

**Town of Belmont
Capital Budget Committee
Belmont Town Hall, Conference Room 1
Thursday Evening, April 6, 2006, 7:00 p.m.**

Mrs. Brusch called the meeting to order at 7:02 p.m. All the members of the Committee (John Bowe, M. Patricia Brusch, Mark F. Clark, John Conte, Jennifer M. Fallon, Angelo Firenze and Anne Marie Mahoney) were present at the meeting. Also present were Barbara Hagg, Town Accountant and staff liaison to the Capital Budget Committee, and Thomas Younger, Town Administrator.

In addition to the original department requests for fiscal 2007 capital expenditures and a chart, prepared by Barbara Hagg, Town Accountant summarizing those requests, the Committee had the following material before it:

1. Email (with attachment) from Lee McCanne dated 4/4/06 regarding fiber redundancy.

Other items, noted below, were distributed in the course of the meeting.

Action on Minutes of Previous Meeting

No draft minutes were presented for action, and the Committee moved directly to a discussion of the matters at hand.

General Discussion of Pending Matters

Mrs. Brusch began the meeting by pointing out that the Committee had two major goals: first, the Committee should establish positions with regard to the articles on the warrants for the Annual Town Meeting and the Special Town Meeting that will be taken up in April; second, the Committee should develop a capital budget for the adjourned Annual Town Meeting session in May. In the meantime, the Board of Selectmen and the Warrant Committee will be working on an operating budget for presentation in May that takes into account the fact that the recent override vote was negative. As a result, Mrs. Brusch will be called upon to report next week regarding the Committee's preliminary design of a capital budget recommendation. To aid in the process of developing a capital budget for May and a preliminary report for next week, Mrs. Brusch had prepared a list of capital projects based on the Committee's votes at its previous (March 30, 2006) meeting. Mrs. Brusch distributed copies of the list she had developed to the other members of the Committee. The remainder of the discussion of the capital budget for FY2007 was based upon that list.

The discussion immediately took up the open and uncertain issues presented by some of the projects that were on the list distributed by Mrs. Brusch and that discussion continued while Mr. Younger left the meeting to arrange to provide copies of town meeting warrants and draft motions under those articles to members of the Committee. The fiber redundancy project is now estimated at \$200,000, not the \$250,000 previously reported. A roof has failed at the buildings of the Department of Public Works. More

information is needed. More information was also being sought regarding Water Department roofs, proposed stained glass window repairs, sidewalks, security systems and snow guards for Homer Building. Regarding slate roofs on the Town Hall, an engineer will look at the condition of the existing roof when work gets started on the repointing of the Town Hall. Meanwhile, the Town could possibly postpone work on the Town Hall roof for a year.

Mr. Firenze reported that the consultant for the Historic District Committee had approved fiberglass doors for the main (ground floor) entrance to the Town Hall. Mr. Firenze and Mrs. Brusch will attend a meeting of the Town Hall Complex Building Committee on Thursday evening (4/13/06) to discuss all items identified by Wm. Kevin Looney, Manager of Building Services, as being required to complete the Homer Building. Many of the foregoing matters will be discussed at that meeting. In the meantime, Mr. Firenze proposed grouping all pending items for the Homer Building together so that appropriate funds can be sought by the Building Committee. These funds could come in a form of a Reserve Fund transfer, from free cash, or as additional borrowing under the original debt exclusion.

Mr. Clark suggested that a Police Station feasibility study be mentioned on the list (even if not as a recommended item). Mrs. Brusch responded by pointing out that such an item will definitely be included in the five year plan as an expense for next year (FY2008).

Ms. Fallon recommended that the borrowing implications of the several items that the Committee was recommending for financing be costed so that the impact on the operating budget can be analyzed. Mrs. Brusch reported that there are three stained glass windows to be addressed in the first stage of this project. The cost estimate for the work on the largest of the three is \$62,000. The cost estimate on each of the other two, which are smaller, is \$30,000 each. The Town's consultant feels that the smaller windows are more fragile than the larger window and that the repointing project may compromise the integrity of the windows. Thirty thousand dollars is needed for the first phase of that project.

As far as Mrs. Brusch is concerned, only the proposed snow guards for the Homer Building could be categorized as a capital item. The remaining items on the Building Services' list of requests for the Homer Building are either maintenance or smaller capital items, below the threshold to be considered by this Committee. (That, however, does not mean that they are not "must do" items for the Town.)

The status of a Town-wide security system is still confusing. Mr. Younger has authorized the hiring of a consultant for the special committee that is considering a Town-wide security system. The Committee is due to report by May 22, 2006; meanwhile, Mr. Looney is concerned that the Fire Station Building Committee will recommend a security system that is not compatible with what the Town will be purchasing.

Mr. Firenze is concerned about the condition of sidewalks in Town and points out that the currently proposed budgets do not specify any funds for sidewalks. Other members of the Committee suggested that a distinction should be made between sidewalk maintenance and sidewalk construction. Mr. Clark pointed out that in his neighborhood there were places that had no sidewalks to be maintained until the recent pavement reconstruction project. Ms. Fallon pointed out that major road reconstruction projects had included sidewalk replacement but that the condition of existing sidewalks did not always warrant rebuilding of sidewalks.

Discussion of pavement management lead to a discussion of the road budget now that the proposed override and special fund for pavement management had been defeated. Some members of the Committee inquired what the cost breakdown would be for the Town's contribution to the Pleasant Street project between the additional drainage aspect and the wooden guardrail aspect of the project. It was pointed out that the state might not be willing to go back to steel guardrails without a change order, and that the cost of a change order might be greater than the cost of leaving plans for wooden guardrails in place. Mrs. Brusch indicated that she would make appropriate inquiry to Glen Clancey, Director of Community Development. She also reported that Mr. Clark had suggested that Mr. Clancey be invited to meet with the Committee to discuss his priorities now that the recently proposed override had been defeated.

Ms. Fallon suggested that projects that the Committee would recommend for borrowing, or would only recommend if funded by borrowing, should be separately indicated on any list that is provided to the Board of Selectmen. Mrs. Brusch again reminded the Committee that the Chairman of the Board of Selectmen had requested a "must do" list and a list of items related to the Town Hall Complex. She indicated that she would redo the list that she had distributed to the Committee in the light of the Committee's discussion, separating out the items to be financed, the items to be paid for from the current capital budget, those items that should be referred back to the Town Hall Complex Building Committee, (or were otherwise "must do" but not appropriate for this Committee).

Action Regarding Certain Annual Town Meeting Articles

Mr. Younger, who had returned, provided each member of the Committee with a draft of the motions to be presented in April to the Town Meeting. The Committee turned its attention first to the articles on the warrant for the Annual Town Meeting that would be presented in April. Mrs. Brusch identified each article as appropriate. To the extent that the Committee's previous presentations had not included the matters raised by each article, Mrs. Brusch or Mr. Younger or Mr. Firenze explained the issues raised by each proposed motion. After discussion, and upon motion duly made and seconded, the Committee voted to recommend favorable action under each of the following articles under the warrant for the Annual Town Meeting: 5, 9, 12, 16, 17, 18 and 34.

Action Regarding Special Town Meeting Articles

The Committee next turned its attention to the draft motions proposed for the articles on the warrant for the Special Town Meeting called for April 26, 2006. Again, Mrs. Brusch identified the articles upon which the Committee should opine and Messrs. Younger, Firenze and Mrs. Brusch provided information that had not previously been provided to the Committee concerning those articles. After discussion, upon motion duly made and seconded, the Committee unanimously recommended favorable action under the following articles: 3, 4, 5, 6 and 7.

Further Discussion of Capital Budget Requests

Following its action on articles to be considered at Town Meetings in April, the Committee resumed its discussion of a capital budget for FY2007. A review of the items already on the list for the capital budget indicated that the total expense would be considerably greater than the amount available for the capital budget. Ms. Fallon suggested that the acquisition of the accounting software be stated separately because everyone agrees that it is to be financed separately from the current capital budget. She suggested that other possible borrowings also be identified. Candidates for borrowing include software licenses (\$111K), pumper/brush truck (\$300K), circulation area for library (\$95K), fiber redundancy project (\$197K), ambulance (\$195K) and phone systems for the Chenery Middle School and the elementary schools (\$75K). Indeed, a new telephone system for the Chenery Middle School in addition to the project for the elementary schools would not even be proposed if borrowing were not available for this purpose.

Mr. Conte reminded the Committee that financing of items on the capital budget list could be accomplished by leasing as well as borrowing. Mr. Firenze pointed out that leasing as well as borrowing creates an obligation for the Town. There ensued a considerable discussion of leasing, during which it was pointed out that financing could be structured as “non appropriation leases” (meaning that if the Town failed to appropriate money for lease payments then the property subject to the lease would be forfeited). Such a lease avoids the need for a bond vote. The experience with “non appropriation leases” is that towns have not, in fact, lost any equipment. Annual financing costs have traditionally come from the operating budget, not the capital budget. Thus, financing in any form would decrease the amount available for the operating budget in future years. The issue of matching use of an item to those paying for an item (present generations vs. future generations) was also raised. Leasing company rates are running approximately 30 basis points below so-called “state house notes”; for Belmont this could be as much as 50 basis points below “state house notes.”

Mr. Younger observed that the need for fiber optic redundancy had been precipitated by moving the fire stations in Town. He suggested that funds from the sale of the Waverly Fire Station could be used to pay the cost of the fiber optic redundancy project.

During a discussion of the items that might be recommended for financing, it was noted that all of the items, though they had majority yes votes also had “maybe” votes.

Mr. Firenze indicated that he would prefer that the Committee's report make it clear that he had not voted in favor of these items. Mrs. Bruschi explained that the recommended capital budget for the next fiscal year is traditionally a consensus recommendation from the Committee, based on majority votes, which are not individually reported. She also indicated that, if ever questioned, the chairman of the Committee would not make a statement that this was a unanimous recommendation unless it was truly unanimous. There ensued a considerable discussion but a consensus emerged among the other members of the Committee that they preferred to make a single, comprehensive capital budget recommendation based on a series of majority votes.

The Committee turned back to its list of projects to ensure that the ones for immediate funding from the Capital Budget totaled no more than the amount available and that the additional projects that might be funded by financing were separately identified. Adjustments were made in the roof replacement program, in the telephones for the Chenery Middle School and the projected cost of fiber optic redundancy. Thirty thousand dollars for the first phase of the stained glass windows project was moved to the priority list. The Committee confirmed that, based on previous discussion with Mr. Clancey, \$1 million would be allocated to roads and that Mr. Clancey would be expected to pursue both the Trapelo Road project and the Pleasant Street project that he had previously discussed. Maintenance items will have to be a subject of conversations between the Board of Selectman and the Warrant Committee. Also the Town administration and the school administration will have to have discussions concerning recurring technology requests. The items not funded will be Town tennis courts, Chenery Middle School energy program and the White field house exterior stairs. Items that could be funded if financed included the pumper/brush truck and reconfiguration of the circulation area of the library. These projects will appear on the five-year projections if funding is not available for fiscal year 2007.

Ms. Fallon suggested that items that are not going to be funded should be discussed with heads of Town Departments so that they are aware that these projects need to be included within their operating budgets. Mrs. Bruschi suggested that there should be a separate IT budget for the Town/School Department/Library that would be separately voted each year. She suggested that a separate amount be set aside for such a budget each year jointly by the Board of Selectmen, the Warrant Committee and the School Committee. Such a procedure might be adopted for FY2008 and a discussion of that proposal might take place in the May session of the Annual Town Meeting.

At this point in the meeting, the Fire Station Building Committee members, who had been meeting separately, passed by the open door of the Committee meeting room. The Chairman of the Fire Station Building Committee, Robert McLaughlin, was asked to speak to the Committee. Mr. McLaughlin reported that the Fire Station Building Committee had just spent an hour and one-half discussing security issues and that if the Town should later go to a web-based system then the two systems (the Town and the fire stations) will be compatible. Mr. McLaughlin emphasized that the fire stations must be ready for occupancy this fall and that the Town program for establishing a security standard has not moved with the same speed that is required by the fire station schedule.

Nonetheless, there may be time in the future to coordinate the two systems should the Town establish a better comprehensive system.

Future Meetings

The Committee revised its schedule of future meetings in the light of progress that had been made to date and in the light of the fact that members of the Committee had other commitments that prevented them from attending meetings on the dates and at the times previously announced. The meeting previously scheduled for 4/27 is cancelled. The meeting on 4/24, before commencement of the first session of the Annual Town Meeting will be called to order at 6:45 p.m. rather than 6:00 p.m. A new meeting will be called at 8:00 p.m. on May 4. The meeting previously scheduled for May 11 will be at 8:00 p.m. and the meeting for May 22 at the Chenery Middle School prior to the May session of the Annual Town Meeting is called for 6:00 p.m.

Adjournment

Upon motion duly made, seconded and adopted, the meeting adjourned at about 9:50 p.m.

Respectfully submitted,

Mark F. Clark

Note: On the Monday morning (4/10) following its meeting, Mrs. Brusch and Ms. Hagg circulated to the Committee a revised chart that incorporated the results of the discussion at the 4/6 meeting and had been the subject of work by email over the intervening weekend. A copy of that chart is attached.

CAPITAL BUDGET PRIORITIES FY07 (from General Fund)						
				Item	Cost	Borrow
Homer						
				Must be done – funding source: borrowing	~	~
~				Software system (accounting & OS licensing)	~	\$811,000

~						
				Town Hall (ADA Door/Fiber glass only)	\$10,000	~
	\$10,000			Color copier for GIS	\$16,000	~
~				Fiber Network Redundancy	\$197,000	\$197,000
~				Phone system/Police	\$40,000	~
~				911 Console Electronics	\$95,000	~
~				Refurbish 1992 Snow fighter	\$14,300	~
~				Roof replacement continuation	\$200,000	~
~				Stained Glass Window Replacement/TH	\$30,000	~
~				Replacement of ambulance	\$195,000	\$195,000
~				Replacement of 1999 staff vehicle/Fire	\$37,000	~
~				Burbank masonry repairs	\$50,000	~
~				Phone system/elementary schools	\$35,000	\$35,000
~				BHS	\$75,000	~

				driveway lighting replacement		
~				Replace 1996 Pickup/DPW	\$25,100	~
~				School building envelope study	\$50,000	~
~				Replace snowplows	\$26,200	~
~				Roads (ongoing)	\$1,000,000	~
~				Security System	~	~
	\$107,000			Snow guards/Ho mer	~	~
	\$38,000			Total of top priority	\$2,095,600	\$427,000
	\$155,000					
				If borrow for other than software, ADD	~	~
~				Phone system/Ch enery	~	\$38,000
~				Pumper brush truck/Fire	~	\$300,000
~				Reconfiguration of circulation area/Lib	~	\$95,000
~				(subtotal of additional borrowing)	~	\$433,000
~						

				Also on list (if funding is freed up by borrowing)	~	~
~				BHS tennis courts	\$31,000	~
~				Chenery energy management system	\$200,000	~
~				White Field House/exterior stairs	\$85,000	~
~				(subtotal additional items)	\$316,000	~
~						