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DATE: January 24, 2023
TIME: 9:02 AM

**Minutes of the
Town of Belmont
Warrant Committee Meeting
Wednesday, December 21, 2022
7:30pm**



To view the recording of the meeting, please click [HERE](#).

Call to Order: Mr. Lubien called the meeting to order at 7:30pm.

Member	Present	Member	Present
Geoffrey Lubien, Chair	Yes	Conor McEachern	Yes
Paul Rickter, Vice-Chair	Yes	Robert McLaughlin	Yes
Elizabeth Dionne, Secretary	Remote	Lynn Peterson Read	Yes
William Anderson	Yes	Laurie Slap	Yes
Tom Caputo	Yes	Matthew Taylor	Yes
Christine Doyle	Absent	Marie Warner	Yes
Anne Helgen	Yes	Jack Weis	Yes
Staff		Mark Paolillo, Ex-officio Designee - Select Board	Yes
Patrice Garvin, Town Administrator	Yes	Michael Crowley, Ex-officio, School Committee	Yes
Jennifer Hewitt, Assistant Town Administrator & Finance Manager	Yes		

Discuss Revenue Report

Ms. Hewitt told the group that there is a Budget Tab on the homepage of the Town's website so financial information is easily accessible.

Free Cash: She explained the information that is available on the website in the FY202 Fiscal Summit I slides. She presented a table showing the sources of Free Cash in the past three fiscal years, highlighting that the State Department of Revenue calculates Free Cash differently in a way that makes it difficult to later reconstruct the sources of Free Cash, so the numbers are not precise. She explained the personnel challenges that are affecting the accuracy of the numbers and why she is not pushing to improve them at this time.

Ms. Hewitt reviewed the sources and history of Free Cash as shown on Slide 8 and answered several questions about the numbers, especially encumbrances.

She said that for FY23 Belmont may see Encumbrances in the area of \$500,000 but she will work to cut that down, which was discussed.

Ms. Hewitt summarized the expectations of Free Cash at the end of the current year, which was followed by a discussion of turn backs.

Revenue Report: Ms. Hewitt explained the structure of the report, and highlighted Page 4 of the "FY2024 Preliminary Revenue Projections". She said this page provides details and underlying breakouts at a fairly high level and explained some of the information shown.

Mr. Weis asked how the Prop 2-1/2 Growth Rate can be 3.45%. Ms. Hewitt explained how the calculation is made and how New Growth causes the 3.45%, and this was discussed. There was a discussion of changing the slide so it is less confusing.

Ms. Helgen asked if the information presented is fairly conservative on the Revenue side. Ms. Hewitt said she is still looking at the water and wastewater rates, as well as Town benefits to be sure they are being funded correctly and consistently. There was a discussion of possible changes in Revenues and Expenses.

Ms. Hewitt reviewed the historical levels of State Aid which showed slower growth. She explained that the State had focused on less wealthy districts, but they have been making that up under the Chapter 70 Formula. Belmont is now a Minimum Aid District, so the Town gets a set amount per enrollment, which is what she is

projecting (about \$30/student). There were some questions and discussion about State Aid and the impact of the Millionaire's Tax.

Ms. Hewitt reviewed the Historical New Grown data, reminding the group that the onetime growth in FY2018 was due to the Nstar Substation. Ms. Helgen asked if that growth went into the Town Budget, and Ms. Hewitt said it was the Tax Levy. Ms. Helgen reviewed the history of the substation.

Ms. Hewitt briefly reviewed the Receipts and what is included in each category.

There was a discussion of how Recreation funding is currently handled, and Ms. Hewitt hopes to have a Recreation Enterprise Fund discussed soon so it can be on the Spring Special Town Meeting warrant.

Table 4, Available Funds was displayed, and Ms. Hewitt explained these numbers.

Ms. Helgen asked how the Parking Fees are managed, and Ms. Garvin explained that they go into a separate account. Before Covid, collections were very high so about \$90,000 could be used while leaving a healthy balance. When Covid hit, those funds dwindled so only \$30,000 was taken so some balance remained. These fees have not recovered, plus the closing of Leonard Street for outside dining has also impacted this fund. There was a discussion of charging parking fees elsewhere.

Mr. McEachern asked if the Free Cash OPEB contribution should be reconsidered since they are discussing such a tight budget this year. Mr. Lubien said there is a policy in place to make contributions to OPEB each year and that practice is looked upon favorably by the bond ratings agencies. There was also a discussion on the current funding schedule for pensions and OPEB.

Ms. Hewitt displayed the Revenue Offsets (Cherry Sheet assessments) explaining that the bulk of it is for the MBTA and the overlay for abatements. Ms. Hewitt said she would like to have a conversation with the Warrant Committee and the Board of Assessors about the overlay so she can understand the rationale for its overlay.

She shared Table 7-A: Revenues Set-Aside for Designated Purposes and explained it. Mr. McEachern explained that he found this slide confusing. Ms. Hewitt acknowledged his concerns and explained why she had used the structure and there was a discussion of how it could be improved.

Mr. McEachern suggested showing Property Tax less Exempt Ed, Town Receipts, and State Aid in revenue growth which would give taxpayers a better sense of the year over year growth without the complication of one-time items.

FY24 Budget Discussion

Mr. Weis said the School Department will present a budget to the School Committee on January 3, 2023 in advance of the summit on January 12th. He asked if the Schools and the Town are preparing the budgets without an available revenue number. He's trying to figure out how the Ed Subcommittee should weigh in to provide feedback and comments. Mr. Lubien said there is a first pass of the revenue numbers which already show a disconnect. This process was discussed.

Ms. Garvin reported on her conversation with the Superintendent and outlined the Town's plan to tie the budget back to the Revenue Allocation and wean the Town off of using one-time funds, as recommended by the Collins Center Report. She expects to present a budget on February 9th that works toward this goal.

Mr. Weis said there is a disconnect in the Schools between the starting point of a reasonable level service. He said their staff salary increases exceed the additional allocation, as do the OOD expenses. He is not sure when the disconnect is bridged or when the Warrant Committee should weigh in on the reasonableness of the level funding.

Ms. Helgen suggested that the Warrant Committee and Select Board need to think about how much Free Cash they want to put into the budget, especially for preparing for FY25. She does not think the Schools budget is actually level service, but knows that there are needs and they need to think about how those needs are met.

There was a discussion of the disconnect, how to approach it so important services are not cut, what the impacts of the expected lower revenue will be and how to plan for it.

Mr. Paolillo said the residents have to make the decision of what needs to be cut. He said that, although the Town is committed to the recommendations of the Collins Report, he feels it's just not going to happen.

Ms. Warner asked how the differing insurance contributions for Town employees and School employees is reflected, and made a recommendation on how to more clearly represent this difference. Ms. Hewitt explained how she approaches the insurance contributions.

Mr. McEachern asked if the year-to-year growth from the School Department is known. Ms. Helgen said that, although all the numbers are not available, it will likely be \$8-10M on a \$70M basis. There was a discussion of speaking of the *increase* in the budget versus the *percentage growth* of the budget.

Mr. McLaughlin said it is irresponsible to assume there will be an override, so they need to start looking at cuts. Mr. Paolillo said he looks at it in terms of managing the growth of the budget, so that they can position the Town for a more reasonable FY25 override. So, if the override is not successful the reductions that will be required are not as painful as they could have been. He said the Select Board is not inclined to give all the Free Cash to the budget so they must be disciplined enough to not grow as quickly as was previously done. Mr. McLaughlin said if citizens are not getting the services they expect maybe they will vote for an override.

There was a discussion of this problem, how to approach it and how to educate the residents about the issue.

Ms. Hewitt outlined the process for the budget cycle.

Review Subcommittees

Mr. Lubien reviewed the Subcommittee assignments. He said Public Services and Public Safety have no formal chairs and asked that someone take the lead to set up a meeting and then choose a chair.

He pointed out some of the structural changes that were made to the Subcommittees.

Approve Minutes

Motion: *Mr. Rickter moved to approve the minutes of the November 29, 2022 Warrant Committee meeting. Ms. Slap seconded, and the motion passed by roll call vote for video participants and show of hands for live participants.*

Updates, if any, from subcommittees, working groups, and/or committee liaisons, including:

- A. **Town Administrator:** Ms. Garvin said the Town Accountant had resigned. They are looking at how to stabilize that department. They will be looking at the Wage & Classification Study to put forward a recommendation to the Board, although the Union one will need to be negotiated separately.
- B. **Select Board:** Mr. Paolillo announced that on January 9, 2023, there would be decisions about the use of ARPA funds as related to the operating budget. He outlined some of the work and discussions that have already been done on this issue. He suggested that Warrant Committee members should weigh in on this issue.

There will also be a discussion that night about considering debt exclusion for the rink in the spring. There will not be a vote that night, but Mr. Paolillo expects it to happen on January 23rd.

He said the Board feels very strongly that there are departments that are underfunded, and that the personnel problem is affecting services. He said the Board will look for ways to attract candidates to the Town.

The Retirement Board will be meeting with the Select Board about the recent report, and he invited the Warrant Committee to participate.

There will be a Public Forum on January 19th about the warrant article for the Special Town Meeting to move from an elected to an appointed Treasurer as the current Treasurer is not seeking reelection. This is a recommendation from the Collins Center.

- C. **School Committee:** Mr. Crowley acknowledged the work that needs to be done on the budget, but he does not think there are any significant reductions that will be acceptable to the community.

The School Committee will be using a search firm to help in the hiring of a new Superintendent and a Search Committee will be established soon. He invited Warrant Committee members to participate. The goal is to have a new Superintendent by the end of March.

- D. Middle/High School Building Committee: Mr. McLaughlin said they had awarded the solar contracts on December 8th and explained that solar panels will be installed on the high school and one of the two middle school wings. He explained how the bidding process worked and the use of the contingency. They are hoping to complete the panels on the final wing with funds from the Inflation Reduction Act.
- E. Library Building Committee: Mr. McLaughlin said he would be providing reports on this committee.

Public Comment – there was no public comment.

Adjournment

Motion: *Mr. McLaughlin moved to adjourn the meeting of the Warrant Committee. Ms. Helgen seconded, and the motion passed unanimously. The meeting was adjourned at 9:22pm.*

Next Meeting: Wednesday, January 11, 2023 at 7:30pm

Respectfully submitted by,

Susan Peghiny
Recording Secretary