

**FY2011 Capital Budget Committee
Report to Belmont 2010 Annual Town Meeting**

Introduction.

Once again, the Capital Budget Committee ("CBC" or "this Committee") has chosen to repeat some of the material in its previous reports. And once again, this decision is motivated by two reasons. First, every year brings new Town Meeting Members. The Committee believes that some of them may benefit from the background provided. Second, some of this Committee's recommendations and observations are a work in progress. Although each year we have more developments to report, this Committee believes that it is worthwhile to keep these matters in the minds of Town Meeting Members. The report contains captions to assist readers in finding their way through the report. The report touches on the following topics.

- Who is the CBC and what does it do (what are the CBC procedures)?
- What is the difference between the common understanding of "capital asset" and the CBC jurisdiction?
- What are "orphans" and a reminder not to lose sight of them.
- Some general remarks.
- A further word about roads.
- Status of extraordinary, large capital projects.
- 2010 Override Proposal
- Minuteman Feasibility Study Proposal
- Recommendations for FY2011 budget.
- Five-year projection of capital needs.

As discussed below, only the last two items are required by the Town's by-laws. The Committee believes, however, that the rest of the material is useful.

Who is the CBC and what does it do.

The Capital Budget Committee is established by Article 13 of the Town by-laws. There are seven members, of whom three are appointed by the Moderator for terms of three years, and the other four are the chairman (or a member appointed by the chairman) of the Board of Selectmen, the Warrant Committee, the Planning Board and the School Committee, all of whom serve at the pleasure of the appointing authority. The members of the Committee who acted on the FY11 Capital Budget recommendations are Rebecca Vose (School Committee), M. Patricia Brusch (Warrant Committee), Mark F. Clark (Moderator, term expires 6/30/11), John Conte (Moderator, term expires 6/30/12), Jennifer M. Fallon (Planning Board), Ralph T. Jones (Board

of Selectmen) and Anne Marie Mahoney (Moderator, term expires 6/30/10). Mrs. Bruschi serves as the Committee's chairman and Mr. Clark serves as its secretary. Barbara Hagg, Town Accountant, serves as staff liaison to the Committee and Thomas Younger, Town Administrator, usually attends Committee meetings.

According to Article 13 of the Town's by-laws, "It shall be the duty of the Committee annually to prepare a capital report showing, for each six years hence following a list of those public improvements and non-recurring major equipment needs which, in its opinion, represent the most necessary enhancement projects or purchases to be undertaken by the Town during each such year. The report shall include the probable cost of each such improvement or purchase and the Committee's recommendations as to the method of financing them."

This duty is addressed in several ways in this report. Following sections of more general remarks, we make specific recommendations for a Capital Budget for FY2011. Finally, we provide a chart that sets forth the capital requests for fiscal years 2012 through 2015 or 2016 that have been forecast by administrators of various Town departments.

The Committee has spent its time this spring particularly on the recommended Capital Budget for FY2011. In past years, the Committee has been part of two more general planning groups. The Blueprint for Belmont Group (consisting of the Board of Selectmen, the School Committee, the Warrant Committee and the Capital Budget Committee) has met to consider ways to cope with the Town's shortage of funds. The Capital Planning Group (informally known as the "mega-group" and consisting of the Board of Selectmen, the Warrant Committee, the Permanent Building Committee and the Capital Budget Committee) has met to consider the many large building projects facing the Town, which are summarized below. In addition, other Town planning committees and their reports are mentioned below.

This year, the Planning Board has developed a Comprehensive Plan for Belmont, *A Sustainable Vision for Belmont: Mapping the Future*, to be a framework guiding future decisions and policies governing a wide range of land-use related issues including public and private development, open space, transportation, historic preservation, and housing. This Plan was developed (with the help of professional consultants) as a "bottom-up" exercise involving a broad range of people from the community and built on components developed by several task forces in which members of this Committee participated. One of those task forces focused on public finance and capital facilities planning. Its report includes several convenient and interesting appendices, including budget projections for the Town, an excerpt from the Capital Project Overview Committee report, a summary of override history in Belmont, and a list of recent gifts to the Town. The Comprehensive Plan, including the Public Finance and Capital Facilities Planning Element and its appendices, is available at <http://www.lkoffassociates.com/Belmont.html> or through a link on the Planning Department's page on the Town's website.

In the past, each department (whether it reports to the Selectmen or some other elected body) has made its own request to the Capital Budget Committee, and established its own set of internal priorities. It was then left to this Committee to sort out priorities among departments. It was also left to this Committee to notice that departments were making similar requests or that

the needs being addressed by one department could be addressed without a capital expense, or with a better capital expense, by another department.

In an effort to address problems such as these, the Committee recommended that a preliminary or draft capital budget be formulated through the Town Administrator and then presented to the Capital Budget Committee in the same manner as the current operating budget is formulated each year by the Town Administrator and then presented to the Board of Selectmen and then to the Warrant Committee. Although such a procedure has not been fully adopted, the Town Administrator has this year included a capital budget recommendation in his recommended budget insofar as departments that report to the Board of Selectmen are concerned. For other town functions (including enterprises), the traditional process prevails.

In preparing to recommend an annual Capital Budget, the Committee collects requests from Town departments (including the School Department) for capital expenditures to be made from enterprise funds, from state reimbursements and from general tax. With respect to items to be paid from general tax, the Board of Selectmen proposes to the Warrant Committee and the Capital Budget Committee an amount to be spent in the Capital Budget. (See discussion of proposed override, below, for the impact this year of that special procedure on the proposed capital budget.) After receiving requests from Town departments and a proposed general tax budget allocation from the Board of Selectmen, the Committee, at its meetings, interviews department representatives from those departments that have made requests. This year -- as for the last several years -- the process began with the individual members of this Committee reviewing copies of the departmental requests and developing individual questions regarding those requests. Those individual questions were then pooled and submitted to the departments in writing.

After interviewing department representatives, the Capital Budget Committee proceeds to assemble a recommended budget for the next fiscal year. The Committee considers each item that has been requested and votes whether that item should be included in its recommended budget. The item is included if it receives a majority vote; unanimity is not required. (Usually, however, most items that are recommended receive a unanimous vote.) The requests for capital funds from various departments are, at the request of the Committee, presented by each department in a priority order. This is particularly helpful when the Committee is confronted with requests that are technical and have implications only for the department making the request. When, however, the request is less technical and/or has implications for others outside the department making the request, the Committee often exercises its own sense of priority.

What is the difference between the common understanding of "capital asset" and the CBC jurisdiction.

The definition of capital expenditure for which the Committee is responsible is *not* the common understanding of a capital asset -- it is a more exclusive definition. The common understanding of a capital asset is some asset that can be used and enjoyed for an extended period of time, often taken as more than one year, or can be used to produce another product. It is often thought of as anything that is not for immediate consumption. This is *not* the definition with which this Committee works.

Note the key words in the by-law responsibility quoted previously: "public improvements and non-recurring major equipment needs." An example of the differences between the two concepts that is very relevant to the Town's budgeting process is police cruisers. In common understanding, an automobile is a capital item but a police cruiser is a "recurring" item. (The average front-line cruiser is driven 25,000 - 30,000 miles in its first year. Cruisers must be replaced on a regular cycle.) In the view of the Committee, replacement of police cruisers belongs in the regular operating budget. As mentioned below, there are other items that should be considered part of the operating budget that have a tendency to find their way into the capital budget process.

In an effort to draw a "bright line" between what it would consider and not, more than twenty-five years ago a previous Capital Budget Committee established a \$10,000-per-item requirement for requests addressed to it. In 1985, it was the intent of the then Capital Budget Committee to raise that amount to \$12,500 but that did not happen.

Meanwhile, increasing pressure on the Town's operating budget resulted in the virtual elimination of a line item ("Capital Outlay") in departmental budgets under which the small or recurring capital items had been purchased. (This line item has now been restored, but for FY2011 the limited funds available do not militate in favor of adequate funding of many requests under this category.) An even more insidious thing began to happen. Maintenance was not pursued. As noted below, the inevitable result of wear, tear, and simple weathering plus maintenance neglect is the seeming transmutation of a current expense item (maintenance) into a seeming capital expenditure (starting all over again). The current dismaying condition of the Town's streets, some of which have deteriorated so badly that they can not be repaired but must be rebuilt -- literally from the ground up, resulted (unsuccessfully, as noted below) in a targeted, separate funding proposal.

Confronted by increasing pressure from smaller or recurring requests, previous Capital Budget Committees, loathe to see necessary expenditures unmet, tried to accommodate small items and recurring items within previous Capital Budgets -- often by turning a blind eye to the practice of aggregating separate items in order to meet the \$10,000 threshold. As noted below, the current Capital Budget Committee is making a vigorous effort to confine the Capital Budget to items that are truly "public improvements and non-recurring major equipment needs." As also noted below, however, members of the Committee do not feel that small capital items and recurring capital items are inappropriate expenditures for the Town; indeed, members of the Committee feel that the smaller capital expenditures, recurring expenditures and maintenance of capital assets are very important and should be funded annually under their own explicit headings in each department's operating budget. The members of the Committee feel, however, that the Capital Budget should be available to meet the needs of the Town that are truly "public improvements and non-recurring major equipment."

What are "orphans" and a reminder not to lose sight of them.

As explained more fully in the previous section, the items within the purview of this Committee and the common definition of capital expenditures are not the same. This Committee diligently seeks to keep its recommendations within its mandate. That means it must reject requests for smaller or recurring capital items. As noted above, that does not mean that the

requests falling outside the purview of this Committee are not worthy or that the expenditures should not be made. That only means that they should be dealt with outside the allocation of funds to this Committee. This problem arises most stealthily when an item that was initially a capital expenditure becomes a routine item. The Committee frequently refers to these capital expenditures that are outside its jurisdiction as "orphans."

Preservation of the Town's capital assets (maintenance) is a continual struggle. There is a great temptation and tendency in difficult times to preserve current operations at the expense of preservation of capital items. The result is the seeming transmutation of an operating expense (maintenance) into a capital expense (replacement of the capital asset that has been so neglected that it must be replaced). The situation with regard to the Town's roads has become so desperate that one of the recommendations of the Pavement Management Committee, appointed by the Selectmen, was that funds be set aside for pavement management in such a way that they could not be reached for other purposes.¹ The Building Envelope Study, mentioned below, is another example of an effort to raise the profile of capital asset maintenance to the point where it can survive the tendency to neglect capital asset maintenance in favor of current expenditures.

An important example of the process of distinguishing between items that are appropriate for the Capital Budget and those that are appropriate for the current operating budget -- in other words, an item that might become an "orphan" -- is provided by computer technology. When computer technology was novel, the then Capital Budget Committee was easily convinced that acquisition of the Town's (including the School Department's) first computer capability was a capital item within the by-law definition.

Now computers are the current era's "textbooks." Textbooks, though they are used for more than one annual cycle, are an item for the current operating budget. In like manner, much of the Town's computer capability should be accommodated within the current operating budget. The importance to the Town of making a success of its transition to computer-based operations is of great concern to the Committee. The Committee has recommended that a special fund be set aside in each department's operating budget to be spent each year on the constant and continual maintenance and improvement of its computer capability. (The Committee remains ready to address requests for expenditures for the Town's technology infrastructure that supports its computer capability.)

The obvious implication of these observations is that more money is needed. That is a conclusion that this Committee has come to. Both within the operating budget and in the allocation set aside for this Committee, more should be budgeted to maintain and improve the Town's capital assets.

¹ Article 25 of the Warrant for the 2008 Annual Town Meeting established a special stabilization fund for the benefit of the Pavement Management Program and the Selectmen set June 9, 2008, as the date for a special override election for the benefit of the Pavement Management Program. The voters, however, rejected that override. See "A further word about roads," below.

Some General Remarks

There are some general topics -- some mentioned above -- which the Committee wishes to emphasize to the Town Meeting. They are an envelope study and a coordinated approach.

In 1994, the Town commissioned a study of the roofs of major municipally owned buildings and embarked on a program to ensure that its buildings are weather tight above. (The roof program is further discussed below.) More recently, the School Department completed an envelope study of its buildings with the same objective.² Although many other Town facilities have been or are being addressed individually, the Committee is pressing the Town to complete a comprehensive survey of building envelopes that were not part of the School Department survey. It will not, however, do any good just to know the condition of buildings; the problems that are defined by the survey must be addressed. And we are beginning to do so in this Capital Budget.

The Committee feels that the Town should take a coordinated approach to its capital needs and budgeting for those capital needs. As noted above, the Committee has urged that a proposed comprehensive Capital Budget be presented to this Committee in the same manner as the Warrant Committee is presented with a proposed operating budget and progress is being made in this regard.

Coordination, however, is not easily achieved when several of the departments proposing capital expenditures report to different, independently elected boards and officials. Frequently the Town Meeting, and this Committee as an agent of the Town Meeting, are the only point at which authority merges. This Committee tries to stay alert to coordination issues but continues to urge coordination in awareness of the issue at all levels of Town government.

Issues of coordination include acquisition and reuse of replaced equipment. Although this year coordination has not been an issue, in the past this Committee noted examples involving vehicles and emergency generators. Issues also arise regarding programs that have application to more than one Town operation. Recent examples include the proposals for building security and a "reverse 911."

The issue of coordination is particularly important when it involves the major capital expenditures that the Town is facing (described below). Three years ago, the Board of Selectmen appointed a "Capital Project Overview Committee" with the mandate to examine all future capital projects to determine "the most efficient use of land and buildings, including the possibility of combining two or more projects." (That committee reported to the Selectmen on April 7, 2008.) The Police Station feasibility study recommended re-use of the current main library building for a police station. We are disappointed that more progress on this recommendation has not been made. The School Department has in the past several years proposed a number of capital expenditures to maintain or improve its facilities on the north side of Concord Avenue. These proposals in themselves may be worthwhile but in a context of

² The total estimate for work identified by the School Department envelope study is \$6.8 million to be phased over five years. Many of the needs identified by the study might be classified for the operating budget rather than for the allocation to this Committee under the criteria discussed earlier in this report. Nevertheless, the figure indicates the magnitude of the task faced by the Town to protect its investment in capital assets.

limited funds and uncertain plans for that area may not be wise. The Committee welcomed the report of the Capital Project Overview Committee.

Both the report of the Capital Project Overview Committee and the Police Station feasibility study are mentioned again in this report. The CPOC report, dated April 7, 2008, is available on the Town's website (http://www.town.belmont.ma.us/Public_Documents/BelmontMA_BComm/CPOCFinal%20ReporttoBOS4-7-08.pdf) under "Boards and Commissions." "Boards and Commissions" is further divided into "permanent" and "temporary." The CPOC and its report can be found under "temporary" and a discussion of the Police Station feasibility report can be found at pp. 10 -11 of the CPOC report.

A further word about roads.

Although the maintenance (including rebuilding, if needed) of the network of streets in Town is (or should be) a recurring item, the funds for providing the Town with its streets have traditionally been included in the Capital Budget. As this Committee has observed, since much of the work on the Town's streets must be planned and contracted for in advance, the pavement management program of the Town would greatly benefit from a stable and predictable budgeting atmosphere. In its report to Town Meeting for 2009, this Committee provided a comprehensive overview of the road work cycle which typically covers more than one fiscal year. See footnote 4 of that report.

As noted earlier, a Belmont Pavement Management Committee, appointed by the Selectmen, made a proposal for meeting the Town's needs in this regard. In their reports (March and April of 2008, available on the Town website under the Community Development Department's section concerning Pavement Management), that committee made several observations concerning the Pavement Management Program. One of their recommendations was that a completely adequate pavement management program could be undertaken for an annual expenditure of \$3.8 million (2006 dollars). This was to be made up, in part, of money available from Chapter 90 and from the successful 2001 override (\$1 million to be escalated).³ In order to complete the necessary funding of such a pavement management program, the Committee recommended a \$2.5 million override, the proceeds of which were to be deposited each year in a specially restricted fund.

That override (June 2008) failed. As a consequence of that failure, Community Development has only available the funds from Chapter 90 plus the funds from general tax (the 2001 override escalated). (An adequate pavement management program could easily use the Town's entire Capital Budget, but this Committee believes that some of the funds available to the Capital Budget should be available for the Town's many other capital needs.) In order to make the available road funds as effective as possible, the Selectmen instructed the Department of Community Development to expend funds only on the travel surface, omitting almost all curb and sidewalk work. (The Department will include curbs and handicap accessible sidewalks at intersections. The Trapelo Road/Belmont Street corridor will include both sidewalks and curbs

³ The 2001 override was \$3M, of which \$1,000,000.00 was for roads.

because that is a state -- and state funded -- project.) Furthermore, the Selectmen instructed the Department of Community Development to spend funds only on roads meeting certain traffic counts.

One of this Committee's members observed, during a discussion of pavement management a year ago, that the current situation will result in Belmont residential streets eventually becoming dirt roads; however, the Director of Community Development now believes that, by concentrating on the travel surface and omitting curbs and sidewalks, he will be able to address the travel surface of all the streets in Town. (When Pavement Management included curbs and sidewalks, those elements accounted for 40% of the pavement management budget.) The Director of Community Development has also reported that another \$500,000 could easily be used in the current yearly pavement management program without adding Town personnel or materially increasing disruption in the Town during the construction season.

Status of large, extraordinary capital projects.

Here is a summary of some of the large capital projects the Town is pursuing or faces -- projects that cannot be undertaken within this Committee's annual allocations from general tax.

At the April 24, 2006, session of the Annual Town Meeting, the Town Meeting approved letters of interest for both the Wellington School and the High School. These were first steps in obtaining reimbursements from the Commonwealth for work that is being planned for both sites. (In March of 2006, the Capital Project Planning Group had held a meeting at which a presentation was made concerning a schematic design that had been produced for the replacement of the current Wellington School.) In July 2007 the Massachusetts School Building Authority (MSBA) began to accept applications for funding for school building projects. Belmont applied for both schools, but was later forced to prioritize the projects. The School Committee listed the Wellington School as the first priority. That project was among the first 11 approved to go forward by the MSBA. On March 25, 2009, the MSBA approved a funding grant for up to \$12.4M for a total project costing \$37,664,430 for the construction. There is an additional \$2.1M requested by the School Department which was added to the Town Meeting and debt exclusion votes for the design of and to set up modular classrooms to house students during the construction period (18 months anticipated). The debt exclusion passed on June 8, 2009. The students moved to modular units located on the grounds of the High School in February 2010. As of this writing (April 2010), demolition of the old Wellington building is complete. The new building is expected to be ready for occupancy in the late summer of 2011.

In the fall of 2003, Town Meeting authorized funding for the development of a master plan for the comprehensive renovation of Belmont High School, now 39 years old. The resulting plan, accepted by the School Committee in the fall of 2004 and reported to Town Meeting in April 2005, consists of a conceptual design and proposed schedule which presents one possible solution to the identified needs of the building and the educational program. The total estimated cost of the project at that time before any state aid was \$62.3M. (Assuming 40% state aid, the Town's contribution would be \$37.4M.) This estimate, developed in 2004, was meant to represent the cost in FY2008 dollars, FY2008 being at that time the first year the Superintendent's Advisory Committee on the Future Building Needs of Belmont High School

felt the project might feasibly be begun. An updated estimate, developed three years ago, is \$70M, assuming the project had been started in 2008.

During the spring of 2007 there was a re-evaluation of the proposed High School project. Given the backlog of school projects waiting to be put on the state's School Building Assistance list and the relative urgency of some of the needs of the High School Building, especially the science classrooms, and the HVAC, electrical and fire protection infrastructure, there is a proposal to move ahead with a first phase of the renovation. This would mean putting off the balance of the project for at least ten years after the start of phase one, given state rules about separation of distinct reimbursable projects for one building. This first phase would include the construction of a new science wing, some renovation of current science classrooms and would address some of the most pressing infrastructure needs for an estimated cost, again at that time, of \$22.0 million. The Superintendent's Advisory Committee has recommended this proposal for a phase one project, if it can be funded relatively soon. The Advisory Committee felt the balance of the proposed renovation is also necessary and should not get pushed too far into the future.

This Committee, assuming it will not be feasible to start a major project at the High School within a short timeframe, is recommending funding of the School Department's requests for beginning to up-grade the HVAC infrastructure in the High School. The roof-top units have been replaced through borrowing with repayment over ten years from the capital budget allocation. The recommendation for the FY11 capital budget includes the start of a phased program to replace classroom univents. No state reimbursement is available for these major maintenance expenditures outside of a major capital project, but the up-grade of these systems cannot wait.

The Memorial Library (the main library building on Concord Avenue) is also on the list to be replaced. A feasibility study was completed in 2005. The (now past) estimate for rebuilding a main library building on the site of the current Memorial Library is \$25,786,471 in 2008 dollars (total project costs). The Town's application for state library building assistance resulted in an award of \$5.3M that required Town approval of the project (including funding) by December 30, 2009. Due to the economy, the Trustees eventually rejected that award. The Trustees plan to participate in a new round of grant applications that begins in May.

One of the recommendations of the previously mentioned Capital Projects Overview Committee is that a new library be built on the north side of Concord Avenue (Claypit Pond side) and that the vacated building be made available to house the Police Department (see next paragraph). This Committee, and all the Town's financial bodies that have expressed an opinion on the matter, agree that the current site is not the place for a new larger library, and the site for a new library is not settled pending discussion of how to replace or relocate High School athletic fields and facilities.

Three years ago (for FY2008), pursuant to this Committee's recommendation, the Town Meeting funded a feasibility study concerning the current Police Station and the needs of the Police Department. That feasibility study is now completed and has reported that the police function (including allowance for future development) can be accommodated within the existing footprint -- indeed, within the walls -- of the current main library building. The cost to renovate the library for use as a police station is estimated to be approximately \$13.0 million (2008

dollars). This includes all work, bringing the building to meet the seismic code and using “green building” features. Although no change in the current building footprint is contemplated, there would be need to raise the roof in the rear to accommodate full use of the attic areas. Movement of the Police Department into a renovated library building is the recommendation of the feasibility study committee. It is also one of the recommendations of the Capital Projects Overview Committee.

In 2006, the Town received a report from the firm of Gannett Fleming, Inc., concerning a feasibility study the Town had commissioned regarding a new Public Works Facility to house all divisions of the DPW, including Administration, Cemetery, Highway, Parks and Facilities, and Water. At that same meeting at which it was briefed on the Wellington and High Schools (March 2006), the Capital Project Planning Group was given a report of that feasibility study. The estimated cost of consolidating and replacing the buildings on site at the Town Yard is nearly \$20,000,000. This figure is in 2006 dollars and it is necessary to add an escalation factor of 5 to 8% for each year that the project waits. (The Municipal Light Department is also headquartered at the Town Yard, but its building is not involved in the proposal because that building was built within the last ten years.) No further formal action has yet been taken in this matter. Meanwhile significant capital expenditures to maintain these facilities are ongoing.

There are other, less well-defined, projects that have received some consideration by this or other committees of the Town. As reported earlier, the School Department has on several occasions made recommendations for renovations of restrooms at the Viglirolo Skating Rink and repairs of external stairs at the White Field House. Although the Committee has thus far declined to recommend those projects, they are carried in the chart below. The Town has increased its ownership of land on the north side of Concord Avenue and further work regarding Town facilities on the north side of Concord Avenue is undoubtedly in the offing. Finally, some work has been done in recent years concerning the Underwood Pool. This Committee would not be surprised if proposals concerning the Pool arose in the future. (Indeed, all of these issues are addressed by one of the recommendations of the Capital Projects Overview Committee. See report available on Town website, details of how to find it given earlier.)

2010 Override Proposal

The Board of Selectmen is placing a \$2 million override question on the ballot of a special Town election in June. This decision is supported by this Committee with so many pressing operating and capital needs that the town faces. If the override passes, the sum of \$600,000 has been allocated for capital budget requests. Although there are myriad requests that the Committee deems important and worthy of funding, it recommends to Town Meeting that the following be funded:

Repainting of the Police Station	\$220,000
Sidewalk repair – Highway Department	150,000
High School Envelope work	50,000
Pavement management	<u>180,000</u>
Total:	\$600,000

The Police Station is well over due for this major maintenance project. In recent years the exteriors of several town buildings have been attended to in the course of major renovation, e.g., town hall, school administration building. The Police Station has not been among these. As discussed earlier in this report, the Police Station has been the subject of a feasibility study that identified the department's current and future program needs and recommended its relocation to the current Library site. However, the relocation of the Police Station to the current Library site is both speculative and enough in the future as to make the repointing of its existing building a critical maintenance job that the town should not defer.

Many of the Town's sidewalks are in terrible condition. They pose serious hazard for pedestrians, especially our school children and our elderly. Historically the Highway Department's budget contained some funding for this work; however, since before consolidation into the DPW, money for sidewalk repair was eliminated from the budget. Funds dedicated to pavement management are not used to either repair or install new sidewalks except in certain limited instances. See "A further word about roads" section earlier in this Report. The amount allocated in the override budget for sidewalk repair is modest; however, the Committee intends that at least \$100,000 be allotted each year to do this work.

The High School building envelope work would receive additional funding if the override succeeds. This work is vitally important given the age and condition of the building. As discussed elsewhere in this Report, the School Department on the advice of the Superintendent's Advisory Committee on the Future Building Needs of Belmont High School decided to proceed with a phased approach to renovation of the 39 year old structure. The proposed first phase (the planning for which is beginning in FY2011 with a modest allocation of \$20,000 for a feasibility study) involves construction of a new science wing as well as renovation of existing classroom space. Much of the exterior of the existing high school building will be unaffected by this work and thus addressing its deteriorating condition is imperative.

This Committee recognizes that pavement management is a top priority for the town. The additional money it allocates to this work should the override pass is well within the design and implementation capability of the Community Development to put to good use during FY11.

Lastly, it is our intent to spend at least \$100,000 in future years on projects that do not meet the traditional definition of capital budget, those items we call "orphans". We will concentrate on items that have either a safety or technology component to them. Given the lateness of the decision to devote override money to the capital budget, it was not possible for us to solicit requests for this and to carefully prioritize them. Beginning with the FY 12 budget we will use a portion of this override for this purpose.

Minuteman Feasibility Study Proposal

The motion under Article 15 (Minuteman) has now failed. This Committee would, nonetheless, like to iterate why it recommended against that motion and explain briefly what it believes should happen next. The defeated motion would have authorized borrowing for a "feasibility study" as defined by the Massachusetts School Building Authority. Unlike a "feasibility study" with which Belmont Town Meeting is familiar, the MSBA "feasibility study" includes the process of developing a building through the schematic design stage. What is more,

that process was, under the motion, to be controlled by the Minuteman School Building Committee, not by the member towns of the district.

Meantime, a task force has been formed to examine the agreement whereby the 16 member towns form the Minuteman District, and propose modifications to that agreement. Under the motion as presented, neither this task force nor (as pointed out above) the member towns have a role in the feasibility study being proposed or in use of the funds to be borrowed to finance the study. The Minuteman School Building Committee does that.

This Committee believes that an enrollment study (which would be part of the larger feasibility study anyway) would also inform the task force's work and the member towns' consideration of the task force's work. Moreover, the decision whether (and how) to go forward to the schematic design stage of a new building or renovations of the current building should be made by the member towns after they have had an opportunity to consider the results of the enrollment study and the deliberations of the task force. An agreement by the MSBA can not and does not fundamentally change the motion presented by the Minuteman School Committee.

This Committee does not deny that the Minuteman building needs work, nor does it deny the right of the Minuteman School Committee to proceed with the proposed feasibility study if it can do so without borrowed funds. This Committee hopes, however, that the Minuteman School Committee itself will come back to propose an enrollment study only and a program for use of that study that is consistent with the foregoing.

FY2011 Recommendations

For FY 2011, the Committee initially (February of 2010) received requests for almost \$5 M in capital expenditures. Of this amount, \$400,000 was to be funded by the so-called Chapter 90 funds (exclusively for roads), \$1,565,038 was to be funded by the enterprise funds (sewer and water), and the rest from the General Fund. Capital budget funds in the amount of \$150,000 are being diverted to the debt portion of the operating budget to fund the borrowing for the HVAC rooftop units for BHS. This is the third year of this program, and it was the agreement of the Committee that the yearly cost for this would come from funds that would ordinarily be part of the capital budget. This \$150,000 does not appear in the capital allocation, it will continue to be carried in the Debt and Interest account until the bonds for the rooftop units are paid off, when the money will then be added to the capital amount.

The total amount the Committee had to allocate, (exclusive of enterprise funds, Chapter 90 funds, and the HVAC debt) was \$2,300,000 as of February 2010. Once the allocation for Pavement Management of \$1,104,207 is subtracted from this, it left the Committee with \$1,195,793 to spend on the requests from all the other departments.

As the budget season progressed, the Board of Selectmen felt the need to find more money to fund the school operating budget. After some discussion, \$240,000 was removed from the initial Capital Budget allocation and put into the school operating budget. It was the understanding between the Board of Selectmen and the School Department that this decrease will be found largely among the School Department capital requests that this Committee might

otherwise have recommended. Article 9 therefore requests the sum of \$2,060,000 for capital expenditures under an Available Funds Budget.

On May 3, 2010, the Board of Selectmen voted to place an operating override on a ballot for June, and dedicated \$600,000 of that money for capital expenditures to be recommended by the Capital Budget Committee. The Selectmen expressed a desire that some money from the override be used to fund sidewalk repairs, something that had not been funded for a while. Additional money allocated to the Pavement Management program was another request. The second part of Article 9 shows how the additional \$600,000 is recommended to be funded.

As one can see from our experience with this budget (and as one can confirm by consulting both the forecast at the end of this report and the experiences of the Capital Budget Committee in previous years), the allocation that the Committee receives each year from general tax allows the Committee to address only the most pressing requests each year. As previously reported, the Committee believes that the Town's allocation to the Capital Budget each year should be at least \$3.0 million (exclusive of money devoted to roads) and that, that amount should increase each year by the same 2½% allowed to other aspects of the Town's general tax budget. Although the 2½% annual growth has been put into practice in some years and in this year for the Pavement Management Program, the base figure is nowhere near the \$3.0 million recommendation. In addition, the Committee has gone on record as strongly supporting the efforts of the Warrant Committee to establish a system whereby the condition of the Town's large capital assets can be assessed, indexed and tracked from year to year.

The Committee's recommendations for FY2011 are set forth below in two charts, the first corresponding to Article 9 in the warrant for 2010 Annual Town Meeting and the second corresponding to Article 10. The Article 9 chart itself contains two sets of recommendations: one for the "available revenue budget" (if the override proposal fails), and one for the "needs budget" (if the override proposal succeeds). (See the 2010 Override Proposal discussion above.) Water and sewer rates have been set appropriately to finance the expenditures recommended under Article 10.

ARTICLE 9

"Available Revenues Budget"

Public Safety Equipment

Police - Replace Multi-purpose van- 8 years old	<u>35,000</u>
Subtotal	35,000

Departmental Equipment

Chenery Middle School Security System	90,000
School - Network switching equipment	60,000
Two way radio conversion - Cemetery	6,750
Two way radio conversion - Highway	27,125

Two way radio conversion - Parks	15,250
Highway - Material Spreader - replace 1999 spreader	23,000
Highway - Replace Riding Lawn mower - 16 years old	12,600
Cemetery - Replace 1997 Pickup Truck	33,000
Building Services - Replacement Truck	<u>21,531</u>
Subtotal	289,256
Building Facility & Public Works Construction	
High School translucent panels	125,000
Belmont HS Univent replacement - engineering study	20,000
Feasibility Study for High School Science labs	20,000
High School building envelope	212,381
Town Hall - Attic Insulation - Building Services	32,000
Stained Glass Windows in Town Hall Auditorium - Building Services	<u>75,000</u>
Subtotal	484,381
Site Improvements	
High School Athletic Fields fence	40,000
Library (Community Development) Parking Lot repairs	41,376
Remove Grove St Tennis Courts & Seal cracks & Resurface Winnbrook-Parks	24,100
Tot Lot Safety Surfacing Materials (Fiber)- Parks	11,880
Chain Link Fence Replacement Program – Parks	<u>29,800</u>
Subtotal	147,156
Infrastructure & Construction	
Pavement management	<u>1,104,207</u>
Subtotal	<u>1,104,207</u>
Total Article	<u>2,060,000</u>

“Needs (or override) Budget”

Building Facility & Public Works Construction

High School building envelope	50,000
Repoint Police Station	220,000
Subtotal	270,000

Infrastructure & Construction

Pavement management (additional)	180,000
Sidewalks	150,000
Subtotal	330,000
Total Additional Appropriation	600,000

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ARTICLE 10

Enterprise Funds

Sewer	Vactor lease/purchase, coordinated with Water	\$ 29,885
	Two way radio conversion	27,125
	Replacement Street Sweeper	154,400
	Sewer & Drain Repair – Community Development	360,000
	Total Sewer Enterprise	\$571,410

Water	Vactor lease/purchase, coordinated with Sewer	\$ 29,885
	Truck – 4 Wheel Drive Pick-up	25,000
	Two way radio conversion	17,750
	Water Building Roof replacement	100,000
	Water Main Replacement Program	427,268
	Total Water Enterprise	\$599,903

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Belmont Capital Budget 5-Year Plan

It is the responsibility of the Capital Budget Committee to present to the Town Meeting, in addition to the items to be funded in the upcoming fiscal year, a list of the expected projects for the following five years. (The only available data, however, is through FY2016 or sooner in some instances.) In the past, it has been the practice of the Capital Budget Committee to compile this list from requests from department heads and to present it largely unaltered.⁴ For this year,

⁴One series of changes have been made for editorial consistency. The other change is that all the requests for FY2011 that could not be recommended have been added to 2012. The later change is somewhat arbitrary because many of these requests will in fact be modified before the departments make them or substitute requests again. This is because of “work arounds” that departments may have devised in meantime. These work arounds may involve

we will continue with this practice. In particular, we have not deleted items that are to us not within our mandate (see second section, above). The appearance of an item in the below chart should not be taken as a decision on our part that an item is properly within this Committee's jurisdiction. We might later screen out some items as more appropriate for the current budget. This chart is provided as a raw document for planning purposes only. The items in the chart have not been "vetted" either by the Town Administrator or the Capital Budget Committee.

We would like to create a balance of large-ticket items and the smaller ones. This will require some discipline on the part of future Capital Budget Committees and the Town to stick with a plan once one is created. If, for example, funding for a vehicle replacement is postponed, usually that does not eliminate the need for the vehicle and thus pushes the request to a future year when there is probably something else requested. This is exactly what happened several years ago when some items were postponed and the "old" practice of replacing a major piece of fire equipment every four years was stopped. Once we were able to begin to catch up with the replacement, we found that several vehicles were stacked in succeeding years, making it difficult to also fund another major piece of equipment.

One will note in the chart that there are items requested for buildings that may receive major renovation or replacement in the future. We are uncertain of the timing of any of these projects, and so have included repairs that will be needed in the year that it appears such a need will occur. It is expected that any expenditures of a capital nature will be carefully thought out in terms of the expected future of the facility. However, the buildings do have to function, and be safe and comfortable, for as long as they are being used.

The future of the Roof Replacement Program (mentioned earlier) should be mentioned again. This is a program that was begun about thirteen years ago. The purpose was to set aside an amount of money each year to take care of the neediest roofs. The sum of \$300,000 was decided upon and the Town engaged a consultant to determine the condition of the roofs and create a replacement/major repair program. The original program has been completed, but recent experience at the Police Station has reminded us that it is necessary to take a further look at roofs that were in good condition when the initial study was done and determine the quality of roofs that were deemed in good shape thirteen years ago. We expect to develop better information about this potential need; not only did we recommend a police station feasibility study (mentioned earlier) but the Town is now engaged in a building envelope study (also mentioned earlier) and the Warrant Committee is working to establish a system whereby the condition of the Town's large capital assets can be assessed, indexed and tracked from year to year.

grants, gifts, funds diverted from operations, help from other departments, different approaches to the underlying problem, combination with other projects and so forth. The Committee, however, believes it is best to keep these matters in mind

Department	Year	Item	Cost ⁵
Fire	FY2012	Staff vehicle (deferred from FY2009)	\$48,000
		Spill Response Trailer (deferred from FY2009)	\$25,000
		Portable radios	\$58,000
		Self-Contained Breathing Apparatus (SCBA) replacement (air tanks)	\$220,000
		SCBA fill station	\$ 50,000
		Ambulance	\$220,000
	FY2013	Ladder truck	\$875,000
	FY2014	Engine replacement (1988)	\$410,000
		Shift commander's response vehicle	\$45,000
	FY2016	Replace Staff Vehicle	\$39,000
Police	FY2012	Replace internal file server	7,000
		Replace network switch	18,000
	FY2013	Add an exchange server for Department email	19,000
		Replace 4 Motorola mobile radios & reprogramming	23,000
		Electronic sign / information board trailer ⁶	16,000
	FY2014	Replace Telephone/Radio Logger	14,500
		Replace main and stand-by Radio Repeaters	30,000
		New Traffic Speed Trailer	16,000
	FY2015	Replace 300 gal. fuel tank and overhaul emergency generator	20,000
		Replace CAD / Records Management server & QED	38,000
		Incident Command Vehicle for Major Incidents & Events	20,000
	FY2016	Replace Boston Area Police Emergency Radio Network radio control station	38,000
Replace File Server		20,000	
Community Development ⁷	2012	Pavement management - capital budget/ch. 90	\$1,456,812
		Infiltration and Inflow Project - MWRA grant/loan and McLean payments	\$400,000
		Trapelo Rd design & construction - capital budget/ch. 90	\$75,000

⁵ This Committee asked that departments submit values estimated for the year matching the effective date of the request, thus requiring an adjustment for the economy in future years. Some departments tried to comply with this request; others did not. Moreover, unmet capital requests from the past which we have tried to carry forward are shown at the values originally submitted (without adjustment). Finally, most all capital items are subject to a bidding process before they are actually purchased. Therefore, these values should be treated as only roughly comparable orders of magnitude

⁶ The Police Department expects to meet some of this expense through grants and gifts.

⁷ Because the Pavement Management Program must be executed on a seasonal basis (see discussion above), the Committee has not attempted to cast the full planning for roads of the Community Development Department in this fiscal year chart form. The Committee has met with the Director of Community Planning, has reviewed his planning and is satisfied that the Program will make good use of any funds that this Committee is able to allocate to that Program for the indefinite future. A more extensive discussion of the roads situation is available in the previously cited reports of the Belmont Pavement Management Committee. This chart contains some expenditures for sewer and water enterprise funds because the Director of Community Development is responsible for some of those projects in his capacity as Town Engineer. Some projects are funded or to be funded from the proceeds of borrowing previously authorized or which the Town Engineer hopes will be authorized. The debt service for that borrowing will be included in the operating budgets of the enterprise funds.

		EPA Outfalls 1, 2 & 10 - sewer enterprise fund - capital	\$150,000
		Spy Pond Water Quality - sewer enterprise fund - capital	\$100,000
		Pavement Management Sewer Work - sewer enterprise fund - capital	\$210,000
		Misc. Projects Bonded or to be bonded - debt service - sewer enterprise fund - operating	c. \$859,786
	2013	Pavement management - capital budget/ch. 90	\$1,485,107
		Trapelo Road Design & Construction - capital budget/ch. 90	\$75,000
		EPA Outfalls 1, 2 & 10 - sewer enterprise fund - capital	\$100,000
		Spy Pond Water Quality - sewer enterprise fund - capital	\$150,000
		Pavement Management Sewer Work - sewer enterprise fund - capital	\$210,000
		Misc. Projects Bonded or to be bonded - debt service - sewer enterprise fund - operating	c. \$898,130
	FY2014	Pavement management - capital budget/ch.90	\$ 1,514,110
		Trapelo Road design & construction - capital budget/ch. 90	\$ 75,000
		EPA Outfalls 1, 2 & 3 - sewer enterprise fund	\$ 30,000
		Spy Pond Water Quality - sewer enterprise fund - capital	\$150,000
		Pavement Management Sewer Work - sewer enterprise fund - capital	\$210,000
		Misc. Projects Bonded or to be bonded - debt service - sewer enterprise fund-operating	c. \$892,974
	FY2015	Pavement management - capital budget/ch. 90	\$1,573,837
		Trapelo Road design/construction	\$ 75,000
		Spy Pond Water Quality	\$100,000
		Pavement Management sewer work - sewer enterprise fund - capital	\$210,000
		Misc. projects bonded or to be bonded - debt service - sewer enterprise fund - operating	\$812,731
	FY2016	Pavement management - capital budget/ch. 90	\$1,574,308
		Trapelo Road design/construction	\$ 75,000
		Spy Pond Water Quality	\$ 30,000
		Pavement management sewer work	\$210,000
		Misc. projects bonded or to be bonded - debt service - sewer enterprise fund - operating	c.\$805,575
Schools	FY2012	High School security system	?
		Butler burner and boiler replacement	\$150,000
		High School Pool Ceiling Tiles	\$ 50,000
		High School parking lot resurfacing	\$100,000
		High School univents (multi-year project)	\$200,000
		High School Tennis Courts	\$40,000
		White Field House – replacement of exterior stairs	\$90,000
	FY2013	Athletic Complex, renovation of ice rink rest rooms	\$ 90,000
		Replace boiler in White Field House	\$ 35,000
		High School univents	\$200,000
	FY2014	High School burner replacement	\$100,000
		New maintenance stand-by facility at High School	\$1,000,000
		High School univents	\$200,000
	FY2015	High School univents	\$200,000
		Items not funded in previous years	
Schools - from Envelope Study	2012	Multi-year approach to needs identified in study of October of 2007	\$250,000
	2013	(same)	\$250,000
	2014	(same)	\$250,000
	2015	(same)	\$200,000

School Technology	2012	Upgrade existing data network switching equipment (second year of town-wide project) ⁸	\$60,000
	2013	Upgrade existing data network switching equipment ((third and final year of town-wide project)	\$60,000
DPW	2012	Fleet Maint Vehicle 15,000 GVW (Highway)	\$60,000
		Sidewalk Snowblower w/plow & holder tractor (Highway)	\$82,100
		2-10' power angle snow plow (Highway)	\$16,600
		Material Spreader/Truck Rehab (Highway)	\$22,100
		Snowfighter Conversion (Highway)	\$40,750
		One Ton 4WD Pickup Truck (Parks)	\$33,200
		Pequossette tennis courts resurfacing (Parks)	\$12,100
		Replace Turf / Harris Field (Parks)	\$840,000
		Riding Mower (Cemetery)	\$13,000
		Sewer	\$29,885
		Vactor Lease/Purchase (Water)	\$29,885
		Water Yard Repaving (Water)	\$100,000
		Water Meters (Water)	\$10,900
		Closed utility 4WD truck (Water)	\$78,750
		Water main replacement (Water)	\$669,750
		Water main replacement bond repayment (Water)	\$381,357
		Sidewalks - Streets	\$100,000
		Tot Lot Safety Surfacing Materials (Fibar)- Parks	\$11,880
	2013	One-Ton 4WD Pickup (Highway)	\$33,200
		One-Ton 4WD Pickup (Highway)	\$33,200
		37,000 GVW Dump Truck (Highway)	\$111,000
		Replace Underwood Pool Motors (Parks)	\$11,100
		Chain Link Replacement Program (Parks)	\$29,800
		Replace Ceiling at Skating Rink (Parks)	\$132,300
		Sewer (see footnote)	\$137,000
		Water Meters (Water)	\$135,100
		New Garage Doors (Water)	\$55,000
		Administrative Vehicle (Water)	\$38,900
		Water main replacement (Water)	\$235,865
		Water main bond repayment (Water)	\$507,601
		Sidewalks - Streets	\$100,000
		Tot Lot Safety Surfacing Materials (Fibar)- Parks	\$11,880
	2014	Brush Chipper (Highway)	\$30,600
		Material Spreader/Truck Rehab (Highway)	\$23,100
		Snowfighter Conversion (Highway)	\$40,750
		One-Ton 4WD Pickup (Parks)	\$33,200
		Insulate Sides at Skating Rink (Parks)	\$110,250
		Toro 16" Riding Mower (Parks)	\$73,500
		Dump Truck 15,000 GVW (Parks)	\$59,300
		Riding Lawnmower (Cemetery)	\$13,000
		Sewer	\$33,200
		Water Meters (Water)	\$139,100

⁸ This project is listed under Schools despite being a town-wide project because, pursuant to an agreement among the departments, this project is being managed by the School Technology Department.

		F-450 Utility Truck and Hydraulic System (Water)	\$75,000
		Sidewalks – Streets	\$100,000
		Tot Lot Safety Surfacing Materials (Fibar)- Parks	\$11,880
	2015	Material Spreader (Highway)	\$12,000
		Sidewalk Tractor (Highway)	\$110,000
		Sidewalk Roller (Highway)	\$12,000
		Chain Link Replacement Program (Parks)	\$29,800
		John Deere Gator Machine (Parks)	\$11,550
		19,000 GVW Dump Truck (Cemetery)	\$60,000
		Sewer	\$33,200
		Water Meters (Water)	\$143,275
		Closed Utility 4WD Truck (Water)	\$78,750
		Water main replacement (Water)	\$87,261
		Water main bond repayment (Water)	\$731,741
		Sidewalks - Streets	\$100,000
		Tot Lot Safety Surfacing Materials (Fiber)- Parks	\$11,880
	2016	Sidewalk Tractor (Highway)	\$110,000
		1 Ton Pickup truck (Highway)	\$33,200
		Chiller Barrel at Skating Rink (Parks)	\$21,000
		Small frontend loader (Parks)	\$82,700
		Water meters (Water)	\$147,575
		Water main replacement (Water)	\$89,879
		Water main bond repayment (Water)	\$879,326
		Sewer	
		Sidewalks – Streets	\$100,000
		Tot Lot Safety Surfacing Materials (Fibar)- Parks	\$11,880
Technology	2012	Electronic document imaging and management system	\$80,000
(non school)	2013	Additional data storage network	\$25,000
	2014	GIS Plotter Replacement	\$20,000
Buildings	2012	Continue Security Program - cemetery	\$38,000
		Auditorium stained glass repair - Town Hall	\$40,000
		Energy Conservation Program-Town Hall	\$25,000
		Interior wall repair - police	\$20,000
		Floor & wall repair in various levels – Town Hall	\$25,000
		New bathroom - Police	\$30,000
		Remove & replace granite pavers in Town Hall Complex roadway	\$30,000
		Main entrance renovation – ice rink	\$40,000
	2013	Energy conservation program - Town Hall	\$30,000
		Auditorium stained glass window repair - Town Hall	\$20,000
		Carpeting - Town Hall	\$25,000
		Exterior work suggested by Edwards & Kelcey - Police	\$20,000
		Interior work suggested by Edwards & Kelcey - Police	\$20,000
	2014	Carpeting - Homer Building	\$50,000
		Energy conservation program - Town Hall	\$30,000
		Exterior work suggested by Edwards & Kelcey - Police	\$20,000
		Interior work suggested by Edwards & Kelcey - Police	\$20,000
	2015	Energy conservation program - Town Hall	\$200,000
		Exterior work suggested by Edwards & Kelcey - Police	\$20,000
		Interior work suggested by Edwards & Kelcey - Police	\$20,000

Council on Aging	2013	Replace "Belderbus"	\$35,000
Health	2012	Replace Staff vehicle	\$22,000
	2015	Replace Animal Control Officer Van	\$32,000
Library	2012	Begin air conditioner replacement	\$12,775
		Begin air handler replacement	\$19,162
		Begin attic air conditioner replacement	\$16,607
		Replace ventilating units	\$145,633
		Parking lot lighting	\$76,649
	2013	Continue air conditioner replacement	\$13,286
		Continue attic air conditioner replacement	\$17,272
		Continue air handler replacement	\$19,929
		Piping for HVAC	\$232,502
		Electric switchgear	\$166,073
	2014	Replace boiler	\$115,652
		Continue attic air conditioner replacement	\$17,962
		Continue air conditioner replacement	\$13,817
		Continue air handling replacement	\$20,726
		Five suppression system	\$229,468
		ADA elevator	\$207,259
	2015	Continue air handling replacement	\$21,555
		Continue air conditioner replacement	\$14,370
	2016	Continue air conditioner replacement	\$14,945
Town Clerk	2012	Audience response system for Town Meeting	\$22,000
	2013	Vital Records Storage Project (compact shelving and climate control)	\$35,000

M. Patricia Bruschi, Chairman
Mark F. Clark, Secretary
John Conte
Jennifer M. Fallon
Ralph T. Jones
Anne Marie Mahoney
Rebecca Vose