

DATE: March 23, 2021
TIME: 9:40 AM

Approved by
the Select Board on

3/15/21

Meeting Minutes
SELECT BOARD JOINT MEETING WITH FINANCIAL TASK FORCE II COMMITTEE, BOARD OF ASSESSORS
AND SCHOOL COMMITTEE
FRIDAY, JANUARY 22, 2021
8:00 AM

Roy Epstein called the Select Board to order. Tom Caputo called Financial Task Force II to order. Andrea Prestwich called the School Committee to order. Bob Reardon, called the Board of Assessors to order. Town Administrator Patrice Garvin, Assistant Town Manager Jon Marshall, members of the School Committee, members of the Board of Assessors, and members of the Financial Task Force II were also present.

ACTION BY CONSENT

Caputo said that this meeting is being held to decide whether we will be putting the Prop 2 ½ override on the ballot on April 6, 2021. Assuming a favorable vote on placing override on ballot, there will also be a vote on whether to add a secondary question about how the override would be structured taxing to levy.

Discussion and Possible Vote on the Question as it would Appear on the April 6, 2021 Annual Town Election Ballot for a Proposition 2 ½ Override

Epstein said the meeting will start with public comment.

Dash clarified that the SB was voting only on whether to put the override question on the ballot. We are not voting on the merits of the override itself.

COMMENTS FROM ATTENDEES

Julie Crockett, meeting member, pct. 5, parent

The structural deficit has now been brought down to \$6.4M. There was a much higher number last fall. Squabbling over amounts is not productive. We just need unanimous vote for \$6.4M. We need to give the people time who are against it time to mount a campaign.

Nicole Dorn, parent

It is important for the town to move forward without financial risk. We don't want to put schools at risk. Let the voters decide.

Paul Roberts, pct. 8, Town Meeting member

He wants to join with Nicole and Julie to urge the Select Board to vote unanimously to put override on budget. He said the override in 2015 was supposed to be three years and was half the amount that was needed. He feels that "nickel and diming" is not productive. We need the Select Board to be united behind it and we need a unanimous vote. Then we need to go out and campaign for a yes vote.

Jessica Hausman, parent, pct. 1

In 2015 my infant fell off onto the sidewalk from the stroller. You can pinch pennies too much. By 2017, my second child was on a fantastic sidewalk. We need to honor the hard work of the Financial Task Force.

Roger Fussa, pct. 8, Vice Chair of Vision 21

The needs for the override are quite clear because many things have been said about consequences. We have a moral obligation to the children of Belmont, and it's quite important to have unanimous support by the Select Board. There may be people on the fence, but with unanimous support, it would be easier to pass.

Dawn MacKerron

We should postpone the vote. It's risky to enact in these times, especially with the amount. It's a bad time for elders on a fixed income, and furloughed people. The town will survive, but families may not.

Deran Muckjain, resident and business owner

Any increase at this time would be devastating. Some businesses are closing and this would get passed down in the form of rent increases. Any added cost to our bottom line could affect our survival. Prefer to delay it.

Phil Thayer, pct. 6, Town Meeting member, Chair Sustainable Belmont, resident for 30 years

It seems obvious that we need an override. We should get it on the ballot. We should be concerned that the value of our real estate will be affected if it doesn't pass.

Ms. Goar

We should delay putting it on ballot. Each resident should know how much their taxes will be increased far in advance. In 2015 override we got a surprise. We need more information.

Lisa Pargoli, pct. 4, Town Meeting member

It seems the town is completely focused on one thing which we can't afford. The reality is that your planning to do override again in a few years again. How can we afford to continue this? We should vote to delay. It needs more work and families are struggling right now and it may get worse.

David Coleman

He would vote in favor of putting full amount on ballot.

[Epstein closed public comment period.]

Epstein explained his view of the need for an override given Belmont's structural deficit. Two major drivers of the deficit are not under the Town's control: 1) growth in school enrollments, 2) and legal obligation to amortize the pension liability.

Epstein showed a slide with DESE data on school enrollment growth for Belmont and comparable towns. Since 2015, enrollment has increased much more in Belmont, Westborough and Arlington than in other towns. These increases place a huge burden on the budget. Dollar expenditure has increased a great

the first year, you would collect more than needed and you would bank that amount and draw down from it in Years 2 and 3.

2) The alternative is to raise the tax just enough to cover the Year 1 deficit and then increase the collections by more than 2.5% to reflect the expected deficits in Years 2 and 3. This is called "taxing beneath the levy limit." We have to decide whether we should consider this. The manner of raising taxes is not spelled out in the ballot question. It's not voted on, but it is an important part of the process.

Epstein said he and Geoff Lubien both analyzed this question. They both recommend not to tax under the levy limit. It would cost the town \$500K more. Moreover, the strategy is not feasible given the proposed ballot question that specifies \$6.4 million. The amount would instead have to be around \$8 million. By adopting a \$6.4M override and taxing to the levy limit we save \$500K, and we can commit to taxpayers that what we are doing what we say we are doing.

Geoff Lubien added that the financial model was built using free cash. We need \$5.8M to meet the deficit in Year 1 so not taxing to full limit of the \$6.4M in Year 1 doesn't make sense.

Epstein asked for opinion from the Board of Assessors.

Bob Reardon, Chair, Board of Assessors replied that taxing to the levy limit is something that Town Meeting has to make a decision about. This in essence means, you are "bank rolling" money for future use. \$6.4M is being raised in the first year, we won't spend that entire amount, but will be using it in subsequent year(s). He wanted to point out that this is a policy decision that needs to be made by Town Meeting, that is how it has been done in the past.

Epstein said if we don't tax to the levy limit, then the override amount we agreed to doesn't work in Year 3, and we would have to vote to reconsider the override language that we just adopted and increase amount to \$8M.

Dash said if people vote for an override of \$6.4M, the expectation is that amount will be taxed, and changing the levy mechanics won't change voters' minds at the ballot box. We should do what we did in 2015 when the excess went into a stabilization fund to be drawn down in the out years. It's the fair and transparent way to go about it. This levy mechanics piece is a Town Meeting question, and the Select Board can't vote on it, but we can recommend. We should tax to the levy limit.

Caputo agreed that the model the Task Force built assumed \$6.4M for three years and that excess collections in years 1 and 2 were put in a stabilization fund for Year 3. He recommends we do what we did in 2015.

Epstein said that in terms of understanding the implications of override, we are going to make sure we communicate that to homeowners. We are going to make clear what the financial impact will look like to individual property taxpayers.

Caputo said at the last FTF2 meeting, we presented tax estimates for the individual taxpayer. A \$6.4M override for \$1.25M house would look at tax impact of \$806 increase.

School Committee adjourned.

Board of Assessors adjourned.

deal just to stay even in terms of per pupil expenditure. This trend is not likely to change until 2025 when the demographic forecast shows student growth levels off. As soon as there is stability in the number of school children, there will be a more manageable budget.

Epstein pointed out a misconception in emails sent to the SB. Some residents have written that an override will be used for "grandiose capital projects." That is not true. The override is for operating expenses. There is a modest \$500K capital budget amount in the override. That is not going towards new projects, but going to maintain existing infrastructure.

Adam Dash applauded Epstein's explanation and would therefore cut his own comments.

Dash said there is never a good time to do an override, but the situation leaves us no choice. This is a momentous decision for services and town infrastructure. It is the fiscally prudent thing to do. The work of the Structural Change Impact Group will continue whether or not the override passes because we have to keep trying to implement change for the future.

Tom Caputo said the importance of the override to maintain financial stability is evident. We have brought experts from in and outside the town. The work of the FTF2 has been crucial to understanding issues and he is comfortable with what we are asking for. While an override is a critical step, we have to continue to embrace elements of structural change. We have to look at ways to deliver services more efficiently, we need to minimize the size of overrides by managing costs. If we don't put an override on the ballot, we are looking at substantial reductions in services. We need to put this override on the ballot and we hope the community will support it.

Motion to place on the April 6, 2021, town election ballot: Question 1 -- should the Town of Belmont be allowed to assess an additional \$6.4M in real estate and personal property taxes for the purpose of supplementing the capital budget and town and school operating budgets for the fiscal year beginning on July 1, 2021. Yes or No.

N.B. Motion was reworded at request of Town Clerk to add the year.

Select Board voted to approve the motion by a vote (3-0).

Caputo thanked the members of FTF2 and the Warrant Committee, in particular Geoff Lubien and Mark Paolillo. He also thanked Tony DiCologero and Glen Castro as well as Superintendent Phelan and Town Administrator Garvin.

Discussion and Possible Vote of the Structure of the Override as it Relates to Collecting to the Town's Levy Limit

Epstein said the next topic is the structure of implementing an override. This entails the time pattern of raising taxes if override was successful.

There are two ways to go about structuring the override:

1) If the override is passed, a given amount could be raised in the first year, which would then increase by 2.5% in year two and another 2.5% in year three. The actual deficit however, may not be the same for each of three years. Deficit could be smaller in first, middle sized in second, and larger in the third. The strategy of raising the same amount in tax each year other than the 2.5% escalator means that in

Financial Task Force II adjourned.

Select Board adjourned.

Respectfully Submitted,



PATRICE GARVIN, Town Administrator

