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**BELMONT WARRANT COMMITTEE MEETING MINUTES
FINAL**

**JUNE 11, 2014, 7:30 P.M.
CHENERY COMMUNITY ROOM**

Present: Chair Libenson; Members Allison, Brusch, Epstein, Gammill, Grob, Helgen, Manjikian, McLaughlin, Mennis, Sarno; Selectman Paolillo; School Committee Chair Slap

Town Administrator Kale

Members Absent: Dash and Fallon

(Chair Libenson and Member Mennis arrived at 8:19 p.m.)

The meeting was called to order at 7:37 p.m. by Vice Chair Sarno.

Vice Chair Sarno began by informing the WC that Chair Libenson will be late to the meeting as a result of delayed air travel. He then identified the changes in the evening's agenda.

Free Cash Guidelines – Process Update

Member Helgen informed the WC that she and Member Brusch have been meeting with David Kale, Phyllis Marshall, Floyd Carman and Chitra Subramanian to gather data to support the formation of free cash guidelines. The guidelines will complement the 10% reserve policy and be developed in concert with a stabilization fund to be set up by TM. The stabilization fund will support identified future capital projects and be funded by free cash and other sources. She noted that the DOR guideline of 3-5% is being considered, but is not clearly defined and is more appropriate for towns that do not have reserve policies. Additional discussion on the methodology will continue and the group expects to present the guideline recommendations in the fall.

Member Brusch noted that she will work with the WC and Town Administrator until the recommendations are submitted.

Selectman Paolillo said that the Board will view whatever is recommended as "guidelines" pertaining to free cash, rather than as policy. He said to have guidelines in place by fall would be helpful to inform the next budget season.

Member Epstein asked about the reserve policy. Member Helgen explained that the town has reserves in excess of the 10% required by policy. These reserves include undesignated general funds, the capital endowment fund, and the SPED stabilization fund. To the extent TM approves expenditures from these funds over time, reserves will decline by a like amount.

Updates: Board of Selectmen, School Committee, Planning Board

Board of Selectmen: Selectman Paolillo thanked the WC for working collaboratively with the Board and the SC on the FY15 budget. He then reported that the BOS is working on:

- selling the Woodfall Road property
- moving forward with Cushing Village
- beginning the collective bargaining process for Town departments
- having the Financial Task Force continue its work to create a preliminary report in the fall

Member Epstein asked about the conveyance of the parking lot for the Cushing Village project. Selectman Paolillo stated that the parking lot will not be conveyed until the developer proves his financial status. Member Brusch raised concerns about losing the parking lot. There is very little street parking available during the day, she said.

Planning Board: Member Allison reported that the PB will meet to review the TM-approved articles, to determine follow up steps. Regarding Cushing Village, she said there is a list of requirements that will need to be reviewed on a regular basis. The PB will also identify projects that they may turn to in the coming year. Possibilities include revisiting the Comprehensive Plan, analyzing 40B development, and the Historic District's plan to create another Historic District.

School Committee: SC Chair Slap reported that the SC is working on the transition of outgoing and incoming Superintendents. The SC is still in contract negotiations.

Approval of Minutes

The minutes of 5/14/14 were approved with one abstention.

The minutes of 5/21/14 were approved with one abstention.

The minutes of 6/2/14 were approved with one abstention.

The minutes of 6/4/14 were approved with one abstention.

School Department RFT Request

Vice Chair Sarno noted that at the June 4 meeting he set out the facts of the RFT request. He invited other Education Sub-committee members to express the rationale for their votes.

Member Brusch explained that she voted yes to approve the RFT, but with hesitation. While the shortfall reasons qualify for a RFT, the concern lies with the moving of the \$190K of LABBB credits from FY14 to FY15. She said if another department had done that, the request would not have been approved, however, the enrollment increases were definitely there.

Member Gammill said he supported the request and that the School Department did work hard to minimize the impact of the increased enrollment. He said the LABBB credit question was discussed with the School Finance Subcommittee, as was SPED and enrollment increases overall. TM did pass the budget and the LABBB credits are gone.

Member Grob said she supported the request for many of the same reasons Member Brusch and Gammill did.

Member Manjikian said he voted no because this request did not meet the criteria for a RFT. He said the increased enrollment was known back in September. He said there were other resources available to close the budget gap than the Reserve Fund (the SPED stabilization fund, for example).

Vice Chair Sarno said he voted no because he is not sure the increased enrollment was completely unanticipated. The additional students were not in special education, but regular education. He said he can't draw a direct line from increased enrollment to this deficit. However, the deficit did increase significantly in Q3, possibly due to additional SPED students enrolled during the winter and spring. He then spoke to the moving of the LABBB money to FY15 and stated that, from his perspective, this request does not meet the RFT criteria.

SC Chair Slap said that the SC should have made the request earlier so that other possibilities for funding this gap would have been available (e.g., SPED stabilization fund). The LABBB credit was moved into FY15 to deal with the 100-plus students that are expected (as it is, the FY15 budget cannot fund another ELL teacher that may be required). She said the Reserve Fund transfer request does fall within the criteria.

Dr. Kingston, Interim Superintendent, approached the WC table.

Member Epstein asked about the LABBB credits: if they had been used in FY14 would the budget have been balanced? Dr. Kingston said the LABBB credits were used to balance the FY15 budget. He explained that two ELL teachers had to be hired based on the increased enrollment. If the School Department had done things differently, i.e., used the LABBB credits in FY14, they would still be "up a creek" (for FY15).

Member Allison spoke to the SPED stabilization fund, a portion of which could have been used to offset this gap (if a Special TM was called during TM). She spoke to the reason for having a RFT policy, the SPED impact, and the use of LABBB credits being applied to FY15. Dr. Kingston provided an explanation to the concerns raised by Member Allison.

Chair Libenson noted that the SPED stabilization fund has not yet been tapped into, so there is no established best practice with regard to using the SPED fund. He spoke to the fact that this is a cost increase, not just a revenue shortfall. He said the request should be approved and that the process should be used as a learning opportunity.

Member McLaughlin said that the process could have been better, but that the School Department did its best to keep the system going. He said this should be a learning process, but that the request should be supported.

The WC continued to discuss issues relating to this RFT.

SC Member Cunningham approached the table to make a clarification. As of Q2, he noted, the unanticipated deficit was estimated to be a certain amount and the School Department consequently notified the Ed. Subcommittee about the potential for a transfer request – but looked to see if it could contain the deficit before making any actual request. It turned out that, ultimately, the School Department was able (through appreciable effort) to contain that initial estimated overage – but in the meantime enrollment continued to increase, and the deficit increased as well. The LABBB money was moved to FY15 *before* this additional shortfall was known.

Chair Libenson summarized some of the learning points:

- SPED stabilization
- better communication
- process improvement
- Ed. Subcommittee Vote

Member McLaughlin moved: To terminate the discussion as concerns the School Department's RFT request (in the amount of \$200K).
The motion passed.

Member McLaughlin moved: To approve the School Department's RFT request in the amount of \$200K.
The motion passed with 10 in favor and 3 opposed.

WC Feedback/Survey on Report Process

Chair Libenson requested feedback on the WC feedback document. He asked for the document to be returned to him by Friday.

Member Allison suggested that the WC's feedback be reviewed with the Moderator.

Discussion of Potential Summer Project Work

Member Epstein suggested a possible study topic: how the hiring of significant positions on the Town and School side could be reviewed by the Warrant Committee.

Member Brusch suggested that someone partner with Member McLaughlin concerning Minuteman.

Final Thoughts

Chair Libenson noted that individual volunteers make an incredible difference in this town. He acknowledged departing WC members Allison and Member Brusch for their extraordinary contributions to the town. He thanked them for all their efforts over many long years.

Adjournment

Member McLaughlin moved to adjourn at 9:17 p.m.

Submitted by Lisa Gibalerio
WC Recording Secretary