

**BELMONT WARRANT COMMITTEE MEETING MINUTES**

**FINAL**

2015 JUL -2 PM 3:10

**MAY 27, 2015, 7:30 P.M.**

**CHENERY COMMUNITY ROOM**

Present: Chair Libenson; Members Dash, Gammill, Grob, Helgen, McLaughlin, Mennis, Sarno, Schreiber, Starzec; BOS Chair Baghdady; School Committee Rep. Slap

Town Administrator Kale, Town Treasurer Carman

Members Absent: DeStefano, Epstein, Fallon, and Manjikian

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

Chair Libenson began by adjusting the order of items on the agenda and then turning to Article 17.

***Financial Warrant Articles, Including Amendments***

**Article 17: OPEB Stabilization Fund**

Chair Libenson reviewed that OPEB refers to retiree health care benefits. He explained that there are two components: the unfunded liability and the amount that is allocated in the budget to existing retirees. Article 17 refers to the first portion, and the second portion is captured in Article 12.

Town Treasurer Carman explained that OPEB will require a transfer from free cash. The annual OPEB funding calculation is based on data from the June 30, 2014 town audited financial statements and approved by the WC, the CBC, and the BOS. The OPEB policy sets forth an annual funding guideline. Moody's views an OPEB policy very favorably. Mr. Carman then provided the history of the OPEB allocation. Funding the unfunded liability of OPEB, he said, is not legally mandated.

The proposed transfer (\$366,738) will go into an irrevocable trust; Belmont is one of the few towns to fund OPEB in this way.

Member Mennis offered that what Belmont is doing, concerning OPEB, is appropriate. A broader conversation concerning retiree pension funding needs to happen.

The WC asked questions and offered comments.

*Member Dash moved:* Favorable action on Article 17.  
The motion passed unanimously.

***School Department Reserve Fund Transfer Request (\$285K)***

Chair Libenson touched on the Reserve Fund Transfer (RFT) history, noting that the WC has criteria in approaching RFT requests, e.g., a) that the expense is extraordinary or unforeseen, b) that the shortfall needs to be communicated early and clearly, and c) that the department in question should try to fund the shortfall to the best of its ability prior to making a formal request.

Member Gammill asked why the snow/ice budget did not get replenished via the RFT. Chair Libenson explained that the snow/ice deficit this year was actually larger than the reserve fund. Both options are available (RFT and going through a transfer from free cash by Town Meeting). The SPED shortfall is within the bounds of the \$400 reserve fund. Finally, the option of going through TM no longer exists, as the warrant is closed.

Member Sarno (Ed. Subcommittee Chair) informed the WC that the Ed. Subcommittee tied in its RFT vote. He stated that he voted against approving the RFT, as it does not meet the criterion of being unforeseeable at the time the FY15 budget was developed. He explained his rationale. The most significant contributors to this year's budget shortfall are the four Special Education categories listed in the Department's quarterly financial reports. These expenditures began to increase significantly during Q3 last year, and their upward trend was very clear by the time that the Department prepared its final budget for FY15. However, the funding allocations in that budget were not changed to reflect this new information; in fact, the budgeted amounts for three of these categories were a combined \$290,000 below even their projected end-of-year costs for FY14. While the Department certainly implemented cost savings strategies after identifying a potential \$500,000 deficit last fall, by that time approximately 95% of the budget had already been committed and was therefore not available to reallocate to these accounts. If the accounts had been budgeted at the appropriate levels initially, the current deficit would have been smaller and could have been addressed in full via the SPED Stabilization Fund appropriation approved by Town Meeting last month.

Member Helgen (also on the Ed. Subcommittee) said that she voted favorably and felt the request did meet the criteria and a reasonable attempt was made to address and manage these costs. Member Grob said flexibility in applying the criteria is important and that she too would have voted in favor of the request, making the vote 3-2 in favor of the RFT had she been able to attend. (She was unable to attend the subcommittee meeting where the vote occurred.) Member Gammill said he voted in favor of the request.

SC Rep. Slap stated that the variability of the SPED account makes it very difficult to predict. She noted that students' needs vary greatly and can be expensive to deal with. She stated that the SPED stabilization fund helps greatly with the unpredictability and variability of this; it provides a safety valve.

The WC briefly discussed the RFT request.

Member Sarno offered follow-up remarks concerning the SPED funding. The SPED portion of the budget needs more transparency coupled with more prudent budgeting.

Member Mennis noted that the budget shows that the largest portion of the total \$1.3 million variance in Special Education is in the first category, one that Member Sarno did not call out, and that the overall SPED budget was higher in FY2015 than in FY2014. Member Grob stressed that student needs are constantly changing. The budget, she said, needs to remain dynamic, as the children's needs are so variable.

SC Rep. Slap added that the confidentiality issues hinder the visibility of the SPED budget.

*Member Helgen moved:* To approve the School Department's RFT request. The motion passed with 11 in favor and one opposed.

**Article 13 Amendment: Regarding FY16 Budget Appropriation of \$1.6M in a Stabilization Fund**

Town Meeting Member Kevin Cunningham approached the WC table and explained the rationale behind his amendment. He stated that there was not consensus on the overall override spending. He suggested that \$250K replenish the SPED stabilization fund.

Chair Libenson explained the intent behind Article 13.

SC Rep Slap said she liked the longer-term view on the override funding. Stretching the funding out for greater stability is something she favors – especially given how infrequently overrides are passed in Belmont.

Member Dash said that the \$4.5M override vote passed and that this money would be put in a stabilization fund. The voters were clear on this point. He said he would not like to slate this funding for SPED as it might be needed elsewhere.

BOS Chair Baghdady said the voters were told the \$1.67M would go into a stabilization fund. He said breaking up the number is concerning. Flexibility is important with regard to this funding. Member Sarno said that, while he will not support Article 13, he also has concerns with regard to these two amendments.

Member McLaughlin said he does not appreciate these motions. The town and TM both need to live by the election. Member Helgen said that replenishing the SPED stabilization fund makes sense, but that voters were explicitly told these funds would go into a general stabilization fund.

TM Member Cunningham offered additional remarks concerning the commitment of the \$1.67M. He said he wants accountability for that funding.

Chair Libenson said that this money will get appropriated after a TM vote and that therefore there is accountability for it. The process was transparent when discussed with the public. He said that the \$1.67M should go into the stabilization fund, as discussed.

*Member Dash moved:* Unfavorable action on the Article 13, amendment A.  
The motion passed with 11 in favor, 0 opposed, 1 abstention.

*Member Dash moved:* Unfavorable action on the Article 13, amendment B.  
The motion passed unanimously.

### **Article 19 Amendment: Establish Capital Debt Stabilization Fund**

Mr. Cunningham said that the town has not agreed upon capital projects, i.e., there is not *town consensus* concerning these projects. To list these four projects circumvents the discussion around priorities. The high school seems to be the town's priority and the remaining three do not have town consensus.

Member Gammill said all four projects have been discussed thoroughly. BOS Chair Baghdady said the Board feels these four are the largest projects and will definitely need to be addressed. Member McLaughlin agreed that flexibility is necessary and that a new BHS is linked with MSBA approval. We should not tie that money up now, he said. Member Sarno and Dash said, while the fact that a particular list was formed is somewhat surprising, consensus almost never happens.

Mr. Cunningham spoke to the process and stated that the FTF findings were never fully discussed by the community. He pointed out that by consensus he did not mean unanimity of opinion, but rather a full process of town-wide discussion. He said the override vote, which packaged many different elements in one oversimplified up-or-down vote, did not constitute such considered discussion by the town.

Chair Libenson said that seeking consensus is reasonable. Just such an opportunity exists with a TM vote.

*Member Dash moved:* Unfavorable action on the Article 19 Amendment.  
The motion passed unanimously.

### **Article 12 Amendments: Regarding FY16 Budget Appropriation**

#### **Amendment to Part B**

Member Dash explained the amendment, stating that it is a "friendly" amendment. It summarizes things that the town will probably do anyway. BOS Chair Baghdady said that the study is appropriate and would likely be done anyway. Member McLaughlin and Grob said that they do not support the "must be" by a certain deadline aspect to the amendment.

Member Mennis said this is a reasonable recommendation and one that he can be helpful on.

Chair Libenson offered that the WC will likely do this work independent of this

amendment.

*Member McLaughlin moved:* Unfavorable action on the Article 12, amendment B.

The WC further discussed the amendment.

The motion did not pass with one in favor, 11 opposed.

*Member Starzec moved:* Favorable action on the Article 12, amendment B.  
The motion passed with 11 in favor and one opposed.

### **Amendment to Part J**

Member Dash explained that this is a “fall back” to put the \$1.67M in the WC reserve fund, should Article 13 fail. BOS Chair Baghdady said that he has given this thought and does not believe that it is appropriate for the WC to do this. The WC should be apolitical and analytical. It sets up a dangerous precedent.

The WC discussed this amendment.

Member Gammill questioned whether this was an appropriate use of the reserve fund.

Member McLaughlin said that this amendment offers a safety net, given that TM needs a 2/3 vote – a supermajority, unlike the majority that was required during the town-wide election. Member Grob said it is awkward for the WC to change on TM floor the *will* of TM. Member Sarno said he will not support this. He explained how it misuses the WC’s Reserve Fund.

Chair Libenson read the law (MGL Chapter 40, Section 6) as it pertains to reserve funds. He said the order of the voting sequence, on TM floor, will be very important and that the Warrant Committee vote should be dependent on the Dash amendment coming after a negative vote on Article 13. He offered that the override stated this money will be put aside for unforeseen purposes. Article 13 is the preferred model for this money.

Member Gammill said he is not comfortable with the process and he will abstain.

BOS Chair Baghdady reiterated his concern with the amendment.

*Member Schreiber moved:* Favorable action on the Article 12, amendment A, if Article 13 fails.

The motion passed with 7 in favor, 4 opposed, and 1 abstaining.

### **Article 21 Amendment: Citizen’s Petition Written Article Amendment**

Chair Libenson read the adjustment to the amendment. The WC was unanimous in not

supporting the amendment last week.

*Member Dash moved:* Favorable action on the Article 21 *Amendment*, with Chair Libenson explaining the unfavorable action on Article 21.  
The motion passed unanimously.

*Member McLaughlin moved:* Unfavorable action on Article 21, as amended.  
The motion passed unanimously.

### ***Approval of Minutes***

The minutes of 5/13/15 and 5/20/15 were postponed.

### ***Updates: Board of Selectmen, School Committee, Planning Board, and Minuteman***

**School Committee:** SC Rep Slap reported that the SC is moving forward on the rental fee adjustments.

**Minuteman:** Member McLaughlin said a Minuteman new building “popular vote” will be forthcoming.

### ***Public Contributions***

There were none.

### ***Adjournment***

Member McLaughlin moved to adjourn at 9:39 p.m.

Submitted by Lisa Gibalerio  
WC Recording Secretary