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DATE: February 21, 2023
TIME: 9:47 AM

Minutes of the
Town of Belmont
Warrant Committee Meeting
Wednesday, January 25, 2023
7:30pm



To view the recording of the meeting, please click [HERE](#).

Call to Order: Mr. Lubien called the meeting to order at 7:30pm.

Member	Present	Member	Present
Geoffrey Lubien, Chair	Yes	Conor McEachern	Yes
Paul Rickter, Vice-Chair	Absent	Robert McLaughlin	Yes
Elizabeth Dionne, Secretary	Yes	Lynn Peterson Read	Remote
William Anderson	Yes	Laurie Slap	Yes
Tom Caputo	Yes	Matthew Taylor	Yes
Christine Doyle	Absent	Marie Warner	Remote
Anne Helgen	Yes	Jack Weis	Yes
Staff		Mark Paolillo, Ex-officio Designee - Select Board	Yes
Patrice Garvin, Town Administrator	Yes	Michael Crowley, Ex-officio, School	Remote
Jennifer Hewitt, Assistant Town Administrator & Finance Manager	Yes		

Vote on Warrant Committee Representative to the Belmont Superintendent Screening Committee

Motion: Ms. Helgen moved to nominate Geoff Lubien as the Warrant Committee Representative to the Belmont Superintendent Screening Committee. Ms. Slap seconded, and the motion passed unanimously by a show of hands vote.

FY24 Budget/Free Cash Updates and Discussion

Mr. Lubien explained that at the last Budget Summit there was discussion about potentially adding incremental Free Cash to the FY24 budget, which prompted this discussion topic.

Mr. Lubien reviewed the status of the Schools budget process and what next steps might be. He pointed out that the discussion during this meeting is to address the reserves, not the specifics of the Schools budget.

Mr. Weis pointed out that when the group refers to a “reduction” it is a reduction from the incremental ask, not a reduction to the current budget.

Mr. Crowley pointed out that the reductions in the Schools budget are reductions to level services, which are indeed budget reductions.

Mr. McEachern, who has a background in the rating agencies, shared a presentation on what is important to show for financial health and stability including thoughts on how to solve the budget gap.

There were questions and discussion about the contents of Mr. McEachern’s presentation, and the impact different solutions will have on the tax rate, and how Belmont relates to peer communities.

There was a discussion of how to manage possible override votes and debt exclusions.

Ms. Warner asked what a good reserve should be, and what the consequences would be if Belmont lowered the reserves. Mr. McEachern said he would like to see a 2-month reserve (about 15% of budget) which is typical for AAA rated communities. He outlined some of the risks that the reserve would be used for (litigation, physical building issues, etc.) and said he feels 4% is a low cushion.

Ms. Dionne pointed out that the current tax burden for debt exclusion is not because of poor financial management, but rather from a lack of capital asset improvements/management in prior decades.

Ms. Dionne said that assessments have been a problem for many families because of the rapidly increasing values of properties that are walkable for services, even though homeowner income may not increase at the same rate.

Mr. Paolillo asked if rating organizations take the tax burden into consideration. Mr. McEachern explained that the most important thing the Committee should do is work to get back to structural balance, and then start rethinking about building reserves and using surpluses in a different way than they have been. There was further discussion about this question and possible activities to solve the problem.

Mr. McEachern pointed out that the rating does not reflect the quality of life in the community – only the community's commitment to paying the debt service. He added that Belmont is obviously committed, as it has a dedicated debt levy. There was a discussion of debt service and how to prioritize it.

Ms. Hewitt presented on Proposed Use of Reserves for the FY2024 budget and explained that her goal is to show the status of various sources of reserve funding. The presentation showed 4 options using different amounts of Free Cash, and the various funding sources.

The Capital Endowment, Kendall Fund, and Ash Landfill Stabilization Fund total about \$9.5M and continue across all the scenarios.

Free Cash Carry Forward is the amount that would not be left unspent for the FY24 budget and carry it forward into FY25, which is where the variability is in the model.

The General Stabilization Fund and Capital Stabilization Fund balances remain the same.

Ms. Hewitt reviewed the four options, and how they were developed. There were questions and discussions about the various options and their impacts as well as the assumptions and data used to create the options.

Mr. Lubien asked what size override the group thinks will pass and added that additional resources are going to be needed to solve the financial problem to get the Town back to financial health. There was a discussion of overrides and the associated risks.

There was a discussion of reducing Town and School services to illustrate the problem and increase the likelihood of an override succeeding.

There was a discussion of possible turn backs from this year, with Ms. Garvin saying it is too early to give an indication of how much the turn backs might be.

The discussion returned to Free Cash, how to use it, and how to proceed.

Mr. Paolillo pointed out that the State Aid number is also being explored as well as the fact that the legislature is looking at the 14% increase in private tuitions because it affects all 351 municipalities. While the law won't be changed, perhaps the Legislature will provide support for one year for the transition from Circuit Breaker Funds. This was discussed.

Mr. Lubien pointed out that State Aid numbers typically arrive at the 11th hour which makes it hard to budget. He suggested that if State Aid comes in higher, Belmont should take that money and apply it to Free Cash for the following year to help build the reserves. This was discussed.

Ms. Warner asked about when and how the Committee does 3-year planning, and this process was discussed.

Ms. Dionne asked if any thought had been given to requesting another extension to the Pension Funding Schedule, because this is a major and growing operating expense. She also asked if the Select Board is considering fully vesting in the State-run pension investment program (PRIT) to help improve returns.

Mr. Paolillo said the Select Board will be meeting with them but does not expect any impact on the FY24 budget. He added that it is a strategy that should be pursued. There was a discussion of pension funding.

Mr. McEachern said the Schools do not have good visibility into English Language Learners and Special Ed until the start of the school year, which is a challenge because the budget has to be done sooner. He recommended delaying moving money for these services until October when there would be more clarity about the financial needs. This was discussed.

Mr. Lubien outlined next steps for meetings and the budget process.

Mr. Weis suggested that the Town and the Schools start thinking about how they will absorb potential cuts, which was discussed.

Discuss and Vote on Article for January 30 Special Town Meeting - Appointed Treasurer

Motion: *Ms. Dionne moved to recommend to Town Meeting favorable action on Article 2: Transition from Elected to Appointed (Hired) Treasurer/Collector. Ms. Helgen seconded, and the motion passed 13-1 by roll call vote with Mr. Anderson opposing.*

Approve minutes (if any), including all outstanding subcommittee or working group minutes.

January 11, 2023: Mr. Weis said on that Line 111 & 112 the hanging parentheses belongs after the word "override" on the next line. Also, during the Town Administrator's report, Ms. Garvin said there was a "TA on the Police Contact", and Mr. Weis recommended spelling out "tentative agreement" instead of using the acronym.

Because it was unclear if Ms. Dionne's previous changes were reflected in the version shown at the meeting, it was decided to not vote on the minutes at this time.

Updates, if any, from subcommittees, working groups, and/or committee liaisons, including:

- A. Town Administrator: Ms. Garvin reported that the Select Board had appointed Donna Tuccinardi as the new Town Accountant. She said they will post for the Assistant Town Accountant position, and that the Payroll Manager role is still open and Donna is filling all three at this time. Ms. Dionne enthusiastically supported this appointment.

Ms. Doyle suggested that Ms. Tuccinardi have a conversation with Ms. Garvin, Ms. Hewitt and the Select Board about pensions as this position has a seat on the Pension Board. Mr. Paolillo supported this suggestion and there was a discussion of how to approach this issue.

- B. Select Board: Mr. Paolillo said the Police 5-year contract had been ratified, which is the final one for the Town side.

Public Comment

Rachel Watson expressed her thoughts about budget cuts to the Schools. She was also concerned about the impact of the cuts on future School and Town budgets because problems could get bigger and more difficult to solve. She expanded on her concerns about possible cuts and their impact on students who don't receive support early enough in their school careers. She asked that the Warrant Committee prevent expensive problems from developing, and reminded the Committee that out-of-district placements are the only option for students who can not be in general placement. She asked for consideration of having programs in-house to avoid future unexpected out-of-district cost problems.

Adjournment

Motion: *Mr. McLaughlin moved to the adjourn the meeting of the Warrant Committee. Ms. Dionne seconded, and the motion passed unanimously. The meeting was adjourned at 9:43pm.*

Next Meetings: Wednesday, February 8 and February 15 at 7:30pm

Respectfully submitted by,

Susan Peghiny
Recording Secretary