

WARRANT COMMITTEE MEETING MINUTES

MARCH 16, 2005

Handout(s) distributed tonight are:

1. *Subcommittee Report on Education*

Member(s) absent: Fitzgerald, Hofmann

Also present: Acting Town Administrator Rebecca Vose, Selectman Will Brownsberger, School Superintendent Dr. Peter Holland, School Director of Finance & Administration Dr. Gerry Missal, and Town Accountant Barbara Hagg

Chairman Widmer called the meeting to order at 7:39 PM.

Acceptance of Minutes

The Committee discussed the minutes of the March 9, 2005 meeting.

- *Member Brusch made a motion, Member Heigham seconded said motion, and the Committee unanimously voted to accept the minutes as amended of the March 9, 2005 meeting.*
- *Member Stratford abstained from said vote.*

Reserve Fund Transfer

COA (\$901.45)

Town Accountant Hagg reviewed the transfer request for the COA department.

- *Member Doblin made a motion, Selectman Solomon seconded said motion, and the Committee unanimously voted to transfer \$901.45 from the Warrant Committee Reserve Fund to the COA.*

Planning (\$23,500)

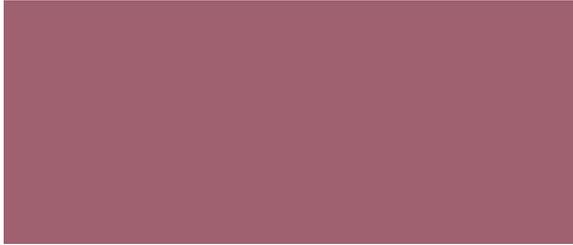
Town Accountant Hagg reviewed this request for the Woodfall Road professional services to determine if the parcel can be developed. Member Heigham agreed something of this kind is necessary.

- *Selectman Solomon made a motion, Member Brusch seconded said motion, and the Committee unanimously voted to transfer \$23,500 from the Warrant Committee Reserve Fund to the Planning Department.*

Other

Member Brusch updated the Warrant Committee on her meeting with the DOR last week regarding funding for the Fire Stations. If we go to Town Meeting to look for the \$1.5 million, the DOR will look favorably on the application. The DOR will use this as a pilot case, and we have paved the way for a number of other communities. Member Brusch

added that Vice Chair Jones did a great amount of work that the Fire Station Building Committee presented to the DOR.



Chairman Widmer met with the Retirement Board. They voted for a revised schedule in terms of paying our unfunded liability. It has an even increase in FY06 and FY07. The result of that is that we will save \$119K in FY06. This is another step in closing the gap.



Selectman Brownsberger spoke on the new Reserve Fund policy (previously distributed) with 5% as a hard floor and a target of 10%. Member White remarked that as a practical matter it has no effect, but does it make us appear better to the outside world? He would like someone from Moody's to come and speak to the Warrant Committee on this matter. What Selectman Brownsberger has learned is that bond advisors are not going to give you the most aggressive advice. It is wrong to say that this policy does not constrain us at all. Right now, this does not bind us, but it will have an impact in the future. Moody's would like us to have a policy. They are not in the business of telling us what the answer is, but they will react positively to anything that is not too aggressive. Chairman Widmer agreed it is important to get this into place. Selectman Brownsberger added that we should never go below 5%.

Member Paolillo asked if this level will maintain our bond status. Selectman Brownsberger responded that it is a good level for us to have. This sets the language around the 10% number in a positive way, in that we *want* to maintain the 10%. What would be inconsistent with this policy is to let ourselves chip away until we arrive at the 5%.

Town Accountant Hagg said this is one-step more than other communities have because it includes our Capital Endowment Fund.

- *Member Hobbs made a motion, Member Curtis seconded said motion, and the Committee unanimously voted to accept the Reserve Fund Policy.*

- *Member Heigham abstained from said vote.*

Selectman Brownsberger thanked the Committee for their support and mentioned the Board of Selectmen will be going forward with this policy.

Subcommittee Reports

Education (Handout 1)

Member Curtis reviewed the Subcommittee's report with the Warrant Committee. How do we (or should we) come up with the money to restore these tiers 6-8? We want to make it clear that everyone on the Subcommittee strongly supports extracurricular activities, but as a policy matter, these kinds of costs outside the educational core costs could shift to parents. He would hope that we could find the extra \$100K to increase the contractual allowance to 3%. There are some craft and trade positions that could be contracted out, as well as the behavioral specialist function.

Member Curtis believes that public schools can behave as private schools in the alumni fundraising area. We would really like to see this discussed in the Belmont Public Schools.

Vice Chair Jones spoke on the technology in the Schools. Our suggestion is that in order to keep in mind of this issue of productivity and FTEs, the School Department should look at technology investments that will help in future productivity.

Member Heigham pointed out that we have no control in how the Schools spend their money. Chairman Widmer added that as a Subcommittee, we should continue to make recommendations.

Selectman Solomon asked Dr. Holland for the reasoning on some of the basic missions of the School Department being put in Tier 8. Dr. Holland responded that some of these extra curricular activities are seen as co-curricular.

Member Bruschi remembered that last year we put an electrician on staff, and she asked the analysis on that savings. Dr. Missal saw a significant decrease, almost matching his salary (not including benefits) in that line item. His official job title is Maintenance Worker, so we have cut our electrical costs, plus he assists in other maintenance-related areas.

Member Curtis mentioned the long-term pension liability and how that is not factored into staff placement decisions, in both the Town and Schools. Chairman Widmer agreed that it is something we should think about with a vigilance going into the future.

Dr. Missal is overwhelmed at the degree of contracting out services that is already taking place, as compared to the other districts he was worked for. He would like a certified HVAC specialist in-house, but he recognizes it would be too costly for the School budget now.

Capital

Member Brusch mentioned it is a preliminary report because the Capital Budget Committee has three more weeks to review all the requests. The requests are big ticket items, but a lot seem legitimate. She highlighted some areas and departments that are requesting more than originally thought.

FY06 Budget Recommendations (latest Budget Worksheet 3/16/05 distributed earlier)

Chairman Widmer tried to set the stage of where we are overall. The wild card of capital is critical to the budget exercise. We will not have the CBC's tier-ing until too late. We have to come to a final resolution of a Warrant Committee in two weeks (by March 30th). We will not have a report from the Capital Budget Committee by that time.

Member White wondered what it is as a Warrant Committee that we need to know about the Capital Budget Committee other than the total amount.

Member Brusch said the process that is different this year is that the Capital Budget Committee is told their budget number is and they create a prioritized list, and the Warrant Committee discusses that list. This year, the requests have not been vetted yet. We have an excess of \$4 million in requests with about \$1.9 million to allocate.

Member Heigham asked if the Board of Selectmen wants to take \$1 million out of Capital and give it to the Schools? Chairman Widmer said we would come back to this question. We need to decide what the presentation at STM will look like.

Town Accountant Hagg reviewed the TOB Budget Worksheet as of March 16, 2005. Member Heigham pointed out the snow removal deficit will dramatically increase the shortfall. Town Accountant Hagg said we have applied for some FEMA reimbursement. Right now, we have a \$537K deficit. We will have a \$437K deficit if we include that FEMA reimbursement. About \$200K can be allocated from the Warrant Committee Reserve Fund; also, there are savings in health insurance, schools, and other areas. After these potential savings, we should only have a small impact on the FY06 Budget due to the snow removal.

Member Stratford responded to Member Heigham's earlier question. There have been no official changes to the School Department's budget coming from the Capital Budget.

Member Paolillo asked of the numbers listed, which are the soft ones in terms of revenue. Town Accountant Hagg said the Growth is a good number, MV excise is a question, and the rest are ok.

Member White fast-forwarded to next year. He sees an enormous deficit for the FY07 Budget. We have contractual and fringe obligations and a new contract for the waste pickup. We are talking about an increase in FTEs (School and Town), and health care retirement fund. Were we to reduce the Capital Budget next year, we'd have the question of catch up. It is potentially a very large override facing us next year. With that as

background, we do not think it is fair to characterize it as School versus Capital. It is fair to categorize it as FTEs versus Capital, or one-time expenditures versus on-going expenditures. If we are honest about where we are, and we feel strongly about FTEs, then should we have an override as opposed to reducing the one-time expenditures for Capital?

Member Brusch believes we will have a difficult time passing an override either this year or next year. We might be better off doing an override this year (\$2 - \$3 million), then maybe next year we can get by without or a smaller override. Vice Chair Jones agrees with Member Brusch. The longer we wait for an override, the more it will be.

Member Callanan thinks people need to have that vision beyond this and next year. Ideally, we do not want to pit one department against another.

Selectman Brownsberger spoke on his recommendation on transferring \$1 million from Roads – Capital to the Schools. He sees us in a position that we could fund both the Schools and Town's critical positions. We need to keep telling people that there will be a need for an override in the future. Selectman Brownsberger does not support an override for FY06.

Selectman Solomon responded to Member Oates frustration with the condition of the roads. He asked how we could spend the money appropriated. We cannot build more than one project at a time since we do not have the engineering capability.

Member White would have a difficult time supporting a budget with a significant reduction in capital expenditures. We cannot push it off and catch up later. That, combined with this substitution of FTE on-going expenses versus one-time expenses exasperates the problem for next year.

Member Paolillo asked if we have an override this year, how likely would we need an override next year. Selectman Brownsberger responded extremely likely. Member Paolillo does not think overrides will pass two years in a row. We need to be strategic about this. We may get this year's and not get next year's when we really need it.

Member Callanan prefers to hold off until next year. She does not think we can have successful overrides annually.

Member Curtis thinks if we can get all three of the Board of Selectmen to agree we need an override, it will persuade many voters.

Member Brusch pointed out there are two major issues coming up in the next year: the Senior Center and debt exclusion for the Wellington. To get the Wellington design completed will cost us another \$1 million. Selectman Firenze is behind the Wellington project. We will have a difficult time getting both an override and a debt exclusion from the voter next year.

Vice Chair Jones added the unfunded liability for GASB 45 would be significant. It is about \$3 million per year for Wellesley.

Other

Town Accountant Hagg volunteered to make a presentation for the Town side on the Budget Forum after STM on Monday. Dr. Holland will present the School side's level service budget and speak to how much will be restored at the tiers.



Member Heigham made a motion and it was unanimously voted to adjourn the meeting at 10:01 PM.

Respectfully submitted,

Kristina Frizzell, Recording
Clerk