

WARRANT COMMITTEE FY07 MEETING MINUTES
FINAL
MAY 23, 2007, 7:30 P.M.
CHENERY MIDDLE SCHOOL COMMUNITY ROOM

The meeting was called to order at 7:33 by Chair Jones.

Present: Chair Jones; Members Brusch, Callanan, Curtis, Doblin, Heigham, Hobbs, Hofmann, Oates, White, and Widmer; Town Administrator Younger, Town Accountant Hagg, Town Treasurer Carmen, Assistant Town Administrator Conti; BOS Chair Firenze; School Committee Chair Bowe

Absent: Members Christensen, Allison, Paolillo, and Tillotson

Chair Jones began the meeting by stating that he would like to review the minutes from 5/16/07. Following that "I would like to return to Executive Session to continue last week's discussion of Collective Bargaining," and return to open session by 8:30.

Minutes Approved for 5-16-07

After corrections were made, the minutes of May 16, 2007 were approved, with three abstentions.

Executive Session

Chair Jones motioned to go into Executive Session at 7:40 to continue discussing collective bargaining. He stated that he would like the WC to return to open session to continue the budget conversation by 8:30. The motion was seconded and a roll call vote was taken: all (present) WC members voted Aye. School Committee member Stratford requested to participate in the conversation. Chair Jones invited him to the WC table.

Motion to come out of Executive Session was made at 8:40. The motion was seconded and the WC unanimously agreed.

FY08 Budget

Chair Jones directed the WC to look at the May 23 "cuts and adds" report (i.e., a handout entitled "Town of Belmont Budget Worksheet as of May 23 2007"). Questions and discussion ensued.

Member Brusch asked about the chain link fence and the other "orphan items" (i.e., larger maintenance items not considered part of operating expenses, but not considered Capital expenses either). Isn't the idea to use free cash for one-time expenditures such as these, rather than inflating the operating budget? BOS Member Firenze responded that the BOS supported funding the deficit to an additional \$1.6M in free cash (above the \$800K already agreed to), and to fund the orphan items including the Butler carpeting, the Burbank painting, etc. A portion of the fence maintenance will be absorbed in the maintenance (fuel) accounts.

Member Doblin asked about the weekend hours for the library. Maureen Connors, Belmont Library Director, spoke to the issue of keeping weekend hours in the library budget. Town Administrator Younger will shift \$10.8K from general government for the additional weekend hours. The BOS will offer guidance to Younger on this issue.

Next, Member Widmer framed the free cash issue this way: the good news is that there is a large amount of free cash; on the other hand, the town is running at a deficit, as costs are growing faster than revenues. Free cash, he continued, is a one-time gain and it's risky to use one-time money for ongoing operating budgets. The assumption in using free cash is that we are using borrowed money, thereby creating a larger deficit in FY09. We have all agreed to use some one-time money for operating needs. However, he continued, he supports limiting this use, because we are effectually borrowing against a future override. Major debt exclusions and an operating override will add to escalating property taxes. We need to be careful about not over-reaching under the illusion that we have more money than we actually have. We want the override to pass to preserve school and town services. We want a sound fiscal budget that doesn't overreach. We need to show we have done what we can do to achieve savings, then we can go to the town and ask for an override.

Member Widmer then motioned "that we reduce the original level service funding of the General Fund of \$79,176,921 (as noted in the May 23rd "cuts/adds" worksheet) by an additional \$516K, to be apportioned 60% from schools and 40% from town." The motion was seconded.

BOS Chair Firenze said that it was not fair to say that all of the \$5M free cash is one-time income. Member White replied that we have assumed free cash in future years, from under-estimated revenues, etc. Member Bruschi agreed that free cash is volatile. Last year at this time it was at a high of \$1.7M, she said. SC Chair Bowe asked why the SC needed to chop out \$600K to meet the FY07 budget, when at the same time we had an increase in free cash. Bruschi replied that both the town and schools chopped money out of their budgets, and that there has been a concerted effort not to use this cash on operating budgets. Firenze opined that some of the source of that money (free cash) is due to the various Town Managers' department consolidations and cutting of expenses.

Member Curtis said that, while he agrees with Member Widmer, he will vote against this motion. We believe that the ~\$500K savings is a necessary corollary in achieving reform and we can wait a year to see if that happens, said Curtis. He continued: putting a dollar figure out there puts stress on the negotiations. Member Widmer said that this motion is meant to put the town in the strongest possible position to maintain a decent level of services for both school and town.

Member Oates moved that the WC vote on Member Widmer's motion. Chair Jones asked that all in favor of Member Widmer's motion respond. There were 8 ayes, 5 opposed - the motion passed. BOS Chair Firenze stated that the BOS will amend the relevant Town Meeting article to restore the \$516K for inclusion in the vote at Town Meeting. SC would as well, said SC Chair Bowe.

Chair Jones asked what the Education subcommittee's recommendation to the school budget would be. The Education subcommittee, said Member Curtis, will meet again next week. It would be nice, Jones added, to get agreement with SC and BOS on this budget before Town Meeting.

Closing

Member Heigham moved to applaud Member Oates.

Member Heigham moved to adjourn at 9:16 pm.

Submitted by Lisa Gibalerio
Recording Secretary