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BOARD OF SELECTMEN
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MINUTES
TOWN OF BELMONT
BOARD OF SELECTMEN
JOINT MEETING WITH WARRANT COMMITTEE
Selectmen's Meeting Room
Wednesday, February 24, 2016
7:30 PM

CALL TO ORDER

A joint meeting of the Board of Selectmen, with the Warrant Committee, was called to order in open session at 7:31 p.m. by Chair Sami Baghdady in the Selectmen's Meeting Room. Selectmen Mark Paolillo and Jim Williams were present. Town Administrator David Kale and Assistant Town Administrator Phyllis Marshal were present.

Superintendent Phelan and Mr. Tony DiCologero, Director of Finance for the School department were also in attendance.

I. FY17 Budget Presentations ~ Town and School

Town Budget

Mr. Kale reviewed the budget process, noting that the Financial Task Force Model was used in developing the FY17 budget. Meetings have been held with the Department Heads, the Budget Team, state officials, and with the School Department.

The total revenues are **\$104,941,100.00**. This is a 4.6 percent increase from FY16. He reviewed the various sources of revenue, e.g., property taxes (which support the largest share of the budget), state aid, ambulance receipts, building permits, recreation department revenue, and other various taxes (meals, excise, etc.). Highlighted revenue changes include \$4.2M of property taxes and the use of a portion of the operating override, which passed last spring. Turn-backs, new growth, and state aid were reviewed as well.

There is currently \$150K of unallocated revenue; this money is not currently appropriated. Potential uses for this allocation were briefly discussed.

Mr. Kale reviewed the FY17 budget expenditures by function. The schools are the largest portion at just over \$50M. He briefly reviewed the other expenditure areas. Fixed costs are \$16.5M.

He then explained the combined facilities budget, which reflects the reallocation from the School Facilities and Maintenance Accounts, of \$2.5M. This budget change is part of a phased plan to combine all Town, School and Library Facilities Maintenance and Operations Costs within one budget. This will allow for more efficient and effective management of these resources as well as to better coordinate preventative maintenance activities in all facilities. He reviewed some of the expenditure changes for both the school and town budgets as well as several new

expenditures (a parking control officer, a staff planner position in Community Development, public safety training, etc.).

Mr. Kale then reviewed the Capital Budget allocations.

Salary and benefits, he said, remains the largest portion of the budget. He noted that next steps include receiving updates from the legislative (state) process and the WC subcommittee reviews. He thanked the key members of the Budget Team.

School Budget

Superintendent Phelan began by thanking the Budget Team as well. He provided some highlights of changes from FY16 to FY17. He explained the zero-based budgeting process and noted that the School Department's strategic plan was used as a guide during the budgeting process. He noted how the override funding aided in the development of the budget. The budget needs to respond to the increasing enrollment across the district.

As of Q2, there is a \$58K shortfall (resulting from out-of-district tuitions).

He explained that the budget was built using the three-year fiscal plan from the Financial Task Force budget. (FY17 represents year 2 of this three-year plan.) He reviewed how the budget was aligned with the strategic plan, e.g., professional development, Social/Emotional Learning, funding technology, adding a centralized registrar position (to even out the class sizes across the district) and utilizing zero-based budgeting.

The FY17 budget has increased by 6% (\$2.9M) at \$52,656K, but is adjusted to \$50,126,583 after the new facilities budget is taken into consideration. He reviewed where the \$2.9M in budget increases were allocated – SPED services and transportation, additional FTE positions, health insurance, etc.

The WC and BOS discussed school and town pension and OPEB obligations. Selectman Williams asked specifically where the school health benefits and pension are found in the budget for teachers and for School Department employees. WC Member Gammill explained how this works with teachers and School Department employees. Pension expenses are a part of the fixed costs in the town budget, offered Mr. Kale. He explained how the override funding impacted this. Selectman Williams also asked about the funding of the tennis courts and the ELL program. He asked where the water and light expenditures were located within the budget. Finally, he asked about the reserve funds, specifically, where are these funds located within the budget? Mr. Kale explained that they have been placed in a stabilization fund.

Selectman Paolillo asked about the SPED shortfall as well as the FY17 SPED budget allocation. He also asked about the anticipated enrollment projections. Superintendent Phelan addressed both questions.

Concerning the budget process, Superintendent Phelan reviewed the analysis used as well as the technical assumptions. He noted that modular units would be required at the CMS, beginning in

September. Next steps include further fine-tuning of the budget and continuing to meet with the Budget Team and with the Warrant Committee.

Selectman Williams raised the issue of "per pupil cost" and noted that Belmont's PPC was below the state average. He asked if it would be about the same for this coming year? Superintendent Phelan replied that it will likely be about the same, given the rising enrollment.

Chair Baghdady and WC Chair Libenson thanked the Budget Team for their work on the budgets. WC Chair Libenson noted that the WC subcommittee work will ensue. Chair Baghdady added that the Board of Selectmen will hold budget hearings with the department heads on the mornings of March 8 and 10 at 8:30 a.m.

The Board and the WC briefly discussed that it would be prudent to use the override money judiciously so that it lasts as long as possible. Selectman Paolillo noted that figuring out how to raise revenue without raising taxes is meaningful work that needs to be done. WC Member Gammill raised the issue of spending on capital items. WC Member Fallon agreed that there are many capital needs that need to be planned for.

Concerning subcommittee reports, WC Chair Libenson reminded the WC that draft reports are due on April 20 and final reports are due on May 4.

II. FY16 Q2 Financial Reports ~ Town and School

Q2 School

WC Chair Libenson stated that \$58K was identified (in the previous presentation) as a gap, however, this gap is expected to be closed by the end of the fiscal year.

Q2 Town

Mr. Kale highlighted several revenue areas, including: excise tax, ambulance receipts, and license and permits. Revenue line items are, overall, in line. Expenditures are being monitored. The Snow and Ice budget has been 60% expended, with about \$240K remaining. FEMA is expected to reimburse the Town approximately \$210K in emergency snow funding due to last winter's record-breaking snowfall. Where the FEMA money will be allocated (once it is received) was raised briefly.

The Selectmen and WC discussed the "new growth" line item.

WC Chair Libenson raised the topic of free cash. He reviewed the numbers and stated that the free cash amount falls within the range of the WC guidelines, at this point. He noted that there will be an additional \$2M (from Woodfall Road and FEMA). Mr. Kale noted that money will need to be allocated for the BHS feasibility study. The Kendall insurance fund was raised as a source of funding for this purpose. WC Member Fallon added that there will be a need for additional modular units which will need to be funded. She mentioned that there can be a capital overlay debt exclusion for a \$1-2M project. Selectman Williams raised OPEB funding as a

liability that won't go away.

WC Member Sarno raised the topic of placing some of the free cash into a general stabilization fund.

III. Update: Minuteman Agreement Amendment Process

WC Member McLaughlin stated that 15 towns approved the amended agreement. Five towns are leaving the district. Selectman Paolillo said that the new building will be next on the agenda for Belmont. It is likely that the vote will go district-wide. WC Chair Libenson raised the issue of viable alternatives to educate students, if needed. This will require the gathering of a lot of facts.

The Board of Selectmen adjourned their meeting at 9:08 p.m. The WC continued to meet.

VII. NEXT MEETINGS

Tuesday, March 8, 2016 at 8:30 a.m. -	Selectmen's Room in the Town Hall
Thursday, March 10, 2016 at 8:30 a.m. -	Selectmen's Room in the Town
Monday, March 7, 2016 at 7:00 p.m. -	Selectmen's Room in the Town Hall
Monday, March 14, 2016 at 7:00 p.m. -	Selectmen's Room in the Town Hall
Monday, March 21, 2016 at 7:00 p.m. -	Selectmen's Room in the Town Hall (maybe)
Monday, March 28, 2016 at 7:00 p.m. -	Selectmen's Room in the Town Hall



Mr. David Kale, Town Administrator