

<p><b>REPORT OF THE COMPREHENSIVE CAPITAL BUDGET COMMITTEE</b></p> <p><b>2023 Town Meeting</b></p> <p><b>May/June 2023</b></p>
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**Table of Contents**

**Introduction**

**Genesis of the CCBC**

**Inaugural CCBC**

**CCBC First Year Priorities**

**Funding Sources for Capital Projects**

**Discretionary Funding -Operating Budget**

**Debt within Levy**

**Nondiscretionary Funding**

**Enterprise Funds**

**American Rescue Plan Act (ARPA)**

**Community Preservation Act**

**Other Miscellaneous Funding Sources**

**FY24 Capital Budget Recommendation**

**Capital Budget Process**

**Capital Project Evaluation**

**FY24 Capital Budget**

**Capital Budget Years 2-5 (FY25-FY28)**

**Potential Capital Needs in Years 6-10 (FY29-FY33)**

**Recent Debt Exclusion Projects**

**CCBC Policy and Process Work for Year Two (Preparation for FY25 Budget)**

**Structural Change Impact Group and CCBC**

**Reserves – Capital Stabilization Fund**

**Adopted Town Policies**

**Update on FY23 Capital Projects**

**Conclusions**

**Acknowledgements**

## **Introduction**

The Comprehensive Capital Budget Committee (CCBC) is presenting Town Meeting with a five-year capital plan of \$46 million and a one-year capital plan for FY24 of \$9.995 million. The one-year budget covers about 26 projects supported by a range of funding sources. Town Meeting is asked to vote for 18 projects funded by \$6.7 million. This will be accomplished through seven votes, excluding the votes for three CPA projects that have already taken place in Segment A of the 2023 Town Meeting.

The motions before Town Meeting for votes will include:

1. Department of Public Works
2. Facilities Department
3. Fire Department
4. Police Department
5. Inlevy Debt for Fire Department
6. Roads and Sidewalks
7. Enterprise Funds

## **Genesis of the CCBC**

The CCBC was formed in 2022 to provide a comprehensive and long-term perspective on the capital asset needs of Belmont. The CCBC builds and expands on the long, successful role that the former Capital Budget Committee played in Belmont town government. Town Meeting created the CCBC through the adoption of General Bylaw amendment in the Town Meeting of June 2023. A distillation of the CCBC charge, as presented in the bylaw, is below:

*. The Committee shall prepare ... a Long-Term Capital Improvement Plan. ....The Plan shall include one-year, five-year, and thirty-year components..... The Plan for one year and five years shall include recommendations for sources of funds the Town can utilize to pay for Capital Projects.....The Committee shall coordinate with the Town Administrator to implement the Plan in accordance with the Town's Comprehensive Financial Policies and other governing plans of the Town adopted by the Select Board, as they may be amended from time to time. The Committee shall create procedures to be used by the Town and the Committee to review and prioritize Capital Project requests and ensure that full life-cycle costs and potential funding sources are identified for each Capital Project, including the establishment and updating of a comprehensive inventory of capital assets, and including coordination with related Town committees.*

The Bylaw was sponsored by the "Long Term Capital Planning Committee," (LTCPC) a temporary committee that was created by the Select Board in 2019 and that concluded its work in 2022. (The COVID pandemic extended the work of the temporary committee longer than was initially planned.) The summary recommendations of the LTCPC are presented below:

1. *The Town should have one capital committee rather than two capital committees.*
2. *The Town's capital planning process should incorporate all funding sources explicitly into the capital budgeting process.*
3. *The Town's capital planning process should include a long-term time frame.*
4. *The Town's capital planning process should incorporate project ranking and screening criteria for capital projects.*
5. *The capital planning process should consider capital needs of \$25,000 and higher. Expenditures below that level should be incorporated into the operating budget.*

6. *The Town needs an inventory of its capital assets that it updates periodically and that informs the capital budget.*
7. *The Town needs as larger capital committee with a broader mandate and that includes the Energy Committee.*

The CCBC is working toward incorporating all the recommendations of the LTCPC into the CCBC's work by the end of FY24, its second year of operations.

### **Inaugural CCBC**

The inaugural CCBC was fully appointed by November 2022 and consists of the following appointees. (See table.) The initial three-year terms are staggered. The Committee consists of two members of the former Capital Budget Committee (Brusch/Burgess-Cox), three members of the temporary LTCPC (Becker/Doyle/Huang), and four additional members (Bowen/Dash/Link/Pikcilingis). The Committee has worked on an accelerated schedule since its November appointment to establish its new processes, to work with the Town staff closely, and to fulfill the initial framework of the new bylaw that guides its work. (The Committee did not begin work until November due to a delay in the Attorney General's approval of a by-law change to create this new Committee as required under MGL c.40, §32.)

Name	Appointing Authority	Term Expiration
Claus Becker	Select Board (Energy Committee Designee)	6/30/2023
Catherine Bowen	Select Board (School Committee Designee)	4/4/2023
Patricia Brusch	Town Moderator	6/30/2024
Susan Burgess-Cox (Vice Chair)	Town Moderator	6/30/2024
Adam Dash	Select Board (Select Board Designee)	4/4/2023
Christine Doyle (Chair)	Select Board (Warrant Committee Designee)	6/30/2023
Melinda Huang	Town Moderator	6/30/2023
Lawrence Link	Town Moderator	6/30/2025
Aaron Pikcilingis	Town Moderator	6/30/2023
Jennifer Hewitt (non-voting)	Select Board (Town Administrator Designee)	
John Phelan (non-voting)	Select Board (Superintendent of Schools)	

### **CCBC First Year Priorities**

During its first year of operations, the CCBC worked on the following priorities:

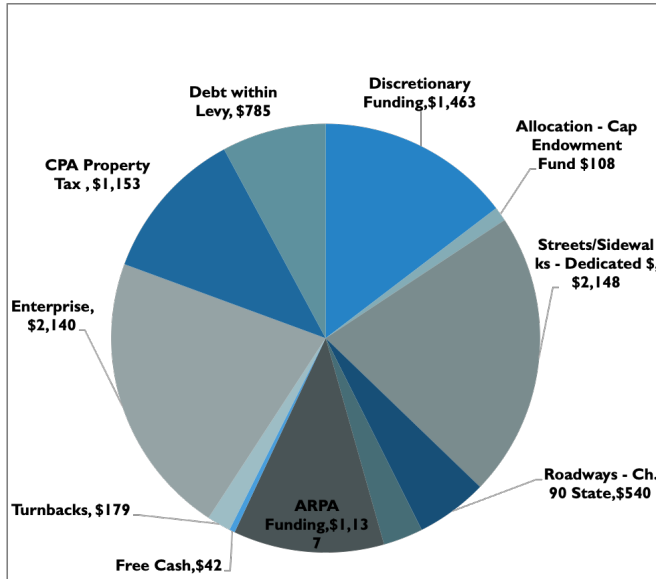
1. Established common understanding of the Committee's mission and initial priorities. The committee decided on a "committee of the whole" approach to its work for the first year. The committee committed to a collaborative and out-comes oriented work approach.
2. Established timetable for the year's work and a constructive relationship with Town staff, particular our liaison Jennifer Hewitt.
3. Educated the committee about available revenues sources and Town policies that impact the capital budget.
4. Educated CCBC on Town committees that are "adjacent" the CCBC (i.e. CPC, Capital Endowment Committee, Structural Change Implementation Committee). The CCBC established an approach to its involvement with those committees, at least for its inaugural year.

5. Revised the policy on the threshold to define a capital project from \$10,000 to \$25,000. Projects below \$25,000 need to flow through the operating budget.
6. Adopted a set of CCBC operating procedures.
7. Adopted initial policies on minimum Town funding for capital needs.
8. Developed and implemented project ranking criteria and methodology.
9. Recommended funding for a Building Condition Assessment study to help establish an asset inventory.

### Funding Sources for Capital Projects

The FY24 capital budget recommendation includes funding from eleven sources. See the table below. The funding sources for FY24 are finalized as presented for Town Meeting. The funding sources for FY25-28 are estimates based on information at hand. These funding sources and the amounts available in years 2-5 will certainly change.

FUNDING FY24- FY28	FY2024	FY2025	FY2026	FY2027	FY2028	Total
1 Available Discretionary Funding	\$1,462,652	\$1,800,258	\$2,045,117	\$2,200,948	\$2,258,424	\$9,767,398
2 Allocation from Cap Endowment Fund	\$107,761	\$107,000	\$107,000	\$107,000	\$107,000	\$535,761
3 Free Cash	\$42,239					\$42,239
4 ARPA Funding	\$1,137,214					\$1,137,214
5 Total Turnbacks	\$179,029					\$179,029
6 Streets/Sidewalks - Dedicated \$	\$2,147,896	\$2,201,591	\$2,256,627	\$2,313,042	\$2,370,868	\$11,290,024
7 Enterprise	\$2,140,100	\$2,212,835	\$2,557,285	\$2,672,642	\$2,726,259	\$12,309,121
8 Roadways - Ch. 90 State Grant	\$540,000	\$540,000	\$540,000	\$540,000	\$540,000	\$2,700,000
9 Intersection - State earmark	\$300,000					\$300,000
10 CPA Property Tax Funds	\$1,153,314	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,153,314
11 Within Levy Bond Proceeds - Pumper Truck	\$785,000					\$785,000
<b>Total Funding Available</b>	<b>\$9,995,205</b>	<b>\$7,861,684</b>	<b>\$8,506,029</b>	<b>\$8,833,632</b>	<b>\$9,002,551</b>	<b>\$44,199,100</b>



## **Discretionary Funds from Operating Budget**

Each year the Town allocates from the operating budget for so-called “discretionary capital spending.” The “floor” amount is increased each year by 2.5%. In FY24 the discretionary capital spending from the operating budget is proposed as \$1,462,652, combined with \$107,761 from the Capital Endowment Fund, \$42,239 from free cash, and \$179,029 from turnbacks.

## ***Capital Endowment Fund***

The Capital Endowment Fund (CEF) was created by a special legislative act in 1995 and seeded with the proceeds of the sale of the Town’s community antenna television system. The funds are invested and managed by the Town Treasurer, with the advice of the Capital Endowment Committee. The Select Board determines the amount distributed from the Fund each year. The net income of the fund may be appropriated for any lawful purpose consistent with the special act. In addition, principal of the fund may be appropriated with a two-thirds vote of Town Meeting. For FY24, the Select Board has recommended appropriating the net income of \$107,761. The CEF has a balance of about \$4.5 million.

## ***Turnbacks***

The funds from the annual operating budget for capital are supplemented by “turnbacks” from the prior year’s completed capital projects. Turnbacks vary widely by year. For FY24, turnbacks are estimated at \$179,029.

## **Debt Within Levy**

The Town is permitted to issue debt “within levy,” that is without a debt exclusion. It does this periodically for small to medium size capital needs that would crowd out funding for other annual capital projects, but which are smaller than is practical to request a debt exclusion. In FY24 the CCBC is proposing the issue of within levy debt of \$785,000 for the purchase of a new pumper truck. (This debt is assumed to be issued at a rate of 5% for a term of five years.) (The pumper truck cost is \$910,000. The balance of \$125,000 will be funded from discretionary funds of the Town.)

## **Nondiscretionary Funds**

In addition to the discretionary capital funds, the town has funds committed by state statute or local authorization to specifically defined capital projects. The limitations on these non-discretionary funds are based on Town policy, state laws and prior override votes. These non-discretionary funds include funds for: road and sidewalk repair and community preservation. Without these additional funding sources, Belmont would not be able to preserve valuable public assets.

## ***Funding for Road and Sidewalk Repair (Prior Overrides and Chapter 90)***

Funding for roads and sidewalks (transportation capital) comes from state, federal, and local override sources. In 2001 and 2015, voters approved overrides in the amounts of \$3 million and \$4.5 million, respectively. These overrides included commitments to roads and sidewalks. Each year, override funds increase by 2 ½ %. In the 2015 override, \$200,000 was dedicated to unique sidewalk needs. Belmont, like all municipalities, is apportioned funds through Chapter 90 Program funding (MGL c.90 & 6C) **for the purpose of improvements and investments in local transportation networks**. The amount of funding a municipality receives is based on local road mileage (58.33%), population (20.83%), and employment (20.83%) Chapter 90 funds have averaged ~\$540,000 for the

past 10 years. Most of the transportation network projects are planned over more than one fiscal year, to allow optimal construction during warm weather months. Small sidewalk repairs are performed by the Department of Public Works (DPW) and comprehensive road work is performed under the direction of the Office of Community Development (OCD). The Departments make every effort to coordinate their work. Additional funds are available periodically through unique federal programs and through MassDOT grant programs – Belmont joined the Complete Streets Program in 2019.

### **Enterprise Funds for Water and Sewer Services**

The Town's Water and Sewer Enterprise Funds can only be spent on items and projects related to water and sewer work. Enterprise funds provide a separate accounting and financial reporting mechanism for municipal services for which a fee is charged. Under enterprise accounting, the revenues and expenditures of the service are segregated into a separate fund with its own financial statements, rather than commingled with revenues and expenditures of all other government activities. Enterprise accounting allows a community to demonstrate to the public the total cost of providing a service. All costs (direct, indirect and debt service) are covered by rate revenues received from water and sewer usage. The Director of the Office of Community Development is responsible for the management of these items and projects. Water and sewer user rates are set by the Select Board acting as the Enterprise Fund Boards. Town policy states that capital projects shall be financed from enterprise revenues and grants.

The Town Enterprise Funds also access loan funds through the wholesale MWRA. These are typically 0% loans, but they must be repaid with Enterprise Funds rate revenues.

### **ARPA**

This year the Select Board allocated one-time American Rescue Plan Act (ARPA) funds to the Town's capital budget in the amount of \$1,137,214. The ARPA funds were allocated based only on a vote of the Select Board, per state and federal requirements; Town Meeting does not have authorization over the ARPA funds. However, the Select Board asked the CCBC for project recommendations and the CCBC brought project recommendations for the ARPA funds to the Select Board on April 3, 2023. The Select Board voted affirmatively on the CCBC recommendations (see page 10 below). The CCBC notes with considerable caution that the ARPA funds are "one-time" funds that are not going to be advanced in FY25 and beyond. While the CCBC is pleased that the \$1,137,214 of ARPA funds have been dedicated to capital needs, the CCBC and the Town Meeting should not expect any additional funds from this source.

### **Community Preservation Act**

In 2011, the Town of Belmont adopted the Community Preservation Act (CPA). This allows the town to dedicate revenue from a surcharge on property taxes and matching contributions from the state Community Preservation Trust Fund to a local community preservation fund. The State match varies by year but has typically been in the 15% - 25% range. CPA funds can only be spent on projects that fall into the three categories of open space and recreation, affordable housing, and historic preservation. The town's adoption of the CPA diverts several capital expenses from discretionary capital funds.

## Other Miscellaneous Funding Sources

Belmont received a so-called “earmark” in the FY24 state budget for \$300,000 for planning and design work on the intersection of Huron Avenue and Grove Street. In the past the Town utilized funds from the Massachusetts School Building Authority (MSBA) to help fund recent projects such as the Belmont Middle and High School as well as the Wellington School. Occasionally the Town receives proceeds from the sale of property and assets. Generally these funds have been dedicated to the Town’s capital needs. Under the proposal to the 2023 Town Meeting for the repurposing of the Capital Stabilization Fund, proceeds of these assets would be required to be deposited in the Capital Stabilization Fund, an important codification of the typical Town practice.

### FY24 Capital Budget Recommendations

#### ***Capital Budget Process***

The capital budget process timing is in the process of being adjusted by the Town staff. Generally the Town’s finance office asks Department leaders to submit capital requests during the summer. The Town finance office reviews the requests and obtains clarifications from department leaders. The CCBC then receives the capital requests and meets with Department Heads. This year the CCBC received the requests in December 2022; however, the Committee is expecting to receive them earlier next year as the Town finance office is more well-established as is the new CCBC. The content of the capital request form is an important starting point for the capital process and the CCBC will work with the finance office to incorporate some recommendations of the CCBC that will facilitate easier assessment of certain aspects of the more effective delivery of the Town’s capital needs.

#### ***Capital Project Evaluation***

The CCBC developed a project ranking methodology, informed by a set of project evaluation criteria and relative criteria weightings.

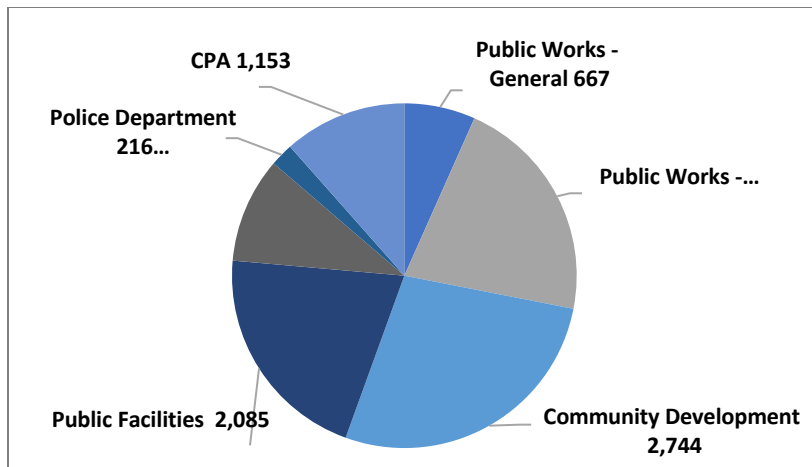
Each project was evaluated on five criteria: 1) Impact to health, safety and security of citizens, employees, or property; 2) maintenance and preservation of capital assets such as major repairs of buildings, replacement of vehicles and equipment, park and play area renovations; 3) urgency, work deemed by departments that must be done within a certain time frame; 4) improvement of productivity, or relief of overburdened asset; and 5) strategic alignment, e.g., environment concerns, disciplined budgeting/spending policies.

The evaluation process, in which each committee member ranked each project request on these five measures, produced a relative ranking of projects. This relative ranking was one component of the project screening process and served as a guide to the CCBC’s discussions and ultimate recommendations for project funding.

Projects that are required based on an outside funding source requirement do not need to go through the same ranking evaluation process, as these projects will need to be completed regardless of project ranking result.

#### ***FY24 Capital Budget***

The FY24 capital budget presented by the CCBC contains 25 town projects totaling \$9.995 million, including all funding sources. Of this total, Town Meeting is asked to vote on about 18 projects totaling about \$6.7 million through the capital warrant articles. (During Segment A Town Meeting also voted on CPC articles, three of which funded Town assets totaling \$1.151 million.) The 25 town projects are grouped by departmental area in the pie chart below.



Certain capital projects recommended for FY24 are highlighted briefly below.

### ***Building Assessment Project***

One of the foundational responsibilities of the CCBC under its bylaw is to help to ensure that the Town builds and maintains a “comprehensive inventory of capital assets.” This is a challenging effort. The Town has several elements of such an inventory, but other elements are missing. The data in such an inventory should help to inform the identification and prioritization of capital projects. The CCBC has recommended funding a building assessment be conducted by an outside party in FY24 for an estimated \$100,000. The CCBC and the Town staff will use the results of this assessment to guide the selection of future capital projects.

### ***Roads and Sidewalks***

DPW’s backlog comprises 1,000 sidewalk repair requests despite the dedicated multi-year stream of annual investment amounts set aside from the 2015 Override. The next five years allocations total \$1.04 million (~250,000, increased 2.5% per year). The “Sidewalk Assessment” recommended by CCBC as part of the FY24 capital budget will provide updated conditions and costs to support the DPW’s work. The Sidewalk Assessment and the continued investment in sidewalks supports the Transportation Advisory Committee’s goal to establish “safe transit corridors” around Town.

The Office of Community Development (OCD) oversees a complex, three-year planning and execution cycle for resurfaced streets. This involves full design/engineering and regulation and safety compliance as well as coordination with all utilities, private companies, neighborhoods and town entities. The bidding process cannot commence prior to completion of those tasks. The OCD has produced “Road Condition” reports over the past 20 years, based on periodic evaluations of all roads in town and their respective needs. OCD is just now working on creating a new Road Condition Index which will be a part of the FY24 Pavement Management Program.

Currently, an approximate \$2 million annual allocation from the 2001 and 2015 Overrides (increasing at 2.5% per year) through 2028 will cover road planning and repairs/reconstruction. OCD staffing shortages delayed the Road Condition Index until sometime this summer. The FY23 roadwork also suffered some delays due to staffing shortages, however, that design work should begin this summer. Going forward, the OCD will be using a GIS-based budgeting and scheduling system which will be coordinated with the DPW sidewalk work.



***Pumper Truck for Fire Department***

The Fire Department has requested a new pumper truck to support its vehicle fleet. Generally needs two pumper trucks, one that is within its first ten years of life and a backup pumper truck that is within its second ten years of life. After a replacement pumper truck is purchased, the retired pumper truck would be sold, and those proceeds would be dedicated to Town capital needs. As stated earlier in the funding section (page 5), the pumper truck funding is proposed to be split between within levy debt of \$785,000 and discretionary funds of \$125,000.

***Enterprise Fund Projects (as a group)***

The water and sewer enterprise funds maintain the “retail” portion of the Town’s water and sewer service. The projects proposed for FY24 include replacement of 5,000 feet of water pipe, purchase of a Vactor truck for sewer breaks, inventory of water assets, and hydraulic model development. The Town staff engaged a leading utility consultant, Raftelis, to review the financial and capital needs of the enterprise funds. The final presentation is here.

<https://www.belmont-ma.gov/town-administration/files/2023-04-10-fy2024-water-and-sewer-rate-study>

This important study demonstrates that the health of our retail water and sewer systems requires additional capital investment over several years, and additional rate revenue to support that investment. The CCBC will be using this study as a guide for future enterprise fund capital investment.

***ARPA Projects -- Schools***

Proposed and approved projects for ARPA funding are listed below. These projects were recommended by the CCBC to the SB for ARPA funding because the Town would like them completed by September 2023 and this could only occur with a spring 2023 project start date. (A June Town Meeting approval for these projects would not have permitted project completion by September 2023.) Since ARPA funds are allocated by the Select Board and not Town Meeting, the CCBC recommended these projects to the Select Board, and they were approved on April 3, 2023.

ARPA Funded Capital Projects -- FY24		
FAC-24-01	Butler Elementary School Repairs	892,214
FAC-24-04	Video Camera Improvements - Schools	330,000
FAC-24-06	Security Vestibules - Schools	75,000

The table below presents the capital projects funded in FY24 and arrays them by the funding sources summarized earlier on page 4. The projects are color-coded as follows:

- White & Green: Projects Town Meeting will vote in the warrant articles.
- Blue: Projects funded via the CPA and previously voted by Town Meeting in Segment A.
- Orange: Projects funded through ARPA funds and previously voted by the Select Board and the Select Board on April 3, 2023, by recommendation of the CCBC.

Capital Project Summary Funding FY24			AS OF MAY 23, 2023					
Proj. ID	Project Description	FY2024	FY24 Funding Sources					
Public Works		TOTAL	Operating Cash	Enterprise Cash	Debt (in levy)	ARPA	State	CPA
DPW-24-01	Sidewalk Maintenance	243,680	243,680					
DPW-24-02	Street Tree Planting	50,000	50,000					
DPW-24-03	DPW Highway Equipment	-	-					
DPW-24-04	DPW Parks Equipment	244,625	244,625					
DPW-24-05	DPW Cemetery Equipment	78,270	78,270					
DPW-24-06	Sidewalk Assessment Update	50,000	50,000					
Subtotal Department of Public Works		666,575	666,575	-	-	-	-	-
Water & Sewer Enterprise Funds								
ENT-24-01	Water Main Replacement	756,000		756,000				
ENT-24-02	Sewer and Drain Rehabilitation	700,000		700,000				
ENT-24-03	DPW Water Equipment	500,000		500,000				
ENT-24-04	DPW Sewer Equipment	-		-				
ENT-24-05	GIS Updates	87,700		87,700				
ENT-24-06	Hydraulic Modeling & Valve Exercising Tasks	96,400		96,400				
Subtotal Water & Sewer Enterprise Funds		2,140,100	-	2,140,100	-	-	-	-
Community Development								
CD-24-01	Pavement Management Program	1,904,216	1,904,216					
CD-24-02	Incinerator Site Capping	-	-					
CD-24-03	Various Intersection Interventions	-	-					
CD-24-XX	Roadways - Chapter 90	540,000					540,000	
CD-24-YY	Intersection Grove St. Huron Planning	300,000					300,000	
Subtotal Community Development		2,744,216	1,904,216	-	-	-	840,000	-
Facilities								
FAC-24-01	Butler Elementary School Repairs	1,500,000	607,786			892,214		
FAC-24-02	Chenery Boiler Replacement	-	-					
FAC-24-03	Video Camera Improvements - Town	-	-					
FAC-24-04	Video Camera Improvements - School	330,000				330,000		
FAC-24-05	New Electric Vehicle	55,000	55,000					
FAC-24-06	Security Vestibules	75,000				75,000		
FAC-24-07	New Public Works Facility	-	-					
FAC-24-08	Chenery Roof & HVAC Replacement	-	-					
FAC-24-09	Belmont Building Assessments	100,000	100,000					
FAC-24-10	Refinish Butler School Gym Floor	25,000	25,000					
Subtotal Facilities		2,085,000	787,786	-	-	1,297,214	-	-
Fire								
FD-24-01	Ambulance Replacement	80,000	80,000					
FD-24-02	Cardiac Monitor Replacement	-	-					
FD-24-03	Replace Fire Staff Vehicles	-	-					
FD-24-04	Replace Pumper Truck	910,000	125,000		785,000			
FD-24-05	Replace Ladder Truck	-	-					
Subtotal Fire		990,000	205,000	-	785,000	-	-	-
Police								
PD-24-02	Replace Police Portable Radios	216,000	216,000					
PD-24-03	Replace Fiber Multiplexers	-	-					
PD-24-04	Townwide Base Radio Replacement	-	-					
PD-24-05	Replace CAD and RMS Server	-	-					
PD-24-06	Replace Police Domain Controllers	-	-					
PD-24-07	Replace Call Logging Recorder	-	-					
PD-24-08	Replacement/Addition Tasers	-	-					
PD-24-09	Replacement of Network Switches	-	-					
PD-24-10	Replacement Department Sidearms	-	-					
Subtotal Police		216,000	216,000	-	-	-	-	-
Information Technology								
IT-24-01	SAN Capacity Increase	-	-					
Subtotal Information Technology		-	-	-	-	-	-	-
Community Preservation Act Projects on Direct Town Assets								
CPA-Town	Grove St Baseball	941,935						941,935
CPA-Town	PQ Basketball Court	124,592						124,592
CPA-Town	Library Historic Objects	86,787						86,787
Subtotal CPA Direct Town Assets		1,153,314	-	-	-	-	-	1,153,314
Capital Projects Total All Department		9,995,205	3,779,577	2,140,100	785,000	1,297,214	840,000	1,153,314

<b>Capital Budget Years 2 - 5 (FY25 – FY28)</b>
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The CCBC is presenting a draft capital plan for years 2- 5 (i.e. FY25 – FY28). This draft plan includes about 33 projects and spending of about \$36 million. However, the draft capital plan for FY25 – FY28 is **NOT COMPLETE**. The projects and funding sources for FY25 – FY28 will continue to evolve. It will also be informed by the Building Assessment that is recommended for funding in the FY24 capital budget. The table below summarizes current information for FY25 – FY28.

The CCBC has highlighted certain potential projects below that will likely arise in years FY25 - FY28.

**Chenery School Boiler - FY25 estimated \$1.5 million**

30 individual boilers power the multi-zone heating system, all of which now have reached their original useful life expectancy. Because the boilers are the same age, make and model, a domino effect of failures could be imminent. The professional assessment recommends installation of two high efficiency boilers and pumps, the latter with a variable speed drive system (geothermal technologies are not a viable option due to extensive cost and space issues).

**Chenery School Roof – likely FY26 estimated \$5.4 million**

This is an extensive capital investment to replace the 28-year-old flat roof and the HVAC systems. After several years of major repairs, and continued leaks and interior damage, a professional assessment indicates both have reached the end of their useful lives. Further delays will only result, at best, in more expensive repairs, but not necessarily preclude failure. This is a critical investment in support of Belmont’s transition plan to create an “Upper Elementary School” facility and the further improvement in serious space issues in our schools.

**Former Incinerator Site – perhaps FY27 estimated \$4.8 million**

In 2010, the Commonwealth confirmed a regulatory capping of the Town’s former incinerator site, and mandated this project be completed by 2025. Approximately \$5 million was recently estimated to properly design and execute an environmentally sound cap on this former industrial site. In addition, an estimated \$31,500 should be budgeted for annual post-closure monitoring and maintenance inspections, again as required by the Commonwealth. The Town has set aside some funds for this purpose.

**Town-wide Radio Replacement - likely FY27-28 estimated \$800,000**

Split between FY27 and FY28, the Town’s emergency and other departments anticipate complete replacement of the radio transmitters and receivers for all Town-based radios. This includes the main antenna site as well as the remote locations. The rough estimate for this technology approximates \$800,000 in today’s dollars which could easily reach \$1 million by the time of installation. For budgeting purposes, the cost would be split over two fiscal years.

**Ladder Truck – perhaps FY28 estimated \$1.65 million**

Belmont Fire Dept rotates its primary ladder truck to reserve status after 15 years of service, which next occurs in 2028. That 2014 vehicle will then allow for approximately 15 more years of “backup” coverage during maintenance of the front-line apparatus or during major incidents. The full life

therefore spans approximately 30 years. (The cost estimate is simply a placeholder, using a current 2023 price, elevated by annual inflation of 6 percent. BFD will review and update this figure annually.)

**Various DPW, Cemetery, Parks Equipment**

The long hours of operation eventually require replacement of heavily utilized equipment throughout the Town. While well-maintained and repaired, a critical point is reached for each piece — depended upon for daily and emergency use — whereby replacement makes the best and safest option in fulfilling Town functionality. The Town’s practice is to “rotate” any usable equipment to less onerous duties, first, but to sell/turn in retiring equipment as a savings against the cost of the new item.

Capital Project Summary - FY2024-28								AS OF MAY 17, 2023
Proj. ID	Project Description	FY2024	FY2025	FY2026	FY2027	FY2028	TBD	Total
<b>Public Works</b>								
DPW-24-01	Sidewalk Maintenance	243,680	249,770	256,010	262,410	268,970	-	1,280,840
DPW-24-02	Street Tree Planting	50,000	50,000	50,000	50,000	50,000	-	250,000
DPW-24-03	DPW Highway Equipment	-	54,508	72,888	154,503	156,570	119,083	557,552
DPW-24-04	DPW Parks Equipment	244,625	142,410	49,030	-	-	-	436,065
DPW-24-05	DPW Cemetery Equipment	78,270	78,720	-	-	-	-	156,990
DPW-24-06	Sidewalk Assessment Update	50,000	-	-	-	-	-	50,000
<b>Subtotal Department of Public Works</b>		<b>666,575</b>	<b>575,408</b>	<b>427,928</b>	<b>466,913</b>	<b>475,540</b>	<b>119,083</b>	<b>2,731,447</b>
<b>Water &amp; Sewer Enterprise Funds</b>								
ENT-24-01	Water Main Replacement	756,000	1,080,000	1,166,400	1,259,712	1,360,489	-	5,622,601
ENT-24-02	Sewer and Drain Rehabilitation	700,000	800,000	900,000	1,000,000	1,100,000	-	4,500,000
ENT-24-03	DPW Water Equipment	500,000	79,800	233,120	106,105	72,145	-	991,170
ENT-24-04	DPW Sewer Equipment	-	253,035	257,765	306,825	193,625	-	1,011,250
ENT-24-05	GIS Updates	87,700	-	-	-	-	-	87,700
ENT-24-06	Hydraulic Modeling & Valve Exercising Tasks	96,400	-	-	-	-	-	96,400
<b>Subtotal Water &amp; Sewer Enterprise Funds</b>		<b>2,140,100</b>	<b>2,212,835</b>	<b>2,557,285</b>	<b>2,672,642</b>	<b>2,726,259</b>	<b>-</b>	<b>12,309,121</b>
<b>Community Development</b>								
CD-24-01	Pavement Management Program	1,904,216	1,951,821	2,000,617	2,050,632	2,101,898	-	10,009,184
CD-24-02	Incinerator Site Capping	-	-	-	4,793,000	-	-	4,793,000
CD-24-03	Various Intersection Interventions	-	-	-	-	-	3,300,000	3,300,000
CD-24-XX	Roadways - Chapter 90	540,000	540,000	540,000	540,000	540,000	-	2,700,000
CD-24-YY	Intersection Grove St. Huron Planning	300,000	-	-	-	-	-	300,000
<b>Subtotal Community Development</b>		<b>2,744,216</b>	<b>2,491,821</b>	<b>2,540,617</b>	<b>7,383,632</b>	<b>2,641,898</b>	<b>3,300,000</b>	<b>21,102,184</b>
<b>Facilities</b>								
FAC-24-01	Butler Elementary School Repairs	1,500,000	-	-	-	-	-	1,500,000
FAC-24-02	Chenery Boiler Replacement	-	1,500,000	-	-	-	-	1,500,000
FAC-24-03	Video Camera Improvements - Town	-	200,000	-	-	-	-	200,000
FAC-24-04	Video Camera Improvements - School	330,000	-	-	-	-	-	330,000
FAC-24-05	New Electric Vehicle	55,000	-	-	-	-	-	55,000
FAC-24-06	Security Vestibules	75,000	-	-	-	-	-	75,000
FAC-24-07	New Public Works Facility	-	-	-	-	-	22,000,000	22,000,000
FAC-24-08	Chenery Roof & HVAC Replacement	-	-	5,400,000	-	-	-	5,400,000
FAC-24-09	Belmont Building Assessments	100,000	-	-	-	-	-	100,000
FAC-24-10	Refinish Butler School Gym Floor	25,000	-	-	-	-	-	25,000
<b>Subtotal Facilities</b>		<b>2,085,000</b>	<b>1,700,000</b>	<b>5,400,000</b>	<b>-</b>	<b>-</b>	<b>22,000,000</b>	<b>31,185,000</b>
<b>Fire</b>								
FD-24-01	Ambulance Replacement	80,000	80,000	80,000	80,000	80,000	-	400,000
FD-24-02	Cardiac Monitor Replacement	-	-	-	-	48,690	-	48,690
FD-24-03	Replace Fire Staff Vehicles	-	80,000	90,000	85,000	-	-	255,000
FD-24-04	Replace Pumper Truck	910,000	-	-	-	-	-	910,000
FD-24-05	Replace Ladder Truck	-	-	-	-	-	1,650,000	1,650,000
<b>Subtotal Fire</b>		<b>990,000</b>	<b>160,000</b>	<b>170,000</b>	<b>165,000</b>	<b>128,690</b>	<b>1,650,000</b>	<b>3,263,690</b>
<b>Police</b>								
PD-24-02	Replace Police Portable Radios	216,000	210,200	-	-	-	-	426,200
PD-24-03	Replace Fiber Multiplexers	-	195,000	-	-	-	-	195,000
PD-24-04	Townwide Base Radio Replacement	-	-	-	-	400,000	400,000	800,000
PD-24-05	Replace CAD and RMS Server	-	25,000	-	-	-	-	25,000
PD-24-06	Replace Police Domain Controllers	-	28,000	-	-	-	-	28,000
PD-24-07	Replace Call Logging Recorder	-	-	20,000	-	-	-	20,000
PD-24-08	Replacement/Addition Tasers	-	275,000	-	-	-	-	275,000
PD-24-09	Replacement of Network Switches	-	-	42,000	-	-	-	42,000
PD-24-10	Replacement Department Sidearms	-	-	75,000	-	-	-	75,000
<b>Subtotal Police</b>		<b>216,000</b>	<b>733,200</b>	<b>137,000</b>	<b>-</b>	<b>400,000</b>	<b>400,000</b>	<b>1,886,200</b>
<b>Information Technology</b>								
IT-24-01	SAN Capacity Increase	-	-	-	60,000	-	-	60,000
<b>Subtotal Information Technology</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>60,000</b>
<b>Community Preservation Act Projects on Direct Town Assets</b>								
CPA-Town	Grove St Baseball	941,935	-	-	-	-	-	941,935
CPA-Town	PQ Basketball Court	124,592	-	-	-	-	-	124,592
CPA-Town	Library Historic Objects	86,787	-	-	-	-	-	86,787
<b>Subtotal CPA Direct Town Assets</b>		<b>1,153,314</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,153,314</b>
<b>Capital Projects Total All Department</b>		<b>9,995,205</b>	<b>7,873,264</b>	<b>11,232,830</b>	<b>10,748,187</b>	<b>6,372,387</b>	<b>27,469,083</b>	<b>73,690,956</b>

## Potential Capital Needs in Years 6-10

The CCBC will expand its work in the coming year to include projected capital needs for years 6-30. In advance of that work, several potential projects in that timeframe are listed below. This list is NOT complete, and the Committee has not yet dug into these projects in detail.

### **White Field House, West of Harris Fields, Indoor Multi-Sport Surfaces at Rink**

The High School/Middle School Building Project originally included White Field House and the “West of Harris Fields”; however, the projects were deferred for project planning, timeline, and budgetary reasons. The White Field House needs to be razed and hazardous material must be removed. The Fields require leveling, re-sodding and possible drainage work. The New Rink’s Indoor Surface refers to the “multi-sport” aspect of the New Rink project and it would facilitate the full potential of the new Rink facility for indoor sports during non-ice months. No reliable estimates or timing for these three projects exists.

### **Harris Field Turf Replacement**

Originally installed in 2014<sup>1</sup> the useful life of artificial surfaces typically spans 8-12 years, with 10 being the rough average. Necessary repairs or replacement closely relates to the total amount of use/intensity, maintenance, and quality of the original surface, materials and installation. Thus, by 2025, Belmont should anticipate major expenses, at a minimum to refurbish, if not completely replace, this resource so critical to several HS women’s and men’s sports (Lacrosse, Soccer, Field Hockey, Football to name the majority users) as well as many youth levels of the same sports. The following presumes replacement and not a return to grass.

### **Department of Public Works Facility**

The successful addition and renovations of the existing DPW facilities in 2021-2022 provided, by design, a 10-year window to plan and fund a full replacement of the primary home in which the Town’s “all-hours” DPW teamwork. The CCBC estimates that plans for a replacement facility should be incorporated into the Town’s capital budget by 2032.

### **Artificial Turf, Wellington School**

The playground and field area at Wellington is now nearly 12 years old and will also need replacement in the next 10-15 years. Originally installed in 2011, the useful life of artificial surfaces typically spans 8-12 years.

## Recent Debt Exclusion Projects

### **Belmont Middle and High School**

This past year as the new High School worked through its second full year of operation, its partner Middle School moved toward completion for the fall of 2024. A \$300 million Town investment in facilities leveraged nearly \$80 million in Commonwealth construction funds and is fulfilling the educational aspirations and programmatic needs of over half of Belmont’s student population. In turn, the Town will be able to turn its attention to the capital improvements and provide far better space and conditions at Chenery and the elementary schools.

### **Library**

In November 2022, Belmont residents passed an exclusionary bond vote to underwrite the estimated \$39.5 million cost to construct a new Library. The voters were approving approximately \$34.5 million as a significant \$5 million in private fundraising, foundation grants and other funds offset the Town's borrowing needs by nearly 15%.

### **Rink**

While a similar ballot proposal failed that November for a new Rink and Multi-Sport facility, a revised plan was presented to voters in April 2023, at a reduced estimated cost of \$29.9 million, but only adding \$28.6 million to the Town's debt load thanks to the \$1.3 million in gifts and grants raised by generous donors and energetic boosters. This ballot measure met with success, so Belmont will soon be completing its last two major deferred capital projects identified several years ago.

## **CCBC Policy and Process Work for Year Two (Preparation of FY25 Budget)**

Over the course of FY24, the CCBC has committed to make additional policy and process progress on fulfilling its mission as outlined in its bylaw. The CCBC is committed to identifying and implementing approaches that will provide long-term financial stability and ensure we manage, maintain, and update our capital assets, and establishing more predictable cost cycles.

Process priorities for year two will likely include:

1. Develop a capital plan for years 6 – 30.
2. Integrate project ranking criteria into department heads' preparation of capital project requests.
3. Incorporate results of Building Inventory and Assessment, as well as CPC asset inventories, into capital plan.
4. Integrate review of potential regional and private roles for capital needs into Town staff project requests and into CCBC review of projects.
5. Establish early communication with CPC and improved integration of CPC projects into the capital plan.
6. Expand and improve review of Enterprise Fund capital requests and capital funding capacity, including understanding of recent outside report on Enterprise funds.
7. Monitor activity of the Structural Change Implementation Group and consider incorporation of recommendations.
8. Understand the Town's maintenance processes and investments.

The Committee has identified some policy changes that will also move Belmont toward its management, financial planning, and other Town policy goals:

1. The CCBC recommends that the portion of the Town's FY23 operating budget dedicated to the support of "exempt debt service" will remain dedicated to funding the Town's capital needs each year in the future, either to fund capital projects directly or to support additional exempt debt that could be issued in the future.
2. The CCBC recommends that the funds from the operating budget dedicated to capital needs each year have a "floor" and this floor be increased by 2.5% in each subsequent year to make a new "floor."

3. The CCBC recommends that a portion of Free Cash be dedicated to capital each year, starting with at least \$50,000 for the FY25 capital budget.
4. The CCBC recommends that the proceeds of the Town's sale of capital assets be committed to the funding of future capital needs. This would include the sale of used equipment, property assets, and other capital.
5. The CCBC recommends that the proceeds of rebates related to capital assets be committed to future capital needs. This could include rebates related to lighting, solar, non-combustion engine vehicles and assets, and other such items.
6. The CCBC recommends that turnbacks from capital projects be returned to the capital budget, not the operating budget.
7. The CCBC recommends that the Town should seek grant, state & federal funding to support capital improvements to key infrastructure like water, sewer, and schools. The Town's efforts in this regard should evaluate the comprehensive benefit of such external funds and should not focus primarily on the short-term operating cost of securing these outside funds.

### **Structural Change Impact Group and the CCBC**

In addition to the above key policy recommendations, the CCBC supports the following recommendations from the Structural Change Impact Group (SCIG), which was formed in 2021 to investigate and recommend a list of key structural changes for the Town of Belmont.

Over a period of 15 months the SCIG gathered ideas from a variety of sources and then assessed each idea for its potential to reduce the cost Town services and/or improve efficiency and/or quality of service delivery. The SCIG created a report compiling these assessments, available on the Town website. It provided several recommendations relevant to the work of the Comprehensive Capital Budget Committee:

1. *SCIG recommends that the Town continue its transition to electric vehicles.*
2. *SCIG recommends that the Town improve its fleet management system.*
3. *SCIG recommends that the Town implement a 311 system.*
4. *SCIG recommends that the Town implement a Visual Budget website.*
5. *SCIG recommends that the Town evaluate town-owned parcels for their best use.*

With these recommendations in mind, the CCBC will address each of these recommendations in the coming year and seek to work with Town staff to develop implementation approaches.

<b>Reserves – Capital Stabilization Fund</b>
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The CCBC is very supportive of the Town building reserves for larger capital projects that require multi-year planning and whose cost exceeds the discretionary capital funds available in any one year. A capital reserve allows the Town to spread the burden of funding larger capital projects over several years and permits reinvestment in capital assets in a more timely manner. To this end, the CCBC supports the Town's proposal to rename and repurpose the Capital/Debt Stabilization Fund as the "Capital Stabilization Fund." The repurposed Fund takes advantage of a change in state law – the municipal modernization law -- that permits municipalities more flexibility to reserve funds for capital purposes. The repurposing also makes clear that funds from the following sources will be deposited in the Capital Stabilization Fund: sale of surplus property, refunds, rebates and reimbursements from energy efficiency projects, solar installations, and other capital investments. This list



of required deposit sources does not preclude the Town from depositing additional funds from other sources into the Fund.

### Adopted Town Policies

The CCBC is in the process of assessing the several Town policies that relate to the capital needs and capital funding. These include policies such as the Town's Comprehensive Financial Management Policies ("Financial Policies") and the Climate Action Plan-related policies.

The Financial Policies directs the Town toward two metrics related to capital investments, which are presented below. The CCBC needs further in-depth conversations with Town staff and the Select Board about the Financial Policies. We look forward to making sure we are interpreting the policies correctly and to clarifying certain definitions.

***Capital Reserves:** The Town is to maintain capital reserves in the range of 3-4% of the General Fund Operating Budget. For FY24 the CCBC tentatively believes that this indicates a \$4 - \$5 million reserves requirement. Currently the Town has about \$11.3 mm in reserves for capital, with restrictions on some of those funds.*

***Annual Capital Investment as compared to the General Fund Operating Budget:** The Town is to make annual capital investments in the range of 5% to 7% of the General Fund Operating Budget. Enterprise Funds and CPA funds are excluded for the purpose of calculating this ratio. For FY24 the CCBC tentatively believes that the Town's annual capital investment will be about 4.6% of the General Fund Operating Budget, excluding Enterprise Fund projects and revenues and excluding CPA projects and revenues.*

### Update on FY23 Capital Projects in Process

A chart below summarizes this status of the Town's FY23 approved Capital Projects. The Town has completed several projects; other projects are in various stages of progress (under construction or evaluating bids). Most of the projects for which the Town is finalizing project specifications or has recently awarded contracts relate to improvements or repairs to school buildings. Most of these projects can only be done in the summer months to prevent disruption during the school year.

#### ***FY23 Bid Reserve Update***

In FY23, the Capital Budget Committee (CBC) was able to fund all priority projects utilizing discretionary funds and one-time funds. These one-time funds came from the sale of the Cushing Square parking lot and turn-back capital funds from past projects. In addition to utilizing funds for FY23 requests, the Town elected to create a Bid Reserve Fund to address disruptions in the stability of construction pricing. This Bid Reserve Fund was intended to prevent potential disruption that might occur in connection with discrepancies with project cost estimates. While town officials diligently work to obtain accurate estimates, projects can incur unexpected increases in expenditure. The bid reserve mitigates the likelihood of needing to rebid projects. The Bid Reserve was used once during FY23 for a cost discrepancy on a project for a safety system at Winn Brook School. The Town has approximately \$93,000 in this bid reserve fund.

FISCAL YEAR 2023 CAPITAL PROJECT STATUS			
Dept.	Project Description	Budget	Status
	Project Bid Reserve	\$93,738.00	Funds Available
Community Development			
	Roads Rebuild	\$150,000.00	Bids Received 3/23
<b>Subtotal Community Development:</b>		<b>\$150,000.00</b>	
Facilities			
	Butler Masonry	\$487,000.00	Specs and Documents in Process
	Butler KalWal	\$415,000.00	Contract will be awarded at an upcoming SB meeting
	Hybrid Utility Vehicle	55,666.00	Project Complete
	Wellington Heat Pump	97,595.00	Project Complete
	Butler PA Syst	\$300,000.00	Work to begin in summer 2023
	Electric Van	\$54,756.00	Will go into production in June 2023
	Winn Brook Fire Alarm System	\$122,000.00	Contract awarded
<b>Subtotal Facilities:</b>		<b>\$1,532,017.00</b>	
Library			
	Radio Frequency ID System	32,306.00	Project Complete
<b>Subtotal Library</b>		<b>32,306.00</b>	
Fire Department			
	Replace Staff Vehicle	\$75,000.00	Project Complete
	Ambulance Replacement	\$80,000.00	New allocation for future vehicle
	Power Load Cot System	\$45,081.00	Project Complete
	Cardiac Monitor	\$ 7,000.00	Project Complete
	Air Packs	\$ 376,584.00	Project Complete
<b>Subtotal Fire Department:</b>		<b>\$583,665.00</b>	
Police Department			
	Radio Amplifier	\$ 30,000.00	Project Complete
	Replace Emergency Medical Dispatch S	\$ 12,000.00	Project Complete
<b>Subtotal Police Department:</b>		<b>\$ 42,000.00</b>	
Information Technology			
	Fiber Line to Antenna Site	\$ 150,000.00	Work Started
	Fiber Line for Burbank/Wellington	\$ 20,000.00	Project Complete
	Network Storage	\$ 60,000.00	Awaiting quotes from vendors
<b>Subtotal IT:</b>		<b>\$ 230,000.00</b>	
Department of Public Works			
	Fuel Tanks	\$ 649,699.00	Contract Awarded
	Tree Inventory	\$ 55,000.00	Project Complete
	Replace Trees	\$ 25,000.00	To use in conjunction with Spring 2023 tree plantings
	#117 Cemetery Pick-Up	\$ 58,310.00	Project Complete
	Parks Front End Loader	\$ 112,450.00	Project Complete
	#110 Parks Pick Up	\$ 58,310.00	Project Complete
<b>Subtotal DPW:</b>		<b>\$ 958,769.00</b>	
DPW Sidewalks			
	Sidewalks for FY23	\$ 337,730.00	Project Complete
<b>Subtotal DPW Sidewalks:</b>		<b>\$ 337,730.00</b>	
<b>FY23 Total:</b>		<b>3,960,225.00</b>	

## **Conclusion**

The Comprehensive Capital Budget Committee (CCBC) is presenting Town Meeting with a five-year capital plan of \$46 million and a one-year capital plan for FY24 of \$9.995 million. The one-year budget covers about 26 projects supported by a range of funding sources. Town Meeting is asked to vote for 18 projects funded by \$6.7 million. This will be accomplished through seven votes, excluding the votes for three CPA projects that have already taken place in Segment A of the 2023 Town Meeting.

The motions before Town Meeting for votes will include:

1. Department of Public Works
2. Facilities Department
3. Fire Department
4. Police Department
5. Inlevy Debt for Fire Department
6. Roads and Sidewalks
7. Enterprise Funds

## **Acknowledgements**

The Committee would like to thank all the Town employees and volunteers for their continued effort and dedication to the wellbeing of our town. Department leaders gamely adapted to a new system and our new focus on longer time periods and took time out of their schedules to meet with us and answer questions. We thank them for their flexibility and support. Special thanks go out to the Town Administrator's office and Jennifer Hewitt in particular for tireless support of the committee's work.

We would like to recognize outgoing members Adam Dash and Catherine Bowen, committee members until April 3, 2023, whose depth of knowledge and attention to details have been critical to our work and will be missed!