
TOWN OF BELMONT
BUDGETS AND REPORTS
OF THE
WARRANT COMMITTEE
AND
CAPITAL BUDGET COMMITTEE

2003 ANNUAL TOWN MEETING

WARRANT COMMITTEE REPORT

June 16, 2003

Introduction

The principal function of the Warrant Committee is to make recommendations to Town Meeting on all Warrant Articles that involve immediate appropriation of money. Similar committees in other towns are often called Finance Committees.

The Committee consists of fifteen residents (not necessarily Town Meeting Members) appointed by the Moderator for staggered three-year terms, plus the Chairs of the Board of Selectmen and the School Committee. The Committee appoints one of its members to the Capital Budget Committee. The Town Accountant, Town Administrator, and Town Treasurer regularly attend meetings. The other Selectmen often attend.

This report will provide Town Meeting Members with a background and explanation of the proposed budget for 2003-2004 (Fiscal Year 2004).

Budget Overview

Belmont is in the midst of a long-term financial squeeze because year-to-year spending is growing at a greater rate than year-to-year revenues.

For Belmont and other communities, employee salaries and benefits – for teachers, police, fire and others – account for almost three quarters of the operating budget. Collective bargaining increases and escalating health care and special education costs are pushing the town's expenditures up by four to six percent a year – even with tight budgeting and some cuts in programs and services.

Revenue, on the other hand, is constrained by Proposition 2½, which limits annual increases in total property taxes to 2½ percent plus any growth from home renovations or new development. During most of the 1990's, major increases in state aid allowed the town to balance its budget without program cuts.

However, as state aid leveled off beginning three years ago, the town was forced to turn to operating overrides to preserve a basic level of services – a \$3 million override for fiscal 2002 and a \$2.4 million override for 2003. Now state aid to Belmont is actually being cut. As a result, the town faces large budget deficits for the next several years.

For fiscal 2004 the town is anticipating a 17.5 percent reduction in state aid. Property tax revenues supporting the operating budget are expected to grow by only about \$1.8 million. After adjusting for the cuts in state aid and small increases in other revenue sources, total operating revenue will grow by approximately \$1.6 million in fiscal 2004, much less than the spending increase required to support the present level of town services.

The result is that both the school system and town departments are facing staffing and programmatic cuts in 2004. To make matters worse, the fundamental dynamic of expenses rising faster than revenues will produce larger and larger potential deficits in future years.

What can town leaders do to reverse this trend? There are no easy answers. The two major revenue sources – property taxes and state aid – are both constrained. Belmont has among the highest

property taxes in the state, and the voters have already approved two overrides in the past two years. The 2002 override passed by a narrow 52-48 percent margin, and in this difficult economic climate another operating override is unrealistic.

Because of prior debt exclusions for the Chenery Middle School, the Town Hall Annex and the athletic complex, property taxes will rise an average of 6.9 percent in 2004 or approximately \$470 for the average home, even without an override. Furthermore, a long list of capital projects awaits funding, including the fire stations and senior center. Voters will need to approve debt exclusions to pay for many of these projects.

The other significant source of revenue – state aid – will be level at best in fiscal 2005 and 2006 following a major cut in 2004. Because the state is struggling with a multiyear fiscal crisis, the major increases in state aid that Belmont enjoyed in the 1990's will not return for years to come.

Finally, for a variety of reasons the town is not likely to see any meaningful tax revenues from either McLean or Alewife developments until at least 2007. And those revenues, when finally realized, will be more in the nature of a palliative than a cure for Belmont's fiscal ills.

With revenue possibilities severely limited, Belmont must address its spending in order to slow down the rate of annual growth.

The Warrant Committee has mounted an intensive effort to find savings wherever possible. A recently approved change in the health insurance program for employees and retirees is anticipated to save more than \$800,000 in fiscal 2004. The consolidation of several departments into a new Department of Public Works will create real efficiencies. Warrant Committee task forces are also exploring several other areas of cost control.

Ultimately, however, the town can only bring spending into line with revenues by controlling personnel costs. This can be achieved in only two ways – by reducing the number of employees or by limiting annual salary increases under collective bargaining, or both. These are difficult measures, but we have no choice. We must control employee costs.

As a town of homes, Belmont cannot depend on significant commercial or industrial development to provide property tax relief. In the end, the citizens of Belmont must decide what level of taxes they will pay for what level of services. Unfortunately, the taxes are likely to be higher and the services lower than most of us would like to see.

Budget Revenues

In aggregate, revenues for the Town are expected to increase 6 percent or \$4M in FY04 over FY03. This increase reflects the net impact of property tax and sewer revenue increases partially offset by reductions in state aid. Of the increase, \$1.5M is due to FY04 being the first year of debt repayment for the athletic complex and town hall annex debt exclusions previously voted. The remainder comes primarily from increase in the tax base (housing additions) and the permitted 2 ½% increase allowed under Proposition 2½. Sewer revenues are expected to increase \$0.9M in FY04 in order to address the first year of an EPA/DEP mandated sewer and drain project. A decrease in estimated state aid has been factored in at \$1.2M. As this budget is being completed the state aid number for FY04 has not yet been finalized, with the House and Senate each having developed their own numbers. However, for Town budget purposes a prudent assumption, closer to the lower of the two numbers than the higher, has been used.

Excluding restricted revenues (water, sewer, and Chapter 90-Roads) town revenues break out as follows in comparing the FY03 budget to the proposed FY04 budget:

<u>Revenue Item</u>	<u>FY03</u> <u>\$Million</u>	<u>FY 03</u> <u>% of Total</u>	<u>FY04</u> <u>\$Million</u>	<u>FY04</u> <u>% of Total</u>
Property Tax	\$47.2	76	\$51.0	79
Motor Vehicle Excise	2.6	4	2.7	4
State Aid	7.7	12	6.5	10
Fees & Permits	2.1	3	2.1	3
All Other	<u>2.5</u>	<u>5</u>	<u>2.7</u>	<u>4</u>
	\$62.1	100	\$65.0	100

As noted in the budget overview, the burden of paying for town services is shifting more and more from the state to the town. Property taxes are providing an increasing portion of town revenues while state aid is providing a decreasing portion. This trend is expected to continue for the foreseeable future.

Budget Expenditures

As with revenues, the overall increase in expenditures is 6 percent or \$4.0M. The bulk of this increase reflects increase in debt service (\$1.5M) and in Sewer Dept (\$0.9M) as noted above, as well as increase in education (\$1.4M). Also, an increase in contribution to the retirement system (\$0.3M) is required based on the latest actuarial study and reflecting reduced investment returns currently available on funds in the retirement plan. Remaining Town Departments, in aggregate, are budgeting virtually no change in expenditures in absolute dollars for the coming year. This, of course, reflects something less than a level service budget for these departments.

A number of specific, and in some cases dramatic, actions were taken to allow the Town to reduce expenditures or reduce the rate of their increase in order to balance the budget without an operating override for FY04:

1. From among the list of ongoing structural change projects being reviewed continuously by the Warrant Committee, two major ones were brought to fruition in FY03 and impact FY04. Group medical insurance for the town was consolidated with one carrier to achieve an estimated \$800K savings in FY04. Several departments have been consolidated into a Department of Public Works. Those departments collectively are budgeted 3½ fewer positions in FY04 than in FY03 and additional, as yet unquantified, savings are anticipated.
2. While the overall school budget has increased \$1.4M this nonetheless reflects a budgeted decrease of 14 teaching/guidance/councilor/aids positions.
3. Budgeted public safety staffing reflects a combined training/planning officer in the fire department (necessary to handle building plans review workload for Town Hall Annex, McLean, etc.) while uniformed police staffing was budgeted at 48, compared to a current actual level of 49 (budgeted in FY03 for 52 positions). This reduction was based in part upon a study of police staffing levels in comparable communities.
4. A new information technology position has been budgeted for the Town. While this is a difficult time to add such a position and offers no immediate savings (in fact, short-term increased costs), it is based on the recommendation of the Information Technology Advisory

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Committee. This group noted that the Town has significantly less IT staffing than other towns of comparable size. It also noted that there are multiple opportunities to automate Town departments that could be capitalized upon. While it is difficult to quantify the savings that will come from such an investment it is the strong sense of the Warrant Committee that this position will lay the groundwork for future savings and improved services.

Town expenses, again excluding sewer and water, break out as follows:

<u>Revenue Item</u>	<u>FY03 \$Million</u>	<u>FY 03 % of Total</u>	<u>FY04 \$Million</u>	<u>FY04 % of Total</u>
Salaries & Wages (Town & School)	\$33.0	53	\$33.6	52
Health	6.5	11	6.8	10
Retirement	2.5	4	2.9	4
School Non-Salary	3.1	5	3.3	5
Special Education Tuition	2.2	4	2.5	4
Town Non-Salary	3.8	6	3.8	6
Solid Waste Collection	2.6	4	2.6	4
Capital Expenditure	2.4	4	2.3	4
Debt Payments	2.6	4	4.0	6
All Other	<u>3.2</u>	<u>5</u>	<u>3.2</u>	<u>5</u>
	\$61.9	100	\$65.0	100

As noted in the budget overview, personnel costs (salaries and wages, health care, retirement) make up the dominant share of the town's expenses. It is only through rigorous efforts to hold these costs in check that an operating budget override been avoided for FY04. Continued control of these costs (along with projected capital expenditure costs) to match available revenues (primarily from property taxes) will be a major challenge in the upcoming years.

Separate Articles

Some elements in the budget are presented to Town Meeting in separate articles, even though the amounts in those articles also appear in the Budget Table. This year these articles are:

Article	Purpose	Amount Budgeted	Budget Table Line
5	Salaries of Elected Officials	\$158,800	030, 040, 080, 090
6	Noncontributory Pensions	\$ 70,000	099
7	Contributory Pensions	\$2,795,537	099
8	Chapter 90 (Roads)	\$134,382	313
11	Capital Budget	\$2,293,924	798

The Warrant Committee recommends favorable action on the above Articles.

REPORTS OF WARRANT COMMITTEE SUBCOMMITTEES

FY 2003

GENERAL GOVERNMENT

Town Clerk

Legislative, Elections & Registration, Town Clerk

(Lines 010-030)

This budget covers the costs of town meetings, elections, voter registration and operation of the Town Clerk's office. It is level funded for a total of \$266,557. The level funding is eased by the fact that only two elections are expected for FY 2004 as opposed to three in FY 2003. If an additional election should occur, it would cost approximately \$15,000.

In addition to the Town Clerk, this office has two full-time and one part-time employee. No staffing changes are budgeted or recommended this year. Revenue from fees charged by this office is estimated at \$53,000 for FY 2004.

Town Administrator

Board of Selectmen, Community Relations, Committees/Commissions, General Management Services, and Legal Services

(Lines 040-050, 060)

The Town Administrator budgets include three full-time positions, the Town Administrator, the Assistant Town Administrator, and an Administrative Assistant, as well as a part-time Administrative Secretary. Professional services are an important component of these budgets, enabling the Selectmen to engage specialists who are qualified to perform surveys and offer guidance on projects like the Public Works consolidation. The professional services budget is level-funded for FY 2004.

A continuing priority is the enhancement of the Town web page. The Community Relations budget includes funding for further web site development and for the services of the Webmaster. The budget also covers the costs of publishing *Town Hall Update*, the quarterly newsletter introduced in FY 2003.

Human Resources

(Line 055)

A Director, Office Assistant, and part-time Administrative Assistant staff the Human Resources Department. The position of Director was vacant for most of the current year but has recently been filled. The Payroll Technician position that was assigned to this budget in FY 2003 has been transferred to the Treasurer's Department along with the related computer costs.

In addition to salaries, other significant budget items are employment advertising and staff training. The professional services budget covers the cost of consultants for performing job classification studies and designing benefit plans such as the newly implemented Flex Savings.

Finance & Accounting

(Line 070)

This Department in essence keeps the Town's books. The Town Accountant, one full-time Staff Accountant, and two part-time employees staff the office. All are new, having been hired during Fiscal 2003.

Its budget is level funded. It includes the cost of an annual audit by an outside accounting firm. Because of the requirement to adopt and implement GASB 34, which includes a new fixed asset reporting system, there will be considerable strain on this budget including a probable need for new software.

The Department is also requesting a new laser printer and computer. These are in the Capital Budget requests.

Assessors' Services

(Line 080)

The Board of Assessors is responsible for valuation of all taxable property in the Town and, together with the Selectmen, sets local tax rates. In addition to the three elected assessors, there are a full-time Assessing Administrator, two full-time staff, and one part-time employee.

This budget is level at approximately \$349,000. The biggest expense other than salaries is the cost of revaluation services. Among other purposes, these help locate taxable new growth. The Department plans to reprint a taxpayer manual and, if sufficient funds are available, to distribute it by mail.

Town Treasurer & Parking Clerk

(Lines 090-091)

The Treasurer budgets include wages for the elected Treasurer, a full-time Assistant Treasurer, four full-time clerks, and three part-time clerks working 30 hours per week. The staff is level in FY04 compared to FY 2003, despite the transfer in of the Payroll Technician position from the Human Resources budget, because the Treasurer has chosen to leave the Parking Clerk position unfilled and reallocated hours to other staff.

In total, the non-salary budget is comparable to FY 2003 although dollars have been reallocated among budget lines to reflect more accurately the type and level of expenditures. The most significant categories of expense are printing, computer services, and postage, all related to the production and distribution of real estate and excise tax bills and payroll and vendor payments.

Retirement and Insurance

(Lines 097-099)

Retirement: The contribution has increased by 13% over FY03 primarily because of the downturn in investment returns. A larger increase was avoided by extending to 2025 the schedule for amortizing the unfunded actuarial liability and adjusting the actuarial assumptions.

Insurance: Increases in health insurance costs have been minimized by eliminating the indemnity plan and consolidating HMO, PPO and Medicare Supplement coverage under a single provider.

PUBLIC SAFETY

Police Department

(Lines 110-145)

The overall staffing level in general, and the sworn officer staffing level in particular, drives the cost of the Police Department. At the request of the Board of Selectmen, a committee was created to look at staffing in several Town Departments. The committee started work in 2002, focusing first on police.

While comparable information among towns was not available for expenditures (each town accounts for it differently) there was comparable information available on the number of full-time sworn officers. The committee ranked towns on the basis of:

- Number of full-time sworn officers per capita, and
- Number of full-time sworn officers per crime (as measured by the FBI's Uniform Crime Reporting (UCR) system that includes both property crimes and crimes against persons.

This comparison showed that Belmont staffing, at the current level, is above average for 11 communities with which it was compared. Belmont's police department is not the most highly staffed, but it is above average.

The committee noted that crime rates do not reflect the full range of services provided by police in a town like Belmont. For example, traffic enforcement - a high priority in Belmont - is not included in the UCR system. Also it is true that more sworn personnel facilitate the department's ability to provide more services - to do preventive work, to solve problems that might otherwise produce repeat calls, and to do community policing. The committee concluded that the small changes to the current staffing level of sworn personnel up or down would not materially impact public safety but would impact the level of services which the Police Department is able to provide (preventative activities, community policing, etc.)

Based on the staffing committee report and in light of current budget constraints the Warrant Committee and Selectmen have voted to set the FY04 staffing level for sworn personnel at 48 (with the retirement of one police officer). This compares to a current actual level of 49 and an FY 2003 budgeted level of 52. Out of the 11 towns surveyed this would leave Belmont an estimated No. 2 in officers/crime and No. 5 in officers/1000 population.

In addition, in light of current financial constraints the Warrant Committee and Selectmen have voted to budget two replacement cruisers in FY 2004 in lieu of the historical practice of replacing three cruisers per year.

Public Safety Communications (E 911)

(Line 149)

This department was created in 1995. It is the emergency communications hub of the Town, handling 911 calls for Police, Fire and Emergency Medical Services. Because of the nature of the calls that go to this department, there is a minimum of 2 employees on duty 24 hours a day, 7 days a

week. In addition there is a supervisor available for emergency response during the night-time hours. There are 10 full-time employees and one permanent part-time employee, all of whom receive benefits. Four per-diem employees work for hourly wages (\$15.00 to \$18.00 hourly) and receive no benefits. The 8 full-time employees who are non-management belong to the Firefighters' Union. There is a pay differential for working evenings or nights. Employees who undergo training as an Emergency Medical Technician (EMT) or Emergency Medical Dispatcher (EMD) receive a stipend.

In FY04 the full-time salary account is increased nearly \$13,000 over FY03 with no increase in personnel. The part-time salary account is increased approximately \$14,000 to cover a perennial shortfall that generally hits the overtime account. In five of the last seven years, reserve fund transfers have been requested. Overtime is somewhat driven by an existing labor contract that requires the first two days of sick leave to be covered by overtime rather than by per-diem workers. In addition, the per-diem personnel are not always available for duty, resulting in bringing in full-time personnel at overtime rates. The overtime account for FY03 is over budget.

The largest proposed cut is a \$3,000 reduction in the in-service training account, which creates some difficulties because of the required training of employees who are responding to emergency calls. Health insurance costs continue to rise but at a significant lower level in FY04. Contractual obligations increase each year.

Fire Department

(Lines 150-195)

Fire Administration: No changes in full-time personnel are budgeted. Health insurance costs have risen from FY02 (\$21,545 to \$29,566) and will rise again next year by a much smaller amount. In FY03 an \$800 cut in in-state travel was implemented and is maintained for FY04. The accounts for electricity, gas and water continue to be transferred to buildings and grounds. There are no major increases in this section.

Fire Suppression: Presently the Department is in the process of hiring two firefighters to fill vacancies. In an effort to meet the required reduction in expenditures, the Training Officer position was eliminated from the initial FY04 budget. In addition, the Chief stressed the need for a Plans Review Officer, although he did not include that position in his initial recommendation. The FY04 budget restored the deleted position and it is hoped that the Fire Department will be able to provide the required training and plans review functions. Accordingly, the bottom line budget figure for fire suppression will increase from a budgeted figure in FY03 of \$3,162,805 to a figure in FY04 of \$3,207,659.

There is a substantial increase (doubling) in the in-service training account. Ongoing training of personnel must continue. For instance, firefighter training includes bio-terrorism and hazmat (hazardous materials). The Training Officer attends classes and workshops and brings the material back to the fire stations to train personnel on site. Overtime continues to be a concern. The overtime account has been increased in FY04 to \$245,000 from an FY03 budgeted amount of \$238,000. The actual overtime expended in FY03 far exceeded the budget. This appears to be directly related to the number of full-time firefighters. The Department continues to utilize overtime in an attempt to place the proper number of fire personnel on duty at any one time. Health insurance continues to rise: the FY03 budgeted amount was \$364,946 and for FY04 it is budgeted for \$396,645.

Emergency Medical Services

Eight of the firefighter personnel are in this budget. Health insurance increased costs account for almost \$20,000 of the approximate \$30,000 total increase. The bulk of the other increases are directly attributed to full-time salaries and overtime accounts.

Belmont Emergency Management Agency (BEMA)

Years ago this department was called Civil Defense. It was located on the top floor of the Waverley Fire Station and is moving to the Chenery Middle School in FY04. The full-time Director (\$6,750) is also the Assistant Fire Chief. In the event of an emergency, large or small, this is the department that coordinates the Town's response. The Assistant Director of the department is a part-time employee who is paid a small stipend (\$2,250) and also acts as the liaison with the State. These employees do not receive benefits in this account. The rest of the budget covers office equipment and communications equipment, including four phone lines. All of the accounts in this section remain unchanged from the FY03 budget. As noted in the previous report this budget is so small (\$13,150), there is virtually no room for reduction.

PUBLIC SCHOOLS

Belmont School Department

(Line 200)

The Warrant Committee supports the School Committee's proposed budget of \$29,655,300. The School Committee has worked hard to balance the needs of the school system against the budget constraints the entire town is facing this year. The budget request would have been higher if the School Committee had not decided to cut teachers and other staff. In addition, the School Committee has voted to accept an additional 30 students from other towns under the School Choice program, thus bringing an additional \$150,000 to the town in tuition revenues.

The total enrollment for next year is projected to be approximately the same as this year, but with a shift in the school populations. The lower number of elementary school students will be offset by an increase in the number of high school students. This shift, combined with an increase in class size at some levels, provides an opportunity for the schools to reduce staff by nearly 14 teachers, guidance counselors, and aides. They plan to eliminate 5.4 certified positions (teachers and guidance counselors) in the elementary schools, 3.1 certified positions at the middle school, 1.0 certified position at the high school, and 4.4 elementary and middle school aides. Part of the tuition revenues generated by the expansion of School Choice will be used to create two additional high school teaching positions, to accommodate the increased enrollment, and the rest of the funds will be used to finance the general costs of the system.

Last year, the Warrant Committee urged the School Committee to find ways of reducing their staff because we anticipated several years of tight budgets. We welcome these efforts by the School Committee and urge them to continue to identify opportunities like this in the future. Last year the Warrant Committee also expressed a concern about underfunding textbook and equipment purchases. This year's proposed budget includes modest increases in these areas.

Over the next several years, the School Department budget will continue to face significant pressure from three principal areas: health insurance, special education, and employee

compensation. The School Department is an active participant in the changes in health insurance that the town has made this year, and these changes should help to control future increases in health insurance costs. There are, however, additional measures that can be taken. The Warrant Committee strongly recommends that the School Committee and Town Administrator continue to work with the various employee labor unions to control the cost of employee health insurance. Specific measures that can be investigated include (i) increasing the office visit co-pay from the current \$5 to market-level co-pay, and (ii) increasing the employee premium contributions from their current 10 and 20 percent levels.

In the area of special education, the Belmont School system has a track record of implementing cost-effective ways of serving these children. Nevertheless, special education needs can be expected to grow. We anticipate that the School Committee and School Administration will continue their efforts to serve this student population efficiently and effectively.

The largest component of the School Committee budget is employee compensation. The collective bargaining agreement with teachers expires next June, and the Warrant Committee strongly urges the School Committee to exercise great restraint in granting wage and step increases in its negotiations of a successor agreement.

Finally, we should mention that state and federal programs require increased reporting and record-keeping that takes time away from teaching and/or requires the hiring of additional staff to gather the information and submit it to the appropriate agency. While not at the same level as health insurance, special education, or employee compensation, these reporting and record-keeping requirements are a noticeable and increasing burden on the School Committee budget.

Minuteman Regional Technical High School

(Line 205)

In January 2003 Minuteman High School's proposed budget for FY 2004 was \$15,520,660. This figure represented a reduction of 0.975% from the FY 2003 budget. The Warrant Committee anticipated that Belmont's assessment would be \$432,534, which represents a reduction of 14.3 % from FY 2003. During this time, Belmont had 30.14 full-time-equivalent students attending Minuteman, a decrease of 4.7 % in enrollment from the prior year.

Since January Belmont's anticipated assessment for Minuteman has increased significantly due to diminished state aid, including transportation aid, even though Minuteman had anticipated reduced state aid. In addition, there was a diminishing yearly revenue stream for Minuteman with the cancellation of School Choice. As a result, the revenue projection for Minuteman was anticipated to be \$500,000 less for FY 2004 than for FY 2003.

On March 18, 2003 the Minuteman School Committee recalculated and approved district assessments using the governor's budget proposal (House 1 budget). This change was based on a "budget less revenue" calculation and represents a major change from the previous plan utilizing an "assessment by agreement." The House 1 budget assigned tuition in the amount of \$617,000 to Belmont. With transportation aid coming directly to the district, instead of to the community of residence, Belmont's assessment dropped to \$ 597,851. Minuteman's decision to change the assessment method was due in part to the fact that one member town, Arlington, had been using the state formula rather than the assessment by agreement. This decision permitted Arlington to pay less than it would have paid under the assessment by agreement, creating a deficit situation for Minuteman and a substantial increase in what Belmont will pay in assessment for Minuteman. The amount of that increase is still in doubt. The Warrant Committee has planned for this by budgeting

\$483,063 in the Minuteman line item and an additional amount in the Reserve Fund to be transferred pending final assessment.

In summary, the financial issues facing Minuteman are the same as those facing most, if not all, school districts in our area. The problem stems from reduced state aid or funding and increased expenses, especially for health insurance plans and capital budget needs. Although the Warrant Committee does not know the exact assessment figure for Belmont as of this writing in early June 2003, we do recognize that the diminished state aid and the increased Belmont assessment for Minuteman, in spite of decreasing enrollments, will have a serious impact on Belmont's financial obligations.

PUBLIC SERVICES

Consolidation of the Five Public Services Departments:

The consolidation represents an opportunity to coordinate many of the similar activities previously carried out by separate departments. The consolidation is expected to enable services to the Town to be delivered more efficiently.

The current elected Cemetery Commission will continue to play a critical policy role for the cemetery. The current elected Water Commission shall be made an appointed advisory board.

The reorganization does not address the continuing underfunding of these departments, which will only exacerbate the current infrastructure woes of the town. Continual effort is needed to work towards a clear vision for continued investment in the Town's infrastructure, both its roads and buildings. Making these choices, clearly communicating them to the residents of the town, and then budgeting for them and completing the work will benefit us all.

Community Development

(Lines 302-306)

The Office of Community Development continues to issue building permits at approximately the same pace as last year. The increased rate of \$15.00 per \$1,000.00 of cost compared with \$12.00 last year, has increased revenue approximately \$70,000 on an annual basis. One inspector who left in the fall of 2002 has not been replaced (hours were reallocated to existing positions), and there are no plans to fill the position at this moment.

If and when McLean and the Uplands projects get started there will be pressure on this department. The Office of Community Development provides staff support for the Planning Board, Zoning Board of Appeals, Traffic Advisory Committee, McLean Land Use Committee, Vision 21 Implementation Committee, Conservation Commission and Belmont Housing Trust.

In addition, they are involved with the Pavement Management program, the Trapelo Road/Belmont Street Corridor Study, and the reconstruction of Pleasant Street. It would appear that current staffing is sufficient to meet current activities.

Highway Department

Street Maintenance, Highway Construction (Chapter 90), Sanitary Sewer Maintenance, Stormwater Maintenance, Municipal Garage, Forestry Service, Solid Waste Collection and Disposal, Delta Maintenance

(Lines 310-322, 340)

Highway Department

The Highway Department responds to requests for assistance during extreme weather events and manages capital improvements to roads, sidewalks, storm sewers and signage.

Continuing reductions in resources, both money and personnel, pose a challenge in maintaining the level of departmental services, including: sidewalk and street maintenance, storm drain maintenance, sewer maintenance, sign installations, and street painting. The budget for FY04 reduces the number of employees from the FY03 budgeted number.

The MWRA assessment for sewage is only an estimate at this time. The DEP/EPA has mandated a long range sewer/drain project be undertaken by the Town. This project has been budgeted for \$1M in FY2004.

Buildings and Facilities

(Lines 324-325)

FY 2004 will see the closing, during construction, of the Town Hall Annex building, which will effectively eliminate the costs of maintaining that building for this budget year because these costs will be borne by the contractor. We need to be aware, however, that the costs of maintaining this building will return in future budgets as the construction is completed.

The Buildings and Facilities Department budget includes the cost to maintain the Municipal Light Department building at 450 Concord Avenue.

Proposed changes in the budget include expected cost increases that include responsibility for additional sites that came under the Department's jurisdiction in FY 2003.

There are several reorganizations that will affect this department. The facilities portion of the department will be absorbed by the new Public Works. The establishment of an Information Technology department has changed the permanent full time staffing for the Buildings office down one (this employee will be transferred to IT). Part time salaries were increased by \$15,000 to make up for this loss of staff time.

Underwood Pool continues to represent a challenge for the town. The annual maintenance needed to open the pool is in the Facilities budget. Studies suggest that the pool and the bathhouse are in need of extensive renovation or replacement. The FY 2004 budget covers the minimum maintenance to open the pool this year, but does not address the underlying issues with the pool. It is unclear how long the Town will be able to put off doing the renovation work. It is also unknown when the conditions at the pool will make it unsafe to use.

Cemetery

(Line 350)

The Cemetery Department hopes that FY 2004 will see an expansion of its responsibilities. Still one of the town's smallest budgets, the department expects to begin the construction of the Highland Meadow Cemetery late this calendar year (2003).

The reductions in the FY 2004 budget all come from reductions in the Part-Time Temporary and the Overtime accounts. These reductions will continue to reduce the available resources for performing the daily duties of the Cemetery Department.

Some 120 interments are estimated for FY 2004.

Water Department

(Lines 360-364)

The Belmont Water Department continues work on the water main replacement program. However, this year's budget being funded at the same level as FY 2003 will result in a slowdown of the overall project. Because of the level funding initiative, it is preferable to absorb a slow down in this project item than it is to cut the budget for Water Department construction and maintenance which could have a more serious impact on the Town and it's residents in an emergency situation.

The MWRA assessment for water is only an estimate at this time.

HUMAN SERVICES

Health Department

(Lines 520-522)

The Department is at a level service budget. The director anticipates a FY 2003 credit from the mosquito control assessment and a decrease in FY 2003 expenses related to hazardous waste collection. This department is currently dealing with a variety of program changes and opportunities for cost savings.

The Department's Outreach Worker has been effective within the Health Department. The majority of the population served is youth. It is estimated that 20% of the student population need outreach worker intervention. The eventual goal would be to have a mental health coordinator who could coordinate services with the Board of Health, Youth Commission, Council on Aging and Schools. That would open the possibility of sharing resources with other towns.

The Department has lost its tobacco control grant, but the core program, which existed before the grant, will continue.

One significant change in the Health Department will be the merging of the Youth Commission as a sub-department. The director will assume responsibilities for budget and supervision, including evaluation for two part-time youth program coordinators. No additional administrative support can be absorbed with this merger. This change was recommended by the Youth Commission and accepted by the Board of Health as an effort to continue the work of the Commission in these times of budgetary constraints.

Council on Aging

(Line 540)

The Council on Aging continues to serve the needs of Belmont's growing senior population. The Council provides information and referrals as well as numerous programs, including speakers, trips, activities at the Senior Center, a lunch site at Belmont Manor Nursing Home, and in-home meals for frail elderly.

In the past year, many changes have taken place in this budget. A cut in the grant funding for the position of Senior Center Coordinator meant that this individual had to take an unpaid two-month leave in FY 2003. This situation will continue in FY 2004. The rent for the Senior Center will increase in FY 2004 by \$16,500. A careful reading of the budget shows an overall program increase of \$37,000 and an increase in the office supply account of \$3,500. These increases are accounted for in the following way: \$18,000 was moved from the Recreation Department budget to the Council on Aging budget, which will coordinate all programs for seniors. The remaining \$19,000 in programs

and the \$3,500 in office supplies were formerly funded by a revolving account that was closed in FY 2003. The fees to cover these costs appear in the revenue budget.

In order to meet the budget reduction required of all departments for FY 2004, the Council on Aging has reluctantly reduced the hours for the assistant director. There is some concern that additional grant funds also may be decreased or eliminated. The tax incentive program continues to be popular, currently compensating 12 to 14 seniors for working with a credit towards their real estate taxes.

Veteran's Service

(Line 560)

A state statute requires the town have a Veterans' Agent. The Cemetery Superintendent presently serves as Veterans' Agent. He advises veterans, dispenses aid (that is 75% reimbursed by the state) in case of proved need, and directs veterans to Veterans Administration medical facilities.

The state statute permits two or more towns to establish a veteran's services district with one director serving all member towns. The Town is exploring the possibility of forming or joining such a district.

Youth Services

(Line 570)

The Youth Services director resigned in January 2003, and the Commission has proposed replacing her with two part-time Youth Program coordinators. The Commission also endorses making Youth Services a sub-department of the Health department, with which Youth Services seems compatible. The Commission would remain as an advisory board. The director of the Health department would assume all budget and supervisory responsibilities, reducing the cost of personnel services while maintaining program activities.

The Commission been actively collaborating with a number of town departments and community organizations, developing an employment resource directory geared to match teens with jobs; providing study skill workshops for middle school students, babysitting skills classes, art and cooking classes, monthly movie nights, and intergenerational programs with the Council on Aging; and co-sponsoring and developing parent forums and seminars.

CULTURE AND RECREATION

Public Library

(Lines 610-630)

The Memorial Library on Concord Avenue was completed in 1965. Since then, it has had steadily increased usage, many more books and other materials to store and computer resources to accommodate. The Library Trustees proposed four years ago substantially to rebuild it, and architectural plans were prepared. The current financial condition of the Town, however, precludes serious consideration of rebuilding in the near future.

In addition to the main building, there are two branch libraries, one in Waverley Square and one on Benton Road. Each is open 15 hours a week.

The Library currently has, in addition to volunteers, 17 full-time and 17 part-time employees or 26.6 FTEs. Four of the part-time employees work 25 hours a week, entitling them to benefits. The main library is open 9:00 to 9:00 Monday through Thursday, 9:00 to 5:00 on Friday and 9:00 to 5:00

on Saturday (except during the summer, when it is open for only four hours) and 1:00 to 5:00 on Sunday for 32 weeks each year.

The level-funded budget results in a 3% reduction in service for FY04. This is reflected in the Library's proposal to close two more Sunday afternoons during the year, to have just one librarian on duty on Sundays and to close on eight summer Saturdays. The library materials budget will be reduced to 15% of the overall budget, the minimum requirement for state certification.

The Library has requested an aggregate of \$25,653 of additions to the following level-funded line item budgeted amounts, in order of priority:

- \$12,297 (line 6810) for materials; this 5.4% increase is deemed by national library standards to be a status-quo purchasing level;
- \$7,694 (line 6801) for part-time salaries to retain the services proposed to be eliminated;
- \$5,662 (line 6840) for computers; 93% of the level-funding in this line item will go to meet the new Minuteman Library Network contract, under which the Library will have 60 PCs that are expected to generate higher maintenance and repair costs than the predecessor "dumb" terminals.

Recreation Department

(Lines 650-660)

The department's revenues from fees are intended to cover the expenses for its programs and activities. FY 2004 revenues are projected to be in the range of \$545,000. In order to meet this projection, most fees have been raised \$5 - \$10 for FY 2004. The department continues to evaluate program costs in an effort to be cost effective and self-supporting while maintaining the quality of programs. For the past two years the Recreation Commission has had to request Reserve Fund transfers to meet their expenditures and at this writing it is unclear whether the revenues will meet projections. It is imperative that the Recreation Department develop a strategy to better handle their budget.

In an effort to consolidate programs for seniors, the management and budget responsibilities of all senior programs will be transferred to the Council on Aging including day trips and the annual senior holiday party.

The budget fully supports the cost of the S.P.O.R.T. program. Donations ranging from \$5,000-10,000 per year for bus rentals and equipment help offset the cost to the town. The vehicle used for transportation will be replaced in FY 2004, the cost of which is included in the capital budget.

The Warrant Committee has suggested that the department phase repairs and replacement of equipment costs at the Underwood Pool to assure that it is properly maintained and to avoid the need for replacement. The Recreation Commission also has been asked to formulate a policy regarding business advertising at their facilities and fields. It is looking at advertising income to help maintain affordable program costs.

NON-DEPARTMENTAL EXPENDITURES

Debt and Interest

(Lines 700-710)

This is the current amount necessary to pay the current principal and interest on the Town's borrowing for FY 2004:

Budgets and Reports of the Warrant and Capital Budget Committees

Bonds	Year	Principal	Interest	Principal & Interest	Offsetting Revenue	Offsetting Revenue Source
Chenery Middle School	8 of 19	\$1,090,000	\$663,833	\$1,753,833	\$1,753,833	Debt Exclusion & SBAB reimbursement
MWRA Bond 2	5 of 5	\$55,322	\$ -	\$55,322	\$55,322	Water receipts
MWRA Bond 3	4 of 5	\$114,086	\$ -	\$114,086	\$114,086	Sewer receipts
Title V loan (septic)	3 of 22	\$3,170	\$2,735	\$5,905	\$2,735	MWPAT ¹
GO Bonds ²	3 of 15	\$720,000	\$134,250	\$854,250	\$257,950	Municipal Light Dept.
BHS Athletic Field & Track	1 of 10	\$245,000	\$108,700	\$353,700	\$353,700	Debt Exclusion
Town Hall Complex	1 of 20	\$600,000	\$681,915	\$1,281,915	\$1,281,915	Debt Exclusion
Short-term borrowing	Annual	\$ -	\$25,000	\$25,000		
Tax abatement	Annual	\$ -	\$5,000	\$5,000		
BUDGETED AMOUNT		\$2,827,578	\$1,621,433	\$4,449,011	\$3,819,541	

Capital Budget

(Line 798)

Please see the report of the Capital Budget Committee.

Respectfully Submitted,

M. Patricia Brusch
 Margaret Callanan
 Philip Curtis
 Walter A. Flewelling, Jr.
 James C. Heigham
 Dianne Hobbs
 William Hofmann, III
 Diane Kobus

Lawrence McCormick
 Patricia Morley
 Linda Oates (Clerk)
 Penelope Schafer
 Geoffrey Tillotson
 Robie White (Vice Chair)
 Michael Widmer (Chair)

Ex Officio: William N. Brownsberger (Chair, Board of Selectmen)
Scott Stratford (Chair, School Committee)

¹ Massachusetts Water Pollution Abatement Trust

² General Obligation Bonds (GOB): Principal and Interest for several capital projects including the Light Department Building, new ladder truck, Town Hall renovations, Town Hall Annex plans, School Technology, and Cemetery plans. This expense is partially paid for by the Municipal Light Department.

**Town of Belmont Expenditures
FY 2004 Recommended Budget**

G/L #	Account Title	FY01 EXPENDED	FY02 EXPENDED	FY03 APPROVED	FY04 RECOMM BUDGET
010	LEGISLATIVE SERVICE	8,001	11,964	10,200	10,200
020	ELECTION & REGISTRATION	117,326	110,956	137,481	129,043
030	TOWN CLERK	113,327	121,409	125,695	124,708
040	BOARD OF SELECTMEN	101,717	1,605,792	114,614	99,902
042	COMMUNITY RELATIONS	6,215	12,249	26,500	27,700
046	COMMISSIONS/COMMITTEES	43,687	16,984	20,657	21,472
050	GENERAL MANAGEMENT SERVICES	208,104	233,255	229,353	241,403
050	INFORMATION TECHNOLOGY				161,965
055	HUMAN RESOURCES	227,868	212,503	251,972	184,808
060	LEGAL SERVICES	225,797	215,735	225,000	225,000
070	FINANCE & ACCOUNTING SERVICES	207,774	194,592	212,743	216,498
080	ASSESSING SERVICES	297,518	293,374	334,402	323,930
090	TREASURY MANAGEMENT & COLLECT	391,557	465,317	388,383	481,700
091	PARKING CLERK	53,889	54,574	64,950	21,107
095	RESERVE FUND	-	-	400,000	514,000
097	RETIREMENT	2,206,899	2,332,137	2,532,445	2,865,537
099	INSURANCE	1,442,704	1,944,552	2,085,554	1,908,919
	<u>TOTAL GENERAL GOVERNMENT</u>	<u>5,652,383</u>	<u>7,825,391</u>	<u>7,159,949</u>	<u>7,557,892</u>
110	POLICE ADMINISTRATION	331,561	325,670	318,567	285,743
125	POLICE RECORDS	73,030	72,380	89,392	70,888
130	POLICE PATROL SERVICES	2,679,546	2,951,175	3,045,356	2,967,517
135	POLICE TRAFFIC MANAGEMENT	359,381	360,134	393,733	392,908
140	POLICE DETECTION & INVESTIGATION	297,387	310,735	316,664	322,238
145	POLICE COMMUNITY SERVICE	246,072	237,740	269,023	272,201
149	PUBLIC SAFETY COMMUNICATIONS	574,495	689,047	683,965	707,900
150	FIRE ADMINISTRATION	245,211	256,701	262,991	269,638
170	FIRE SUPPRESSION & CONTROL	2,833,144	2,939,163	3,162,805	3,212,737
190	EMERGENCY MEDICAL SERVICE	491,217	494,194	510,199	542,175
195	EMERGENCY MANAGE AGENCY	9,998	15,450	13,150	13,150
	<u>TOTAL PUBLIC SAFETY</u>	<u>8,141,043</u>	<u>8,652,390</u>	<u>9,065,845</u>	<u>9,057,095</u>
200	PUBLIC SCHOOLS	25,655,043	27,373,613	28,238,339	29,655,300
205	MINUTEMAN REGIONAL VOC. SCHOOL	744,857	644,823	504,607	483,063
	<u>TOTAL PUBLIC SCHOOLS</u>	<u>26,399,900</u>	<u>28,018,436</u>	<u>28,742,946</u>	<u>30,138,363</u>
302	COMM. DEVELOPMENT-ADMIN	156,335	186,265	191,336	206,144
303	COMM. DEVELOPMENT- PLANNING	200,113	225,966	205,230	214,928
304	COMM.DEVELOPMENT-ENGINEERING	167,595	147,491	148,142	89,116
306	COMM.DEVELOPMENT-INSPECTION	193,465	203,663	204,081	209,454
310	PUBLIC SERVICE ADMINISTRATION	255,812	266,222	283,806	296,035
312	STREET MAINTENANCE	873,181	712,970	880,995	816,121
313	CH 90 POLICE DETAILS	-	8,946	36,000	-
313	CHAPTER 90 HIGHWAY FUND	-	-	136,096	134,382
314	SANITARY SEWER MAINTENANCE	579,921	752,156	949,847	1,916,591
314	MWRA SEWER ASSESSMENT	3,672,287	3,679,940	3,804,745	3,681,667
316	STORMWATER MAINT	195,252	194,494	208,757	222,307
318	MUNICIPAL GARAGE	339,820	376,186	429,155	450,635
320	FORESTRY SERVICE	168,119	171,809	179,749	193,288

Budgets and Reports of the Warrant and Capital Budget Committees

G/L #	Account Title	FY01 EXPENDED	FY02 EXPENDED	FY03 APPROVED	FY04 RECOMM BUDGET
322	DELTA MAINTENANCE				
324	BUILDINGS	82,296	78,338	86,783	75,992
325	GROUNDS	562,144	566,316	633,303	519,120
340	SOLID WASTE/COLL & DISPOSAL	389,270	405,479	377,517	436,964
350	CEMETERY MAINTENANCE	2,720,485	2,807,923	2,731,528	2,743,539
360	WATER ADMINISTRATION	270,075	278,452	305,344	316,151
362	MWRA WATER ASSESSMENT	245,145	409,131	434,456	370,769
364	WATER DISTR/MAINT	1,272,678	1,318,206	1,529,387	1,486,143
366	STREET LIGHTING	1,358,374	2,094,231	1,914,566	1,885,416
	TOTAL PUBLIC WORKS	13,877,170	15,064,906	15,860,823	16,454,762
520	HEALTH SERVICES				
521	ANIMAL CONTROL	173,070	203,444	239,983	228,820
570	YOUTH COMMISSION	37,497	56,072	74,470	66,813
522	SEALER OF WEIGHTS & MEASURES	61,804	65,086	71,569	54,896
540	COUNCIL ON AGING	-	-	-	5,435
560	VETERANS' SERVICES	369,757	386,285	406,711	464,485
	TOTAL HUMAN SERVICES	655,762	726,087	812,038	839,699
610	LIBRARY ADMINISTRATION				
620	LIBRARY PUBLIC SERVICES	308,940	323,835	340,977	346,460
630	LIBRARY TECHNICAL SERVICES	849,283	920,602	946,757	958,402
650	RECREATION ADMINISTRATION	197,788	218,433	218,661	217,892
660	RECREATION PROGRAMS	110,438	119,480	139,473	129,322
	TOTAL CULTURE & RECREATION	1,905,273	2,045,081	2,096,221	2,124,218
700	MATURING DEBT				
710	INTEREST ON MATURING DEBT	1,348,200	1,832,000	1,855,556	2,658,170
	TOTAL DEBT & INTEREST	2,474,608	2,789,985	2,816,675	4,276,868
797	TRANSFER TO OTHER FUNDS				
798	CAPITAL PROJECTS	-	1,467,473	-	-
	TOTAL CAPITAL BUDGET	2,582,855	3,849,521	2,361,353	2,293,924
	TOTAL OPERATING BUDGET	61,688,995	68,971,798	68,915,850	72,742,821
799	ABATEMENTS & EXEMPTIONS				
	TOTAL OVERLAY	-	693,001	878,440	725,000
	TOTAL TOWN OPERATING BUDGET	61,688,995	69,664,799	69,794,290	73,467,821
800	CHERRY SHEET CHARGES				
	TOTAL STATE CHARGES	1,490,904	1,471,794	1,457,551	1,488,562
	GRAND TOTALS	63,179,899	71,136,593	71,251,841	74,956,383

**Town of Belmont Projected Revenues
FY 2004 Recommended Budget**

DESCRIPTION	ACTUAL FY2001	ACTUAL FY 2002	BUDGET FY2003	FINAL ESTIMATE FY 2004
REAL & PERSONAL PROPERTY TAXES	38,727,335	42,509,695	42,740,977	46,863,964
ALLOWABLE 2 1/2% INCREASE	-		1,068,524	1,171,599
NEW GROWTH	-		654,463	650,000
TAX OVERRIDE	-		2,400,000	-
CAPACITY NOT USED			(466,000)	
DEBT EXCLUSION	-		778,734	2,300,660
MOTOR VEHICLE EXCISE	2,560,343	2,576,511	2,575,000	2,675,000
ADDED INT & COSTS	163,501	237,390	165,000	165,000
PAYMENT IN LIEU OF TAXES	509,297	1,078,435	1,078,400	1,178,400
TOTAL TAXES & COSTS	41,960,476	46,402,031	50,995,098	55,004,623
SEWER USER RECEIPTS (R)	4,294,262	5,016,989	4,963,349	5,820,565
WATER RECEIPTS (R)	3,219,310	3,921,615	3,878,409	3,742,328
CHAPTER 90 (R)			136,096	134,382
TOTAL RESTRICTED	7,513,572	8,938,604	8,977,854	9,697,275
TOTAL FEES	146,835	155,914	150,500	132,000
TOTAL FINES	264,298	318,844	302,000	300,000
TOTAL DEPARTMENTAL	1,152,842	1,216,711	1,140,850	1,313,000
TOTAL LICENSES & PERMITS	285,399	388,904	386,300	400,000
TOTAL INTEREST	465,159	274,088	400,000	250,000
TOTAL LOCAL RECEIPTS	51,788,581	57,695,095	62,352,602	67,096,898

Budgets and Reports of the Warrant and Capital Budget Committees

DESCRIPTION	ACTUAL FY2001	ACTUAL FY 2002	BUDGET FY2003	FINAL ESTIMATE FY 2004
OTHER AVAILABLE FUNDS	948,813			
RECEIPTS RESERVED APPROP	-	85,000	75,000	55,000
NESWEC RESERVES				75,000
FUND BAL ABATE & EXEMP	555,000	430,000	450,000	525,000
UNRESERVED FUND BALANCE-OPER.	1,281,548	70,000	56,000	183,081
UNRESERVED FUND BALANCE-CAPITAL	-	1,767,100		
CAPITAL ENDOWMENT FUND	-	382,900	100,000	50,000
STABILIZATION FUND-CAPITAL PROJECTS	-	1,200,000	-	32,900
TRANS. FROM LIGHT DEPT-DEBT SERVICE	325,152	274,900	266,450	257,950
TRANS FROM WATER FOR OPER COSTS		100,000	100,000	100,000
TRANSFER - KENDALL SCHOOL	763,128	523,624	242,900	10,000
TRANSFER - SPECIAL REVENUE	1,021,615	-	-	-
TOTAL TRANSFERS	4,895,256	4,833,524	1,290,350	1,288,931
TOTAL LOCAL REC/OTHER FIN.	56,683,836	62,528,619	63,642,952	68,385,829
TOTAL STATE AID	7,823,106	7,867,778	7,721,338	6,570,554
TOTAL REVENUES	64,506,942	70,396,397	71,364,290	74,956,383

**TOWN OF BELMONT
CAPITAL BUDGET COMMITTEE REPORT
JUNE 2003**

During Fiscal 2003 a process continued among the Capital Budget Committee, the Board of Selectmen, the Warrant Committee, the Permanent Building Committee and other interested boards and officials in the 'mega-group' format to prepare a strategic plan for phasing and funding the Town's large capital project backlog. As a result of the recently-completed facility audit of a number of non-school municipal buildings, the list of discrete projects with which the mega-group is working was expanded to twelve (alphabetical order):

- Belmont Center parking solution
- Fire station consolidation
- High School renovation
- Highway Department complex
- Main Library
- Police Station
- Senior Center
- Underwood Pool
- Vigliolo Skating Rink
- Water Department building
- Wellington School
- White Field House

During the Summer of 2002, a Selectmen-appointed Cluster Planning Task Force developed a proposal to combine several of those projects – a new Senior Center, a new Library, a replacement White Field House, and renovations to certain of the high school athletic fields and Vigliolo Skating Rink, along with improved parking and traffic control – in a "civic center" along Concord Avenue. The proposal failed to win the Selectmen's support, and the work of the mega-group has resumed.

As part of that work, the mega-group is also reviewing future plans and funding mechanisms for three major ongoing projects:

- Pavement management
- Sewer and storm drain replacement
- Water main replacement

Meanwhile, the Capital Budget Committee conducted its annual process of reviewing capital requests for funding. Town departments and committees submitted a total of \$6,504,953 in Fiscal 2004 capital requests for our consideration, excluding amounts to be requested pursuant to Annual Town Meeting Articles 13, 14 and 15. The Capital Budget Committee recommends a Fiscal 2004 appropriation of \$4,566,309 pertaining to these requests.

Pursuant to Article 3 of the April 30, 2003 Special Town Meeting, the Capital Budget Committee recommended and Town Meeting has already appropriated a total of \$242,900 in Fiscal 2004 capital expenditures, as follows:

Sources of Funds

Kendall Insurance Proceeds	\$242,900
Subtotal, STM Article 3	\$242,900

Uses of Funds

Public Safety:

Emergency relocation of Waverley Fire Station	\$216,900
Relocate BEMA operating center to Chenery School	26,000

Subtotal, STM Article 3	\$242,900
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Pursuant to Articles 8 and 11 of the Annual Town Meeting Warrant, the Capital Budget Committee recommends that Town Meeting appropriate \$2,353,306 in Fiscal 2004 capital expenditures, as follows:

Sources of Funds

General Tax (Article 11)	\$2,208,924
Chapter 90 Receipts (Article 8)	134,382
Subtotal	\$2,343,306

Uses of Funds

Public Safety:

Replace police mobile data terminals	\$26,000
Replace fire shift commander's vehicle	40,000

Education:

Replace remaining High School exhaust fans	\$25,000
Continue elementary school window repairs	50,000
School technology hardware ¹	93,000
Replace maintenance truck and add plow	35,000
Retube three High School boilers	50,000

Town Technology:

Upgrade Town/School fiber optic network infrastructure	\$50,000
Town Department technology hardware ²	41,000

¹ High School library security, printers & LCD projector; Middle School LCD projector; Butler and Winn Brook half computer labs; Burbank and Wellington computer replacement.

² Laser inkjet computer for Town Treasurer and Town Accountant; computer and miscellaneous hardware replacement; five hand-held parking violation devices.

Community Development:	
Pavement & sidewalk management	\$1,330,306
Highway:	
Replace two pick-up trucks	\$56,000
Building & Facilities:	
Continue roof replacement & repair program ¹	\$300,000
Emergency fire station repairs ²	40,000
Feasibility study of new Highway Department Complex	50,000
Replace pick-up truck and plow	32,000
Continue facility & life safety repair program	75,000
Analysis and recommendation - Main Library steps	15,000
Recreation:	
Replace SPORT program van	25,000
Main Library:	
Replace nine LAN-based PC workstations	<u>\$10,000</u>
Subtotal	\$2,343,306

Source of Funds

Kendall Insurance Proceeds	\$10,000
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Uses of Funds

Kendall site fieldwork	\$10,000
Subtotal, Articles 8 & 11	\$2,353,306

Pursuant to Article 4 of the Annual Town Meeting Warrant, the Capital Budget Committee recommends that Town Meeting appropriate a further \$1,970,103 in Fiscal 2004 capital expenditures, as follows:

Source of Funds

Water Receipts	\$832,403
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Uses of Funds

Water Department Expenditures:	
Water main replacement program	\$657,403

¹ Anticipate replacing sections of roofs at Winn Brook School and Memorial Library and undertaking roof repairs at Wellington School gymnasium, White Field House and three fire stations.

² Belmont Center: inoperable windows, watch desk enclosure, plaster damage, fire pole encasement; Harvard Lawn: window & door replacement. Waverley: Mothball building and install alarm.

Water meter replacement program	100,000
Replace compressor truck with cab & chassis	45,000
Replace pick-up truck and plow	30,000
Subtotal	\$832,403

Source of Funds

Sewer Receipts	\$1,062,700
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Uses of Funds

Sewer Expenditures:	
Sanitary sewer project	\$1,000,000
Replace dump truck	62,700
Subtotal	\$1,062,700

Source of Funds

NESWC Reserves	\$75,000
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Use of Funds

Environmental analysis of Transfer Station site	\$75,000
Subtotal, Article 4	\$1,970,103

Total Sources and Uses of Funds **\$4,566,309**

Potential recommendations for further FY04 capital appropriations pursuant to Annual Town Meeting Articles 13, 14 and 15 will be developed prior to June 16, 2003.

Respectfully submitted,

Joseph P. Barrell
Frank E. French, Jr.
Scott D. Stratford

M. Patricia Brusch
Anne Marie S. Mahoney

Mark F. Clark
Michael J. Speidel, Chair