

2017 FEB 10 AM 9:06

**BELMONT WARRANT COMMITTEE MEETING MINUTES
FINAL
DECEMBER 21, 2016, 7:30 P.M.
CHENERY COMMUNITY ROOM**

Present: Chair Epstein; Members Alcock, Dash, Crowley, Gammill, Helgen, Libenson, Lisanke, Lubien, McLaughlin, Mennis, Schreiber; Selectman Baghdady; School Committee Chair Fiore

Town Administrator Kale

Members Absent: Fallon

The meeting was called to order at 7:30 pm by Chair Epstein.

Chair Epstein began by reviewing the agenda briefly and noting that the meeting will likely adjourn by 8:30 p.m. He then turned to the first item on the agenda.

Approval of Minutes

The minutes of 11/16/16 were approved with two abstentions.

Presentation: Preliminary FY18 Revenue Estimates and Budget Shares

Mr. Kale presented the information in his December 20th memo, "FY18 Preliminary Revenue Estimates". He reminded the WC that this is merely the beginning of the FY18 budget process. The initial allocations to the Town and School budgets presented by Mr. Kale estimate the FY18 school budget share at \$53,304,000 (up +6.34%) and the FY18 town budget share at \$39,763,000 (up +0.40%), and he described these allocations as based on the Financial Task Force Model. To balance these allocations, Mr. Kale noted that the FY18 budget would require \$2.229 million from the General Stabilization Fund and an additional \$1.280 million from Free Cash. Mr. Kale pointed out that these are one-time funds. Mr. Kale said he has been in contact with Superintendent Phelan about the budget allocations. He also said that he thought that, with refinements of the assumptions, the draw from the General Stabilization Fund may be lowered to \$1.5 million in subsequent budget drafts.

Mr. Kale then reviewed the details about all the revenue lines. The largest single source of revenue is the collection of property taxes. In addition to the 2.5% annual increase in the tax levy, Mr. Kale initially estimated new growth of \$720,000. The Board of Assessors, he said, will provide an updated estimate of new growth, e.g., Uplands, Cushing Village, the Substation. Selectman Baghdady informed the WC that the town has closed with NSTAR on the substation. He provided some background information on the substation project. He noted that NSTAR will contribute \$45M to the substation project (\$27M of this will pay down the debt). This will leave the town with about

\$26.1M of debt on this project. He explained the recent renegotiation of the substation (re-assessing the substation for real estate / property tax purposes). This will likely add to the FY18 new growth estimate.

Mr. Kale then reviewed other revenue sources. The state aid number, a 1% increase from last year, will be estimated more accurately once the Governor's budget is released in January. As is the usual practice, the local receipts are estimated using FY16 actual receipts as a guide. The transfers from other funds are estimated with little change from FY17 levels.

With respect to estimates of fixed costs, the pension contribution will increase \$487,000 and the debt service will decrease \$107,000 in FY18. The Minuteman assessment will likely be known in January, and is likely to go up at least \$81,000. The overlay reserve for now is estimated at the same level as FY17 (\$800,000) but is subject to increase based on final review by the Department of Revenue. State charges are estimated to increase 2.5%, or \$44,000. The amount for roads and sidewalks attributable to past overrides will go up 2.5%.

In discussing the FY18 school budget, Mr. Kale noted that school enrollment continues to increase, necessitating the addition of a bus. Consistent with the 2015 Financial Task Force Report, the school will add 5 FTEs in FY18. School Committee Chair Fiore confirmed that the enrollment numbers continue to rise. As of November 1, the total number students enrolled in Belmont Public Schools is 4,551. Belmont is averaging about 100 new students per year – 500 over the past 5 years.

Mr. Kale noted that the School Space Committee has reconvened and is meeting to explore the need for additional space at the elementary level. Modular Units need to be planned for in advance.

Member Helgen questioned why the draw from Free Cash was so much lower in this estimate than it has been in previous budgets, and she noted that by drawing more from Free Cash, the draw from the General Stabilization Fund could be reduced. Mr. Kale responded that he considered both sources to be one-time sources of funds. The WC continued discussing the use of free cash and the preliminary FY18 budget.

Chair Epstein noted that the WC will meet in January to revisit this topic. Member Gammill said he would convene the Education Subcommittee in January to discuss the FY18 school budget preparations.

Discussion: Format and Organization of WC Report

Chair Epstein raised the topic of the formatting of the WC Report. Member Gammill worked with the subcommittee chairs last year to try a different process of preparing and assembling the report. Chair Epstein asked him if he would be willing to continue this work. Member Gammill said based on feedback last year he would recommend some changes. Chair Epstein said he will work with Member Gammill on this process.

With respect to the content of the report, Member Gammill noted that the report itself could address more of the warrants before Town Meeting, such as those regarding the enterprise funds. Chair Epstein said he expected to address additional items in his introductory section.

Review: Current Town Census Numbers

Member Gammill distributed analysis he had prepared using the town census data provided by the Town Clerk. He said that having accurate town census data helps with the analysis of town issues and projecting demand for town services. He noted that his analysis, which used town census data, assessment records, and school enrollment totals, suggests that there is not full compliance by residents returning the annual census form. The WC briefly discussed this issue. Member Gammill said that, while he was not bringing a specific resolution to the WC, he did want them to be aware of this issue.

Updates: Board of Selectmen, School Committee, and Minuteman

There were no updates.

Adjournment

Member McLaughlin moved to adjourn at 8:34 p.m.

Submitted by Lisa Gibalerio
WC Recording Secretary