

BELMONT WARRANT COMMITTEE MEETING MINUTES

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OCTOBER 29, 2014, 7:30 P.M.

**BOARD OF SELECTMAN MEETING ROOM
JOINT MEETING WITH THE BOARD OF SELECTMEN
AND THE CAPITAL BUDGET COMMITTEE**

Present: Chair Libenson; Members Dash, DeStefano, Grob, Helgen, McLaughlin, Sarno, Schreiber, Starzec; BOS Chair Rojas; School Committee Rep. Lougée

Town Administrator Kale, Director of Community Development Clancy, Superintendent Phelan, Director of Finance DiCologero

Members Absent: Epstein, Fallon, Gammill, Manjikian and Mennis

The meeting was called to order at 7:40 pm by Chair Libenson.

Special Town Meeting (TM) Warrant: Review and Discuss Belmont Center Reconstruction Project

Mr. Kale began with a review of the financing. The cost for the project is \$2.750M, which includes contingency funding. The proposal is to fund \$1.3M of the project from free cash, once it is certified. The remaining \$1.4M will be derived from a bond issuance, to be financed also from free cash, over 15 years. The design should be finalized soon. The goal is for the project to begin in the spring and be completed in the fall (of 2015). He then discussed potential alternative funding options, e.g., grant money, Chapter 90 funding, the sale of Woodfall Road, and the Cushing Square parking lot.

Chair Rojas added that the Special Town Meeting will not deal with the design, but rather with the proposed funding mechanism for the project.

Chair Libenson asked about the use of free cash (from an accounting perspective). He asked if the sale of the properties (one time money) would help to spend down the free cash debt. Mr. Kale said that that money would probably help fund future design studies.

CBC member Brusch asked about the potential release of Chapter 90 funding, once the new governor takes office in January 2015. WC member Helgen asked about debt service that is being dropped off.

Mr. Kale briefly reviewed the Precinct Meeting presentation and then turned the presentation over to Mr. Clancy, Director of Community Development, who offered highlights of the scope of the project.

The financing of the project, as proposed by Mr. Kale, was further discussed by the

Warrant Committee, the CBC, and the Board.

WC Member McLaughlin asked about the Treasurer's role in financing the project. Specifically, will this impact the town's AAA rating from Moody's?

Chair Libenson noted that free cash has been used, over the last few years, to help fund the operating budget. He asked if this financing proposal would impact the ability to continue to help fund the operating budget in this way.

Member Dash asked about the maintenance costs of this project, why this project, and why use free cash in this way? Chair Rojas spoke to the impetus of this project, noting that the Center is in dire need of this face-lift, especially since the Trapelo Road project is refurbishing Waverley and Cushing Square. He said this project will spur business in the Center. Selectman Baghdady noted that the town will need to repave Belmont Center at any rate.

CBC Member Brusch raised the issue of doing this work before Macy's is decided. There will likely be a need for curb cuts and utility road digging. Mr. Clancy said there will be time to get that work done before this project is completed. Ms. Brusch noted that this project is being moved to the top of a long list.

Chair Libenson spoke to the WC criteria (asking the right questions with regard to the overall fiscal impact, the operating budget impact, and the economic impact) for evaluating fiscal appropriations and then to the precedent of this particular funding process. CBC Chair Mahoney spoke to the funding mechanism, noting that the financing is creative and that the road does need to be repaired. However, she expressed concern about the more needy projects, e.g., Police Station, DPW, High School.

The CBC adjourned their meeting, the BOS stayed in session.

Q1 FY15 Financial Results

School Q1 Report

Chair Libenson distributed a Q1 handout.

SC Representative Lougee noted that there are 86 new students (net, compared to same time last year) as of the October 1 report. Within the 86 new students, the SPED population has increased correspondingly.

She then reviewed the Q1 data, noting that several of the staff additions were necessitated by the enrollment numbers. The school budget projected deficit based on regular instruction impacts is really \$40K – not \$499K. She explained how the deficit number gets up to \$499K, which is driven largely by unanticipated SPED costs (\$380K). She also explained the impact of higher transportation costs (\$30K) and an expected increase in utilities (\$50K).

SC Representative Lougée then discussed the impact of out-of-district increases for SPED students. The varied services (tutors, hearing impairments issues, ELL, etc.) and transportation costs for these and other students remain expensive and difficult to predict.

Mr. DiCologero answered WC questions. He explained several facets of the school budget, notably maintenance fees, and the spent-to-date money versus the encumbered money.

Superintendent Phelan said that he wanted both the Board and the WC to know early about the budget snapshot as it currently stands.

Chair Libenson mentioned four possible measures to address this potential shortfall, including: cost containment, a Reserve Fund Transfer, utilization of the SPED stabilization fund, and TM allocating free cash. He said that cost containment is the preferred option.

Superintendent Phelan said that he has informed the Leadership Council of the budget situation. Measures to contain costs have been explored. Q2 will be monitored very closely, as well.

Town Q1 Report

Mr. Kale thanked the school administration and then highlighted the town's Q1 revenue numbers. He noted where the numbers are on track and where they fall above or below the estimates. He briefly reviewed the expenditures, noting personnel vacancies across several town departments.

Approval of Minutes – postponed until November 12

The minutes of 6/11/14 and 10/1/14 will be reviewed on November 12, 2014.

Adjournment

Member McLaughlin moved to adjourn at 9:45 p.m. (The Board of Selectmen adjourned at this time, as well.)

Submitted by Lisa Gibalerio
WC Recording Secretary