

- **Belmont Warrant Committee Meeting Minutes**

- **FINAL**

- **March 16, 2011, 7:30 p.m.**

- **Chenery Community Room**

- Present: Chair Allison; Members Baghdady, Becker, Brusch, Callanan, Dash, Grob, Lynch, Manjikian, Millane, Sarno, Smith; BOS Chair Jones; School Committee Chair Rittenburg

- Town Administrator Younger and Town Accountant Hagg

- Members Absent: Epstein, Libenson, McHugh

- The meeting was called to order at 7:31 pm by Chair Allison.

- Chair Allison began by reviewing the evening's agenda. She noted that an issue was raised regarding the Open Meeting law, and that as a result, the Fire Department's RFT request would be repeated. There are four RFT requests in total and the WC will review each one, this evening. Then, the WC will discuss the FY12 budget and process, followed by the CPA bylaw discussion, minutes, and adjournment.

- ***Discussion of Reserve Fund Transfer (RFT) Requests***

- **The Fire Department**

- Chair Allison said that the Fire Department's RFT discussion needs to be repeated and therefore the WC will need to go into Executive Session later to discuss the matter.

- Chair Allison invited Chief Frizzell and Assistant Chief Davidson to the WC table. Chief Frizzell said that the Fire Department's RFT request is for \$144K – i.e., \$136K for overtime (OT), and \$8K for administrative salaries. He said the fire department knew FY11 would be a difficult year, but did not know the extent of the challenges it would face. He said the requests are for urgent and unforeseen expenditures for fire suppression and shift-filling. He noted that the unforeseen nature of the vacancies (sickness, injuries, an unexpected retirement, etc.) made it difficult to request the funding earlier. He noted that this was not a normal year for OT and that OT had actually trended downward in recent years. The funding will keep the shifts staffed and the ambulance in service. He noted that the Fire Department took every possible measure to cover the funding gap. He reviewed that the Fire Department usually is able to plan better for upcoming retirements. He noted that collective bargaining would play a role in future changes and that increasing the ambulance fees would help generate more income for the Fire Department.

- Chair Allison proposed that the WC go into Executive Session to discuss the reputation, character, physical condition, or mental health of employees. She noted that

the WC will return to open session. Member Smith clarified the purpose of executive session and noted again the reasons for the executive session.

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- Member Lynch moved: *That the WC go into Executive Session at 7:46 p.m., and later return to open session. (Member Smith refined the motion to again provide the specific reasons for the executive session).* A roll call vote was taken and all members voted in favor “aye”.

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- An Executive Session followed.

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- The WC moved to go out of Executive Session at 7:55 p.m. (Audience members who had left the room were alerted that the WC was back in open session.)

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### **Resumption of Open Session**

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- Chief Frizzell noted the scope and time duration of the multiple vacancies and subsequent replacements, which resulted in OT to be spent in most cases. Member Brusch asked about the normal OT outlay each year. Chief Frizzell explained that what is funded for OT varies from year to year, but has been generally trending downward. He stated that OT had been around 6% of the total budget, but was up to 10% this year. Member Brusch suggested that the Fire Department use the salary budget as the reference point and not the overall budget. Member Lynch asked about the OT overall expenditures this fiscal year. Chief Frizzell provided the numbers. Member Sarno asked about absentee rates. Chief Frizzell explained the absentee distinctions and noted that there was an increase in absentee rates this year, but that it had been trending flat prior to this year.

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- Chair Allison asked about what was budgeted for disability in the course of a year. The Chief replied that disability has been difficult to budget for and that the number is adjusted up or down as needed. She then asked about the timelines and the ability to foresee some of the issues. The Chief said yes, some of these cases were foreseen; but not completely.

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- Regarding meeting with the BOS, Chair Allison asked about the timeline: could it have been shortened? The Chief said that perhaps he could have gotten in earlier to meet with Selectman Paolillo. Member Baghdady asked what OT would still be needed for the remainder of the fiscal year. The Chief replied about \$65K would be needed going forward.

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### **The School Department**

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- Chair Allison turned next to the School Department’s RFT request. She reviewed the RFT requirements and the philosophy of the policy. She noted that “unforeseen” means could not have been anticipated before TM. She noted that an “emergency expenditure” of funds means that public safety or health are threatened. She said it needs to be insured that the RFT request doesn’t become a backdoor way for a

department to obtain more funding. Those requesting the RFT are asked to think very hard if there is another way to come up with the funding, as a RFT ultimately reduces free cash available for next year's operating budget.

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- Superintendent Entwistle, Assistant Superintendent Darius, and Finance Director DiCologero approached the WC table to discuss the RFT request. Mr. DiCologero reviewed the particulars of the request. He noted that a deficit was projected and it was thought a spending freeze – as well as withdrawing from the revolving accounts – could cover this. However, having exercised both measures, there is still a deficit in the general fund of \$200K, which correlates to a SPED settlement which the school department was ordered to pay for this fiscal year. He noted that this differed from his earlier estimate of \$80K because of expenses that might be in process in the system. Member Sarno asked about the revolving accounts and where the estimates came from. Mr. DiCologero explained how the coaching salaries are charged through the general fund. Member Sarno asked about the bussing fees. Mr. DiCologero replied that \$5K could be put back into the general fund. Member Sarno noted that the data was presented in a confusing way and he requested more detailed data.

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- Ed subcommittee Chair Bruschi noted that the subcommittee is evenly split on whether to support this RFT request – it hinges on the “unforeseen” nature of the request. She said there has been a lot of discussion about the pending case and the multi-year nature of the case, leading some to believe that the School Department could have come to the WC earlier. However, the School Department did believe they would win this case, thus making losing the case unforeseen. The \$200K amount was requested, but the projection of the deficit is \$80K and the school's budget is rather fluid, she said. Member Lynch asked about the \$80K amount – is there a range? Mr. DiCologero explained that the \$80K assumes that nothing else will be spent (excluding compensation) except what has been spent or authorized through PO's – but that will not be the case. We are figuring out how much above and beyond the \$80K will be needed. The \$80K is definitely an understated figure – and the \$200K represents the realistic cost of the situation. Chair Allison asked when the third quarter numbers would be known. He said mid- to late-April. She then asked when the revolving account transfers would be made – within this quarter? He replied that the transfers would be made once the general fund is in deficit. He said that waiting until near the end of the fiscal year to make a transfer made sense, as perhaps more money may be made available.

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- SC Chair Rittenburg clarified the set of assumptions made in athletics regarding the revolving account and to the general fund (regarding the \$20K). She made clear that only athletics is being charged to the athletics revolving account. Member Smith suggested that the WC first focus on the question of whether this RFT request meets the criteria, and then, if it does, address whether it will be granted and for how much.

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- **The Department of Public Works**  
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- DPW Director Castanino approached the WC table to discuss snow and storm (tree) damage. He reviewed the fact that much snow fell in a short period of time this year, causing us to overspend the snow budget by 177%. He said that the snow budget will go before TM. He said (in answer to a question) that there is a chance that the federal government will fund the portion of the snow removal deficit caused by the January 12 storm. Member Lynch asked about the snow removal budget from year to year. Mr. Castanino replied that about the same amount is budgeted from year to year, with some years going over and some under. Member Becker asked about the TM process and the snow removal approval that came from the BOS. Chair Allison explained the TM request process.

- Mr. Castanino explained the tree damage fees incurred from two severe wind storms. He explained the tree removal process and how the OT payments are incurred. This is an out-of-ordinary expense, he said, there is no extra money budgeted for this. Member Brusch asked about the money allocated to the contractor. The budget only allows trees to be removed for a certain percentage of the year, Mr. Castanino explained.

- The Reserve Fund has \$400K in it, noted Chair Allison, and while the snow request meets the RFT criteria, it is a large number. This request will go before a special TM to request a transfer (from free cash) into the Reserve Fund. Chair Jones noted that this will reduce the town's free cash, if the request is made in April. It was noted that the DOR will note the deficit.

- Member Brusch moved: *That the WC ask the BOS to call a special TM to request the transfer of funding to cover the snow account.*

- All voted in favor.

- The WC agreed to leave the sum of \$40K in the Reserve Fund, thus leaving a balance of \$360 in the reserve fund.

### **Decisions**

- Regarding the Fire Department's request, Chair Allison asked whether this qualifies as a proper RFT request. Member Lynch said yes, it meets the standard and qualifies for a RFT. The WC agreed. Given that it qualifies, Chair Allison asked: to what extent should the request be funded? Member Lynch said this was a much more difficult question and that he would like to recommend a portion of what was requested be funded for the Fire Department and all the other requests. BOS Chair Jones agreed; the entire amount(s) requested may not be needed for Fire and School Departments. Member Lynch proposed perhaps granting half of the Fire Department's request at this juncture. Member Sarno suggested that the transfer be equal to the budgeted overtime of \$75K plus 50% of the remaining amount requested. The WC discussed the impact of taking the ambulance out of service and the amount that should be voted on. Chief Frizzell asked about the timeline of waiting to see where the Fire Department is in eight weeks.

- Member Sarno moved: *That the WC authorize \$100K of the RFT request be granted to the Fire Department.*
- All voted in favor.
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- Chair Allison then asked: does the School Department's RFT request meet the standard and, if so, how much would be funded? The issue of litigation was explored by the WC. Member Grob asked if there was a mechanism to put funding aside to deal with this. The response was that there was not – that accounting practice allowed recognition of the liability to be recorded to the town only when the case was settled. Member Lynch said it meets the standard. Member Smith agreed and quoted the RFT policy. The WC agreed that putting funds aside to deal with litigation was an issue to be discussed further at another time.
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- Member Callanan disagreed. She said the School Department should have known the numbers as the case played out. Member Bruschi said that the WC should have been told about the potential liability last year even if it is not so stated in the policy. Past practice calls for better notification, she said. She agreed that legal cases should not be budgeted for. SC Chair Rittenburg noted that new administrative staff would not have known (at that time) what is written in the WC's RFT policy.
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- Since most agreed it meets the standard, the question of the amount was raised. Member Lynch said it should not be granted in full form at this time. He suggested that the projected deficit amount of \$80,500 be put forth. Member Smith said, though, that the \$80K number was clearly based on an unrealistic premise and that the amount funded should be more. He suggested putting forth 50% of the request (\$100K). Member Sarno asked about when this money needs to come in by?
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- Mr. DiCologero (from the audience) mentioned that funds have been frozen to deal with this issue and that almost no money is currently being spent. Member Dash agreed that 50% of the request seemed reasonable to grant. Member Bruschi suggested waiting a week to see where the numbers would fall after reviewing the revolving accounts. It was asked if more information would be made available in a week. Mr. DiCologero noted what funds were coming in. He said the revolving accounts are stable and that they won't be fluctuating too much in the next week.
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- Chair Allison observed that the balances in some of the revolving accounts seem large. She noted that it is difficult to understand what is charged against them and how. Can the balances in those accounts be tapped or not? Mr. DiCologero said he could look at this with the Ed. subcommittee for next week.
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- Chair Allison suggested that the Ed. subcommittee come back next week with clarity and take up the amounts at the point.
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- Member Bruschi moved: *That the WC approve the RFT request for \$27,053.88 to deal with tree damage.*
- All voted in favor.

