

Select Board Joint Meeting with School Committee, Warrant Committee,
Long Term Capital Planning Committee and Board of Assessors

Wednesday, August 3, 2022

Hybrid Meeting

7:00 PM

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: September 26, 2022
TIME: 2:48 PM

CALL TO ORDER

A meeting of the Select Board was called to order by Chair Mark Paolillo. Vice Chair Adam Dash and Select Board member Roy Epstein were present, along with Town Administrator Patrice Garvin, and Assistant Town Administrator Jennifer Hewitt.

The School Committee was called to order by Secretary, Amy Checkoway, with a quorum of members (Jamal Saeh, Kate Bowen, and Jeff Liberty).

The Warrant Committee was called to order by Chair Geoff Lubien, with a quorum of members (Bob McLaughlin, Paul Rickter, Lynn Read, Laurie Slap, Elizabeth Goss, Chris Doyle, Ann Helgen, Ellen Schreiber, Bill Anderson and Jack Weis).

The Long Term Capital Planning Committee Chair Chris Doyle, and members Adam Dash and Ann Marie Mahoney were present but without a quorum.

The Board of Assessors Vice-chair Chuck Laverty and member Bob Reardon were present, but without a quorum.

ANNOUNCEMENTS

- Paolillo said they planned to finalize all the Town's committee appointments by the next Select Board meeting. There are still vacancies available.

Paolillo said that another Select Board meeting was scheduled on Aug. 29th to talk about the Collins Center Report and planning a path forward. Tonight the Select Board wants to give other committee members the opportunity to comment on the Collins Center Report.

Members of the Edward J. Collins Center for Public Management, Stephen Cirillo (in person), and David Colton and Jim Tarr (on Zoom), joined the meeting. Joanne Graziano, who was responsible for the assessor analysis in the report, is not present, and discussion on that part of the report will be deferred due to her absence.

Presentation by the Edward J. Collins Jr., Center for Public Management on the Belmont Financial Organization Structure Report

Cirillo stated that the charge of the report was to review the financial structure of Belmont. He said they did not look at individual leaders in Belmont, but at the general governance of the Town. Cirillo said they found the Belmont staff to be very helpful during their discussions. The project took seven months and numerous policy documents were reviewed. They conducted interviews with 18 municipal staff and leaders. All meetings were done by Zoom except for the Town Administrator meeting at the end of the process which was done in person. Zoom meetings were recorded with the permission of the interviewees.

The report summary reflected a concern that underpinning the current financial challenges in Belmont is an overall organizational structure that may be unable to meet the challenges faced by the Town. The report suggests that the Town's executive branch is not configured in a way that aligns authority, responsibility, and accountability. Some issues of concern noted in the report are: • A Select Board that is not declared the head of the executive branch anywhere in the Town's statutory construction (e.g., bylaws, special acts, etc.); • A Select Board with only three members; • A weak Town Administrator position with very limited appointing authority; • An elected Treasurer/Collector and an elected Town Clerk; and • Five additional elected boards and committees.

Cirillo said since the override failure, the Town has been using non-recurring revenues from Free Cash and COVID funding. He warned that there will be a time when the non-recurring revenues are insufficient to cover the gap between recurring expenditures and revenues. At that point there might be a decrease in public services. The report also shows that the Town needs earlier decision making about the annual budget.

Some of the key recommendations:

- Need to follow Division of Local Services (DLS) guidelines during the annual budget process which includes an annual financial timeline done by the Executive Department.
- Strengthen the powers and duties of the Select Board and Town Administrator through Select Board policy bylaws and special legislation and create a more centralized organization.
- Suggestion was made that the Warrant Committee and Select Board bring their own budgets to Town Meeting. Any differences can be settled at Town Meeting. Select Board should have the final say about the budget.
- Establish a specific timeline for each committee member to make their own decisions independent of a group meeting. Free cash should be used for one-time items.

Discussion of Report and Next Steps

COMMENTS FROM COMMITTEE MEMBERS

Paolillo asked what role the Long Term Capital Planning Committee should play? Cirillo talked about the merger of the two capital committees. He thinks that the merger into one committee, does not help

with the concerns about centralization because the Collins Center Report recommendation was that everything should flow through the Select Board and the Town Administrator. Since the Town Administrator and Accountant know the budget and the percentage committed to capital, they should be responsible for putting together the first budget and then that budget should be reviewed by the Capital Budget and Warrant Committees.

Jack Weis, member of the Warrant Committee, asked if other towns budget capital first, and then budget operating cuts to balance the budget?

Cirillo said that the Collins Center recommends that communities budget their capital first, or simultaneously with the operating budget. Weis commented that 60% of Belmont's budget is for the School Department and the Town decision-making lies predominantly with the School Superintendent and Town Administrator. He asked how other communities manage this.

Cirillo replied that the Select Board and the Warrant Committee need to work together with the Superintendent to make recommendations about balancing the budget. It's up to the Select Board to create budget guidelines for a balanced budget. He thinks there needs to be a budget summit, and then the Select Board needs to create guidelines based on feedback from that summit. The School Department should present their budget to the Select Board and School Committee and the Select Board and Warrant Committee should be the final arbitrators. Cirillo said the budget should be driven by the Select Board and the Town Administrator and the Warrant Committee should represent Town Meeting members.

Geoff Lubien, Chair of the Warrant Committee, asked how the Town could have conversations earlier in the budget process to evade last minute changes? He also asked about details about the Warrant Committee budget. Traditionally the Warrant Committee receive the budgets from the School and Town and give feedback at Town Meeting. Cirillo said that in Appendix A of the report they emphasized the importance of getting the School Department budget at a much earlier date. If the Town Administrator and the School Committee, disagree then the Town Administrator should make the final recommendation. School Committee can advocate for more money, but it's the Warrant Committee and Select Board that should complete the financial plan for the community. The Select Board and the Warrant Committee (Executive and Legislative bodies) should meet and negotiate.

Amy Checkoway, Secretary of the School Committee, provided feedback on these recommendations. She said she would welcome a more coordinated budget process with clearer schedules. She thinks a lot of confusion has been due to an inconsistent timeline. She asked about the role of the Financial Management Team. Cirillo said the Town Administrator, Finance Director, Accountant and Assessor be included in the decision making with School Management. The report recommends that the Select Board empower the Town Administrator to make recommendations on both the Town and School budgets.

Cirillo said that long term planning is a good policy, but he noted that budgeting is an annual event and you cannot lock your community into a second budget year too far ahead.

Ellen Schreiber, Warrant Committee member, asked how the Warrant Committee role evolves with this structure. Cirillo recommends that the Warrant Committee members have a big role. He suggests that the Town Administrator proposes a recommended budget to the Select Board and the Warrant Committee. Then those committees meet with the department heads and assess the best level of appropriation for each individual department. The Town Administrator and the Finance Director should update the Warrant and Capital Committees as the budget changes.

Chris Doyle, Warrant Committee member and Chair of the new Long Term Capital Planning Committee, asked about capital appropriations. She said that Belmont doesn't have the amount of capital funds to meet the capital requirements needed so if we started with capital budget there would be no operating budget. So the Capital Budget Committee would have to work closely with the Town Administrator and Select Board to prioritize capital projects. She feels the Capital Budget Committee could serve an enhanced role, but she feels that the Warrant Committee will never be able to develop their own budget. But she respects the idea of the Warrant Committee analyzing the Select Board budget. Doyle also commented that she would like to see the recommendations put forth by the Collins Center grouped and prioritized by viability of implementation. Some of the recommendations cannot be implemented in Belmont. She also added that she feels the Board of Assessors are a truly professional and experienced group, but she feels they try to be too independent. She wants to know if this is true in other communities where there is degree of separation with the Assessors?

Cirillo said that capital budgeting is based on availability of funds and the priorities of the community. The Capital Budget Committee should be responsible for prioritizing budgetary needs. The Warrant Committee should use the priority list of the Capital Committee. The Warrant Committee doesn't have to prepare the budget, they review the Town Administrator budget and make changes from there. Cirillo said he is not concerned with the current Board of Assessors; his concern is replacing the members on the Board of Assessors in the future. Belmont is a small town and there is a small pool of those who would be willing to perform duties in Town. He suggests that future Assessor Board members should be appointed. It would be easier to find applicants from outside the Town. There are people who have been treasurer/collectors in other communities who may want to participate.

Jeff Liberty, member of the School Committee, asked Cirillo if there is there a standardized process that towns use in the bargaining process with the unions? Cirillo said a forecast has to make an assumptions when there is no collective bargaining agreement in place and the School Committee has the responsibility to negotiate in good faith. If the School Committee can't negotiate to the target amount discussed at the meeting, then they have to absorb the difference into the bottom line of the budget.

Ann Helgen, Warrant Committee member, asked more details about the role of the Warrant Committee. Cirillo replied that before Proposition 2 ½, the budgeting process was much simpler. Since Prop 2 ½, municipalities have to start the budget process using available revenue, state aid, and local receipts and then subtracting debt service, retirement and direct services. He said the most prudent use of free cash is to increase amounts of money in reserves, like pensions or benefits. Helgen commented that this is similar to the Belmont Structural Change Impact Group's recommendations. The use of non-recurring funds only works until you have to start making cuts. She feels that Belmont can't address the structural deficit until some of the changes recommended here are implemented. She hopes everyone reads the

report to get community engagement. She is disappointed that the recommendations from the 2011 report from Department of Local Services (DLS) had not been implemented in any significant way.

Paolillo said the Select Board will try to implement many of the changes in the Collins report. The lack of ability to implement the changes from the previous report may be due to decentralization. He commented that there is a component in free cash that is recurrent in nature. Every year, there are turnbacks and overages that roll over to free cash. Cirillo said that is true, but when the revenue and expense variables are not consistent, like we saw during COVID, local receipts are not always dependable.

Bill Anderson, Warrant Committee member, asked about how the budget is developed with the Town Administrator. Cirillo replied that the Select Board would develop guidelines for the budget policy, the Town Administrator would solicit advice from the department heads, then the Town Administrator would make decisions about the document and submit the proposal to the Select Board and Warrant Committee.

Paolillo noted the importance that the budget reflects the priorities and desires of the community. Cirillo said that typical budgets are driven by public safety, public works and the school department. He said when cuts are made, the problem is that Belmont doesn't have enough money in other departments to balance the budgets.

Cirillo said there are many other recommendations in the report that have not been discussed but the community is welcome to ask any questions about those recommendations

Paolillo asked about Charter Commissions or Charter Committees. David Coleman, senior associate with the Collins Center, said when they looked at the structure and bylaws of Belmont, they saw a very weak structure. Most other towns have adopted bylaws that state that the Select Board is the key executive officer and the Town Administrator is the Chief Operating Officer. He thinks bylaw changes and special legislation could strengthen the executive part of the government. The 2011 report by the DLS, recommended that the Town further empower the Town Administrator. This can be done with a special act by the Select Board. Coleman said the Collins Report stopped short of recommending a Charter change because they thought a Charter change would be premature and may not help with the targeted changes.

Ellen Schreiber, Warrant Committee member, asked what you can do under the bylaw changes without a Charter process? Coleman said the Belmont bylaws state that the Select Board has "general direction in management responsibilities," that clause could be strengthened. He also said that the act that established the Town Administrator role, gives the Select Board leeway to vote to expand the duties of the Town Administrator. Also special legislation could be used to change positions from elected to appointed. A Charter establishes the form of governance in Town, it addresses how Town Meeting is formed, how committee members are chosen, whether there is a Town Administrator or Town Manager, Select Board or Town Counsel. There is no charter in Belmont so it would have to be created and that would be a large task.

Jack Weis asked about the changing the treasurer position from appointed to elected. Does that change have to be approved by voters or could that be passed by Town Meeting? He also asked if Cirillo knew of any Town that has done that and succeeded?

Cirillo said that he was an appointed treasurer/collector for 23 years in municipal government and he feels that role is a very difficult position and the person who is in the role has to know what they are doing. He thinks that Belmont has a great treasurer/collector, but he is now at the tail end of his career and the Town has to think about how they can replace him. The recommendation from the Collins Center is to make the role an appointment so you can expand the selection beyond Belmont. Arlington has changed their treasurer/collector from elected to appointed. The trend is for towns with over 10K populations to move towards appointed treasurer/collectors. In Belmont, the change would have to be decided in Town Meeting first, and then voted on in a referendum.

Paul Rickter asked if the Town Administrator role could be strengthened with Select Board policy rather than bylaw. Colton said a Select Board bylaw would be easier because bylaws can't be changed with policy. Colton said the Town would have to pick the right tool for the job.

Jim Tarr, from the Collins Center, pointed out that Appendix E of the Collins Report should be reviewed carefully by the Select Board and Town Counsel.

Jeff Liberty, School Committee member, asked what the benefits are for expanding the authority and the size of the Select Board. Cirillo said there is too much activity in the Town to be managed with only three Select Board members. The report suggests that the Town would be best served with an expanded board.

Epstein said that an increase in the Select Board membership was discussed in Town Meeting a few years ago and it was voted against decisively. He stated that Select Board time commitments to attend the meetings of different committees is not related to the financial questions raised by the Collins Center report.

Jeff Liberty responded that the financial position of the town is more complex than it was four years ago, when the size of the Select Board was last considered by Town Meeting.

Paolillo asked if one of Cirillo's colleagues could attend the Aug. 29th Select Board meeting in his absence.

PUBLIC COMMENTS

Wayne Wild, resident, Alexander Ave., asked what happens when there is a need for a new building in the proposed structure? Cirillo said that the proposed structure does not change property tax calculations. There are limits to what you can tax annually when you choose an override. Override says that in addition to the annual amount we can tax, we will raise the property tax by the annual amount of debt service on the projects. Cirillo said that if the Belmont library and rink are an exempt override and principal is \$1M, then you can add \$1M to the specific debt service. The tax exemption only lasts for the

time you borrow the money. Debt exclusions add revenue by a certain amount and it has no effect on structural deficit.

Epstein explained that if the budget doesn't have enough money to pay for a specific capital project, then the Town can raise property taxes but only with approval by voters.

Wild asked if there is any consideration for a progressive tax? Cirillo said that state law requires equal taxation within the property tax and income tax. The only progressive tax allowed in municipalities is to charge more for commercial than residential, but a commercial increase in Belmont would not significantly lower taxes.

Lisa Pargoli, asked how much we paid for the Collins Report? Patrice Garvin replied that the Collins Report was paid for by a grant. She's concerned that the first report was shelved. She is hoping it won't happen again.

Jamal Saeh, School Committee member, wanted to clarify about debt exclusions and overrides, who would be in charge of that recommendation? Cirillo said it could go through a Warrant Article at the Town Meeting. Saeh wanted to know if an analysis is made before the recommendation? Paolillo said the authority lies with the Select Board in a collaborative way with stakeholders.

Stephen Cirillo said the Collins Center will try to get some representation for the Aug. 29th meeting.

Motion was made to adjourn the School Committee with a quorum of members and a roll call vote.

Motion was made to adjourn the Warrant Committee with a quorum of members and a roll call vote.

Long Term Capital Planning Committee did not have a quorum for adjournment.

The Board of Assessors did not have a quorum for adjournment.

Motion was made to adjourn the Select Board with a vote of 3-0.

Respectfully Submitted by:



Amy Checkoway