

2/8/2021

Joint Meeting Between the Warrant Committee, Select Board, School Committee, and Financial Task
Force II
Monday, January 25, 2021
7:30 PM

Public Forum – A Fork in the Road: Making Decisions on Belmont’s Financial Future

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: March 2, 2021
TIME: 2:25 PM

- Laurie Slap, Chair, called the Warrant Committee to order.
- Roy Epstein, Chair, called the Select Board to order.
- Andrea Prestwich, Chair, called the School Committee to order.
- Tom Caputo, Chair, called Financial Task Force 2 to order.

Laurie Slap asked everyone to take a moment of silence to honor the life of Henry Tapia after his tragic death last week. She announced that on 1/27 the Select Board will be having a special community forum on the recent tragedy on Upland Road.

NOTE: This presentation and the two earlier override meetings will be online at the FY22 budget information page on Belmont web site www.belmont-ma.gov/FY22-budget-information. There will also be a form available on the web page to ask more questions.

Laurie announced that during this forum the plan is to review how the town will be making decisions in the upcoming weeks before Town Meeting, to review services from before the 2015 override and to discuss options for next three years, and then there will be a move to a recommendation of the Financial Task Force II (FTF2) by Tom Caputo. The presentation by the Warrant Committee and FTF2 will center on the specifics of the plan and Superintendent Phelan and Town Administrator Garvin will provide us with additional information. After the presentations, we will go through Q & A program. I will point out highlights. The slides are very complex. After presentation, there will be public comments.

Making Decisions in Uncertain Times: by Laurie Slap, Chair of the Warrant Committee:

- Laurie defined the structural deficit as when recurring expenses increase more quickly than revenues.
- Proposition 2 ½ allows for an automatic, annual tax increase of 2.5% in Massachusetts towns and cities.
- A “fiscal cliff” happens when a gap occurs between revenue and expenses and this deficit starts to interrupt town services. She reminded everyone that Belmont is a town of homes, and therefore there is not a lot of commercial, taxable property. An override allows us to reset the tax level above 2.5%, which is more than the tax levy.
- Every year, there are assumptions made in the budgets to account for uncertainty. Examples of uncertainty are: how much state aid is received, the number of home renovations that are applied for (permitting fees), and how much snow falls annually. It is very difficult to forecast these types of things. In time of COVID, the uncertainties became even larger. There are uncertainties about the amount of consumer revenue, state aid levels and school enrollment (elementary decline last fall), and how COVID vaccines will affect the town’s landscape.

- The tools we have available to manage these uncertainties are: reserves and override. The town has to determine how much of the reserves we need to address the structural deficit. In normal times, Belmont typically utilizes \$2M of reserves for operating budget annually.
- There are memos from Town Administrator Garvin on the town website explaining why we have \$10.2K of free cash this year. The financial model we are using assumes that the reserves will be spread over three years. We need ample reserves in uncertain times.
- Why is override needed? Last Friday, the Select Board agreed to put a \$6.4M override on the town ballot in April. This override would spread over the next three years, and would be inclusive of reserves. The override is important to Belmont, to reset the recurring revenue line. A multi-year financial plan allows stability so town staff can focus on the delivery of services; hiring and attracting necessary town employees. If override was not passed, at best, the town would have to make short sighted decisions out of necessity.
- If we look at trajectory of FY15 through FY24 budgets. Before 2015 override, there were constant budget pressures and services were on downward trajectory. The 2016 override relieved those problems. Now that COVID has hit, we need to address service issues. If override fails there would be some cuts in FY22 and deeper cuts in FY23.

Before 2015 override

- Before 2015 override, it had been 13 years since the last override. Services suffered and it was harder to hire good employees with freezes and layoffs.
- During that period, we also had overcrowding and large class sizes, maintenance on buildings and equipment, repairs to sidewalks had to be deferred, and special education suffered. Free periods at the High School increased due to reduction in regular classes, fees for sports were added, full day kindergarten was cut short, and there was no tree planting. Pavement management program was healthy but sidewalks were in great disrepair. Then school enrollment sky rocketed.

[Belmont Media interrupted with announcement: BMC2 has max attendees of 100 and we are exceeding that limit. The limit was expanded after a technical adjustment by BMC]

After 2015 override (FY16 to FY20):

- In the period after the 2015 override, stability returned, and critical needs in school and sidewalks were addressed. Town administration could start to manage town strategically.
- After 2015, Belmont put a multi-year financial plan in place, and Belmont was able to repair sidewalks, hire teachers, address surging school enrollments and reduce the amount of free periods, as well as mitigate the volatility of special education expenses.
- In the 12 years between FY16 and FY20, we added 927 students in the high school. The new normal for total enrollment will be 5K total students. During this time, we also added 51 teacher FTEs and 10 modular classrooms.
- Some of the benefits from previous overrides include:
 - Additional Teachers and staff
 - Safeguard of services.
 - Trash collection (in 1990)
 - Road and sidewalk repairs.

- There are also Indirect benefits to the override: town employees can operate without constant pressure so town government planning can be more thoughtful and coordinated.
- The \$4.5M in 2015 override provided more sidewalks and hiring and addressed the Burgeoning enrollment in schools and allowed essential town services.

FY21 COVID

- During COVID we went to work to protect town health and protect the town against fiscal crisis. During COVID, town administration and schools have aggressively sought, and received \$3.7M in federal money. The following list of services were reduced or eliminated: · No road reconstruction · Building and vehicles repairs deferred. · No addition of employees to address class sizes. · Pool did not open. · No overtime for town employees or for library and senior center. · \$1M in services, \$1.7M in roadwork and 1M in repairs and purchases were cut in FY21.
- Our conservative measures due to COVID produced reserves. Revisions to FY21 budget resulted in postponed capital and cancellation of services and hiring.

FY22 to FY24 with combination of override and reserves:

- If override is approved there will be combination of reserves and override in budget. If there is prudent use of reserves over 3 years, we can reduce risk of town and services. This would allow support of reconfiguration plan when new middle school opens in FY23, additional money for parks and grounds and additions to capital budget, new social worker to provide services for seniors, a building support specialist to leverage energy efficiency, and a project manager procurement position so we can do bidding correctly on all town projects.
- During FY22 to FY24, the middle school wing will open, in FY22 to FY23 the high school will open and the new athletics field will open in FY24. An override in FY22 would support the reconfiguration of the town school system. This supports our students and families.

FY22 and FY24 with reserves and cuts, no override

- If no override is approved, there will be greater reserve use, no improvements to town infrastructure, student enrollment and reconfiguration model will not be attained, services will decline and the fiscal cliff will require deeper cuts in FY23. Depletion of surplus reserves could reduce AAA bond rating, and increase the cost of borrowing.
- How we deal with this, requires the input of the community. A backlog of capital needs already exists and in FY23 to FY24, we could be looking at widespread layoffs.

Financial Task Force II Recommended Plan presented by Tom Caputo, Chair of Financial Task Force II
Caputo that in this presentation he would like to summarize task force recommendations, review the financial model, and add context about override decision.

Review of Task Force activities:

- The Financial Task Force II (FTF2) came together in fall of 2018 to develop a financial forecasting tool and to develop a multi-year town plan. We are now putting forth scenario recommendations.
- Caputo said the task force focused on ensuring that they use the best data, tapping into all available expertise, and using sensitivity analyses, and, in general, budgeting conservatively.

Explanation of the assumptions that were made included:

- The biggest drivers of the model are from revenue and expenses.

- FY21 and FY22 state aid would be funded at expected levels with a modest increase in FY23 and FY24.
- Local receipts, building permits, and excise taxes, would increase at a 1 to 2.5 % level, a little less than usual.
- There would be heavy reliance on the \$4.5 M free cash over the next three years to help mitigate size of override.

Free cash distribution assumptions:

- There is a free cash balance of \$ 11.2M.
- \$8.2M can be utilized to help reduce size of override over FY22, 23 and 24.
- Anticipating free cash as a result of FY21 fully funded state aid.
- Free cash gives us the mechanism to reduce size of override, but it will still be necessary to use it to cover recurring costs because it is not a long term solution.

Expense assumptions:

- 2.5% and 4% increases for the historical rollover cost every year of existing staff. New employee headcounts included as well.
- Key hires and specific town services were included in model.
- Due to deferred maintenance backlog, another \$500K in additional discretionary capital is included in budget.
- Health increases are always a challenge, the compound growth in this area in the last 5 years is at 7%. Assume an annual increase of 5% for FY22.

Summary of model:

- Annual surplus and deficit is based on assumptions on revenue and expenses.
- We are currently looking at between \$5.7M and \$8.3M deficit for FY22 to FY24.
- With a projected \$6.4M override, we should have enough to cover deficits and then we can use surplus stabilization revenue fund. This model should bring budget into balance.

[Message from Belmont Media: Limit no longer limited to 100 from Belmont Media so number of attendees can be over 100].

Estimated Impact on taxes:

- Now that we know size of override, we can provide estimated impact on the average house owner.
- Based on assessment of property, the following increases would be expected with a Prop 2 ½ override in FY22:
 - House worth \$500K will see tax increase of \$335
 - House worth \$1M will see tax increase of \$670
 - House worth \$1.33M (average house cost in Belmont) will see tax increase of \$888
 - House worth \$1.5 M will see tax increase of \$1005.
 - Once this initial increase takes place, the tax increases will go back to the 2.5% annual tax increase for the remaining three years of override.
- Caputo said they arrived at this model and these figures, after a great deal of work. He thanked the task force for its work since its inception in 2020. He also thanked the community for their engagement. The recommendation made to the Select Board to support the override using this

financial model, received unanimous support from FTF2 members. The Select Board unanimously voted to place to place override on April 6 town ballot asking for\$ 6.4M increase

- The model assumes a use of reserve funds of \$4.7M in FY22 and \$6.3M in FY23 and FY24. He feels the plan exercises a prudent use of reserves. It retains a level we need to help preserve a clear financial plan to maintain bond rating and give flexibility to address unseen issues.
- Caputo said he wants to dive deeper into assumptions about additional head counts that they have plans to add to budget, because many residents have asked for this.

Town and School Services: presented by Town Administrator Garvin and Superintendent Phelan

Patrice Garvin:

- Garvin said that the head count for town employees has been flat for the last decade. There are needs in each department, but we can only fund the most critical areas.
- In FY22 they are asking for the following additional positions:
 - Proposing a social worker position in the Council on Aging. This position would address the growing needs of seniors especially concerning COVID outbreak issues. The COA has been asking for this position for at least 3 years.
 - Project Manager who can work town wide on procurement on capital projects, bidding, drawing up specs, and oversight of projects.
 - Facilities Department Systems Building Manager. This would address the high school/middle school needs. We need someone to manage the sophisticated system in the new school building. We are also hoping that this position can help with town wide infrastructure opportunities. There are a number of “green” grants that the town could apply for that will help with town wide efficiency.
 - The DPW is asking to add two laborers to maintain fields and walking paths. This ensures that resources already put in place already can be protected.
 - FY22 budget adds \$520,000 in discretionary capital to address deferred maintenance over the past years. The longer we defer these items, the more costly they become in the future.

Superintendent Phelan:

- The School Department’s plans, first and foremost, are grounded in trying to keep current staffing. We don’t want to go backwards. The goals of FY22 to FY24, are to continue to work on enrollment at the elementary school level. We continue to need additional staffing for the middle school and eventually the high school. Our goals are to achieve student support for families with social and emotional learning issues. We would like to add more student-based learning, and cross curriculum Learning. Belmont still sits in bottom 3% of class size or teachers per 100 students, and 6th to the bottom on per pupil expenditures in the state.
- The town will be going from a six-school to a seven-school configuration. In FY20, we will have four elementary schools, one middle school for four grades, and one high school for grades 9 to 12. In September 2024 we will be moving the 7th and 8th grades to the new middle school/high school and then we move 4th graders to upper Chenery elementary school. Teaching models will change. The new building will provide custom built aspects of support for the next 10 to 20 years.

- We want to continually address enrollment related issues. Chart shows that Arlington and Belmont added the most students to their school systems in the last 10 years. Our current 6th and 7th grades have large class sizes, and the high school grades have seen the same wave occurring. Eventually the 7th and 8th grades will be shifted to the middle school/high school and the 4th grade will be shifted to the upper elementary level. In order to accommodate the needs of an additional 7th school we will need to hire additional secretaries and administrators. The primary school focus will be on early learning, and upper elementary focus will be on age appropriate learning models; this will keep youngsters young. 7th and 8th grades will then go to the new building, which will support team modeling. High school will have all the tools to engage across disciplines, with project-based learning and student-centered learning.
- The new positions we are asking for will address 1) equity and access in social and emotional learning (SEL); 2) growth to new districting; and, 3) refocus on new distribution visioning work.
- The new positions we seek to add is high school Social Worker, Special Education Chair who would work closely with parents, and Director of Diversity and Equity (doing audit right now and we want to address areas of this audit). These new positions will require professional development and training in those areas.
- Another important addition will be hiring high school teachers to each department to support the goal of lowering class sizes. We would like to continue to run some of the pilot programs we have been doing that have been successful. Justice by the Numbers in the high school is an example of a successful interdisciplinary program. We would also like to hire math specialists at the elementary level. Most districts in our area have these type of support positions in their schools.
- We would also like to add an upper elementary curriculum director and middle school administrator. Our refocus on district configuration and project-based learning with the Buck Institute is paid for by Foundation for Belmont Education. We have been working with McLean to support SEL program for students in crisis. And we need to continue our work in technology support that has been developed during COVID. We appreciate the work of the Warrant Committee, Select Board and School Committee in this process

Making the Decision: presented by Tom Caputo, Chair of the Financial Task Force II

- Voters will be asked to vote to support override that will provide a balanced use of reserves. This will ensure smaller overrides in the future and financial stability. The override will address critical gaps talked about by Patrice Garvin and John Phelan. This would be the least risky strategy to address financial deficit.
- If override is not passed, we would have to use an unprecedented amount of reserves in FY22 either or \$7 to \$9 M.
- The following year, would present a \$ 9 to \$12M override. It would be 2nd year of cuts after COVID year. If subsequent override is not successful next year, then even deeper cuts would ensue. This would create a significant reduction in town services.
- If override passes, then we are able to tackle class size and reconfiguration plans for the schools, embrace teaching and learning demand, help at-risk seniors, maintain playground and other capital projects that help ensure we don't defer maintenance costs until they are more costly later on.

- If override fails, then we faced with a 2nd year of further deficit. There will at-risk seniors whose needs have not been met for many years, we won't be able to manage new buildings, risk our AAA bond rating and it will be a challenge to recruit and train employees, and we will be faced with substantial cuts later.
- We don't have all the specifics as to the nature of the cuts. But they would impact many of the services that we have come to rely on. \$5 to \$9M cuts is significant.
- We know that Belmont faces structural deficit, a decade of school enrollment increases and health care and pension required costs. We have put in controls, but despite those efforts, we continue to face a fiscal cliff. The Select Board agreed to put the override on ballot. The town plans to use cash reserves to preserve financial stability. Committees and boards that have been tasked to analyze this situation ascertained that it would be prudent to put in place a multi year plan.
- April 6 is the date for the vote on override. We are planning a 4th warrant committee forum. There will be one more discussion in early February.

QUESTIONS FROM RESIDENTS:

Chris Doyle, Vice Chair and Geoff Lubien, Secretary of Warrant Committee will manage the questions that have been sent into the session. Questions will be answered for 15 minutes. Then participants can raise hands directly in response.

- What type of layoffs can we expect in the schools if override fails? Can Belmont public administration size be reduced?

Superintendent Phelan said that layoffs determination will be difficult. If we consider a 60% or \$6M shortfall, a \$3.8M reduction in schools would be equal to 50-55 teachers, staff, directors and administration. We don't believe that Belmont would not use free cash if override fails. The exact amount is unknown. If we laid off 30 from the school, it would erase all the hard work we have done so far. We would have even higher class size, programs would need to be decreased and or eliminated, and transportation would be affected. He said Information about administrative staffing was included in the January 5th budget presentation with data points from the Mass. Department of Elementary and Secondary Education (DESE). Phelan pointed out that our administrative support and teacher student ratio is in the lower half compared to other schools. We are very sparsely staffed for 4500 students.

- What about trying to secure income from commercial space?

Caputo answered that over the last five or six years we have tried to rent and maximize revenues from our schools and town facilities. We have been able to raise some dollars this way. The Board of Assessors would have to make the decision about raising our commercial tax rates. Belmont is 95% residential. Even if we were to create a different tax rate, it would not dramatically move the needle. Dash said that the Town is currently trying to drive commercial development by continuing to look at opportunities with rezoning. We have increased facility rentals at town hall and the Beech St. Center, and the newly permitted cannabis sales will add to those revenues. The recent rezoning of South Pleasant St. for commercial development is hoped to produce additional commercial development. The McLean land still has a zone to be developed. Belmont does not have much room for massive commercial development. There is more we can do, but it won't get us out of the structural deficit.

- What happens after three years?

Caputo answered that this is hard to predict. If the override is successful, we still have not closed the structural deficit. The Task Force believes that Belmont needs to get into smaller, more frequent overrides. We are trying to close structural deficit. The newly formed Structural Impact Change Committee is looking to raise additional revenue and we are trying to find ways to deliver town services differently through the Long Range Capital Planning Board. These committees will be trying to reduce size of future override or push it out further.

- Clarification of slide about individual tax impact on property taxes.

Caputo explained that the increase shown on the slide isn't every year. It goes up with initial override and then in the next years the increase is 2.5% on the impact number.

- What is annual cost increases for staff additions?

Lubien replied that it equals \$970K total costs: \$689K from schools with 11 positions and \$280K coming from town.

- Why are we doing this now during this difficult time?

Caputo answered that we could just use free cash to plug the deficit, but when the free cash is depleted in Year 1, then we don't have the cushion that is mandated in town policy. It creates need for larger override in future years.

- Could staff salaries be cut?

Phelan replied that when we look into budget for following year, there could be reductions in school costs.

Epstein explained we have vacant department head positions that need to be filled. Department heads gave up increases last year.

- What happens to the middle school if override is not passed?

Phelan replied that the middle school is where the wave of enrollment is. The middle school constitutes the most complex building and schedule to run. The reduced engagement due to COVID, shines a light on our low staffing. Positions not received last year were teachers for grades 6 and 7. We need additional teachers at this level so math, science and English classes can stay below 30. If we didn't get override, then the results would be more study halls, higher class size, and vital core class reduction. We can't decide what reductions will be until we know if we are going to get override.

- What are encore classes?

Phelan defined these as Phys Ed, wellness, art, general music, band, etc.

- In the graph with upward slope and then downward slope if no override, why isn't there a zero slope?

Epstein said if it is supposed to show the minimal level services scenario then it should be staying even.

Dash said it's not scaled to a number, and that it is just a visual demonstration. Laurie Slap agreed if it's a scale, then it should be more flat.

- Why do you assume we all agree on scenarios?

Lubien answered having worked on model, there are assumptions, they are agreed upon assumptions that have been vetted with town groups. These are assumptions we feel most comfortable with. This tool will be used in the future and it will require that we keep tweaking assumptions.

Epstein said the question should be what contingencies do you have if the assumptions are wrong? The risk is revenue shortfall rather than windfall. My concern with postponing override, is that we don't even get thru FY22. Secondly, if all available free cash above the minimum reserve levels is committed, then you don't have the ability to deal with a surprise.

- A lot of property taxes have increased due to land and house assessment increases. Has this not provided a substantial cushion to budget?

Lubien replied that the actual amount that tax base can be raised is 2.5%.

Lubien, Dash, Epstein agreed that changes in assessments is in shift of which homeowner pays which amount. Just because your assessed value went up, doesn't mean the town taxes makes more than the tax levy limit as it increases each year by 2.5%. If your house went up significantly, another may have gone up less significantly.

[Cluster of questions related to use of free cash reserves.]

- They have heard it's unwise to use free cash in the way it's being projected, i.e. using it vis a vis size of override being proposed.

Caputo said they were following guidelines from the Warrant Committee. The guidelines suggest that we should retain 3 to 5% of free cash reserves. We want aggregate reserve funds to be 10% of budget. That's our cushion. We are looking at free cash above that safety threshold to reduce size of override.

- What would impact be if override failed on non-school departments, public safety and capital spending?

Epstein replied that this scenario is a work in progress. Town Administrator Garvin is developing that answer now.

Laurie Slap stated that over the next weeks, they will need to define the different scenarios more precisely. We are tentatively planning another forum on February 11th.

Ann Marie Mahoney replied that every year we have found ourselves in the situation that we have more town needs than we can fund and last year we got no money for roads and lost half of our discretionary funds. That is why the town is asking for \$500K for operating expenses. The town is trying to stay on top of building maintenance and public safety so it won't cost more later.

Garvin said they had to defer minor capital for public safety in FY21. They also had to defer the purchase of police cruisers. If there is a failed override then we would work with department heads to see how much we add back into the budget.

- What about new developments in town like Cushing Sq. and Royal Belmont. Instead of property owners being the only ones to fund override, why can't we put larger development fees on these large projects?

Garvin said that we already capture revenues for new developments in town through one-time building permits. With McLean, we have captured that revenue in the 3-year model. In Cushing Sq. we captured the new growth next year and we are not yet done capturing full amount. There are a number of ways to capture revenues from development in town.

- Can the increases for new non-school employees wait? Can those employees provide efficiencies or saving?

Garvin said that the procurement position will definitely save money for town. You can lose money without a successful bidding process. There are efficiencies to be made in the accountant's office with this additional position. If procurement is not done correctly, then the accountant manager cannot be efficient. The procurement manager can streamline the process.

The Systems Manager in the Facilities Department will address the new, complicated system in the high school. This position will not only be assigned to the high school, but this position will address other energy needs in town. They will help manage the solar panels in high school.

Social Worker for the COA will work with seniors in need of more services. COA has a \$300K total budget. Garvin feels that is inadequate for the seniors in town. We need to focus on that vulnerable population.

Dash said that they have been talking about hiring a Social Worker at COA for 5 years.

Laurie Slap wants to have free flowing comments from the attendees now. She asked that the comments be kept brief. We will then return to additional monitored questions.

COMMENTS FROM ATTENDEES:

Peg Callanan (Town meeting member Pct. 7)

Given we are entering the second year of a pandemic, and many have lost jobs, Belmont has managed to maintain its work force. Increased taxes at federal, state and local levels make it most difficult for fixed incomes. She said she would like to understand the chasm between fiscal cliff and fiscal crisis and how does this make sense with increased compensation for employees who have kept their jobs. How do we justify salary increases when we are stuck in fiscal crisis?

Epstein said that he is not sure what positions Peg was alluding to, but Patrice's salary has generated discussion. He feels that Patrice is part of the solution not the problem. We looked closely at her salary and decided that it was at a fair market level.

Peg clarified that she meant overall salary increases, not just the Town Administrator salary. She cannot comprehend an override that includes salary increases.

Garvin said there are right now many heads of departments that are vacant. Currently there is a zero COLA increase on town side for new positions. We have not laid people off. We spend a lot of time training people and it's expensive when you have to hire or rehire. We have a number of vacancies due to turnover now. She explained that the deficits faced by town are due to the restrictions imposed by

Prop 2 1/2. All expenses on the town side, seem to go up more than 2.5%, not just employees. We actually strove to only allow salary increases that were equal to or less than 2.5%.

Peg Callanan asked if we could hear from the school side.

Phelan said that his presentation on January 5 shows salary increases (chart of salary comparison). It shows average salaries for our teachers. The school budget has used a 1 to 2% formula for COLA. That works out to be less than \$1K, per year, per teacher. Teachers have left recently due to class sizes and working conditions. Other districts, employ math coaches and support staff for classrooms. Belmont teachers are working with 29 and 31 student classrooms and there are a total of less than 70 teachers. Our teachers work hard and they should be rewarded with at least a 1-2% COLA. The town has stretched three years of an override into six years.

Bill Trabilcy asked the following questions:

If he submits question on website, will it be posted?

He said there is no mention of structural cuts in this presentation. He was under the belief that committees were onboarded to look at structural reform, but he hasn't heard anything about those findings?

What is the timeline for ideas from the Structural Change and Long Range Planning Committees? And have any of the committees looked at Fire Department consolidation, or rationale for internal management of pension fund.

If you need to preserve AAA, presumes that you want to use the rating? Are there debt exclusions in mind to which we can apply the AAA bond rating?

Dash said he is on the Structural Change Committee. He replied that the committee is charged with coming in quickly with a preliminary report. He said they hope to have a final report by the end of the year. They plan to bring their preliminary report to the Select Board meeting on February 8. We are going to look at the previous years' work back to 2010, and the Financial Task Force's report. We want to make sure we review previously conveyed ideas. The committee will also be creating a web portal where residents can share ideas with the committee on that site. Once we have received input and finished with our review, we will vet all ideas and develop a matrix that indicates high or low degree of likelihood, degree of savings, and identify which ideas will need to go to legislature. He affirmed that everything is on the table and as far as he is concerned, and that there are no stupid ideas. Department heads, Town employees and the public will be involved.

Laurie Slap reminded everyone that the Warrant Committee is going to be answering questions on the previously posted website and they will work on putting together a Frequently Asked Questions page to address some of the questions that have been asked in the forums and on the website.

Laurie asked if anyone from the Long Range Planning Committee wanted to answer the question about the AAA bond rating?

Ann Mahoney (member of the Long Range Capital Planning Committee) replied that her committee is studying what is out there on financing infrastructure. After that exercise, the committee will be

breaking into subgroups. She said they are trying to develop a list of every capital project that the town has explored in the last 10 to 20 years. At that point, we will try to develop criteria as to how the town should address key issues and how funding can be structured.

Chris Doyle (member of Warrant Committee) addressed the question about the AAA bond rating, explaining that the town does sometimes issue some debt in small amounts. When interest rates increase, there is a big cost difference for AAA rating.

Dash said that he is also on the Long Range Capital Planning committee and some of the projects they will immediately consider is the skating rink, Chenery roof, and upgrade to library. All these projects need consideration now so they don't take more money in the long run.

Kathy Keohane (Chair of Library Board of Trustees) replied that the Library Board will make decision with the Select Board about upgrades to library building. It is the oldest building in Belmont and has not had repairs done for a long time. Our discussions recently have trended towards the conclusion that renovation may not be the most efficient long term solution. You can only get so many years out of a redesign. For the library, we did lay people off when the building was closed due to COVID because we deemed that it was not a prudent use of taxpayer money. However, we have continued to offer services, in a more safe, but different way.

[Laurie Slap asked that the meeting be wrapped up in a half hour.]

Ade Baptista asked if the committee members could talk about the potential for cuts to fire and public safety. There was a slide that talked about the Fire Department not having had a staff increase in 10 years. Can you address that?

Laurie Slap said that since the budget with no override hasn't been developed yet, we will not be able to address that question until the 4th forum. Patrice Garvin said they have looked at 10 and 20% cuts for facilities, police and fire. This will severely impact operations for all those departments. We are taking this seriously to find best way to deliver services with cuts. The Select Board decision about financial model was just made on Friday.

Allison Lenk (Pct. 8) noted that in the fall, two out of the three Select Board members voted for a \$12M override, then when we learned that our state was giving us more money, it was reduced. Thank goodness that override vote wasn't implemented.

Lenk wanted to know what structural changes were instituted in the past year? The Collins Institute suggested it in 2018. Why are we just looking at structural change now?

She insisted that voters need to be presented with two budgets, one with override and one without override. We do not need fuzzy statements about what will be gained and lost. We can't afford people who are making the same salary as our mayor of Boston. I'm sure they are worth it, but Belmont has a spending problem. What we need right now is structural change. As a third generation Belmontian, she finds it very upsetting. The town needs to come up with a clear budget, with and without override, or you may not like results of the vote in April.

Laurie Slap promised that these budgets would be available in the next few weeks.

Epstein replied that we could get by in FY22 if we drew down all reserves. But then where would we be a year from now? By our models, the deficit in a year from now will be \$8 to 10 M. If that override failed, then there's no question but there would be radical layoffs. Structural change could mitigate the need for override, but not entirely erase the need for it. Without override, there would still be a deficit of millions of dollars, just due to the continued increase of school enrollment. If you want to have a scenario with no override for foreseeable future, you're talking about dramatic cuts.

Lenk asserted that we need salary changes, and freezes; property tax increases are not equitable. It seems like the fork in the road was two years ago to stop spending. Too bad the area on Pleasant St. was not developed sooner and that Cushing Sq. was delayed. You can't keep coming back to the citizens especially during a pandemic.

Dash added that we are trying to do a lot for structural change behind the scenes. As far as salaries go, there are union contracts; and elected officials are not the same as town administrators who are not elected and to whom we have to pay market rates.

Bill Anderson agreed with Allison Lenk. He notes that he sees a lot of inconsistencies between fiscal committees and the Select Board. When we have a crisis, the first thing we should do is eliminate or defer open positions. In 2008, we froze positions and lowered compensation. We can't continue to afford to do business as usual. All these models and justifications are very good, but right now is not the time. Every restaurant is closed to in-service dining. We don't know how many people are affected by pandemic. He said he is a landlord in Belmont and he may need to raise rents. That is trickle down effect. We are not making the hard choices to responsibly do this without an override. If we come back in year and reevaluate unemployment and GDP numbers, then maybe there could be another solution. We can't assume a "business as usual" path. Saying no to additional staff and salary increases not constrained by union contracts, may be something we have to do right now. Maybe we should explore how much non union employees would be willing to sacrifice just to keep their job.

[Laurie Slap said that the remaining attendees can express themselves in short comments and the committees will just listen.]

Amy Kirsch

The same questions here have been raised in the Belmont parent group. I'm planning to support override, but I do wonder why this year?

Mary Lewis

Is there a way to calculate the increased cost of staff when there is turnover. New hires are usually hired at higher pay grade than those that left, if filling same level position. Do we really save anything?

Garvin answered Mary Lewis by saying the increase of unfunded mandates really force us to hire staff because without the additional staff, there would be significant burden on the departments. The burden that non-union employees have taken on in Belmont has been escalated in recent years.

Nicole Dorn

She thanked the Select Board for putting the override question on the ballot. It's the choice of the future of Belmont. If the override doesn't pass, then we have freezes, layoffs, and open classes and the library is only open part time. Class sizes will continue to grow, roofs on buildings will be falling apart. She feels that if we don't pass the override, our seniors and children suffer. She is hoping that the town goes down the path that would put us on solid financial footing for the future. She said personally, she doesn't want to live with unpaved sidewalks. She cautioned that it's never a great time for an override, but deferring maintenance will make costs more expensive in the future. If we cut services, those of us who have financial security are ok, but those that can't afford it, will lose services and will suffer.

Lubien presented a few more questions sent in by attendees:

One theme was centered on the challenges that parents have faced this year with schools, due to COVID, and remote and hybrid learning. There were a lot of people disappointed this year. Why should we dedicate more money to the schools, given the educational quality our students are receiving?

Phelan replied that he knows our parents are upset about our ability to provide learning with hybrid. However, Belmont now is up and running with hybrid in 13 grades. We are trying to add more structural time this week. We increased the hybrid schedule, but elementary and middle schools still need enhancement. Some other towns aren't even up and running yet including, Newton, Cambridge, and Arlington. Each district is working hard with little guidance. When you're in the third percentile of the per child spending, meaning 90% of the districts have more money per child, we are trying to make the best of our funds. He said he knows people are unhappy, but he hopes they remember in 2014, after override, the reduced class sizes. It doesn't make us happy to have less than par class size. We have met with great success with student outcomes and supporting the schools in music, athletics and art. We believe we will be back to where we were when we return to normal. We ask for your patience.

Andrea Prestwich suggested that we look forward to the fall. She feels if you don't support the override because of the effect the pandemic had, then only the kids suffer. Art, music, AP will be cut. Let's look to the future.

Slap said that they will record unanswered questions. Warrant Committee will be building up web page. There is another forum tentatively scheduled for February 11. At that time, we will address the specifics of a budget with and without override. We are pleased to have heard from a wide range of voices.

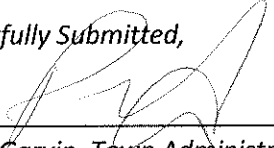
Select Board adjourned the meeting with unanimous vote.

School Committee adjourned the meeting with unanimous vote.

Financial Task Force 2 adjourned the meeting with a voice vote.

Warrant Committee adjourned meeting with voice vote.

Respectfully Submitted,



Patrice Garvin, Town Administrator

