

BELMONT WARRANT COMMITTEE MEETING MINUTES 2017 JUN -2 PM 2:17

FINAL (REVISED to reflect Mr. Dash is no longer a member)

MAY 10, 2017, 7:30 P.M.

CHENERY COMMUNITY ROOM

Present: Chair Epstein; Members Alcock, ~~Dash~~; Crowley, Fallon, Gammill, Helgen, Libenson, Lubien, McLaughlin, Schreiber, Slap; Selectman Paolillo; School Committee Chair Fiore

Interim Town Administrator Marshall, Superintendent Phelan

Members Absent: Lisanke and Mennis

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

Chair Epstein began by reviewing the evening's agenda and turning to the first item on the agenda.

Approval of Minutes

The minutes of 4/26/17 were approved with three abstentions.

The minutes of 5/3/17 were approved with one abstention.

School Budget Update – Circuit Breaker Funding:

Superintendent Phelan said he will discuss the circuit breaker money as well as the out-of-district tuitions. The Special Education (SPED) out-of-district tuition account in the School Department's General Fund accounts is currently \$433K over budget. Circuit Breaker funds and surpluses in other General Fund accounts will be used to cover that deficit this year. Historically, the out-of-district line item in the General Fund accounts has been over budget. The School Department (SD) has been living within its budget and is working to generate revenue where possible. The SD will attempt to collect federal funds via Medicaid for services provided to those qualifying families. Also, more money is being charged for the rental of school buildings.

Circuit breaker funds, he said, can only be used for SPED and within a two-year period. He noted that there is a specific circuit breaker formula and there is an average amount from the state each year. He mentioned how other communities budget their circuit breaker funding. Circuit breaker funding will be needed, over the course of the next few years, regardless of where the funding is placed. General fund money that is allocated for SPED can be placed in either the newly state formed SPED Reserve Fund or into the SPED Stabilization Fund.

The budget process, Superintendent Phelan said, has been transparent and there is an

expected \$900K deficit for SPED by FY20. He then distributed a forecasting document that projects out the anticipated SPED expenses and the potential funding sources. Currently Belmont is ahead of the curve, but the document highlights the large expenses that are looming for the coming years.

The WC discussed Superintendent Phelan's report as well as issues relating to Member Gammill's memo (concerning Article 18 - the SPED Reserve Fund), circuit breaker funding, and SPED expenses in general. Member Gammill explained his rationale for the creation of a SPED Reserve Fund. Superintendent Phelan further explained the SD's financial planning concerning SPED and how the funds are utilized. Member Libenson raised the issue of putting aside funding that serves as an "insurance fund" for potential use. Member Gammill explained his point of view on the setting aside of funds for unexpected SPED costs, and the links between the requested school appropriation and its impact on town reserves in the General Stabilization Fund and free cash.

WC Report: Discussion and Vote (FY18) Budget

Chair Epstein stated that tonight's goal will be to finalize the WC report. A vote can be taken on the report – which is due at the Town Clerk's Office on Friday.

The WC then proceeded to review the content (including tables and exhibits) of the report. Edits from WC members were put forth and incorporated. Also explored was the allocation to the General Stabilization account, free cash, the amount of state aid, and the NSTAR new growth number. Chair Epstein raised the issue of exploring further Public Safety's request for more IT support. He will reach out to Mr. David Petto, IT Director, to receive his input.

Chair Epstein then raised issues relating to the revenue from the sale of the Cushing parking lot (this revenue is in a special account which earmarks the money to be used for capital projects which are bonded for 5 years or more). He summarized points made in the report on employee compensation and the enrollment challenges faced by the schools, district-wide. He touched on the capital needs of the town, e.g., Library, Police Station, DPW, etc. He then summarized the section on OPEB.

Chair Epstein stated that he will incorporate the edits he received tonight into the report.

Member Libenson noted that the projected budget shortfalls that are on the horizon may need to be mentioned in the report. Selectman Paolillo agreed that it should be noted that the Override funding was never meant to get the town much beyond FY19 and that by applying the General Stabilization Fund – the town could possibly get through FY20. Chair Epstein agreed that FY21 is clearly a big unknown and that balancing the budget will be challenging.

Education Subcommittee Report:

Education Subcommittee Chair Gammill summarized the highlights of the report, which

touches on the following areas: increasing enrollment and the subsequent need for more classroom space and teachers, per-pupil spending, and the issues relating to teacher salaries, steps and lanes, and the connection between the ongoing collective bargaining negotiations and financial pressures in subsequent years.

The WC then discussed the planning surrounding the new Belmont High School as well as the related costs. Member McLaughlin explained how the 7-12 grade configuration would need to be considered “one building”, by the MSBA. The building sections (7-8 and 9-12) will need to be connected. Member Helgen added that almost 1,000 students will have been added to the system by the time the new school is built.

Member Gammill moved: That the Warrant Committee authorize the Chair to deliver its Final Report on the FY18 budget to the Town Clerk. The Final Report should be based on the draft presented to the WC on May 10, 2017, on the discussions at its May 10 meeting (any subsequent drafts provided by the Chair and comments received in response), and other edits by the Chair that correct typos and factual errors, enhance clarity or otherwise improve the Final Report. The motion passed unanimously.

Chair Epstein informed the WC that it will meet again next week: May 17, 2017.

Adjournment

Member McLaughlin moved to end the meeting at 9:26 p.m.

Submitted by Lisa Gibalerio
WC Recording Secretary