been surveyed regarding in person learning. It is a challenging communications problem that the school is dealing with.

The Building Committee reported that the High School project is on time and on budget.

The next Warrant Committee will take place on December 2, 2020.

## **VI. Adjournment**

*Motion: to adjourn the meeting at 9:02pm. (Motion passed unanimously).*

*Submitted by,*

*Katie Luczai*

**Documents Used:**

1. Unreserved Fund Balance (Free Cash) Presentation - Garvin