

DATE: February 22, 2023
TIME: 9:02 AM

Minutes of the
Town of Belmont
Warrant Committee Meeting
Wednesday, October 26, 2022
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	Robert McLaughlin	Yes
Paul Rickter, Vice-Chair	Yes	Lynn Peterson Read	Yes
Elizabeth Dionne, Secretary	Yes	Laurie Slap	Absent
William Anderson	Yes	Matthew Taylor	Yes
Tom Caputo	Yes	Jack Weis	Yes
Christine Doyle	Yes	Mark Paolillo, Ex-officio Designee - Select Board	Yes
Anne Helgen	Yes	Michael Crowley, Ex-officio, School Committee	Yes
Conor McEachern	Yes		
Staff		Others	
Patrice Garvin, Town Administrator	Absent	Mark Haley, Permanent Building Committee	Yes
Jennifer Hewitt, Assistant Town Administrator & Finance Manager	Yes	Lucinda Senega & Keela Wiggan, BYHA	Yes
		Kathy Keohane & Gail Mann, Belmont Library	

Review FY2022 Actual Finances of the Town.

Revenues: Ms. Hewitt explained that the Revenues have exceeded projections by about \$1.5M or 1%. The biggest contributor is Property Taxes & Real Estate which were about \$500,000 higher than projected. The Tax Liens were at a higher rate because of delayed collections. This will not recur. Other areas are at the normal level, although Meal Taxes are up.

Penalties & Interest are also up, and Cell Tower Revenue was up because of a one-time payment for the Police Tower. She highlighted that during Covid the State & Federal Government gave considerably higher reimbursement for services for eligible for Medicaid reimbursement. She does not recommend budgeting for this because the reimbursement rate is unreliable.

The Increase in Fire & Ambulance Fees were increased last year and they came in just shy of the estimates which she feels was good policy.

Recreation had a revenue estimate of \$800,000 to begin the year but it came in at almost \$1.2M so they turned back \$375,000.

Licenses & Permits are very sensitive to economic conditions, and she recommends caution projecting these. They rebounded after the pandemic but she does not recommend an increase in revenue in this area.

Interest Earned on Savings was lower because the Town had more money in the bank although the interest rates were very low. Projections are adjusted for the higher interest rates.

Recurring Revenue is very difficult to project because of the number and variety of transactions. Miscellaneous Non-Recurring Revenue was mostly FEMA reimbursements for snow events, plus a budgeting correction with Recreation.

Premium Sale of Bonds was a one-time event relating to the sale of the high school debt which is an accounting adjustment. There was a brief discussion of this item.

Ms. Doyle asked if a 3rd Party had been previously used for the Tax Liens. Ms. Hewitt explained that she is not sure a 3rd party was involved and explained her understanding of how tax liens are handled. Ms. Doyle asked that it be confirmed if a 3rd part is used or not (due to the commission they likely take).

Ms. Doyle also asked if the Medicaid Reimbursement increase is due to more children becoming eligible or if there was an increase in rate. Ms. Hewitt said she does not know for sure but explained her understanding of how this works.

Ms. Doyle asked if the Recreation turnback fund and the Non-Recurring Revenue could be used as seed money for the Enterprise Fund. Ms. Hewitt said her office thought of this too.

Mr. Weis said historically the Medicaid number has been in the \$150,000 range so \$20,000 is too conservative for FY23. He suggested being careful about always being conservative on expenses and income and then not have the ability to spend leftover Free Cash. Ms. Hewitt said they had previously forecast \$0 and this was adjusted. There was a discussion of this issue.

Mr. Weis asked about some inconsistencies in two sections and asked for an explanation. Ms. Hewitt explained the issues.

Ms. Dionne said the Town had previously reduced the interest rates on Property Tax Deferrals from 8% to 4.5% and suggested that, given the current interest environment, this should be revisited with the Board of Assessors.

Ms. Hewitt explained that the Tax Bills always come in under the amount of the Bills, which is why they always have to be conservative with forecasts. Mr. Weis suggested budgeting for the Tax Revenue correctly and also include a line for Unpaid Taxes to compensate for shortcomings.

Mr. Crowley asked if there had been any thought of looking at fees, fines, permits & licenses to see if it's worth doing an inflation-related adjustment. Ms. Hewitt said this had been discussed, but her focus has been on restructuring the overall budget process. She hopes that once a Draft Budget is in place this can begin to be reviewed.

Mr. Paolillo asked if the school-related fees are considered separately, and Ms. Hewitt said the document shown is net of school fees.

Mr. McLaughlin suggested that fee increases should be related to the actual cost of providing the service. He also asked if the Town is within the limits for making money on the money that was borrowed for the High School. Ms. Hewitt confirmed that it is. This was discussed.

Mr. Anderson asked what the Town is providing that we are receiving Medicaid reimbursement for. Mr. Crowley that there are services provided for Special Education that do qualify, which he explained. There was a discussion of this issue.

Mr. Anderson also asked if the Recreation revenues that were recorded in FY22 were actually related to FY21. Ms. Hewitt said it's the opposite and explained these numbers.

Mr. Anderson asked how income from Building Permits is used to do the budget in the following year. Ms. Dionne said the Board of Assessors provides a number that they think can be used for new growth based on what's in the pipeline. Ms. Hewitt added that the Board of Assessors receives a list of Permits each month so they can go out and do actual assessments. There was a brief discussion of this issue and how staffing shortages are impacting this area.

There was a discussion of the impact of Freedom of Information requests across all departments.

Expenditures: Ms. Hewitt shared some highlights of the larger dollar amount Expenditures.

The Town Administrator's budget had a small turnback because Ms. Hewitt's position was open for large portion of the year.

Legal Expenses received a transfer from the Warrant Reserve Fund because of increases legal fees due to union negotiations and other complex legal issues. This budget was spent down.

In Public Safety, Police Salaries had over \$100,000 in the Salary line due to unfilled positions. This was transferred, and she believes most of it when to Fire for their overtime needs. Fire was able end the year with a very small balance.

The Regional School line has almost \$640,000 that was turned back at the end of FY22. She is talking to the Superintendent about FY24 expected expenses and will present on that at the next Budget Summit.

Facilities had about a \$470,000 turnback, a lot of which is from Utility Expenses. Ms. Hewitt added that the manager was new during that year but is actively working on his budget and she expects a different outcome for FY24 and possibly FY23.

The Health Department had a turnback of about \$65,000 mostly because they transitioned from sharing a nurse with Lexington to paying her through Belmont's payroll line (so it is more of a budget realignment rather than an underspending).

Salary & Health Reserve excess budget is due to the large number of vacancies.

The turn backs for the entire Town & Schools is \$3,988,178.

Mr. Weis said he noticed that many of the non-salary expenses hover in the 50-70% range of underspending and asked if she knows the reason for this. Ms. Hewitt said it's difficult to spend when you're not fully staffed. There was a discussion of how these expenses could be more accurately budgeted.

Mr. Anderson asked that the Town be mindful that the money that wasn't spent was raised through the tax levy.

Mr. Anderson asked if Ms. Hewitt could provide a breakdown of Encumbrances and their aging. Ms. Hewitt said the accountant has been actively closing these out. She said she thinks the books are closed too quickly, and would like Departments to have more time to close their books and encumbrances to reduce this number. She explained some of the issues around the Encumbrances number which was discussed. Ms. Hewitt will give Mr. Anderson what information she has about these. There was a discussion of what is in this budget line.

Mr. McEachem asked where the Pension Contributions appear in the budget. Ms. Hewitt said they had reformatted the document and could not locate the information but later in the meeting said it was in the middle of the 3rd page.

A Committee Member asked why the Capital Line in Facilities had zero spending against the turn backs yet elsewhere it shows a \$100,000 turnback. Ms. Hewitt said it's probably due to the new manager, and Ms. Dionne said it may be due to the slate roof bids coming in way over the appropriation so none of the money could be spent. She then provided some historical perspective for budgeting capital items. This was discussed.

Ms. Doyle suggested that the Vocational Education line is not established yet because of the split from Minuteman and the impacts of the pandemic. This was discussed.

Discuss Proposed Debt Exclusions for Ice Skating Rink and Library

Rink: Mr. Haley presented on the proposed layout of the new rink which shows added locker rooms and the mechanicals moved to the rear. The locker rooms will be available for all sports. He then provided details and renderings for the proposed rink and grounds and explained that with the solar panels they are very close to being a Net Zero building. The renderings show the site with the White Field House removed, but that is not part of the current proposal or the budget.

Mr. McLaughlin asked what happened to the Press Box and Elevator. Mr. Haley said they remain as they are.

Mr. Taylor asked for more details on the energy needs of the building. Mr. Haley said that because of the large roof the Committee thinks it can generate enough energy for the building. However, an important piece is how long will the rink operate which will impact this calculation. He explained how the heating/cooling/ice generating system will work.

Mr. Weis asked what the demolition costs are. Mr. Haley said the demo costs are fairly small, but the hazardous waste costs are budgeted at \$535,000 but they are not sure his number is accurate and won't know until the demolition has begun.

Mr. Anderson asked for a comparison of the available locker rooms. Mr. Haley outlined the current and planned facilities, which were discussed.

Mr. Anderson asked when an Operating Budget for the rink would be available. Mr. Paolillo said that is the purview of the Select Board and Recreation Department. Mr. Anderson said he asked because of the experience with the new high school. Mr. Haley said he would like to see the rink be cost neutral to the Town. There was a discussion of the operating opportunities and costs of the rink.

Ms. Dionne said she had been contacted about possibly using the site of the Field House for a skate park and whether CPA funds could be used for the demolition of the Field House and construction of the park.

Mr. Haley pointed out that the renovation of the fields is not included in this proposal or budget.

Mr. Caputo reviewed the budgeting process for the rink proposal. The final cost estimate for the project is \$33.4M. He then reviewed the details of the costs including a 10% cost escalation estimate, a 15% design contingency, and a 5% Owners Contingency. He then outlined some of the items that were removed from the plan for cost savings. He highlighted that Solar is included in the estimate.

Ms. Helgen asked for a review of the parking situation, which Mr. Haley provided. He also explained the parking changes that are planned as well as ambulance and fire access.

Mr. Anderson asked what hazardous remediation is expected, and Mr. Haley said lead paint. He explained that some steel beams are going to be reused but the lead paint has to be removed for this to happen. There was a discussion of the contingencies that could be used for this and other issues as well as borrowing questions and considerations.

BYHA Fundraising: Ms. Senega introduced BYHA and its role in the project. She then outlined their Fundraising Campaign details, activities, and pledges. They are just shy of \$2M. Ms. Wiggin explained the various costs lost revenue opportunities of not proceeding with the rink project.

Ms. Helgen asked if borrowing for the rink would be net of fundraising. Mr. Paolillo said that any funds raised will be used to avoid borrowing and explained how this would work.

Ms. Helgen asked if there would be vetting for any naming rights for the Rink and Mr. Paolillo said the Select Board has authority for the Rink naming rights.

Ms. Doyle asked about the quality and commitment of the pledges and how the rink will be presented at Town Meeting so as not to discourage future fundraising. Mr. Lubien said the Warrant Article will have the full amount with any fundraising applied to that to lower the borrowing. Ms. Hewitt said language for Town Meeting is still being considered for the motion. Ms. Senega said the campaign is still in the "quiet" phase so all pledges came from families that are very close to BYHA that are very committed to this project and have signed pledge agreements. Ms. Wiggin discussed the attractiveness of the naming opportunities.

Mr. Crowley asked if the naming rights could be worth more than \$3,000,000 especially if they are structured correctly. Ms. Senega said they had thought of it more as a lifespan of the rink opportunity, but they had discussed leasing. Ms. Wiggin discussed their thoughts on this issue with their expectations being about \$1,000,000.

Library: Ms. Keohane said they had raised \$5.2 million and outlined how they are held (pledges, cash, etc.). The net cost of the Library will be \$34.5 million (\$39.5 million less the funds raised). The pledges have signed pledge forms. Ms. Mann outlined the expected borrowing for the project and the timing for the financing. Ms. Keohane outlined the need for the new Library and reviewed the failures of the existing building. Ms. Keohane then reviewed the upcoming plans if the project is approved at Town Meeting. She also reviewed the cost details of the proposal.

Mr. Paolillo pointed out that Bond Bill had not yet been signed by the Governor, and asked when these funds could be expected. Ms. Keohane said it depends on when it is signed and she thinks it will happen after the upcoming election.

Ms. Doyle asked what portion of the \$5,000,000 is in cash and was told that \$2,250,000 not including the \$2,000,000 Belmont Savings donation. She asked why the fundraising portion for this is a higher percentage of the cost than for the rink, and how this was decided. Mr. Paolillo said nothing was decided but rather the Library has been fundraising for much longer than the Rink.

Mr. Taylor pointed out that he had filed a Conflict of Interest form because of his longtime support of the Library and that he is providing technical services to the project.

Mr. Rickter also acknowledged that he is an active volunteer on the Library campaign.

Mr. Taylor said he had created a widget on the website 02478.org so residents can understand the impact of the Library on their tax bills.

Ms. Helgen asked if the Select Board would have any oversight/approval of Library naming. Mr. Paolillo said the Library Trustees have complete control and oversight of this. Ms. Keohane outlined their activities in this area and explained that they approach them as Sponsorships rather than naming rights.

Ms. Doyle said she is uncomfortable with the way these items will be presented at Town Meeting at full cost. Mr. Lubien said the language has not been flushed out yet and this issue will be part of that conversation. This was discussed.

Debt Exclusions

Mr. Lubien explained that in the past the Warrant Committee has historically not taken a position on Debt Exclusions and outlined how he confirmed that this might be an appropriate thing for the Warrant Committee to do. He asked for member views on this question.

Ms. Doyle said she feels it's the responsibility of the Committee to make recommendations on complex financial issues.

Mr. Weis said he thinks the Committee would be making recommendation on a political issue which he does not think it should do until after the vote on the projects (but before the vote on the appropriation).

Mr. McLaughlin thinks the Committee should show leadership and take a position before the vote.

Mr. Crowley said he thinks the Committee's role is to advise Town Meeting so that is what it should do. For the Warrant Articles they should definitely vote, but voting on an item that will come before the town for a vote is beyond the Committee's responsibility.

Mr. Anderson asked for clarification on what would be voted on which was discussed. The result was the Committee tonight deciding tonight whether or not to take a vote on a position. There was a discussion of this.

Mr. Paolillo said he believes the Warrant Committee should vote on the financial facts of the projects only, leaving out any political issues.

There was a robust discussion of the role and charge of the Warrant Committee regarding offering recommendations on items before Town Meeting.

Ellen Schreiber, former Warrant Committee Member, explained that Debt Exclusions do not have numbers because Proposition 2 ½ does not allow them. She added that the number that is taken to Town Meeting must be the total cost of a project (not net of fundraising) because funding had to be guaranteed to accept the bid. She also said Warrant did not vote on the 2015 override or the high school project but did vote on borrowing and appropriation for the high school (but not whether or not to approve the project). And, she advised against voting on the Rink and Library because it is so close to the election. There was a discussion of historical Warrant Committee votes.

Motion: Mr. McLaughlin moved to that at the next meeting the Warrant Committee consider the financial impacts of both projects in the best financial interests of Belmont, and on that basis as the finance board of the Town that we express our opinion.

Ms. Dionne asked if this vote could be taken at the beginning of the next meeting. This was discussed.

Mr. McLaughlin withdrew the motion.

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

A. Select Board: Mr. Paolillo announced a Public Forum on the Collins Center Report on October 27th.

Adjournment

Motion: Mr. McLaughlin moved to the adjourn the meeting of the Warrant Committee. Ms. Doyle seconded, and the motion passed unanimously. The meeting was adjourned at 10:14pm.

Next Meeting: Wednesday, November 2, 2022 at 7:30pm

Respectfully submitted by,
Susan Peghiny
Recording Secretary