



1930 American LaFrance Pumper. In Belmont Fire Department service from 1930 to 1972.

TOWN OF BELMONT
CAPITAL BUDGET COMMITTEE
FY2020 REPORT TO TOWN MEETING
MAY 2019

Introduction

In the Capital Budget Committee (“CBC” or “this Committee”) Annual Town Meeting Report, the CBC deliberately repeats some of the material from its previous reports. This decision is motivated by two considerations. 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 this material 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 is the Difference between the Common Understanding of “Capital Asset” and the CBC Responsibility?
- Some General Remarks
- The Community Preservation Act and Its Interaction with the Capital Budget
- The Town’s Roads and Sidewalks
- Status of Large, Extraordinary Capital Projects
- Belmont High School Building Project
- Policy Adoptions
- Privately Funded Capital Improvements
- Financial Task Force II
- Recommendations for FY2020 Capital Budget
- Enterprise Funds
- Five-Year Projection of Belmont’s Capital Needs

As discussed below, only the last three items are required by the Town’s by-laws to be reported to Town Meeting. The Committee believes, however, that the rest of the material is useful.

Over the past number of years, the CBC has provided information and historical background on a number of topics and included them in its annual report. This year in an attempt to streamline this document, some if not most of that material has been eliminated. New Town Meeting members may want to read our reports for the last five fiscal years to become better acquainted with recent issues involving the Town’s capital infrastructure and needs. Where relevant this report will direct readers to the reports of prior years for additional information.

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: three are appointed by the Moderator for terms of three years; the other four are the chairman (or a member appointed by the chairman) of the Select Board, 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 FY2020 Capital Budget recommendations are:

M. Patricia Brusch (Moderator appointee)
Susan Burgess-Cox (School Committee)
Jennifer Fallon (Warrant Committee)
Karl Haglund (Planning Board)
Anne Marie Mahoney (Moderator appointee)
Mark Paolillo (Select Board) until April 2, 2019
Adam Dash (Select Board) beginning April 3, 2019
Rebecca Vose (Moderator appointee)

Mrs. Mahoney serves as the Committee's chairman and Ms. Vose serves as its secretary. Glen Castro, Budget Analyst for the Town, serves as staff liaison to the Committee. Patrice Garvin, Town Administrator, attends most 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 spring the Committee has devoted its time to review and analyze the FY2020 capital requests from town departments and the schools. The Committee also received and discussed updates on major capital projects which this year included the high school, the renovation of the Police and DPW facilities and the library. The current status of each project is described below and will be the subject of Annual Town Meeting presentations.

In an effort to streamline the Capital Budget process, the Committee requested 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 presented to the Select Board and then to the Warrant Committee. Items recommended by the School Department, are discussed by the financial sub-committee but not reviewed by the School Committee before coming to the Capital Budget Committee. Their requests, like the other facilities requests, come to the CBC through the Director of Facilities. Requests that are funded by the Town's enterprise funds are submitted directly to the Committee for recommendations to Town Meeting.

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 Select Board proposes to the Warrant Committee and the Capital Budget Committee an amount to be spent in the Capital Budget. After receiving requests from Town departments and [a] proposed general tax budget allocation[s] from the Select Board, the Committee, at its meetings, interviews representatives from those departments that have made requests.

As is our practice, the individual members of this Committee reviewed departmental requests and developed individual questions regarding those requests. Those individual questions were then pooled and submitted to the departments in writing.

This year Ms. Garvin, Town Administrator, compiled a comprehensive list of all capital items requested for FY20, including those that do not meet the CBC's definition of capital (see discussion below). She identified a funding source for each – operating or capital budget, enterprise funds, free cash, ambulance receipts and in one instance the Cemetery's Perpetual Care Fund. The Committee decided, however, that given the Town's tight fiscal position that it would not recommend using free cash to meet any capital needs.

After interviewing department representatives,¹ 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. 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 Responsibility?

The definition of capital expenditure for which the Committee is responsible is *not* the common understanding of a capital asset – it is a narrower concept. 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 that 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

¹ In some instances department heads withdraw, add or adjust specific requests as a result of new information that becomes available after budgets have been submitted and sometimes as a result of the interview process itself. This happened in a few instances for FY2020.

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.

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. There may be a time in the near future when this definition should be revisited. This should happen if and when the Capital Budget Committee is reconceived and reconstituted as a capital planning committee, which is being considered by the Select Board recently appointed second Financial Task Force (FTF II). More on FTF II *infra*.

Please see prior Capital Budget Reports to Annual Town Meeting for a more complete description of the history of the Committee’s thinking on what constitutes capital for purposes of Belmont’s capital budget.

Some General Remarks

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

Over the years, studies conducted by the Town and the Schools revealed ongoing big-ticket maintenance projects prompting multi-year plans to tackle these needs. This happened for the roofs on Town buildings and the building envelope (the material enclosing the interior of a building – exterior walls, windows, doors, etc.) of School buildings. The result was phased programs to address these major maintenance issues with money being allocated in successive fiscal years. The envelope work continues with the next phase funded when the previous one is complete. Committee members agree that the ultimate goal is protection of the Town’s investment in its built infrastructure.

In fall of 2013 the Town and Schools created the position of Facilities Director. This step was designed to strengthen a coordinated approach to infrastructure protection. Cost-savings were a prime motivation as well. The reader is directed to prior year Committee Reports to Annual Town Meeting for more on the Facilities Department.

Community Preservation Act and Its Interplay with the Capital Budget

As has been reported previously herein, the Capital Budget Committee has long supported additional funding to address the Town’s capital budget needs. One relatively new source of funding for certain types of capital projects is the Community Preservation Act (CPA) adopted by the Town in 2011 after voters accepted the act in November 2010. Fiscal 2014 was the first year of funding of projects under the CPA. Eligible projects must fall into the categories of affordable housing, recreation/open space, and historic preservation. This Committee is again pleased to see the range of projects proposed by the CPA Committee for funding. Some, if not most, of these projects would not meet the criteria for funding in the capital budget, not because they lack merit but because the Town has long stopped supporting certain types of projects for lack of money. Further, the projects on which CPA money can be spent, though very worthy, for the most part may not be considered central to the core functions of town government. This year the CPA projects include funds to construct a music shed for Payson Park, for playground

restoration at Town Field, Town Hall complex roof repairs, and Rock Meadow habitat preservation. These would most certainly be CBC requests were they not funded by the CPA. CPA funds may not always lessen the burden on the Town's capital budget but will support worthy projects that enhance the quality of life in Belmont and preserve valuable public assets that would otherwise suffer neglect. It should also be noted that the Committee, which oversees these CPA projects, requests that project sponsors, where applicable, engage in private fundraising to defray the cost of their project and coordinate their scope and timing of work with the DPW director.

The Town's Roads and Sidewalks

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 previously, since much of the work on the Town's streets must be planned and contracted for in advance and actually accomplished in warm weather over more than one fiscal year, the pavement management program of the Town would greatly benefit from a stable and predictable budgeting atmosphere. 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 an effort to address as many needs as feasible, this Committee regularly recommends about half its annual allocation (an amount based on the 2001 override) plus the targeted state aid ("Chapter 90") to roads, and the remainder to other capital requests. Previous Select Board policy omitted curbing and sidewalk work when roads were repaired. This policy was revised last year with respect to curbing that will affect pavement work going forward. In 2014 the Committee was able to use \$200,000 in one-time funds for sidewalks and in 2015, the override vote included \$200,000 for sidewalk repair. In the FY20 budget, that sidewalk figure has grown to \$220,000. (The Department includes curbs and handicap accessible sidewalks at intersections. The Trapelo Road/Belmont Street corridor included both sidewalks and curbs because that is a state – and state-funded – project.)

The Committee included extensive discussions of the Town's streets and efforts to maintain them in its 2009 and 2010 reports to the Annual Town Meeting. The reader is referred to those reports for more detailed information.

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. This information will give the reader background on these projects.

High School

The Belmont High School Project has been very active this year. A debt exclusion ballot question was presented at the November ballot and received a very positive vote. A Town Meeting was held the following week to appropriate the funds. During the early winter Treasurer Floyd Carman went to bond the first part of the needed funds (\$100M) and the town received a AAA bond rating from two rating agencies. (Moody's and Standard and Poor's). The

bonds were then sold at a very favorable interest rate which will decrease the anticipated cost to the taxpayer.

The project is on schedule with a portion of it being bid early in order to begin construction in the summer of 2019. The groundbreaking will take place on May 28, 2019. During the summer the site will be prepared for the new utilities and work will begin on the swimming pool and field house which are scheduled to remain. The summer work will allow the school to remain occupied during the entire construction without placing the students in modular units. Then the work will begin to drive piles and to begin drilling the geothermal wells. It is anticipated that the students in grades 9 through 12 will be able to occupy the new high school portion in the fall of 2021, followed by the demolition of the existing building and construction of the new middle school portion. The construction should be complete in the summer of 2023.

In April 2019 the Belmont School Committee voted to name the new school The Belmont Middle and High School.

Memorial Library Building

A Feasibility Study Committee for a new Memorial Library was completed in 2017. The Board of Library Trustees approved the recommendation of the Feasibility Study Committee for a new building on the current site. Following that the Trustees put an article before the 2017 Annual Town Meeting requesting the appointment of a Building Committee for a new library. The first step for the Building Committee would be to produce a schematic design, which will serve as the basis for a capital fundraising campaign to make a significant contribution to funding the project.

The Building Committee was formed and began meeting in January 2018. The budget for the Committee is funded half by an appropriation from the town and half by the Belmont Library Foundation, and independent section 501(c)(3) organization formed to raise funds for a new library. Daedalus Projects was hired as the Owner's Project Manager (OPM) in June 2018. The Committee then began the process to hire an architect, and the firm of Oudens Ello Architecture was selected in November 2018. Work to develop the schematic design is progressing, with the Committee consulting with town boards, committees and staff and seeking public input as the design process continues.

The schematic design is expected to be complete in the fall of 2019. Once the design has been presented to the community, the Capital Budget Committee expects the fundraising campaign to continue at least through 2020 and a debt exclusion for the project to come before the voters sometime following that.

Department of Public Works/Belmont Police Department Building Project

After years of study and analysis, recommendations and schematic designs the DPW/BPD Building Committee was formed in November 2017 to finally address both buildings. The Committee developed a plan for a permanent solution for the police station and a ten-year solution for the DPW. The project will be financed without a debt exclusion. \$7.4 million was bonded in March 2019 that will be paid down each year from capital money in the amount of \$393,747. An additional \$3.5 million will be bonded in March 2020 and is expected to cost \$190,000 per year. This project will provide an enlarged and renovated police station for under

\$10.0 million and temporary renovations and an addition to the DPW facility for less than \$2.0 million. New construction for both facilities could cost up to \$60.0 million.

The police station will have additions that will provide a safe entrance for police cars with prisoners. The building will include new locker rooms and bathrooms for both genders; holding cells; interview and meeting rooms; offices; roll call room; evidence storage. The renovated sections will include energy efficient and coordinated systems, removal of hazardous materials and cosmetic upgrades. All sections of the building will be fully accessible. The design includes an elevator, an additional staircase and some additional parking.

The DPW facility will have renovated spaces for offices, a break room, and contractor check-in. The addition will include locker and bathroom space for both genders, a laundry area, and a multi-purpose room for training and quiet rest during protracted storms. Bids were accepted by the Building Committee and presented to Town Meeting on May 6, 2019. Construction will begin on the DPW in June to be completed before December 1. Temporary relocation of the police at the Water Department area will begin in May and construction will commence in the summer for a late August 2020 completion.

Other Projects

There are other, less-well-defined projects that have received some consideration by this or other committees of the Town. They include the White Field House and the Viglirolo skating rink. (In 2015 a group of ice hockey supporters began discussions with School administrators, the School Committee and the Select Board about a private/public partnership to construct a new rink. The prospect of a new or renovated high school building has put those discussions on hold.) Just this spring, the Select Board decided that the incinerator site once capped will be used for solar panels and battery storage as well as some DPW purposes. Also, on the horizon are some updating needs at schools that have not been renovated in the past 20 years. These include the Daniel Butler School (renovated in 1979-80), and the Winn Brook and Burbank Schools (renovated in 1987-89). Affordable housing should also be part of the Town's capital project planning. Finally, the Community Path now has an identified route and \$1.0M in CPA funding for design, if Town Meeting approves this project.

Policy Adoptions

Policies Related to Debt Service and Funding of Multi-Year Projects

In 2013, at the urging of the Town Treasurer the Committee developed and adopted a policy on the amount of the Town's Capital Budget that will be spent on debt service. As the Town uses debt or lease/purchase arrangements to acquire large capital items, such a policy satisfies municipal bond rating agencies (e.g., Moody's) of the fiscal soundness of the Town's assumption of debt obligations.

This policy is as follows:

The Capital Projects Discretionary budget will set aside not more than 33% for debt service/lease purchase payments. The request must be greater than \$100,000 with a useful life of 10 years. The Treasurer will provide annually and update the

Capital Budget Committee with an amortization schedule of payments. The Capital Budget Committee will review this policy annually by February 1 and forward to the Select Board, Warrant Committee, Town Accountant, and Treasurer an update on the review.

The Committee has endorsed a policy with respect to multi-year capital projects that it will not recommend funding the next year of such projects until substantial progress has been made.

Financial Task Force II

As of the writing of this report, the Select Board has appointed a second Financial Task Force (FTF II) to use the recently completed Financial Forecast developed by the Collins Center to “develop a multi-year financial plan for Belmont.” The original FTF developed “a multi-year Financial and Capital Investment Plan”, which recommended an operating override with a portion of the revenue to be used for capital items. The April 2015 override was successful, although given the fiscal pressure on the operating budget, the Committee has not seen the annual allocation for the capital budget rise to \$3M as hoped. The FTF II began working on a new financial plan in March.

Privately Funded Capital Improvements

Each year “private” groups such as the Soccer Association, Little League and Parents of ... groups provide much needed improvements and upgrades to our fields and recreational facilities. Without their generous support in donating irrigation systems for Winn Brook field, sprucing up the White Field House, and raising funds to replace playground equipment at the Winn Brook and Butler as examples, this much needed work would fall to the Capital Budget or become a request for CPA funds. In summer 2015 private donations funded the replacement of the varsity basketball court floor at the high school. Recently, a group of ice hockey supporters expressed interest in a private/public partnership to replace the Viglirolo Rink; as the high school project proceeds and the plans for that campus become clear, we eagerly await such a partnership becoming reality.

In 2016 the Capital Budget Committee worked with donors to form a creative solution to funding the Press Box at the Harris Field. This final piece of the original 2001 renovation of the field was finally approved for construction. Because the Capital Budget did not have \$240,000 to fund the Press Box the following cumulative funding solution was offered: \$40,000 remaining from the 2001 Harris Field Building Committee; \$125,000 of unused Capital money from the 2014 Harris Field replacement project; \$75,000 pledged by the Belmont Boosters and other donors. This project was completed before the 2017 football season and was well used both for football games and other community events at the field.

The community spirit shown in each of these partnerships is much appreciated by the department heads and the Committee and should be recognized by the citizens of the Town.

Recommendations for FY2020 Capital Budget

For FY2020, the Committee received requests for \$3.9 million in capital expenditures. This does not include requests that will be covered in separate Warrant articles for water and sewer equipment and projects funded by enterprise funds, which are generated from user fees. Nor does it include Chapter 90 highway funds. The total available funding for the Capital Budget for FY2020 is \$1,788M, including \$163,946 in turn backs from previously completed capital projects. The funds for discretionary spending are \$1,788M; Pavement Management funds are \$1.72 million as a result of the 2001 and 2015 overrides; Chapter 90 money is \$ \$541,147 for a total Pavement Management budget of \$2.26 million; sidewalk repair is \$220,000. (It should be noted that the chapter 90 Funds Annual Town Meeting article includes an additional \$108,488 the Town received from the State for FY19.)

Traditionally, the amount requested for projects that this Committee believes are appropriate and important is far less than the available funds. This year the gap between available funds and requests is less dramatic. The Committee prefers to receive an unedited list of capital requests from department heads. Through the interview process members made decisions about what items to support using their judgment informed by a broader perspective of competing Town needs and priorities. For FY13 through FY18 the Committee was given a heavily scrubbed list and saw only certain capital requests from department heads thereby undermining the ability of the CBC to exercise discretion in what capital items to recommend to Town Meeting. This year the Town Administrator presented the Town's capital requests using a different definition of capital from the one this Committee employs. This approach provided a more comprehensive view of the Town's capital needs but again reflected a paring down of departmental requests based, it would appear, on available funds rather than actual need. The Committee believes it is charged with producing a comprehensive assessment of the Town's capital needs for Town Meeting and looks forward to a return to an unedited capital budget that restores the CBC's critical role in the assessment process.

Overall, the CBC is usually presented with a large number of requests and limited funds with which to address only the most pressing requests each year. As reported to past Town Meetings, 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. One positive aspect of capital funding is that both the 2001 and the 2015 overrides, plus the 2½% annual growth has boosted the Pavement Management Program to the maximum level that the departments can manage in a construction season. While our roads and sidewalks are still in desperate condition in many areas of town, we are spending all we can reasonably spend in a season without tying the town up in road closure knots. However, a study of the five-year chart at the end of this report indicates that, even with an increased allocation for the Capital Budget, some years will present a challenge. Without increased allocations, further creative financing is inevitable. 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.

Article 22 in the warrant will contain the Committee's FY2020 recommendations. In addition to the annual Capital allocation, this Committee routinely recommends reallocation of funds previously appropriated for capital projects that are now complete.

PUBLIC SAFETY

Police Computer Aided Dispatch & Records Management Server: This is used for all Police and Fire Departments incident entry and dispatching by public safety communications. The current server is out of warranty and soon will be beyond its useful life.

Replace Fire Department's Front-Line Pumper: This was deferred from FY19. Funds for it will be borrowed, half of the amount to be authorized in FY20, and the other half authorized in FY21 with the full amount bonded in FY21. The pumper is paid for upon delivery, which will be sometime in FY21.

Ambulance and Cardiac Monitor Replacement: This is the second year of the Fire Department's five-year program to fund a replacement for the cardiac monitor in the ambulance. Each year the Committee sets aside \$7000 for this monitor, which costs \$35,000. The cardiac monitor was replaced this past year so this is the first year of contributing to its replacement fund.

Similarly, each year the Committee sets aside money for the purchase of a new ambulance. Since a new ambulance was purchased in FY17, this is year three of the five-year program and the set aside is now \$65,000 to reflect the increased cost of a new ambulance.

PUBLIC FACILITIES

Replace Burbank Boiler: This is needed to meet peak load demands and add redundancy to the heating system.

Upgrade Butler Fire Alarm Panel: The existing system is over 40 years old, well past its 10-year useful life.

Butler Heat Mitigation: This is to install ceiling fans in classrooms to circulate air during warm weather to improve the learning environment.

Replace Butler Boiler: This will replace an old steam boiler with a condensing hot water boiler with funding support from a Green Communities Grant.

Butler Building Envelope Study and Repairs: This work addresses water penetration through mortar at numerous places in the envelope.

Upgrade Winn Brook Fire Alarm Panel: This panel is 40 years old and needs to be replaced.

Replace Winn Brook Boiler: The old boiler has several code violations identified by the State Fire Marshall.

Replace Winn Brook Public Address System: The school's current system is old and not functioning. A new system is necessary for school safety reasons.

Roof Repair and Repair Plan Development for Town and School Buildings: This will create a roofing inventory and develop an annual maintenance, repair and replacement schedule.

OSHA Compliance Assessment: Municipalities have recently become subject to OSHA Regulation. This will pay for a consultant to conduct a Compliance Audit.

Police Department Moving Expenses: This will defray the cost of relocating the Police Department during renovation of its space.

Rehabilitation of Highway Department Truck: This will pay for repairs necessary to make a hand-me-down pick-up from Highway road worthy. This vehicle will increase Facilities ability to deploy staff to perform repairs and maintenance in different locations around Town.

Upgrade Building Maintenance System: This is for an updated and integrated system, which will allow Facilities to set, operate and monitor building operations in Town and School properties.

LIBRARY

AC Unit Replacement: This is for a new unit to cool the second floor. The existing unit has failed completely and is not repairable.

Replace Gutters and Downspouts: This is for the remaining three sides of the building. The front gutters and downspouts were replaced a few years ago.

DEPARTMENT OF PUBLIC WORKS

Replace Central Fleet Utility Truck (#6): This is an 8-year-old Pick-up Truck used for repair work on vehicles that have broken down outside of the DPW yard. The old one will be given to Facilities to rehab and use for repair and maintenance jobs in Town and School buildings.

Furnishings for DPW Garage: This will fund office furniture and furnishings for the renovated DPW facility.

The item below will be paid for with interest from the Cemetery's Perpetual Care Fund, not from the FY20 Capital Budget allocation.

Replace Loader Backhoe (#120): This replaces a piece of equipment that is essential in everyday cemetery operations.

INFORMATION TECHNOLOGY

Fiber Network Construction: This is the final phase in updating the Town and School's fiber network. The 3 main fiber hubs (High School; BML Substation 1; Library) will be relocated.

OFFICE OF COMMUNITY DEVELOPMENT

Pavement Management: This continues the yearly infusion of money into the Town's Pavement Management program, which is discussed in greater detail in the narrative of the report. The Director of Community Development will report at Town Meeting on the specific streets to be paved with the FY 2020 funds.

ENTERPRISE FUNDS

The Director of Community Development who is responsible for the management of these programs reports annually to the Committee on the status of these undertakings and funding mechanisms. They are described here but are not part of the annual capital budget allocation.

Sewer and Stormwater Capital Program: This is an annual program for repair and replacement of this infrastructure. The Town is under an EPA order to complete certain of this work within the next 3.5 years.

Water Main Replacement Program: This is the continuation of the 30-year project to replace all the unlined cast iron pipe in the town's water distribution system (approximately 40% of the system) to ensure a continued reliable supply of clean water. The project was originally approved by Town Meeting in 1995.

Water Main Bond Repayment: The Water Main Replacement Program (described above) is funded in part by taking advantage of no-interest loans from the MWRA through the Local Pipeline Assistance Program (LPAP). This is an integral part of the capital finance plan for the upgrade of the Town's water system.

Replace 37,000 GVW Dump Truck (#84) (#85): This replaces an 8-year-old truck that is in daily use by the Water Department.

Sewer and Drain Repair: This funds the Town's ongoing program to repair infrastructure and alleviate flooding. Primarily on roads programmed for reconstruction under the Pavement Management Program.

Municipal Stormwater Permit Compliance: This will pay for consulting services to ensure compliance with annual federal storm water permitting requirements that went into effect July 1, 2018.

Sewer and Drain Investigation, Evaluation and Repair: As required by federal EPA, this ongoing project addresses potential problem areas where sewer lines are leaking into stormwater lines. The State DEP will provide a loan at a very low interest rate to defray the cost of potential sewer and stormwater rehabilitation work should a large mitigation project become necessary.

Street Sweeper (#30): The current street sweeper gets daily use until the first snow storm and needs replacing.

The Committee's recommendations for FY2020 are set forth in the motions that correspond to Article 22 in the warrant. Water and sewer rates have been set appropriately to finance the expenditures recommended under Article 16. Chapter 90 Highway Funds from the State are covered in Article 21.

Five-Year Projection of Belmont's Capital Needs

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 available data, however, is often not precisely five years: the implications of some entries go beyond five years and, in a few instances, only four years projections are available. FY2020, dealt with above, is sometimes taken as year one.) In the past, it has been the practice of the Capital Budget Committee to compile this five-year list from requests from department heads and to present it largely unaltered.² For this year, 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 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 operating budget. This chart is 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. The chart is attached to this report.

This Committee asked that departments submit costs 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 that we have tried to carry forward are shown at the values originally submitted (without adjustment). Finally, most of the capital items are subject to a bidding process before they are actually purchased. Therefore, these cost values should be treated as only roughly comparable orders of magnitude.

Because the Pavement Management Program must be executed on a seasonal basis, the Committee has not attempted to cast the full planning for roads by the Community Development Department in this fiscal year chart form. The Committee has met in past years with the Director of Community Development, has reviewed his planning and is satisfied that the Pavement 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 reports of the Belmont Pavement Management Committee available from the Town Clerk's Office or on the Town website.

This chart contains some expenditures for sewer and water enterprise funds. The Director of Community Development is responsible for some of those projects in his capacity as Town

² Some changes have been made, however, for editorial consistency. Another change is that the requests for FY2020 that could not be recommended have been added to the appropriate year (usually FY2021). 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 it often seemingly puts two years of a multi-year project into one year and because of "work arounds" that departments may have devised in the meantime. These workarounds may involve 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.

Engineer. (As a general matter, the Director of Community Development is responsible for sewer capital projects and those items are in the Community Development Department budget; the Director of the Public Works Department is responsible for water capital expenditures and those items are in the DPW budget. The Committee has been assured that planning for water and sewer projects is coordinated between the departments.) Some water and sewer 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.

The Parks Division and the Cemetery Division have been combined but are still carried separately for budgeting purposes.

As the five-year chart demonstrates, it is doubtful that the Town can fund all worthy capital requests in coming years from the current, annual allocation to the capital budget. The Committee recommended financing some acquisitions (lease/purchasing of Police and Fire equipment) in previous years. Two years ago the override vote allowed the Town to move ahead with two projects deemed of vital importance and urgency through the Committee's increased borrowing capability. Among other possible financing approaches the Committee may consider in future are so-called BANS (bond anticipation notes), leasing, capital outlay exclusions, and debt exclusions. It is very likely that the Committee will make further recommendations in this regard in coming years.

Anne Marie Mahoney, Chairman
Rebecca Vose, Secretary
M. Patricia Brusch
Susan Burgess-Cox
Jennifer Fallon
Adam Dash
Karl Haglund