

Warrant Committee Meeting Minutes March 30, 2005

Handout(s) distributed tonight are:

1. *Warrant Committee Subcommittee Report Format*
2. *TOB Budget Forecast FY06-FY09*
3. *TOB Budget Worksheet as of 3/29/05*

Member(s) absent: Oates, Paolillo

Also present: Acting Town Administrator Rebecca Vose, Selectman Will Brownsberger, Selectman Angelo Firenze, School Director of Finance & Administration Dr. Gerry Missal, School Superintendent Dr. Peter Holland, and Town Accountant Barbara Hagg

Chairman Widmer called the meeting to order at 7:40 PM. He thanked Member Stratford for his hard work on the Committee as the School Committee Representative. He reminded the Committee that the Subcommittee Report drafts for Town Meeting will be due at next Wednesday's meeting (April 6). A suggested format (*Handout 1*) was passed out regarding the Subcommittee Report. They could also be emailed to Town Accountant Hagg (bhagg@town.belmont.ma.us) by April 6 as well.

Acceptance of Minutes

The Committee discussed the minutes of the March 16, 2005 meeting.

- *Member Heigham made a motion, Member Tillotson seconded said motion, and the Committee unanimously voted to accept the minutes as amended of the March 16, 2005 meeting.*

The Committee discussed the minutes of the March 23, 2005 meeting.

- *Member Heigham made a motion, Member Hofmann seconded said motion, and the Committee unanimously voted to accept the minutes of the March 23, 2005 meeting.*

FY06 Budget Discussion

Town Accountant Hagg reviewed a revised budget forecast of FY06-FY-09 (*Handout 2*) as discussed in a meeting earlier today. As a result of the meeting, some of the forecasted expenditures have changed. Town Accountant Hagg explained the forecasted reduction/override necessary to maintain a level service budget.

Member Curtis pointed out that every expenditure, except State Charges, increases over 2½%. Vice Chair Jones remarked the salaries and benefits are the elements that are driving the expenditure side of the budget.

Chairman Widmer believes the best place to start is to take the Board of Selectmen's recommendations (*Handout 3*) and work from there.

Chairman Widmer said the main change is that the deficit is now at \$55K, down from \$71K, which was last week's spreadsheet deficit. Selectman Brownsberger clarified they have asked the Schools and the Town to find funds to reduce the deficit.

Vice Chair Jones asked what the Town's IT department has for staffing. Town Accountant Hagg answered that we currently have one with a position being offered next week. For FY06, there will be an additional staff person, making it 3 FTEs for that department. Vice Chair Jones is concerned with that staffing level. Is it enough? He wonders what is going to happen when the new financial software comes on board along with the GIS technology need.

Member Fitzgerald is very concerned that we do not have enough staff in that department. We are going to be jeopardizing our ability to do some of the things we want to do based on our staffing level. The GIS system has a real return on investment for the Town, but we will need someone to focus on that. Vice Chair Jones said we would need that GIS position in by the FY07 Budget if not before.

Member Doblin thinks the Board of Selectmen has done a great job putting this budget together during a difficult time. She would like to see a more aggressive approach into ramping up the roads process. One weakness is that this budget compromise is not sustainable, although she is willing to support the work done by the Board of Selectmen.

Member Hofmann asked how we are doing with the Legal Settlements account. Town Accountant Hagg said we are doing better this year than last year to date. Member Hofmann cannot support the \$500K in Free Cash or the reduction in Capital expenditures. He does not think we are making prudent decisions for the future. Member Hofmann is not comfortable with tapping into the Town's reserves.

Member White is concerned with FY07 and beyond. He thinks we are setting ourselves up for the "perfect storm" for FY07. The estimated deficit does not even begin to look at the Retirement Pension Fund (GASB 45) that we need to create. We are talking about \$4.5 - \$5 million deficit next year if we are talking about the Retirement fund and health care. It will get us through the next year, but it is not prudent for the long-term.

Town Accountant Hagg clarified for the snow and ice deficit, we could use \$200K from the Town's health insurance account and the difference can be taken out of the Reserve Fund. Selectman Brownsberger said these deficits still keeps us at the 10% reserve level.

Member Heigham agrees with the statements made by Members White and Hofmann.

Member Brusch is not comfortable with the decrease in the Capital Budget. She thinks we should be going for an override of \$1-\$2 million this year, and genuinely believes we are setting ourselves up for defeat next year. The Capital Budget of \$2 million is not a lot

of money on an \$80 million budget. The cuts should not be coming out of the one piece of the budget that is the smallest.

Member Curtis pointed out that he appreciates Member Brusch giving concrete steps for suggestions to reduce the deficit.

Member White proposes we reinstate the \$284K in Capital, and that we ask the Schools and Town to each find \$142K to offset that amount.

Member Fitzgerald agrees with Member Brusch. He does not want to take money out of Capital Budget. It will exacerbate the problem later on. Having a small override will begin the education process and get the residents to understand the type of situation we are dealing with right now. He does not like seeing capital money going for operating expenses. He supports a small override this year.

Chairman Widmer pointed out that if we have a small override of \$2 million, we still need to go to the voters for another override for FY07. Vice Chair Jones agrees we need that small override. Year over year, health insurance plus salaries is now more than two times the 2 ½% increase. Each year, we are at the need to have an override built in just for those areas.

Selectman Brownsberger said we are sustaining a “roaring” capital investment rate in this town. We have done the Town Hall Annex Complex, and we are about to do two fire stations. In this small budget, we are supporting more non-road capital funds than we have in the past few years. The amount of capital investment going on in this town is huge. To look at the year-to-year bump in one category is tunnel vision. We have to get off the idea that we are not doing capital investment. He agrees in the long term we need to spend more in capital, but it is not possible for the FY06 Budget. Member Hofmann fervently disagrees, because whatever we are spending is not maintaining things now. Selectman Brownsberger asked Member Hofmann where we would spend the \$2 million for an override. He would put it back into Capital and reserves.

Selectman Firenze said we are in fact reducing the capital requests by \$200K, but in the operating side of the budget was increased \$100K for computers at the CMS and \$40K for sidewalk repairs. He was prepared to accept spending that money from the Capital Budget.

Member Brusch thinks Selectman Brownsberger is correct that we have been spending a lot of money on our large building projects. However, she thinks we need to spend money to maintain those projects. There are items that requested that need immediate attention. We have over \$4.2 million in requests, not for large building renovations, but many needed items that could increase productivity. Chairman Widmer pointed out this is the highest non-road Capital Budget in recent years.

Vice Chair Jones suggested we look for ways we could spend money that would be most productive in creating long-term productivity. We are deferring all sorts of decision

software that will increase productivity. When push comes to shove, operating historically trumps capital, which proves we do not have a long-term commitment to capital.

Member Curtis is in favor of this FY06 Budget because it does work for FY06. He has a tough time supporting an override that is not supported unanimously by the Board of Selectmen. Also, we have not really earned the override in the broad political sense, and we have not done all we can do to reduce expenditures (as in health insurance, for example). We need to have done our best on health insurance for that fiscal year. We need to come up with and follow through on recommendations to change the status quo. Until we do that, we are going to be vulnerable to the charge that we have not tried hard enough.

Member Callanan, in principle, does not support reducing the Capital Budget. She has a problem with reducing the size when requests are \$4.2 million and the amount available is \$1.6 million. She suggested both the Town and Schools each find \$71K in order to put more back into the Capital Budget. She does have some concerns about the IT piece, and the lack of productivity that can occur with a lack of staffing.

Member Heigham thinks that if a \$2 million override passed, it would greatly reduce the problems for next year. He would just assume the failure this year, which may allow next year's attempt a better chance to pass. Also, next year the Senior Center and Wellington will be on the ballot.

Vice Chair Jones agrees the departments are constantly being squeezed for personnel. The Town Meeting could ask if we are setting our priorities. We are adding a ½ FTE in Community Development, ½ FTE in Sewer, and one for IT. Is that enough?

Selectman Brownsberger does not think the Warrant Committee could come up with \$2 million worth of "beef" in an override. Secondly, he will not support an override this year. He believes that when we as a community want to go out for an override, it's about coming out unified as a Board.

Chairman Widmer took a straw vote on three alternatives of the 14 Warrant Committee members present:

1. An override for the FY06 Budget (to get on the ballot requires a Board of Selectmen decision) – [Fitzgerald](#), [Heigham](#), [Brusch](#)
2. To adjust spending with a Capital Budget of \$1.95 million – no override, take reductions in Town/School operating – [Jones](#), [White](#), [Callanan](#), [Hofmann](#), [Doblin](#), [Tillotson](#)
3. Broadly accept the Board of Selectmen's compromise – [Widmer](#), [Solomon](#), [Stratford](#), [Hobbs](#), [Curtis](#)

Then Chairman Widmer took a straw vote on narrowing the alternatives if we do not do an override:

1. To adjust spending with a Capital Budget of \$1.95 million – no override, take reductions in Town/School operating – Jones, White, Fitzgerald, Callanan, Tillotson, Hofmann, Hobbs, Brusch
2. Broadly accept the Board of Selectmen’s compromise – Widmer, Solomon, Stratford, Curtis, Doblin, Heigham

We can present two budgets to the Town Meeting, or we could try to see whether we can reach some consensus as the Board of Selectmen did from the beginning of the budget process.

Member Curtis reminded the Committee that Subcommittee reports are due next week, and he is on two subcommittees that are split. Member Hofmann does not think the Warrant Committee needs to be united in bringing a budget to Town Meeting.

Next week, we will have a list of what the Capital Budget Committee is recommending as well as the delta of additional requests that also need funding.

Selectman Brownsberger said if the vote of the Warrant Committee is split between accepting the Board of Selectmen’s recommendation and adjust the capital versus operating, then he would like to come to a compromise on the ~\$280K. Member Heigham thinks presenting two budgets will present disaster.

Chairman Widmer thinks the eight who agreed to adjust capital/operating, and Warrant Committee generally, have a responsibility to present an alternative that we can react to. What is the process we should go through?

Vice Chair Jones thinks the Capital Budget recommendations should be given to the Warrant Committee as soon as possible. Ms. Vose will get that information to the Warrant Committee.

Selectman Brownsberger appealed to the Warrant Committee to keep thinking about the fact that this has been a budget that has had a lot of public discussion already. We would like to have the support from the Warrant Committee. Selectman Solomon added that it will take a lot for him to take an extra \$150K out of the Town budget.

Member White thinks the only rational way to deal with this is to schedule a Warrant Committee meeting before next Wednesday just for this topic.

Selectman Brownsberger said if the Capital Budget is missing \$284K, let’s split it in half and take \$142K to be split between the Town and Schools. They would have to reduce their budgets by \$71K each. Selectman Firenze will not support that. He would be very uncomfortable asking everyone to give up more money.

Chairman Widmer said it would behoove us to meet before next Wednesday to hash out proposed cuts, along with the Capital Budget. The Warrant Committee will meet Tuesday, April 5 to discuss the budget. Chairman Widmer wants Subcommittees to meet

before then to discuss their departments. Each Subcommittee will come back with a sequencing of cuts for their departments. As a group, we will put it all together.

Other

On the Subcommittee reports, a lot of it can be done without numbers. Leave blanks if necessary.

Member Heigham made a motion and it was unanimously voted to adjourn the meeting at 10:01 PM.

Respectfully submitted,

Kristina Frizzell, Recording Clerkp