

WARRANT COMMITTEE FY06 MEETING MINUTES
NOVEMBER 30, 2005

Handout(s) distributed tonight are:

1. Belmont Warrant Committee Reserve Fund Transfers - Standards & Procedures
2. Warrant Committee 2003-04 Subcommittee Report Format
3. Allocation of \$2.9 million of new funds in FY07, No Override
4. OPEB - GASB 43 and 45: What is it, why should we care, & can we mitigate it?
5. Special Comment July 2005: Other Post-Employment Benefits (OPEB)
6. FY07 Requested Budgets
7. Warrant Committee Major Capital Project Process Subcommittee Requested

Output

8. 11/17/05 Memo: Ideas for Potential Regionalization Projects
9. Methodology for Developing Estimates of Employee Costs

MEMBER(S) ABSENT: Curtis, Jones, and Paolillo

ALSO PRESENT: Town Administrator Tom Younger, Assistant Town Administrator Conti, DPW Director Peter Castanino, Town Accountant Barbara Hagg, and School Director of Finance & Administration Dr. Gerry Missal

Vice Chair White called the meeting to order at 7:42 PM.

Reserve Fund Transfers (Policy is Handout 1)

In 1999, a policy was created for Reserve Fund transfers. Member Bruschi reviewed the current policy with the Committee. Town Administrator Younger will review and send the transfer request, which is subject to any necessary administrative approval, to the Warrant Committee.

Skating Rink

Mr. Castanino updated the Committee on the Skating Rink project (ice making ability and boiler). He is requesting \$24K to complete a viewing area and handicapped ramp. The total project was voted at \$310K. Member Bruschi reminded the Committee that this is a capital budget item, so there are no additional DPW budget funds that could be expended. The viewing area is supported by wood beams in order to protect the insulated piping below. It will be an enhancement to the rink. This transfer request is being used for the construction. The viewing area will run the length of the rink, which includes an ADA accessible ramp and area.

Member Allison asked how it was unanticipated that the pipes would need to be insulated. Mr. Castanino did not expect to need such a specific structure to protect the trench and pipes.

Member Hofmann made a motion, Member Doblin seconded said motion and the Committee unanimously voted to transfer \$24,000 from the Warrant Committee Reserve Fund to the Skating Rink project.

The Committee thanked Mr. Castanino for his work on this project.

Fire Department

Town Accountant Hagg would like a vote from the Warrant Committee on a budget change. It's not a Reserve Fund transfer request, but it needs the Warrant Committee's attention. She gave the background information to the Warrant Committee regarding a Fire Department Administrative Assistant position increasing from a 35-hour/week position to a 40-hour/week position.

Member Heigham recalled that budget time in spring, we did not know the Northland project would have begun. It since has started.

Town Administrator Younger recommends this change in position.

Member Brusch and Member Hofmann are not comfortable making this change during the fiscal year.

The Subcommittee will review this further and report a recommendation to the Warrant Committee next week.

Charter for Capital Appropriation Subcommittee (Handout 7)

Mike Speidel will have a target delivery date of the end of January for a large capital projects procedure.

Project Committee Reports (Handout 8)

Vice Chair White passed out and reviewed a draft memo on ideas for potential regionalization projects.

Member Widmer prefers to put the emphasis on the Health Insurance Subcommittee recommendations instead of a Health Insurance Consortium as mentioned in recommendation #2 of the memo. Vice Chair White wants the Health Insurance Subcommittee to brief the Warrant Committee on their findings.

One issue for next week is the procedure for Subcommittee recommendations. Once presented to the Warrant Committee, it's given to the Board of Selectmen. There then needs to be a specific procedure on how to move forward on the recommendation.

Member Doblin would like to move forward on sharing some positions with local communities. She cited the animal control office and public health nurse positions as examples.

Outsourcing

Member Doblin said they are still gathering information on this topic. She will report a project timeframe at next week's meeting.

Full Cost of FTEs (Handout 9)

Member Allison mentioned there is a plan that includes division of labor for this topic. (1) Come up with a methodology for developing estimates of employee costs, (2) allocation and key assumptions, (3) putting together cost estimates for a long term cost of an employee (assuming no fixed costs), and (4) estimating short term costs of an employee.

Functional Consolidation

There will be another meeting tomorrow. Next week we will get a timeframe on this project.

Retiree Medical

The first issue is hiring the consultant. Town Accountant Hagg has a list of places to call for quotes. It should be done by the end of the fiscal year. The original quote was for less than \$10K.

PILOT

Town Administrator Younger will forward a report from the Town of Concord to the Subcommittee.

Street Lighting

Town Administrator Younger will make some recommendations within his budget.

Acceptance of Minutes

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

- Member Hofmann made a motion, Member Hobbs seconded said motion, and the Committee voted to accept the minutes of the November 9, 2005 meeting.
- Member Tillotson abstained from said vote.

GASB 43 and GASB 45 (Handouts 4 & 5)

Town Accountant Hagg stated that it seems a lot of states have mitigated costs by passing laws restricting the benefits. The whole liability will come onto the books in lump sums over 20 or 30 years. We'll start to grow with a liability on our balance sheet. If we do not fund it, it will come on exponentially. We need to think about this and whether we need to address it.

Retirement health care and the accounting piece have now been mandated similar to pensions. The funding has not been mandated, but that is also expected to occur soon. Vice Chair White informed the Committee "it's big, and it's coming."

Review of Draft No-override Budget (Handout 3)

Vice Chair White and Town Accountant Hagg reviewed the handout with the Committee. He reviewed the numbers and assumptions included in the budget. He provided some basic numbers and frameworks. The numbers are representative of reality. It sets the stage for Warrant Committee discussion and subcommittee activity in terms of asking departments for their scenarios regarding no override. Will it be eliminating functions, changing functions, smaller reductions, or another option? We have to be looking at each of these areas from all of these viewpoints.

The Committee discussed the health insurance costs and whether the departments should be considering the cost increase for next year. Dr. Missal cited an example within the School Department of the health insurance open enrollment. He also asked why there are not other items on this list such as SPED and utility costs.

Member Callanan believes this is the only way we can get department heads to realize the importance of these costs.

Other

Vice Chair White asked the members to meet with their Subcommittees by next week.

Member Heigham made a motion and it was unanimously voted to adjourn the meeting at 9:39 PM.

Respectfully submitted, Kristina Frizzell, Recording Clerk

Next Meeting: December 7 at 7:30 PM

Saturday morning FY07 Budget Meeting(s):

January 21

January 28

February 4

March 4: School Department