



Town of Belmont

MASSACHUSETTS



**Fiscal Year 2017 Capital Budget Committee
Report to Belmont 2016 Annual Town Meeting**

**FY2017 Capital Budget Committee
Report to Belmont 2016 Annual Town Meeting**

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
- Additional Classroom Space
- Financial Task Force Capital Budget Recommendations
- Privately Funded Capital Improvements
- Recommendations for FY2017 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.

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 Board of Selectmen, 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 FY2017 Capital Budget recommendations are:

Susan Burgess-Cox (School Committee)
Jennifer Fallon (Warrant Committee)
M. Patricia Brusch (Moderator appointee)
Raffi Manjikian (Planning Board)
Mark Paolillo (Board of Selectmen)
Rebecca Vose (Moderator appointee)
Anne Marie Mahoney (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. David Kale, Town Administrator, attends 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 FY2017 capital requests from town departments and the schools.

While the CBC has identified major projects that need to be addressed, last year the Financial Task Force sub-group on Capital Projects examined all outstanding capital needs in the Town with a goal of providing a comprehensive plan to deal with them; the Facilities Manager hired in calendar 2013 presented a refined and coordinated set of capital requests. The most significant development in prioritizing capital projects is the Massachusetts School Building Authority's decision to move forward with plans to renovate or rebuild Belmont High School. (More detail on these developments is presented below.) To aid in the comprehensive planning of capital projects, the CBC took time after the 2013 Annual Town Meeting to develop criteria for assessing and prioritizing all the Town's potential capital projects, including the Concord Avenue campus and its component parts. These criteria were refined and became part of the working material for the Capital Projects sub-group of the Financial Task Force.

The Underwood pool project funded by a 2014 debt exclusion vote and Community Preservation Act (CPA) funds was completed in summer 2015. The Belmont Center Reconstruction project, whose funding was approved by a special Town Meeting in November 2014, is still in progress.

In an effort to streamline the Capital Budget process, the Committee has 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 Board of Selectmen and then to the Warrant Committee. For items recommended by the School Department, the requests are first reviewed by the School Committee, some changes made and then these are forwarded to the Capital Budget Committee. 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 Board of Selectmen proposes to the Warrant Committee and the Capital Budget Committee an amount to be spent in the Capital Budget. (The override vote in April 2015, which approved additional funding for the capital budget in FY16 and FY17, will be discussed in greater detail below.) After receiving requests from Town departments and [a] proposed general tax budget allocation[s] from the Board of Selectmen, the Committee, at its meetings, interviews representatives from those departments that have made requests. This year – as for the last several years – the process began with the individual members of this Committee reviewing copies of the departmental requests and developing individual questions regarding those requests. Those individual questions were then pooled and submitted to the departments in writing.

In some instances, department heads meet with the Committee to discuss future requests. This year, the Town Clerk described the move toward optical scanning of ballots as well as the possibility that census data may require Belmont to create a 9th precinct. David Petto, our Director of Information Technology, also appeared before the CBC to discuss the need in the near future to deal with the Town's fiber optic network. This need arises from the decommissioning of the Old Light Building where some of this network is located.

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.

With the hiring of a new facilities manager, all building related requests for the entire town and school buildings, and beginning this year the library, have been combined. This year the

¹ In some instances department heads withdraw 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 FY2017.

Facilities Department requested items for the fire station, fit-outs of high school and Burbank modular classrooms, Winn Brook, DPW and town-wide security.

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 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. As mentioned below, there are other items that should be considered part of the operating budget that have a tendency to find their way into the capital budget process.

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. In 1985, it was the intent of the then Capital Budget Committee to raise that amount to \$12,500 but that did not happen.

Although the existing criteria for inclusion in the Town’s Capital Budget could be considered very outdated, the CBC’s review of the criteria recently produced no significant changes. The CBC communicates with the Town departments on a regular basis about what it expects to see in capital requests and what it will not entertain. The Committee ultimately decided that there were no comprehensive criteria that could adequately define what departments should consider capital requests and decided to leave the loose criteria of \$10,000 minimum and at least ten years of useful life, with the exception of technology. The Committee also recommended that the Town should consider establishing a technology fund for computer and other technological purchases. In addition to dealing with technology, the Committee will also explore a recommendation to the BOS on handling the facility manager’s requests so that requested items qualify as capital.

Meanwhile, increasing pressure on the Town’s operating budget resulted in the virtual elimination of a line item (“Capital Outlay”) in departmental budgets under which the small or recurring capital items had been purchased. (This line item has now been restored, but for FY2017 the limited funds available do not militate in favor of adequate funding of many requests under this category.) An even more insidious thing began to happen. Maintenance was not pursued. As noted below, the inevitable result of wear, tear, and simple weathering plus maintenance neglect is the seeming transmutation of a current expense item (maintenance) into a seeming capital expenditure (starting all over again). The current dismaying condition of the Town’s streets, some of which have deteriorated so badly that they cannot be repaired but must

be rebuilt – literally from the ground up – resulted (unsuccessfully, as noted below) in a targeted, separate funding proposal.

Confronted by increasing pressure from smaller or recurring requests, previous Capital Budget Committees, loathe to see necessary expenditures unmet, tried to accommodate small items and recurring items within previous Capital Budgets – often by turning a blind eye to the practice of aggregating separate items in order to meet the \$10,000 threshold. As noted below, the current Capital Budget Committee is making a vigorous effort to confine the Capital Budget to items that are truly “public improvements and non-recurring major equipment needs.” As also noted below, however, members of the Committee do not feel that small capital items and recurring capital items are inappropriate expenditures for the Town; indeed, members of the Committee feel that the smaller capital expenditures, recurring expenditures, and maintenance of capital assets are very important and should be funded annually under their own explicit headings in each department’s operating budget. The members of the Committee feel, however, that the Capital Budget should be available to meet the needs of the Town that are truly “public improvements and non-recurring major equipment.” If at the end of the review process there is a small amount of money remaining in the capital budget allocation, the Committee has recommended funding maintenance or repairs that should have been included in the regular operating budgets of certain departments when those repairs relate to health and safety issues, e.g., the air duct cleaning of the schools in FY2012.

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.

In 1994, the Town commissioned a study of the roofs of major municipally owned buildings and embarked on a program to ensure that its buildings are weather tight above. (The roof program is further discussed below.) More recently, the School Department completed an envelope study of its buildings with the same objective.² (An envelope study is a study of the material enclosing the interior of a building, exterior walls, windows, doors and roof. These items enclose a building and are referred to as the building envelope.) The approach with respect to the non-School-Department assets of the Town is somewhat different. The facility audit has addressed this.

These studies form the basis of the extraordinary, large capital projects discussed below or for individual current capital budget requests.

The Committee applauds the Town for taking steps toward a coordinated approach to its capital needs and budgeting for those capital needs. Four years ago the School Committee and the Board of Selectmen entered into an agreement to create a single department that will deal with building and grounds maintenance and needs. At the time, the Library Trustees were not

² The total estimate for work identified by the School Department envelope study was \$6.8 million, originally to be phased over five years. Many of the needs identified by the study might be classified for the operating budget rather than for the allocation to this Committee under the criteria discussed earlier in this report. Nevertheless, the figure indicates the magnitude of the task faced by the Town to protect its investment in capital assets. Much of this work has been completed. It is hoped that the entire project will wrap up over the next few fiscal years.

signatories to this agreement, however, they benefitted from input on their capital requests from the new director. The Library Trustees recently finalized an agreement to become part of the consolidated facilities department. In the fall of 2013 the Town hired a director for this consolidated facilities department. In FY2013, in anticipation of the initial work that will be done by this department, the building managers of the Town and the School Department recommended a facility audit of all buildings that have not been renovated in the last twelve (12) years in order to assess their status and to enable this new department head to begin to prioritize projects. The amount appropriated was \$175,000. The completed audit continues to inform the capital requests for facilities for FY17. The Committee will work with the BOS to ensure that the Facilities Department is adequately funded in the operating budget to handle routine maintenance.

Issues of coordination include acquisition and reuse of replaced equipment. A spirit of cooperation has developed among the departments who now make an effort to offer “hand-me-down” vehicles and equipment to other departments. In the past, this Committee noted examples of this spirit involving vehicles and emergency generators. Issues also arise regarding programs that have application to more than one Town operation. Recent examples include the proposals for building security, police and fire radio system, and a “reverse 911.”

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 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 for the most part are not considered central to the core functions of town government. This year the CPA projects include funds to rebuild the Winn Brook tennis courts. This would most certainly be a CBC request were it 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.

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. In order to make the available road funds as effective as possible, the Selectmen have instructed the Department of Community Development to expend funds only on the travel surface, omitting almost all curb and sidewalk work. In 2014 the Committee was able to use \$200,000 in one-time funds for sidewalks and last year, the override vote included \$200,000 for sidewalk repair. (The Department includes curbs and handicap accessible sidewalks at intersections. The Trapelo Road/Belmont Street corridor includes both sidewalks and curbs because that is a state-funded project.) Sidewalk and curb construction to enhance safety around schools has traditionally been funded.

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.

High School

In January, 2016, the Massachusetts School Building Authority approved Belmont's application to begin the study of Belmont High School. The first phase of this study is the "eligibility Phase" where the town forms a building committee, approves funding through Schematic Design, and provides a lot of data about enrollments programs, and building maintenance procedures for the school system.

During this phase of the process MSBA and the School Department interact about present and future plans for the school system. This first phase lasts about 9 months, which would be November 2016. After careful review of all the documents presented, the MSBA will decide whether or not to invite Belmont to continue with a Feasibility Study.

Feasibility Studies with the MSBA include 4 basic scenarios for a project 1) do nothing, 2) renovate the building within the walls, 3) renovation with additions, and 4) a new building. All scenarios are explored using the same program and enrollment assumptions (yet to be determined). There obviously can be a number of different configurations within all 4 of these scenarios.

After talking with MSBA, the town has decided to fund the Feasibility Study with the proceeds from the sale of Woodfall Road, which is \$1.75M. This should be sufficient to hire an architect and owner's project manager, complete the Feasibility Study, do necessary testing of the soil and environment of the area being studied, and, after the town and MSBA decide on a final solution, to do a Schematic Design with a fairly detailed budget for the project that will then be used for a debt exclusion for the project.

Memorial Library Building

The Belmont Public Library is almost 50 years old and in need of major renovation. The Library Trustees are undertaking a new feasibility study, up to half of the cost of which is funded by an appropriation from last year's capital budget, that will address how to meet its future needs while keeping the library on its current site. The study is a necessary first step in the process of reapplying to the Massachusetts Board of Library Commissioners.

Police Station

In 2007-2008, a feasibility study was done of the Police Station currently located on Concord Avenue across from the Town Hall. The study explored a renovated facility on the current site and also explored a new facility located at either the current site or at the site of the Belmont Public Library. For many reasons the best location was deemed to be at the existing library site. However, that site now will be needed for a new or renovated library; therefore it will not be available for a Police Station. Also, the construction of a new Electric Light Substation will make that area currently next to the Police Station available space for another project, something that was not contemplated in the previous study (the rest of the Building further away from the Station was explored but not the substation part). The Feasibility Study for the Police Station was updated in February, 2016. This update includes the recommendation for a 30,000 gross square foot facility that could best be located at the incinerator site on Concord Avenue. The study concludes that "the total cost of developing the Police Station portion of the Incinerator Site is \$18,400,000."

Department of Public Works Facility

In 2006, a study was done of the needs of the DPW, which includes many departments, among them Cemetery, Water, Parks and Recreation, and Highway. The estimated cost of consolidating and replacing the buildings on site at the Town yard was nearly \$20M (in 2006 dollars). This estimate was updated as part of the facilities audit and is now \$28M.

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 Vigliolo skating rink as well as the future use of the incinerator site once it is capped. (In 2015 a group of ice hockey supporters began discussions with School administrators, the School Committee and the BOS 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.) 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). A study to explore the needs for these facilities is among the items covered in the facilities audit.

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 BOS, 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.

Additional Classroom Space

In response to continuing growth in enrollments at all levels of the school system, Superintendent Phelan formed a Space Study Task Force in the fall of 2015 to advise the School Committee of possible solutions to the burgeoning numbers. This committee (details found in the School Committee Report to Town Meeting) included the chairman of the Capital Budget Committee since expenditures to address growing enrollments would likely come from the Capital Budget. The Task Force met frequently throughout the fall and in January, concurrent with the announcement of state funding of the Belmont High School project, agreed on several recommendations.

For the 2016-17 school year (FY17) six modular classrooms with necessary bathroom and administrative space will be purchased and installed on the tennis courts at the Chenery Middle School. These classrooms will likely remain in place for up to ten years. The cost for purchase, set up, and furnishing these modular classrooms is \$1.4 million. Because this single expenditure would take more than the amount of money allocated to the CBC for discretionary spending in FY17 the Board of Selectmen and Capital Budget Committee agreed to recommend to Town Meeting that the full amount be taken from free cash.

Additional classroom space will be required at the high school and the Burbank for the 2016-17 school year. Three classrooms will be created in modulares already set up behind the high school, which are left over from prior school building projects. Two spaces at the Burbank will be outfitted as classrooms.

The CBC includes this somewhat lengthy explanation of plans for additional system wide classroom space because we believe, in consultation with Superintendent Phelan, that more classrooms will be needed in future school years. The CBC anticipates that these future requests to fund modulares and/or to outfit additional classrooms may become more and more difficult to include in our limited budget allocation.

Financial Task Force Capital Budget Recommendations

In the late fall of 2013, the Board of Selectmen formed a Financial Task Force with broad representation from elected and appointed committees and boards as well as citizens with financial expertise. The purpose of the task force was “to develop a multi-year Financial and Capital Investment Plan; to critically review various programmatic topics for both Town and School Departments; to understand current and future expenditure and revenue issues to support quality municipal and educational services and capital improvements.” The FTF and the various sub-groups met monthly through January 2015 - culminating in the Selectmen’s decision in February 2015 to place a \$4.5 million override on the annual Town election ballot in April. The override passed and details of the impact on the CBC are outlined in a separate section of this report.

For FY17 the CBC will receive an additional \$120,000, which will be used in combination with the FY16 \$120,000 to provide a combined borrowing capability of \$1.0 million to replace the Belmont High School fire alarm system in the summer of 2016. The additional yearly infusion of \$200,000 for sidewalks and \$300,000 for roads is reflected in this year’s budget.

The Capital Projects sub-group of the FTF focused on forming a plan for monitoring, prioritizing, addressing and funding all outstanding capital projects. (See FTF report to 2015 Annual Town Meeting for further details.) The plan recognized that major Capital projects such as the Wellington School, Harris Track and Field, Belmont Center Reconstruction, the Belmont Municipal Light Department Substation, and Underwood Pool either have been completed in the past few years or are currently under construction. This leaves Belmont High School, the Library, the Police Station, the DPW facility, the incinerator site and the skating rink/White Field House to be addressed. (See FTF report for detail.) Based on the criteria of need, certain site, updated plan, and current cost estimate the sub-group recommended that the remaining projects be done in the following priority order: Belmont High School, incinerator site, DPW, Library and Police Station.

In January 2016, the Massachusetts School Building Authority accepted Belmont’s application for funding renovation/construction of Belmont High School. Additionally, the Board of Library Trustees, in light of the BHS project’s going forward, have agreed to skip the next Massachusetts Board of Library Commissioners grant round for construction/renovation of the Belmont Public Library. Private donors are currently exploring the funding of skating rink and field house replacement. This leaves the DPW facility and the Police Station unaddressed. The Capital Budget Committee will continue to meet in 2016 to form a long-range plan for completion of the Library, DPW and Police Station.

Finally, the CBC continues to request a predictable annual allocation of \$3.0 million for capital requests from the department heads.

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 fields and sprucing up of the White Field House as two examples this much needed work would fall to the Capital Budget or become a request for CPA funds. Last summer 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 Vigliolo Rink; as the high school project proceeds and the plans for that campus become clear, such a partnership could well become reality.

This year 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 is finally approved for construction. Because the Capital Budget does not have \$240,000 to fund the Press Box the following cumulative funding solution has been 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.

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 FY2017 Capital Budget

For FY2017, the Committee initially received requests for more than \$6.2 million dollars 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. The total funding for the Capital budget in FY2017 is \$2.6M, which includes total one-time funds of \$1.2M in accumulated insurance settlements and turn backs. Note that this amount is made artificially high as a result of this one time money. The start point for funding the discretionary requests is \$1.4M. \$1.601M is reserved for Pavement Management as a result of the 2001 and 2015 overrides. This year's Chapter 90 money is estimated to be \$535,089.

Following discussions between departments and this Committee, and further investigations, some initial requests were modified or withdrawn altogether. Still, the amount requested for projects that this Committee believes are appropriate and important for the FY2017 capital budget, if funded immediately, exceeds the funds available.

The large amount of the requests and the limited funds available allows the Committee 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. Although the 2½% annual growth has been put into practice in some years (and in this year) for the Pavement Management Program, the base figure is nowhere near the \$3.0 million recommendation. Moreover, a study of the five-year chart at the end of this report indicates that, even with an increased allocation, 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 14 in the warrant will contain the Committee's FY2017 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 Equipment: This is for a Zetron Station Alerting Software Conversion, which is the last piece of the town wide public safety radio system upgrade.

Turn Out Gear: This replaces half of the Fire Department's turn out gear, which is approaching the end of its useful life.

Ambulance Replacement: This is the third year of the Fire Department's new five-year program to fund a replacement ambulance and cardiac monitor by setting aside \$57,000 from Advanced Life Saving (ALS) receipts annually. A total of \$150,000 has been held in reserve and will be added to the \$166,000 request in this year's budget to fund the \$316,000 ambulance. Five years is the life-expectancy of front-line equipment. The current ambulance would then become the back-up vehicle. The funds in this "equipment replacement" account are in addition to the Committee's annual budget allocation.

PUBLIC FACILITIES

Fire Station Envelope Repairs: This is to repair leaks at both fire stations and will be supplemented by \$985,000 in proceeds from the favorable settlement of insurance litigation against the buildings' contractor and its subcontractors.

DPW Garage Ventilation Improvements: This project addresses concerns about ventilation inside the building and installs a more efficient heating system.

Town Wide Security: This provides funds for installing additional security cameras in Town and School buildings, which is part of Phase #3 of this project.

Winn Brook School Boiler Replacement: This project replaces a 50+ year-old boiler, which is a 65% efficient steam boiler and heat exchanger. The replacement is a condensing 93% efficient water boiler.

LIBRARY

Boiler Replacement: This project replaces a 50+ year-old boiler, which is a 65% efficient steam boiler and heat exchanger. The replacement is a condensing 93% efficient water boiler. Boiler malfunctions caused the library to close 9 days in the last heating season.

DEPARTMENT OF PUBLIC WORKS

Above Ground Mobile Lift: This equipment is critical to the repair and maintenance of DPW equipment. It replaces a 1990 model that is too small for DPW's current equipment.

Sidewalks: This will pay for sidewalk repair in Town and is funded by the 2015 override.

Sidewalk Management Program: This funds a study to identify and prioritize the condition of sidewalks throughout the Town and will inform the DPW's sidewalk repair program going forward.

Sidewalk Vacuum Sweeper: This equipment will maintain and clean sidewalks especially in the Town's newly rebuilt business districts. The amount recommended represents half the cost of this equipment because DPW is working with the Arlington DPW to purchase a single sweeper, which will be shared by both towns.

HEALTH

Animal Control Van: This replaces a well-used 11 year-old van that is not outfitted for animal transportation.

SCHOOLS

Town-Wide Core Network Switching Equipment: This replaces existing equipment at the High School, which has a life span of roughly six years. The network serves the entire Town and is under the management of the School Department's IT Department.

Maple Terrace Sidewalk Installation: This makes critically important improvements to the stretch of sidewalk at the Butler School, where existing conditions create a very dangerous situation for pedestrians and school children.

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 2017 funds.

ENTERPRISE FUNDS

The Directors of Community Development and the Department of Public Works who are responsible for the management of these programs report 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.

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.

Sewer and Drain Repair: This funds the Town's ongoing program to repair infrastructure and alleviate flooding as well as to cover the cost of testing and inspection.

Loader Backhoe: This replaces a 1989 model used daily for the Town's water program.

Smart Meter Replacement Program (Phase I): This is an upgrade to an Advanced Meter Infrastructure system and will allow for instant consumption reads, leak detection and efficiencies in billing and customer access to their accounts.

One Ton Pick-up Truck: This replaces a 2008 vehicle used daily for sanitary sewer maintenance.

High Pressure Flushing Unit: This is mounted on an existing cab and chassis and is used as needed to flush sewer lines.

The Committee's recommendations for FY2017 are set forth in the motions that correspond to Articles 9 and 14 in the warrant. Water and sewer rates have been set appropriately to finance the expenditures recommended under Article 9. Chapter 90 Highway Funds from the State are covered in Article 13.

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. FY2017, 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.³ 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.

One will note in the chart that there are items requested for buildings that may receive major renovation or replacement in the future. We are uncertain of the timing of any of these projects, and so have included repairs that have been identified in the year that it appears such a need will occur. It is expected that any expenditures of a capital nature will be carefully thought out in terms of the expected future of the facility. However, the buildings do have to function, and be safe and comfortable, for as long as they are being used.

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 which 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.

Several town departments make use of the Town antenna. This item is presented under the Police Department because that department has agreed to carry this item lest it be overlooked. The over-all expense is not an item entirely for the Police budget. Moreover, the over-all expense and phasing for this project have not yet been determined. The amount and phasing shown are very preliminary police estimates.

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

³ Some changes have been made, however, for editorial consistency. Another change is that the requests for FY2017 that could not be recommended have been added to the appropriate year (usually FY2018). 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.

Department in this fiscal year chart form. The Committee has met in past years with the Director of Community Planning, 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 previously cited reports of the Belmont Pavement Management Committee.

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 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.

The request by non-school Town Technology for Phase I of a multi-year project to relocate fiber optic hubs (see 2014), and related requests in subsequent years, anticipates the disposition of the current main library and the former Municipal Light Department headquarters on Concord Avenue. These buildings house the two main hubs for the Town's fiber network, without which the Town's computer, telephone, security and radio systems would not work. Any sale or reconstruction of these buildings will require moving the hubs, a multi-year process that needs to start no fewer than three years before sale or reconstruction.

As the five year chart will demonstrate, 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) last year. This year the override vote allows 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
Raffi Manjikian
Mark Paolillo

FY18-FY22 Capital Budget Request - Capital Discretionary

DEPARTMENT OF PUBLIC WORKS	FY18	FY19	FY20	FY21	FY22	TOTAL
Major Capital Equipment Replacement Costs						
<i>Highway</i>						
Sidewalk Maintenance	210,125	215,378	220,763	226,282	231,939	\$ 1,104,486
Material Spreader				14,330		\$ 14,330
Sidewalk Tractor	169,340	-	169,340	-		\$ 338,680
Snow fighter Conversion	44,940	44,940	44,940	-		\$ 134,820
Sidewalk Roller	-	15,750	-	-		\$ 15,750
Central Fleet Utility Truck			66,300	-		\$ 66,300
<i>Parks</i>						
Pickup Truck	41,100	-	-		41,100	\$ 82,200
Dump Truck	-	-	79,900			\$ 79,900
Chiller Barrel at Skating Rink	21,000	-	-			\$ 21,000
Riding Mower	73,500	-	-			\$ 73,500
Front End Loader	-	82,700	-			\$ 82,700
<i>Cemetery</i>						
Dump Truck Rehabilitation	-	-	79,900			\$ 79,900
Backhoe	110,000	-	-			\$ 110,000
Pickup Truck	-	41,100	-			\$ 41,100
Sub Total	\$ 670,005	\$ 399,868	\$ 661,143	\$ 240,612	\$ 273,039	\$ 2,244,666
						2,244,666
POLICE DEPARTMENT						
	FY18	FY19	FY20	FY21	FY22	TOTAL
Two Domain Controller Servers	-	-	18,000			\$ 18,000
CAD / Records management Server4 & QED	-	-	-	25,000		\$ 25,000
Replace Fuel Accounting System	24,000	-	-			\$ 24,000
Net Clock System	-	28,000	-			\$ 28,000
Replace Network Switches		24,000				\$ 24,000
Replace Telephone and Radion Logging Recorder					16,500	\$ 16,500
Sub Total	\$ 24,000	\$ 52,000	\$ 18,000	\$ 25,000	\$ 16,500	\$ 135,500
						135,500

FY18-FY22 Capital Budget Request - Capital Discretionary

TOWN CLERK	FY18	FY19	FY20	FY21	FY22	TOTAL
Election Systems Upgrade	68,000	-	-	-	-	\$ 68,000
Sub Total	\$ 68,000	\$ -	\$ -	\$ -	\$ -	\$ 68,000
INFORMATION TECHNOLOGY	FY18	FY19	FY20	FY21	FY22	TOTAL
Network Construction Services	\$ -	\$ 125,000	\$ 125,000	\$ -	-	\$ 250,000
Additional Data Storage Network	90,000	-	-	-	90,000	\$ 180,000
Fiber Network Assessment & Design Services	80,000	-	-	-	-	\$ 80,000
Sub Total	\$ 170,000	\$ 125,000	\$ 125,000	\$ -	\$ 90,000	\$ 510,000
						510,000
LIBRARY	FY18	FY19	FY20	FY21	FY22	TOTAL
Upgrade Fire Alarm System	85,000	-	-	-	-	\$ 85,000
Replace Gutters	10,000	-	-	-	-	\$ 10,000
Quiet Study Rooms	45,000	-	-	-	-	\$ 45,000
Crack, Fill Seal Stripe Parking Lot	20,000	-	-	-	-	\$ 20,000
Renovate (10) Bathrooms	57,000	-	-	-	-	\$ 57,000
Upgrade Light Fixtures Throughout	125,000	-	-	-	-	\$ 125,000
Chiller Rooftop Replacement	-	200,000	-	-	-	\$ 200,000
Replace Windows And Exterior Doors	-	250,000	-	-	-	\$ 250,000
Replace/Rebuilt Front Entrance Stairs & Railings (Upper)	-	32,000	-	-	-	\$ 32,000
Automatic Sprinkler System (wet)	-	-	400,000	-	-	\$ 400,000
Upgrade/Replace Unit Ventilators	-	-	40,000	-	-	\$ 40,000
Landscaping Redesign	-	-	38,000	-	-	\$ 38,000
Building Control System	-	-	60,000	-	-	\$ 60,000
Replace/Rebuilt Front Entrance Stairs & Railings (Lower)	-	-	-	130,000	-	\$ 130,000
Repave Parking Lot (storm water, regrading, etc.)	-	-	-	200,000	-	\$ 200,000
Replace Interior Doors & Hardware	-	-	-	62,500	-	\$ 62,500
Exterior Masonry & Railing Repairs General	-	-	-	12,500	-	\$ 12,500
Abatement of Stairwell Tiling & replace with new	-	-	-	18,000	-	\$ 18,000
Sub Total	\$ 342,000	\$ 482,000	\$ 538,000	\$ 423,000	\$ -	1,785,000
15% Contractor's Overhead	51,300	72,300	80,700	63,450	-	267,750
10% Contingency	39,330	55,430	61,870	48,645	-	205,275
	432,630	609,730	680,570	535,095	-	\$ 2,258,025
						2,258,025

FY18-FY22 Capital Budget Request - Capital Discretionary

FIRE DEPARTMENT	FY18	FY19	FY20	FY21	FY22	TOTAL
Staff Vehicle	\$ 55,000	\$ -	\$ -	\$ -		55,000
Ambulance Replacement	65,000	65,000	65,000	65,000	65,000	325,000
Cardiac Monitor Replacement	7,000	7,000	7,000	7,000	7,000	35,000
Portable Radios	-	-	-	120,000		120,000
Replace Squad 1	50,000	-	-	-		50,000
Shift Commander's Vehicle	-	-	60,000	-		60,000
Replace 2003 Pumper	-	-	600,000	-		600,000
Sub Total	\$ 177,000	\$ 72,000	\$ 732,000	\$ 192,000	\$ 72,000	\$ 1,245,000
						\$ 1,245,000
FACILITIES DEPARTMENT	FY18	FY19	FY20	FY21	FY22	TOTAL
Town/School Security Upgrades Design (Year 3 of 6)	200,000	200,000	200,000	200,000		\$ 800,000
Butler Cafeteria Flooring - Asbestos & moisture mitigation	63,000					\$ 63,000
School Parking Lot and Sidewalk Paving Management (Yr. 1 of 5)	100,000					\$ 100,000
System Wide Building Envelope - FY15 allowed 133,070	250,000	150,000	100,000	100,000		\$ 600,000
Purchase Hybrid Box Truck w/charging station to replace 2003 Astro Van	48,000					\$ 48,000
Butler Replace boilers (Year 2 of 2)	-	50,000				\$ 50,000
Butler Replace emergency generator	37,500					\$ 37,500
Burbank Replace boilers (Year 2 of 2)		60,000				\$ 60,000
Winn Brook Replace master clock system	47,598					\$ 47,598
Systemwide univent rebuild/replacement (multiple years)	50,000	50,000	50,000			\$ 150,000
One Ton dump truck to replace Silverado	48,709					\$ 48,709
Higginbottom Pool Resurfacing	50,000					\$ 50,000
Chenery Middle School Resurface Auditorium Stage	30,000					\$ 30,000
Chenery Middle School Stage Equipment Risk Assessment	15,000					\$ 15,000
School parking lot pavement management (Years 2 - 5)	100,000	100,000	100,000	100,000		\$ 400,000
Winn Brook - Replace fire alarm system	158,658					\$ 158,658
Burbank - Site redevelopment study	50,000					\$ 50,000
Chenery - Refinish Gym Floor	60,000					\$ 60,000
Chenery - Upgrade Auditorium Lighting Control System	25,000					\$ 25,000
Facilities Dept. - Replace 2003 Astro Van	23,000					\$ 23,000
Sub Total	\$ 1,356,465	\$ 610,000	\$ 450,000	\$ 400,000	\$ -	\$ 2,816,465
						\$ 2,816,465

FY18-FY22 Capital Budget Request - Capital Discretionary

COMMUNITY DEVELOPMENT	FY18	FY19	FY20	FY21	FY22	TOTAL
Road Program (all elements)	\$ 2,161,790	\$ 2,202,482	\$ 2,244,194	\$ 2,286,947	\$ 2,330,770	\$ 11,226,183
Concord Avenue Parking Lot	98,000					\$ 98,000
Sub Total	\$ 2,259,790	\$ 2,202,482	\$ 2,244,194	\$ 2,286,947	\$ 2,330,770	\$ 11,324,183
TOTAL	\$ 5,157,890	\$ 4,071,080	\$ 4,910,907	\$ 3,679,654	\$ 2,782,309	\$ 20,601,839
						\$ 20,601,839

FY18-FY22 Capital Budget Request-Water and Sewer

DEPARTMENT OF PUBLIC WORKS	FY18	FY19	FY20	FY21	FY22	TOTAL
<i>Water Enterprise Charges</i>						
Water Main Bond Repayment	755,812	793,602	833,282	874,946		\$ 3,257,642
Smart Meter Program Phase I & II	850,000					\$ 850,000
<u>Major Capital Equipment Replacement Costs</u>						
<i>Water</i>						
Emergency Service Van	30,500	-				\$ 30,500
Pickup Truck	41,100	-				\$ 41,100
Pickup Truck	33,300	33,300				\$ 66,600
Administrative Vehicle	-	38,900				\$ 38,900
Dump Truck	-	130,305				\$ 130,305
TOTAL	\$ 1,710,712	\$ 996,107	\$ 833,282	\$ 874,946	\$ -	\$ 4,415,047
						\$ 4,415,047

FY18-FY22 Capital Budget Request - Water and Sewer

DEPARTMENT OF PUBLIC WORKS	FY18	FY19	FY20	FY21	FY22	TOTAL
<i>Sewer Enterprise Charges</i>						
Front End Loader	\$ -	\$ -	\$ -	\$ 195,000	\$ -	\$ 195,000
Sub Total	-	-	-	195,000	-	\$ 195,000
Major Capital Equipment Replacement Costs						
<i>Highway</i>						
Pickup Truck	-	33,300			41,100	\$ 74,400
Pickup Truck					41,100	\$ 41,100
Replace Rear High Pressure Flushing Unit						\$ -
Dump Truck Replacement	130,305					\$ 130,305
Dump Truck Replacement	79,900					\$ 79,900
Smart Meter Program Phase I & II	850,000					\$ 850,000
Street Sweeper	-	-	187,425			\$ 187,425
Sewer Rodder	-	33,700				\$ 33,700
Air Compressor	-	26,250				\$ 26,250
Sub Total	\$ 1,060,205	\$ 93,250	\$ 187,425	\$ 195,000	\$ 82,200	\$ 1,618,080
						1,618,080
COMMUNITY DEVELOPMENT	FY18	FY19	FY20	FY21	FY22	TOTAL
EPA 308 Outfalls 1, 2 & 10 (DEP) Follow-up Sampling	\$ -	\$ -	\$ 40,000			\$ 40,000
Construction	40,000	40,000		40,000	40,000	\$ 160,000
Sub Total	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 200,000
<i>Sewer and Drain Repairs</i>						\$ 200,000
Sewer and Drain CCTV and Design Report	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 200,000
Sewer and Drain Design	20,000	20,000	20,000	20,000	20,000	\$ 100,000
Sewer and Drain Relining and Point Repairs	200,000	200,000	200,000	200,000	200,000	\$ 1,000,000
Sub Total	260,000	260,000	260,000	260,000	260,000	\$ 1,300,000
						\$ 1,300,000
COMMUNITY DEVELOPMENT	FY18	FY19	FY20	FY21	FY22	TOTAL
<i>Loan Repayments (Debt Service)</i>						
Sewer Bond - FY06	\$ 170,427	\$ 161,377	\$ 157,447	\$ 153,577	\$ 149,677	\$ 792,505
DEP CWSRF pt1	446,172	445,665	445,148	444,620	444,081	\$ 2,225,686
DEP CWSRF pt2	97,171	97,171	97,171	97,171	97,171	\$ 485,853
MWRA I/I (2012)	111,881	-				\$ 111,881
CWSRF (2012)	142,531	142,554	142,577	142,601	142,625	\$ 712,888
Sub Total	\$ 968,182	\$ 846,766	\$ 842,343	\$ 837,969	\$ 833,554	\$ 4,328,813
						\$ 4,328,813
TOTAL	\$ 2,028,387	\$ 940,016	\$ 1,029,768	\$ 1,032,969	\$ 915,754	\$ 5,946,893
						\$ 5,946,893