

Town of Belmont
Capital Budget Committee
Belmont Town Hall, Room 1
Thursday Evening, October 26, 2006, 7:30 p.m.

Mrs. Brusch called the meeting to order at about 7:37 p.m. All the members of the Committee (John Bowe, M. Patricia Brusch, Mark F. Clark, Jennifer M. Fallon, Angelo Firenze and Anne Marie Mahoney) except John Conte were present at the meeting. Also present were Barbara Hagg, Town Accountant and staff liaison to the Capital Budget Committee, and Jeffrey Conti, Assistant Town Administrator.

The Committee had the following material before it:

1. Agenda for the meeting prepared by Mark Clark, Secretary.
2. Draft of minutes 5/4/06 and 9/20/06, prepared by Mark Clark (attached to Agenda).

Recognition of New Members (Item 2 on Committee Agenda)

Mrs. Brusch announced that there had been no new appointments to this Committee from the various boards and committees entitled to appoint members of this Committee. Moreover, Mr. Conte has been reappointed to this Committee by the Board of Selectmen. Mrs. Brusch pointed out that in previous years an attempt has been made to avoid having members of this Committee change before completion of the next year's budget, even though the timing of the Town election and the Annual Town Meeting might suggest otherwise. She urged that an effort be made to continue the current members of this Committee until the Fiscal Year 2008 budget is adopted.

Organization of Committee for 2006-2007 (Election of Officers) (Item 3 on Committee Agenda)

Mr. Clark nominated Mrs. Brusch to continue as Chair, seconded by Mr. Bowe. There were no other nominations and Mrs. Brusch was unanimously elected to the position of Chair. Ms. Fallon nominated Mr. Clark to be Secretary. There were no further nominations, and Mr. Clark was unanimously elected to the position of Secretary.

Action on Minutes of Previous Meetings (Item 4 on Committee Agenda) Meetings of 5/4/06 and 9/20/06

Mrs. Brusch announced that she would postpone consideration of pending minutes until after the consideration of articles for the special town meeting. At the conclusion of that discussion, upon motion duly made and seconded, the minutes of May 4, 2006 and September 20, 2006 were unanimously approved as presented in draft form.

Capital Articles for Special Town Meeting of November 13 (Items 5 & 7 on Committee Agenda)

Mrs. Brusch reported that the prior evening (10/25/06) the Warrant Committee had voted \$29,900 from the Reserve Fund for replacement of a fire department vehicle that was totaled in an accident. Previously, this issue had been on the warrant for the special town meeting but the decision was made to use Reserve Funds since replacement of the vehicle met the applicable guidelines.

Article 10 - Chapter 90, \$148,387 is a one-time and unexpected appropriation from the state. The Board of Selectmen has voted to use these funds for sidewalk repair. The Warrant Committee voted in favor of this proposal with one objection. During the ensuing discussion, the following information was supplied by Messrs. Conti and Firenze, referring to information supplied

by the Director of the Public Works Department. Currently there are 772 requests outstanding for sidewalk repair. Of these, 382 are classified as "priority one." The total cost of these priority one repairs would be \$571,000. The unexpected chapter 90 funds would fund the repair of approximately one-third of the priority one requests. A new committee has been established to deal with road issues. They will be recommending that \$100,000 of each year's roadwork be earmarked for sidewalk repairs. Repairing sidewalks on a spot basis is about twice as expensive per square foot as replacement of long stretches at the same time (\$10 per square foot vs. \$5 per square foot).

Mr. Clark indicated that a comprehensive program that includes streets and sidewalks at the same time would be better, taking advantage of the synergy of the combined projects. More people use streets than sidewalks. Although Mr. Clark indicated that he is not in favor of allocating unexpected chapter 90 funds to sidewalks and is skeptical of this proposal, he will not oppose the proposal. Ms. Fallon indicated that she believes there should be funds in the regular Town budget for repair of egregious sidewalk problems but that the Town should not waste money on continuous repair of isolated situations.

Mr. Conti stated that a member of the Warrant Committee had put forth a proposal that the Town set aside a portion of the current large free cash balance for a "Road and Building Repair - Special Purpose Stabilization Fund". This fund would only be for large projects. Mr. Firenze pointed out that he has been approached by a large number of Town residents about the Town's continuous problem with sidewalks. Although Article 10 is not a comprehensive proposal for dealing with sidewalks this proposal would deal with some of the most egregious problems. Referring to a report from the Director of the Community Development Department, Mr. Firenze pointed out that this proposal would deal with 30% of the Town's most pressing sidewalk problems but would only add 1% to road repair in the coming season. Mr. Firenze also pointed out that many serious road problems are created by utilities who dig up streets and patch them "temporarily" without ever coming back to do permanent repairs. In Mr. Firenze's view, the Town must do a better job of staying on top of these situations to insist that utilities come back to do permanent repairs.

After discussion, upon motion duly made and seconded, the Committee voted unanimously to recommend favorable action on the motion under Article 10.

Articles 7, 8 and 9 all involve transactions in real property. Mr. Conti had with him maps that illustrate each transaction and he, and Mr. Firenze, explained each transaction to this Committee. Article 7 involves taking land from McLean Hospital to complete work in the Pleasant Street/Olmstead Drive area. Articles 8 and 9 both involve selling Town-owned land to adjacent homeowners, and each involves a somewhat arcane and entertaining background. During the discussion of the motion under Article 7, it was established that no one present was sure whether the Town would be called upon to pay additional compensation for the land taken from McLean, although it seemed most likely that the Town would not be called upon to pay additional compensation.

At the conclusion of the discussion of each of Articles 7, 8 and 9, separate motions were considered for each Article as follows: Upon motion duly made and seconded, assuming that compensation from the Town is zero, this Committee recommends favorable action on the motion under Article 7. That motion was unanimously adopted. Upon motion duly made and seconded, this Committee recommends favorable action on the motion under Article 8. That motion was unanimously adopted. Upon motion duly made and seconded, this Committee recommends favorable action on the motion under Article 9. That motion was unanimously adopted.

There was a brief discussion of Article 11. It was pointed out that, aside from a small allocation (\$4,295) to the sidewalk project, the motion under this Article does not propose any expenditure that could be thought of as capital. A consensus quickly emerged that this Committee need take no action regarding Article 11.

Calendar for FY08 Budget
(Item 6 on Committee Agenda)

After considering the Warrant for the special town meeting, this Committee returned briefly to the pending minutes and then undertook a discussion of the FY08 budget process. Mrs. Brusch proposed that a schedule similar to FY07 be pursued. Although this Committee took no formal votes, consensus did emerge concerning some key issues in the budgeting process.

This Committee would like to have capital budget requests submitted on January 10, 2007, at the same time as the Warrant Committee receives a proposed operating budget. (Of course, the capital budget should be presented separately from the operating budget.) Although this Committee would like to have a proposed capital budget by January 10, Mrs. Brusch asked that it be made clear to departments if the Town requests to have the capital budget for early coordination with the operating budget that this is not a request of the Capital Budget Committee.

Mr. Firenze reminded this Committee that he wished to have capital items presented in a uniform manner so that all requests can be compared in the same manner. Mr. Conti confirmed that Mr. Younger, Town Administrator, had earlier indicated that the Town administration would pursue that request this year. Several other suggestions and requests were made for the FY08 budget process. This Committee strongly recommends that a major maintenance line item be instituted in the operating budget to take care of maintenance items for Town buildings. This is especially important now that this Committee is inclined to exclude building maintenance items from future capital budgets. Mrs. Brusch also asks that all IT requests be placed in a separate category so that the Town can readily see what it is spending on IT and so that this category does not become confused with other capital requests. Finally, this Committee is strongly in favor of reinstating a capital line item in the operating budget to include important expenses that are "capital" for accounting purposes, but do not meet the criteria for consideration by this Committee.

There was considerable discussion of what is the definition of capital that should be considered by this Committee. Ms. Fallon observed that drawing the lines is difficult. The capital budget and the operating budgets are clearly integrated. Mr. Clark proposed that this Committee consider only items that have a life expectancy of five years or more and a cost of \$10,000 or more per item. Routine replacement of personal computer is not a capital item for this Committee, but replacement of servers is a capital item. If it sits on your desk, it is not a capital item. Mr. Conti pointed out that some servers do not have a functional life expectancy of as much as five years. Mr. Firenze suggested that the floor on capital expenditures be raised to \$20,000 per item. Ms. Hagg proposed that the floor be raised to \$25,000 per item. Mrs. Brusch pointed out that a proposal had been made years ago to raise the floor to \$25,000. In the end, no action was taken on these proposals and no consensus developed around the suggestion that the \$10,000 number be changed.

Mr. Clark indicated that the Building Services Department should have a discretionary budget for small maintenance and repair items that might be considered capital. In the past, Capital Budget Committee had funded such a line item by allowing the Building Services Department to bundle smaller projects into a request that totaled more than \$10,000. Ms. Fallon suggested that Mrs. Brusch write a memo to department heads outlining the capital budget process for FY08 and specifically inquiring what the effect would be of raising the threshold amount per item from \$10,000 to \$25,000. Mrs. Brusch indicated that she would be contacting department heads.

Mr. Firenze observed that putting a large number of items back into the operating budget as no longer appropriate for the capital budget would have a very severe effect on the operating budget. He observed that the money has to come from somewhere and only a finite amount is

available. Mr. Clark responded that the other items in the operating budget may have to be reduced.

This Committee will receive by mail copies of the departmental requests by January 15, 2007. Thereafter, members of this Committee will be asked, as they did last year, to propose follow-up questions that can be put to department heads in writing. This Committee will meet on Thursday, February 1, 2007 and begin meeting with department heads on Thursday, February 15, 2007. This Committee will continue its meetings on March 1, March 15, March 29, April 12 and April 19. Town Meeting is scheduled for Monday, April 23, 2007. All meetings of this Committee will start at 6:30 p.m.

Adjournment
(Item 8 on Committee Agenda)

The meeting adjourned at about 9:05 p.m.

Respectfully submitted,

Mark F. Clark