

2020 FEB -4 AM 8:40

**MINUTES
TOWN OF BELMONT
CAPITAL BUDGET COMMITTEE
Town Hall Conference Room 1
Thursday, October 24, 2019
8:00 AM**

Call to Order

A regular meeting of the Capital Budget Committee (CBC) was called to order at 8:02 a.m. by Chair Anne Marie Mahoney.

Members Present: Chair Mahoney, M. Patricia Brush, Jenny Fallon (WC) Susan Burgess-Cox (SC), Karl Haglund (PB) (left at 9:16), and Rebecca Vose

Members Absent: Adam Dash (SB)

Also Present: Jon Marshall, Assistant Town Administrator; Steve Dorrance, Director of Facilities; Jim Gammill, Belmont representative on Minuteman High's School Committee; John Phelan, Superintendent of Schools; and Floyd Carmen, Town Treasurer

Minuteman High School

Chair Mahoney turned first to Mr. Gammill for an update on Minuteman High School as rejoining the District will be the subject of a Town Meeting article at the Fall Special Town Meeting in a few weeks. He reviewed with the Committee the materials he has prepared for November's Special Town Meeting. Of particular note are these pieces of information:

1. Minuteman's new school building is now open a year ahead of schedule
2. Successful efforts by the Minuteman administration to increase member enrollment resulting in a waiting list for the ninth grade
3. The change in the amount Minuteman may be able to charge non-member districts
4. Belmont's determination that viable alternatives for vocational education for its students do not exist

Issues still remain including equitable assessment of non-member districts for capital costs, but there appears to be some willingness at DESE to revisit what Minuteman and other vocational high schools may charge.

Mr. Gammill observed that it is not possible to predict what the long-range interest in voc ed will be among Belmont's 7th and 8th graders, but there is a real upturn in the programing offered at Minutemen at the moment.

Mr. Gammill proposed to Minuteman's School Board (MSB) a third path to remaining or withdrawing: Belmont could become an "inter-district" affiliate through a bilateral agreement with MSB. This suggestion was rejected by the MSB.

Should Town Meeting vote to rejoin Minuteman, Belmont will owe roughly \$470K to Minuteman. And Belmont will pay capital assessments going forward for the new building.

The CBC then discussed the fiscal implications of withdrawing or remaining for the town. Members waited to hear from Town treasurer Carman before taking a position on this warrant article.

Update from Town Treasurer Floyd Carman on ongoing and proposed capital projects and outlays

Mr. Carman reported the following:

1. The balance needed to pay for the new Fire Engine will come out of Free Cash
2. Free Cash balance is higher than anticipated. \$500K will be allocated to OPEB; an amount as much as \$2.5M will be placed in the General Stabilization Fund.
3. The Capital Endowment Committee is willing to cover the \$470K Minutemen charge, but will forego for the next 4 years making its annual \$125K transfer to the town

Mr. Carman discussed the importance of demonstrating fiscal prudence to bond rating agencies in advance of the town financing the bulk of the high school project next spring. The above measures are designed to address Belmont's pressing current capital needs while preserving its AAA bond rating.

There was conversation about the constraints on funds placed in the General Stabilization Fund. A 2/3's vote of Town Meeting is required to remove funds from it.

Chair Mahoney noted that the allocation from Free Cash for half the cost of the fire engine helps the capital budget for FY21. The previous plan was to pay for the balance out of the FY21 capital budget.

Report on Facilities issues from Mr. Dorrance

Mr. Dorrance provided a run-down of emergency repairs his department has made to the sprinkler system at CMS, which are ongoing, and to heat mitigation at the Butler and Burbank schools.

CBC members discussed how to deal with Facilities problems that arise out of the budget cycle but require immediate attention. There has usually been turn-back money from completed projects that came in under budget available to address emergencies. The plan this year, however, is to use turn-back money to reduce outstanding debt for the Police and DPW building projects. This has shrunk the debt from \$440K/year to \$390K/year.

Ms. Fallon suggested that at the Fall Special Town Meeting the Committee lay the groundwork for revising expectations about the annual capital budget allocation to account for unforeseen critical problems that crop up during the fiscal year. Members liked the idea of adding an "Extraordinary Costs" line to the Facilities budget.

Mr. Dorrance explained that he is using money from his budget to pay for the new sprinkler heads at CMS, but this will have a drastic, negative effect on other work by Facilities. He stated that CMS's sprinkler replacement project and repairs to a HVAC unit on its roof were the only true Facilities emergencies since the beginning of the current fiscal year, but together they will cost roughly \$160K. There ensued discussion of going to the Warrant Committee (WC) for money to pay for emergencies as they arise. There was general agreement among members who have served on the WC that the WC may authorize transfers either when they are requested or at the end of the fiscal year.

Committee's Votes on Special Town Meeting Warrant Articles

Article 2. Capital Appropriation: Second Half of Funding of Fire Engine Pumper Truck

Mrs. Brusch moved: Approval of this article
The motion passed unanimously.

Article 4. Rescind Membership Withdrawal in Minuteman Regional Vocational High School

Ms. Vose moved: Approval of this article
This motion passed on a vote of 4 in favor and 1 opposed.

Approval of Minutes

The Minutes of September 12, 2019 were unanimously approved as written.

Future Meeting Dates

Chair Mahoney will solicit members' availability for meeting to review FY21 capital budget requests beginning in January 2020. She observed that the faster track budget process for FY21 will allow for the CBC to begin its work earlier.

The CBC moved to adjourn the meeting at 9:48 a.m.

Respectfully submitted,

Rebecca Vose, Secretary