

MAJOR CAPITAL PROJECTS WORKING GROUP
MINUTES
June 2, 2017

2017 JUL 26 PM 2:44

Members Present:

Jenny Fallon, Pat Bruschi, Roy Epstein, Phyllis Marshall, Floyd Carman, Anne Marie Mahoney

Members Absent:

Mark Paolillo

Meeting was called to order at 8:32 am in Room 4 of the Town Hall.

Members approved minutes with corrections:

April 28, 2017 Jenny abstained.

May 19, 2017

The members discussed five topics:

Finances, the Library, the Community Path, SMMA updates, calendar for MCPWG meetings and meetings with the Board of Selectmen.

The members discussed the suggestion that the FY19 Capital Budget be used in its entirety for short term solutions for the DPW and Police Station. Drawbacks include:

- multi-year projects that would lose funding and/or momentum for a year
- debt service that cannot go unfunded
- discretionary Capital Budget allocation is not enough to fund even short-term fixes

The members determined that this was not a viable option and removed it from further consideration.

The members discussed other funding options for short-term fixes although until the committee receives the report from SMMA it is difficult to quantify how much money will be needed. The members reviewed Free Cash, Capital Endowment Fund, and Kendall Fire Fund. Floyd noted that the Capital Budget Committee already receives the interest from the Capital Endowment Fund, which this year is about \$125,000, as part of their annual allocation. Floyd also cautioned about using too much money in these funds since the Town must maintain 10% in reserved funds. He also referenced information below which he sent out to interested parties last week:

"I have prepared below a projection for a typical Belmont home using a round number of a homes with a market value of \$1million.

Assuming a new capital project costing \$100 million

Assuming new town debt of \$100M @ 3% coupon amortized over 20 years. I calculated the annual payment (interest+amortization) = \$6.72M

Today's actual tax dollars equal approx 1% of market value (\$10,000 on a 1M home)

Taxes are already permitted 2.5% growth per year = \$250/yr (every year)

Additional 20 yr Debt of \$100M @ 3% = 6.72M annual payment (interest+amortization). On the current residential tax base of 88.55M = 7.59% or \$759/home (one time increase held in place for 20 years)

Dollar increase over today's taxes on a typical home on Belmont

Yr 1 250(2.5%)+759 (new debt exclusion)=1009

Yr 2 $256+759=1265$

Yr 3 $262+1265=1527$

future - keep adding $\sim 250+6*(\text{year}\#-1)/\text{yr}$

% increase each year

Yr 1 $250(2.5\%)+759$ (new debt exclusion)=1009 = 10.1%

Yr 2 $256 = 2.5\%$ per year

The increase for borrowed funds is a one time only increase. Perhaps there will be savings in town maintenance costs if we move from old building to new building. That could reduce the tax impact. Has someone made an estimate of these maintenance savings? I think some analysis like this coming from your office may be helpful in explaining the changes and allowing TMM to become more informed."

Working backwards, the members reviewed their goals for the committee and timing of the various stages of their process. It is likely that a Special Town Meeting will be called for the first week in November, probably November 6. The free cash should be certified by the end of October. In October, the committee should hold public meetings preceded by public tours of the buildings and incinerator site, maybe, in September. It would be helpful if Belmont cable could tour the buildings with a camera and post their tours on cable television.

Jenny reminded the group that we need to have the funding discussion with the Board of Selectmen and Phyllis agreed to put that request as an item on the BOS agenda. The group reviewed the tentative schedule of BOS meetings for June, July, August and September and agreed to try to give interim reports to the BOS possibly at their meetings of July 17, August 28 and September 11.

Roy presented some information and analysis of the Community Path routes and his suggestions for a route that would not interfere with the DPW, Police Department, or Light building sites. The group spent time with a map discussing this information. Roy will pursue his ideas with Mark Haley, Jeff Wheeler, the Community Path consultant, the advocates for the Community Path and the MBTA. All agreed that the message had to be clear that the path cannot encroach on DPW, Police or Light building land.

Anne Marie asked if we needed a professional assessment of the real estate value of the Police/Light parcel. Others mentioned the possible zoning impact, height and parking issues of a commercial development. The group agreed that it would be useful to have numbers for the sale and development of that parcel to factor into our final recommendations.

The next meeting will be Thursday, June 22 at 8:00 am.

The meeting adjourned at 10:05 am.

Respectfully submitted,

Anne Marie S. Mahoney, Chair

