

MINUTES
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BOARD OF SELECTMEN
SATURDAY, JANUARY 21, 2006
SPECIAL SESSION
COMMUNITY ROOM, CHENERY MIDDLE SCHOOL

Call to Order

A special meeting of the Board of Selectmen was called to order in open session at 8:00 AM in the Community Room of the Chenery Middle School. All members were present. Town Administrator Younger and Assistant Town Administrator Conti were also present, as were Town Accountant Barbara Hagg, Chair Jim Fitzgerald and members of the Warrant Committee's General Government Subcommittee, along with other Warrant Committee members.

Action by Appointment

FY2007 Budget Hearings – Town Departments

Town Clerk/Elections

Town Clerk Delores Keefe appeared before the Board of Selectmen to discuss budget items. She reviewed her department's accomplishments from this past year, including a successful change to require Town Meeting amendments to be submitted to the Town Clerk three days in advance of the meeting.

There was discussion of some changes in administering town elections. Mr. Fitzgerald noted that police details get time and a half for working the elections, and also that we are changing a couple of the polling locations and looking into the possibility of consolidating precincts into fewer polling locations in the future. This has been done in other towns and decreases the cost of the election.

Ms. Keefe added that the Town is now mandated by the Commonwealth to have handicapped-accessible voting machines at every precinct for state elections. These cost about \$1000 each. Ms. Keefe has been able to keep election costs down by cutting back on poll workers. An average election in Belmont costs \$14,000, and an average Town meeting costs \$3000. This year there will be more elections (because it is a statewide election year) resulting in increased cost.

Mr. Younger commented that Ms. Keefe saves on overtime by putting in extra hours herself and works very hard.

The Board asked about fees charged by the Town Clerk's office. Ms. Keefe explained that fees were last raised about three years ago. Our pet licenses are in line with what

other towns charge. Most other fees are mandated by the Commonwealth and we are not at liberty to raise them.

Selectmen/Management/Legal

Town Administrator Tom Younger reported to the Board. Overall, the department will spend less in FY07 than in FY06. We have 3.7 full time equivalent employees (FTEs). Our main reduction is in legal services. Mr. Younger has begun tracking our legal costs and it looks like we can reduce these costs by \$40,000 in FY07. Mr. Conti has put in new systems to track parking complaints and other citizen contacts. We are looking to do more with our web site, following the model of Brookline which has a very interactive site. We are doing more training for department heads, which can also help keep legal costs down. This department has very few fees, most of which are regulated by the state. The main exception is our beer and wine license fees, which are already among the highest compared to neighboring towns.

Mr. Fitzgerald noted that citizens are using e-mail in greater numbers than ever to contact the Town.

Subcommittee member Jim Heigham asked if the decreased figure for legal costs is realistic given that we will have to collectively bargain with all our unions again in FY07. Mr. Younger responded that we now have two experienced negotiators working for the Town (himself and Human Resources Director Diane Jenkins) which should help keep legal costs down. Also, the Town Administrator's office will now be drafting the Town Meeting Warrants for approval by counsel rather than having counsel draft them. This will save in legal fees as well.

The Board asked if we can consolidate more of the functions currently being handled by special counsels into our Town Counsel's oversight. Mr. Younger agreed that this could be done in a number of areas once ongoing cases have been resolved. However, we will probably want to stay with special counsel for cable TV and school issues because these are specialized fields. Kopelman and Paige (Town Counsel) is qualified to handle labor issues.

Subcommittee member Peg Callanan asked if we have cut back on handling any requests from residents. Mr. Younger explained that we continue to try to respond to every resident, though some requests may take longer than others.

The Board inquired if it is possible to improve communication with residents about what is going on in Town government without incurring great costs. Mr. Younger answered that we are looking at various ways to do this utilizing the web site and the Citizen-Herald. The Board suggested sending out updates along with the light bill, which is somewhat unique in that both renters and homeowners receive it.

Mr. Younger explained that the difference between the department's reduced services and level services budgets is the inclusion in the latter of funding for a citizens survey about

what type of town services people really want, or don't want. This will help us to focus on our citizens' priorities rather than automatically offering a similar mix of services to neighboring towns with different needs. Selectman Firenze questioned what more information would be learned from this as the Town has done many surveys in recent years. Mr. Younger stated that it is up to us to ask the right questions. Chairman Solomon said that it is an exercise that is worth doing regularly. Selectman Brownsberger suggested that if a survey is done, it should be formulated with reference to the Vision 21 survey from five years ago in deciding what questions to ask. The Board agreed and further stated that such a survey should be done through and in conjunction with the Vision 21 Implementation Committee.

Information Technology(IT)

IT Manager Dave Petto appeared before the Board. Mr. Petto began by explaining that if the IT Department does not do its job, the business of the Town stops. We produce enough electronic information to fill the physical file cabinets of the Homer building every day. But our electronic storage capacity is being depleted. Mr. Petto is looking at a storage center 2 or 3 years down the road. Currently, like most other towns we are not in compliance with state regulations on retaining and accessing our data, so this is being worked on. Also, our current software does not allow us to properly secure employee and retiree health information protected under the HIPAA Act. However, these needs are not provided for in the IT operating budget.

Mr. Heigham added that there are financial penalties for HIPAA non-compliance though they have not been enforced to date. This could create a legal exposure for the Town if we remain non-compliant.

Mr. Fitzgerald stated that Mr. Younger and Technology Director Lee McCanne are working on quantifying the Town's fiber optic redundancy problem. The cost to address this could go as high as \$250,000, and there is no provision in the FY07 budget for this.

The Board asked where the cost for our 5-year PC replacement program is reflected. Mr. Petto responded that \$65,000 is allocated for this in the IT Department operating budget. This includes printers and other hardware.

There was discussion of the value of being consistent between hardware and software in what we classify as operating versus capital expenses.

Mr. Petto reported that the Town's new GIS system is being coordinated and turned over to the IT Department. This will solve a lot of issues that town committees face when trying to assemble the data they need to plan projects. One new FTE position will administer the GIS system half-time and the new financial database the other half. The GIS database will show photography, electric lines, water and sewer as well as property boundaries.

Warrant Committee member Robie White asked if this isn't an enhanced service rather than level service. Ms. Hagg explained that this position will be added in either budget because we have invested too much in the GIS project to allow it to sit unused. Mr. White asked for a list of what items are being added and subtracted under the level service budget and the Board agreed. Mr. Younger indicated he would take care of this.

There was discussion of the project to upgrade the Town's financial software package, which is not included in this budget. It was agreed that with the exception of the half-time database administrator previously mentioned, we do not expect to add any staff as part of the software conversion.

Selectman Brownsberger asked about upgrades to the Town's web site to enhance interactivity. Mr. Petto confirmed that this is included in the IT Department budget. The department has recently taken over primary responsibility for the web site from the Board of Selectmen and has been gathering information on what the web site is being used for and how. We are meeting with the Virtual Town Hall vendor soon to explore more interactivity in areas like bill payments.

Human Resources

Human Resources Director Diane Jenkins appeared before the Board. Ms. Jenkins explained that three quarters of her budget can be viewed as money that is spent on other departments' needs. For example, advertising to fill staff positions; the Employee Assistance Program; training for employees. There are not a lot of places to cut. Most of the remainder is for mailings to employees. The one request that Ms. Jenkins has made under the level services budget is to go from 2.57 to 2.72 FTEs. The department was originally supposed to have 3 FTEs, and has taken on significant additional responsibilities since that time. This is an increase of 1 hour per day for a cost of \$5000 per year.

Mr. Fitzgerald noted that the Subcommittee supports this request.

Ms. Jenkins explained that the department is handling a lot more calls, questions, and workload with the introduction of the federal Medicare Part D program. However, Medicare Part D saves the Town money because the Town will be reimbursed by the federal government for approximately \$400 per person for those retirees who remain on the Town's health insurance.

Warrant Committee Chairman Ralph Jones asked about contracting out benefits questions. Ms. Jenkins answered that she does not know of any towns that do this. She stated her opinion that this is a fundamental customer service and that we would inevitably continue to get walk-ins even if we outsourced this.

Chairman Solomon stated that adding the additional staff time for the HR department is one his top priorities for this budget. He then announced a five minute break.

The Board recessed at 10:00 AM and returned at 10:07 AM.

Finance and Accounting Services

Ms. Hagg explained that the Accounting Department pays the Town's bills. Once we approve the invoices, the Treasurer cuts the checks. We also organize and maintain the Town's financial information for reporting. Our current software is virtually useless for reporting purposes so we end up having to convert everything to spreadsheets.

Ms. Hagg indicated she has kept her staffing level in the FY07 budget request. We have a new outside auditor and the Town has saved some money with the new contract. Our department also has the account for travel mileage reimbursement.

Mr. Fitzgerald noted that previously the outside auditor was doing our financial statements. Now, Ms. Hagg does them which is an added responsibility.

Ms. Hagg clarified for the board some increases in full-time wages and decreases in professional services over the past few years. This was followed by discussion of the timeframe for the financial software replacement project.

Assessing Services

Assessing Director Dick Simmons appeared before the Board. Mr. Simmons explained that the Assessing Department re-values all the property in Belmont every year. In FY07 we also must do a mandatory re-evaluation required by the state every three years. We are responsible for property tax abatements and exemptions.

Mr. Fitzgerald noted that under the level services budget, the department is requesting appraisal software which would pay for itself over time in increased revenues for the Town. Under the reduced services budget, the department would eliminate Saturday property inspections.

Mr. Simmons noted that we are projecting new growth at \$450,000, less than in the previous year.

There was discussion of the overlay account which covers potential abatements and exemptions and is planned at \$850,000 for FY07.

Treasurer/Collector

Town Treasurer Floyd Carman appeared before the Board. Mr. Carman told the Board that his department is increasing some salaries in accordance with union contracts. In the reduced services budget we are reducing one part-time position.

Mr. Carman discussed new bonding issues for FY07. Total debt service cost will increase by about \$1 million.

Investment income for FY07 will be \$300,000 more than what we estimated when the budget was initially prepared.

In fiscal 2006 to date, we have recovered some \$900,000 in delinquent taxes, about half of what is outstanding. Any other delinquent revenues above what we expected go into the free cash account. If we can collect 10% of the \$1 million outstanding in non-tax revenues, it will be a great result. However, losing the part-time position will slow this recovery.

Retirement

Retirement Administrator Marion Cote and members of the Retirement Board appeared before the Board and explained that the retirement system includes active employees, retirees, and beneficiaries for a total of 819 persons. The retirement account currently contains \$52,645,219 as of December 31 with a return on investment of about 6.9%. This is less than the 8.25% we had budgeted for, but still represents a good performance as most of our investments beat their targets.

Mr. White asked what the target debt/equity allocation is and was told it is roughly 60% equities to 40% debt, with a small amount in real estate and other areas. This balance is regularly reviewed and adjusted.

The Retirement Board will be reviewing a new local option law which the Town may adopt requiring the provision of additional benefits for retirees who are veterans.

Warrant Committee member Phil Curtis asked if the retirement eligibility criteria are statutory and received an affirmative answer.

Insurance

Ms. Hagg stated that health insurance for school and town employees combined will top \$10 million for the first time. We offer Harvard HMO and PPO plans for employees and two plans for retirees. Auto, property, and liability insurance costs are expected to remain at or below FY06 budgeted levels.

Minuteman Regional Vocational School

Minuteman High School Superintendent William Callahan and Assistant Superintendent Tom Markham appeared before the Board. They explained that for FY07 there will be 37.36 FTE students from Belmont at Minuteman. Of these, 16 are special education students. Belmont's total assessment is proposed at \$628,144 or \$16,813 per student, a slight (2.8%) increase over FY06. The school has been able to decrease the salary component of their budget because of early retirement of veteran teachers and staffing reductions. The Town's assessment is based on the number of students and the costs of various programs they participate in.

Mr. Markham explained in detail how the per-pupil cost is arrived at. He then walked the Board through a spreadsheet showing all the components of the assessment figure. This was followed by a discussion of Belmont's assessment relative to other towns. There was much debate over the required minimum contribution set by the state and why Belmont's appears to be high compared to towns that have a greater ability to pay as reflected in property tax revenues.

The Board asked how Belmont could maximize the value of its relationship with Minuteman. Two possibilities were 1) to lobby the state for more Chapter 70 aid, and 2) to send more students to the school since the incremental cost of adding a student is less than our current per-pupil cost.

The Board adjourned its session at 1:15 PM.

Thomas G. Younger
Town Administrator