

**Minutes
Town of Belmont
Long Term Capital Planning Committee
Virtual Meeting on Zoom
Wednesday, November 4, 2020
8:00am**

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: February 9, 2021
TIME: 2:11 PM

CALL TO ORDER:

A meeting of the Long Term Capital Planning Committee was called to order at 8:02 am by chair Jennifer Fallon. Members Anne Marie Mahoney, Adam Dash, Floyd Carman, Stephen Pinkerton, Michael Crowley, Claus Becker, and Melinda Huang were present. Christine Doyle was present but had not yet been sworn in. Town Administrator Patrice Garvin, Assistant Town Administrator Jon Marshall, Superintendent of Schools John Phelan, Community Development Director Glenn Clancy, and DPW Director/ Acting Facilities Director Jay Marcotte were also present.

Introduction of new members:

Fallon introduced by Melinda Huang (Resident) and Claus Becker (Energy Committee) to the committee, as they were both appointed after the first meeting of the committee.

Approval of minutes:

Fallon brought the October 7, 2020 minutes up for review. She noted that Doyle had made a few non-substantive edits and asked if there were any other committee members with edits.

Motion:

Anne Marie Mahoney moved to approve the October 7, 2020 minutes with edits made by Chris Doyle.

Adam Dash seconded the motion. Approved (7-0-1 in favor, Doyle Abstained)

Explanation of Capital Endowment Fund

Fallon mentioned that Doyle had asked for this item because she thought that it would be helpful knowledge for the committee and Fallon agreed. Fallon asked Carman to give an explanation of the Capital Endowment Fund to the Committee. Carman stated that in 1996 the Town of Belmont sold their cable company for approximately \$2.9 Million. Those funds were set up in an endowment, currently known as the Capital Endowment. From 1996 to 2005 the Capital Endowment Fund went from \$2.9 Million to approximately \$2 Million. Around that time, legislation was put into place to put the Capital Endowment under the purview of the Town Treasurer. The current policy of the Capital Endowment Committee is to give back three percent of the balance to the Capital Budget Committee. Carman stated

that he can say with certainty that the Endowment has upheld that mission from 2005 to the present. The current balance of the Capital Endowment is approximately \$4.2 Million.

Doyle asked Carman if there are any restrictions on what capital projects the funds must be spent on. Carman answered no, the three percent that he mentioned is given to the Capital Budget Committee and they allocate those funds. The Capital Endowment Committee believes that it should be spent on technology needs, but does not make the final decision on spending. Carman also mentioned that in the past there was a necessary additional project (\$50,000) that the previous interim Superintendent came to the Capital Endowment Committee for and the Capital Endowment Committee funded that project. Doyle mentioned that it could be useful for the Capital Endowment Committee to have a written and voted policy that outlined what an emergency event is so that in the future that Fund would be as fiscally responsible as it has been for the time that Carman has been Town Treasurer.

Doyle then asked about identifying all funds that pay for capital projects in Town as well as the restrictions on each of these accounts. She stated that she knows this committee does not have control of these accounts, but that understanding them is necessary for this process. Doyle mentioned both the Community Preservation Committee and Capital Endowment Fund are two fund sources that come to mind outside of the Capital Budget Committee.

Review of material received:

Fallon then moved the conversation to review the Arlington Capital Plan that was sent to the Arlington Town Meeting, as well as the documents that Steve Dorrance developed for doing an inventory of the assets of the major buildings in Town. Crowley stated that he thought that it was helpful to review the Arlington Capital plan which was very thorough, he also noted that the funding for Arlington's capital was quite large. Fallon commented as well noting that Arlington gives 5% of the annual operating budget to the Capital Budget allowing for more borrowing under the cap as well as planning for major renovations of buildings without having debt exclusions. Fallon also noted that the Arlington plan was also very clear about the funding sources and where all of the funds are coming from which made the plan more effective. Fallon thinks that Belmont could move to a plan that is more similar to what Arlington produced. Fallon made a final point of making a future goal of setting a policy for a percentage for the Town operating budget to be allocated to capital spending. Crowley echoed the idea and said that even though the Town is currently not in a strong financial position it would be worth it to look at setting targets to ramp up capital spending over time.

Becker noted how well written the Arlington Capital Plan was and that it was obvious that quite a lot of work went into creating it. He said that the time commitment for such a plan would be large.

Mahoney said that it is important for this committee to outline what we are talking about when the committee discusses Capital spending, and what is included in that number. The Collins Center included the money for the Department of Public Works and the Police Department into the capital spending number. Doing that raised the total to six percent, but in reality, that spending was for a one-time expenditures on particular projects. Mahoney believes that spending should be set aside and that the capital expenditures should be looked at year to year to see the discretionary spending on capital. Mahoney reiterated that it is important to know what we have, where that money is going, and to have definitions of what the capital funding is going forward. This would clear up the discussion on what is spent on discretionary capital as well as capital in general.

Carman noted that he knew that this report took Arlington five to six years to create. As part of this process, they identified all of the major capital projects that the town would face in the next 20 years. They also looked at what the annual cost of keeping up all of their facilities would be. Carman echoed Crowley about the fact that Arlington does have a large amount of funds to spend, but said that they are able to spend these funds due to years of discipline and keeping the capital funds allocated to capital.

Dash echoed a concern the Garvin raised. Dash mentioned that in order to raise the capital spending percentage it only makes sense that something would have to be cut to make the funding available. Dash noted that it is not that it should not be done, but that there would have to be extensive work put into identifying the funding. Fallon said that this funding would be for things that are on the horizon like repairing or redoing a roof in Town. Dash said that he agrees that we should be planning for these, but it will be difficult to implement because there will always be competing priorities. Fallon agreed, but stated that these projects will arise, and mentioned that the Chenery Middle School is definitely coming up. Becker asked if there was a way that this could be framed as a return on investment for the voters in Town. Change the perception by showing how much is saved by creating a way to pay for these major capital projects and show that by planning to do them there is money to be saved.

Carman state that the goal of this committee should be to identify all of the major capital projects that need to be completed in Town and the short-term capital needs before trying to figure out the funding for these projects. Carman said you need to identify the needs before the funding.

Doyle asked if the committee could review the mission of the committee. She stated that her understanding of the charge was to understand all of the capital funding as well as to understand all of the major capital projects that need to be completed in Town.

Discussion of possible creation of working sub-groups:

Fallon brought up the idea of breaking into sub-groups. Mahoney mentioned that the 2015 Financial Task force as well as the Major Capital Projects Working Group both worked to create lists of capital needs, so that these could be used to more easily create an updated list. Fallon agreed with this idea and also added that major maintenance projects should also be added to this list.

Fallon agreed with Doyle's previous comment and said that part of looking at these lists would be to identify where some of the funding may come from and how the operating budget funding can work with Community Preservation Committee funding. Fallon stated that she believes that identifying the project and how the Town may fund them is an important part of this committee. Fallon agreed with Carman that they should start with a list and then should move into the possible funding sources. Dash agreed as well and added that he thinks that the projects should be identified, priced out, and then put in an order of completion that makes the most sense, and then the question of funding the project comes in. Adam said that sometimes the funding is sometimes a political decision and people will not want to fund certain projects for their own reasons, but he liked Becker's idea of making the argument of an investment and that spending the money now will save money for the Town later.

Dash also stated that there will need to be more definitions on the types of projects. What will the committee consider to be maintenance? There are a lot of projects to look at and Dash thinks that it would be good for the committee to look at all avenues. Becker added that he would like to also discuss what the time horizon of the committee is. In order to understand the magnitude of the list, they will need to know where their end point will be. Fallon also mentioned that in Arlington's report they consider borrowing money for any project over \$100,000. This is something that the Town does not currently consider, but maybe a policy should be created. Dash agreed that having and creating written policies should be a goal of this committee.

Huang mentioned that creating some definitions of what a capital project is would be a good thing for the committee identify now, so that identifying the items for the lists and prioritizing can be equitable. Fallon agreed and mentioned that the committee will have to rely on some of the department heads to identify upcoming projects.

Fallon asked if there were any volunteers to work on refreshing the lists that Mahoney mentioned earlier, the Financial Task Force report from 2015 and the Major Capital Projects Working Group report. Mahoney mentioned that she is happy to work on the reports and add when the last renovations to some of the major buildings in Town were before the next meeting. Fallon thanked her and asked that Mahoney try to keep the total list and keep even the buildings that have been recently renovated. Fallon said that she would try to pull an infrastructure list together for the next meeting to be reviewed.

ADJOURNMENT

Motion: To adjourn at 9:07am. (7-0-1 in favor, Doyle Abstain)

Next Meeting:

- December 9, 8:00am via Zoom