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**MINUTES
TOWN OF BELMONT
FINANCIAL TASK FORCE
SELECTMEN'S MEETING ROOM
Friday, January 16, 2015
8:00 AM**

CALL TO ORDER

A regular meeting of the Financial Task Force (FTF) was called to order in open session at 8:11 a.m. in the Selectmen's Meeting Room. Town Administrator David Kale was present, as was Assistant Town Administrator Phyllis Marshall.

FTF Members Present: Superintendent Phelan, Mr. Tony DiCologero, Mr. Justin Amico, Mr. Angelo Firenze, Mr. Charles Laverty, Mr. Daniel Dargon, Ms. Anne Marie Mahoney, Mr. Paul Lisanke, Ms. Laurie Slap, Mr. Floyd Carman, Ms. Laurie Graham, and Ms. Anne Helgen

Members Absent: Mr. Charles Clark, Mr. Andrew Levin, Mr. James Tzouvelis, and Mr. James Conroy

Reports by Sub-Committee (Working Groups) Chairs

Town Government

Mr. Lisanke reported that the working group analyzed the government structure of the town as well as the delivery of town services. The following departments were looked at closely: DPW, Police, Fire, and Community Development. Questions asked include: has there been an increase in services? has funding decreased? Both answers seem to be yes, which leads to the need for more efficiencies. Arlington and Winchester were looked for insights into towns that are similar to Belmont.

The group analyzed the following areas:

- technology
- collaboration and regionalization
- Police
- DPW
- Enterprise Funds/Arlington

Mr. Lisanke said that the process revealed that Belmont departments are stretched extremely thin in terms of resources. Staffing levels are down, facilities are past their useful lives, and services are slowly eroding. Costs will be challenging to reduce; the town will need to continue to seek efficiencies.

Ms. Mahoney agreed that staffing levels are too low, especially with regard to the Police and DPW Departments. Mr. Firenze wondered if the Police Department could be better staffed

without increasing the budget. This was briefly discussed.

With regard to the Police Department, Chair Paolillo raised the topic of succession planning. He added that other communities (Cambridge, as one example) are more desirable to work in as they not only pay more, but they “see more action”. He added that continuing to meet with the other communities and lobbying the state on issues of OPEB, health care, and pension reform will continue to be important. Regionalization and outsourcing will also need to be looked at, as will decisions around what is and what is not essential. Every department has stated that more staff is needed to better run the department.

The FTF agreed that efficiencies have been instituted across departments and that the Department Heads have been rigorous about doing more with less.

Chair Paolillo then raised the topic of the Chapter 70 formula and its flaws. Superintendent Phelan said that Belmont does not do well with the current Chapter 70 formula. Belmont would definitely benefit from a change in the formula. Mr. Firenze added that Belmont receives among the least amount of funding of all the communities in Massachusetts (10th from the bottom). Because Belmont is such a strong system, it is unlikely to be slated to receive more money.

Mr. Kale added that changes across town departments with unionized employees have to be negotiated via the collective bargaining process. Changes often cost money.

School-wide regionalization was then briefly discussed, as was the notion of Enterprise Funds. Mr. Carman provided some historical data on Enterprise Funds for town sports organizations, e.g., basketball, soccer, baseball. Mr. Kale noted that Belmont had an Enterprise type fund for recreation, which was discontinued. He then explained the rationale behind having the DPW Director oversee the Recreation Department. He added that issues concerning Recreation leadership, vision, and finances should be further looked at. Ms. Helgen noted that a Recreation professional would be able to hone the mission with regard to finances and long term recreation planning.

Revenue Opportunities

Mr. Carman noted that the executive summary report was sent out to FTF members. Highlights of the report include:

- parking fee changes
- maximizing revenue opportunities for the Recreation assets (e.g., the town pools, rink)
- the sale of town-owned land (Woodfall Road, Pleasant, Mill and Orchard Streets)
- naming rights (more complicated than it seems at first glance)
- new growth opportunities
- building rental fees
- fees across town (Belmont equal or higher to other towns in terms of fees)
- PILOT programs – this topic has been explored for a decade and will continue to be explored – Ms. Helgen noted that the town’s tennis courts and fields are used by the

private schools at no cost to them. The McLean property was briefly discussed.

- Cellular Antennas – Belmont is currently receiving revenue

Mr. Carman said the group will continue to monitor the revenue opportunities and will seek input from the residents.

Financial Projections Update

Mr. Kale noted that feedback has been received and incorporated on the initial budget numbers. The numbers are firming up. The long-term projections are both challenging to achieve and concerning – given the shortfalls. He raised the issue of the school budget deficit.

Mr. Kale then reviewed some FY16, 17, 18, and 19 budget projections – both potential revenue and expenditures. He noted the following budget variables:

- fixed costs
- debt service
- Minuteman
- investment income
- operating costs
- roads and sidewalk needs
- capital project bonding
- school space needs/costs

Operating Override

The amount of a potential override (and possible ballot wording) was discussed (\$2.5M over two years, one lump sum of \$4.5M, etc.) The details of these options (utilizing a stabilization fund, the impact on the levy, the impact on taxpayers, etc.) was explored. Mr. Kale explained what happened in Arlington with regard to their override process.

Chair Paolillo said that the override discussion needs to be fact-based and must to lay out the fiscal needs of the next four years, including capital projects that are not included in the budget projections, e.g., new high school, police, DPW, library, and building maintenance.

Mr. Kale noted that the school budget remains a challenge as enrollment is increasing, which means SPED and ELL costs are also increasing. These costs far exceed the available revenue projections.

Mr. Kale then discussed the health insurance projections.

The impact on taxpayers was explored. For every million dollars of an override, with an average home in Belmont (\$872K), the increase is \$150.00 per year. Therefore, a \$4.5M override would cost a resident in an average home \$675.00 per year.

Chair Paolillo offered that the new growth number needs to be accepted, as the Board of

Assessors are the experts. Ms. Helgen agreed, but added that potential revenue from new construction needs to be factored in as well as the fact that, historically, the amount predicted is often less than the amount actually collected. Mr. Lavery said that the new growth number would likely be adjusted, as more information is known.

Review of Timeline for Final Reports

Mr. Kale said that the summary reports are now complete. An executive summary will be written and the FTF will need to vote to accept the recommendations. Chair Paolillo suggested that the FTF vote can happen next Friday, 1/23/15. The FTF will meet with the BOS on Monday, February 26 at 8:00 a.m. to present the report's findings.

Chair Paolillo said that the School Department's Compensation Report was excellent. He stated that, while the steps and lanes mechanism needs to be reformed, this will need to happen on a broad level (statewide) and it will not successfully happen if only pursued at the local level.

Next Meetings

Friday, January 23 at 8:00 a.m.

Monday, January 26 at 8:00 a.m. – joint meeting with BOS

Approval of Meeting Minutes

The meeting minutes of December 19, 2014 and January 9, 2015 were not reviewed at this time.

Adjournment

The FTF moved to adjourn the meeting at 10:15 a.m.



Mr. David Kale, Town Administrator