

BELMONT WARRANT COMMITTEE MEETING MINUTES 2017 JUN -2 PM 2:17
FINAL (REVISED to reflect Mr. Dash is no longer a member)

MAY 17, 2017, 7:30 P.M.
CHENERY COMMUNITY ROOM

Present: Chair Epstein; Members Alcock, ~~Dash~~, Crowley, Fallon, Gammill, Helgen, Lisanke, Lubien, McLaughlin, Slap; BOS Chair Williams; School Committee Chair Fiore

Interim Town Administrator Marshall

Members Absent: Libenson, Mennis, and Schreiber

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

Chair Epstein began by reviewing the evening's agenda.

Approval of Minutes

The Human Services Subcommittee minutes of 5/10/17 were approved.

The minutes of 5/8/17 (Joint Meeting with the Board of Selectmen) were approved with one abstention.

Presentation by Thomas Gibson, Chair of the Retirement Board (RB), on Relevant Articles for the June Annual Town Meeting (ATM)

Chair Epstein invited Retirement Board members Mr. Tom Gibson, Mr. Ross Vona, and Retirement Administrator Ms. Olszewski to the WC table. Mr. Gibson explained that recent state reforms and enhancements have been put into place and therefore the RB is putting forth these articles.

Article 20: Authorization to Increase COLA base by Retirement Board

Mr. Gibson explained that the COLA base has been set at \$12,000. This article would increase the COLA base to \$14,000. This increase is inline with other RBs across the state. Mr. Gibson then explained the granting of COLAs and the impact of this on the overall budget. The actuarial consultant's report estimates that this change would add \$1.7M to the overall unfunded liability.

Article 21: Authorization to Increase Minimum Allowance Payable to Survivors of Members of the Belmont Retirement System

Mr. Gibson explained that this would cost an additional \$500.00 a month.

Article 22: Authorization to Adjust Spousal Benefit for Surviving Spouses of Retirees

Mr. Gibson stated that only a few spouses would be impacted by this article.

Article 19: Authorization to Increase Retirement Board Stipend

Mr. Gibson stated that the legislature has allowed an increase to \$4,500 per year, an increase from \$3,000. He explained the responsibilities of the Retirement Board (RB).

Member McLaughlin asked about the RB's fringe benefits. Mr. Gibson said that the RB does not receive benefits from the town, just the stipend. Member McLaughlin noted that no other committees across town receive any stipend, at all. Mr. Gibson noted that the RB meets once a month. He explained the duties that occur at these meetings. Member McLaughlin stated that he is very much opposed to granting them a 50% raise. He added that he is also against the COLA raise and adding \$1.7M to the unfunded liability of \$77M.

Mr. Gibson clarified some of the retirement benefits that are paid out. In response to a question, he said that the RB members have fiduciary liability insurance.

Member Crowley stated that there is a significant outstanding balance that the town will be obligated to meet (the \$77M). This increase will be a challenge for the community, given the outstanding pension balance.

BOS Chair Williams discussed the unfunded pension liability as well as the payment schedule. He noted that the BOS has not voted on these articles. However, he said he is not unfavorable to these articles.

Presentation by Robert Sarno, Town Meeting Member on Article 26, the Citizen's Petition "to see if the Town will vote to transfer from unappropriated available funds ... to the General Stabilization Fund"

Mr. Sarno approached the WC table to explain his petition. Mr. Sarno stated that the article moves \$1M from free cash into the General Stabilization Fund. The free cash stands at \$7M, which is good news. This presents an opportunity to put some money aside and place it in the General Stabilization Fund to delay or mitigate another operating override.

Mr. Sarno explained how this transfer from free cash to the Gen. Stab. Fund would be aligned with the town's Free Cash guidelines. This article supports the notion of protecting the override funds for as long as possible. The money will still be there, but it requires a 2/3 vote from Town Meeting (TM). Challenging fiscal years are on the rise and this will shore up the town's finances.

Member Fallon stated that, while she agrees with the guiding principle put forth in this article, she asked: wouldn't this issue be better attended to in the fall after the full cost of the modular units are better known? Mr. Sarno acknowledged that the modular costs are unknown, but some of these units could be bonded, since cash was spent last year. He outlined some modular unit funding scenarios.

Member McLaughlin explained that the only difference is how the money is accessed, as the Gen. Stab. Fund requires a higher bar (2/3 majority) than free cash. It seems to show a mistrust of the town's governing bodies.

Presentation by Anne Marie Mahoney, Chair of the Capital Budget Committee (CBC), on Article 15 (Appropriation of Capital Expenditures)

Ms. Mahoney approached the WC table to discuss Article 15. She began by addressing the clarifying questions put forth by Chair Epstein, specifically regarding the funding of sidewalks. She then reviewed the items funded by the Capital Budget across town departments, e.g., Public Safety, Facilities, Library, DPW, School Department (separate from facilities), IT, COA, etc. WC members asked questions concerning some of the items.

Regarding the vast amount of technology requests, CBC Chair Mahoney noted that half of the capital requests are technology related. She asked: should there be a separate source of funding to handle the numerous technology upgrade requests?

The WC discussed the Capital Budget motion(s).

Discussion and Vote on Reserve Fund Transfer (RFT) request for the Snow and Ice budget (\$322K)

Member Lubien explained that the budget was exceeded because two of the three major storms involved heavy snow, were long in duration, and were heavy on ice. Belmont, he said, is not necessarily underfunding the snow/ice budget, but that further analysis could be done on this budget.

Chair Epstein reviewed the RFT criteria. Member Lubien said that this request meets the WC's criteria. Ms. Marshall explained when and how the state and/or federal government offers snow/ice relief.

The WC discussed issues relating to the snow/ice budget and to this RFT request.

Member McLaughlin moved: To approve the reserve fund transfer request.
The motion passed unanimously.

Discussion and Vote on Articles for Segment B of the Annual Town Meeting

Chair Epstein invited CBC Chair Mahoney back to the WC Table.

Article 14: Authorization for Up-Front Funds

Article 15: Appropriation of Capital Expenditures

Member McLaughlin moved: Favorable action on Article 14, Article 15 parts A and B.

Chair Epstein raised concerns about the COA van and the Oil Spill Truck.

The motion passed unanimously.

Article 20: Authorization to Increase Retirement Board COLA

Chair Epstein stated that he is not satisfied with the arguments to justify the COLA increase. It will have a true impact on the overall pension liability. Member Gammill spoke to the pension obligation as well as the other fiscal demands on the budget overall. The WC generally agreed that the case has not been made for the COLA increase. BOS Chair Williams offered some insights onto why this was a reasonable request. He spoke to how well the pension fund is performing overall.

Member McLaughlin moved: Unfavorable action on Article 20.
The motion passed unanimously, with one abstention.

Article 21: Authorization to Increase Minimum Allowance Payable to Survivors of Members of the Belmont Retirement System

Article 22: Authorization to Adjust Spousal Benefits for Surviving Spouses of Retirees

The WC discussed articles 21 and 22. There was general agreement that these articles are an attempt to expand retirement benefits because the state is *allowing* the benefits to be expanded. The WC deferred voting on these two articles.

Article 19: Authorization to Increase Retirement Board Stipend

Member McLaughlin stated that this request is offensive and he explained the reasons why. BOS Chair Williams stated that Belmont's RB is exemplary. Their point, he said, is to keep pace with the state law change. Member Fallon stated that the town's stipend policy and logic is not clear. She said this might warrant looking into. Chair Epstein stated that he might ok a much smaller stipend increase but not the one that the RB put forth.

The WC deferred action on this article.

Article 26: Citizen's Petition: General Stabilization Fund

Chair Epstein stated that, while he does share Mr. Sarno's concern, the town will be scrupulous in safeguarding the town's funds. This article is just about *where* the money is placed. Member Gammill said he supports this article, there are competing needs for this money, and the 2/3 hurdle represents a better way to ration the money. He added that this is a fiscal issue, and as such, should be dealt with at the ATM. BOS Chair Williams said that there are several modular unit funding scenarios. The WC expressed a desire to hear from Town Treasurer Carman concerning this article and his plan to fund the modular units.

Updates: Board of Selectmen, School Committee and Minuteman

Board of Selectmen: BOS Chair Williams mentioned a concern about the FY18 budget.

School Committee: SC Chair Fiore reported that she may be late for next Wed's meeting.

Adjournment

Member McLaughlin moved to end the meeting at 9:34 p.m.

Submitted by Lisa Gibalerio
WC Recording Secretary