

Capital Budget Committee Meeting Minutes

September 08, 2023

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Capital Budget Committee Members	Present: Michael Marcucci, Kristine Trierweiler, Andrew Foster, Michael LaFrancesca, Megan Sullivan, Robert Aigler, Brent Nelson	
Guests	Frank Gervasio, Ashley McCullen, Christine McCue Potts	
Meeting Location	Held remotely on Zoom	
Meeting Times	Meeting convened: 8:30 AM	Meeting adjourned: 8:45 am
Meeting Minutes	<ul style="list-style-type: none">Following an initial motion by M. Marcucci nominating M. Sullivan as the chair of the committee for the upcoming year, M. Sullivan declined and nominated M. Marcucci to serve as chair. Following a second by R. Aigler, the committee unanimously approved the motion with a roll call vote.The members of the committee and guests introduced themselvesF. Gervasio provided an overview of the planned FY25 budget development process<ul style="list-style-type: none">Following discussions with the Warrant Committee during the end of the FY24 budget process, the schedule for the FY25 budget development process will be altered to prevent a less hectic process leading up to Town Meeting.The Capital Budget Committee will continue with its goal of presenting a recommended capital improvement plan by November 15.Unlike in prior years, the Warrant Committee will review the proposed capital plan in November as well, as opposed to waiting until calendar year 2024.The Warrant Committee has the goal of presenting a balanced operating budget in January or February, which has led to budget development timeline changes.F. Gervasio provided an overview of the projected balances available for appropriation from the Capital Stabilization and Municipal Building Stabilization Fund.<ul style="list-style-type: none">Following an \$850,000 appropriation of free cash into the Capital Stabilization Fund, \$796,000 appropriated out of the fund for capital projects, and \$350,000 of American Rescue Plan Act (ARPA) funds available to reimburse the fund for FY24 capital expenditures, a balance of approximately \$1.3 million is available for FY25 capital investments.This balance does not include any potential free cash appropriation into the fund to be included in the FY25 budget. It is still too early in the budget process to estimate what, if any, this appropriation would be.Total departmental requests for Capital Stabilization Fund funding in FY25 totals \$1.148 million.Following a question about the projected balances from M. Sullivan, and R. Aigler, F. Gervasio agreed to circulate a spreadsheet to the committee that would breakdown how the Fund's projected balances were calculated. While the Capital Stabilization Fund is the largest source of capital project funding, it was discussed that other funding sources, such as departmental revolving funds like that of the Parks and Recreation Department, may also be used.M. Sullivan inquired how common it was for the Capital Stabilization Fund to receive an appropriation of free cash at Town Meeting. F. Gervasio stated that he believed the fund was only four years old and that each year free cash had been appropriated into it. He mentioned that in FY24, the free cash	

appropriation into the fund was \$850,000, the FY23 appropriation into the fund was \$2 million, and the FY22 appropriation was \$751,000.

- M. Marcucci clarified that under the Town's financial policies, the Capital Stabilization Fund is prioritized when appropriating free cash balances.
- K. Trierweiler confirmed that more information would be available once free cash has been certified in December or January. Other potential impacts include the Warrant Committee's potential goal of establishing a tax mitigation fund to offset the costs of a new elementary school.
- K. Trierweiler also mentioned that the Town is now at a point where the level of emergency capital requests has reduced compared to prior years, and may be in a position to not necessarily fund every departmental request, which would impact the fund's projected balances as well.
- M. Sullivan asked the committee members if it was reasonable to spend the entire fund balance in FY 2025.
- K. Trierweiler stated that it is important for the committee to weigh projected requests listed for FY 2026 through FY2029, anticipate funding needs in future years, and utilize the fund accordingly. She noted that there is currently no dedicated funding source for the Capital Stabilization Fund as there is for the Municipal Building Stabilization Fund, but establishing one has been discussed in the past. This will likely need to be a necessary discussion moving forward.
- F. Gervasio then discussed the projected balance available for appropriation in the Municipal Building Stabilization Fund.
- M. Sullivan inquired where the balance of a project that had been appropriated for but not completed was represented in the projections. F. Gervasio responded that if a project had approved (e.g., \$50,000 for HVAC improvements at Town Hall), it is no longer reflected in the projection.
- M. Marcucci clarified that the appropriation is reflected in the projected as a subtraction from the fund, and that the projected balances are reduced by already approved projects.
- It was confirmed
- F. Gervasio mentioned that an updated five-year project plan for the Municipal Building Stabilization Fund was still underway, but last year's plan included \$1.131 million in projects for FY 2025. Given the estimated balance OF \$658,998 that will available at the end of FY2024, and the annual override deposit of \$1,159,693, it is anticipated that \$1,817,692 will be available for FY 2025.

- F. Gervasio then reviewed a suggestion by the Government Finance Officers Association that the Town utilize specific criteria when evaluating which capital projects to move forward with. Following a search of practices followed by other communities in Massachusetts and in other states, staff compiled a draft list of criteria that would organize projects into three tiers: "Tier 1 - must do", Tier 2 - should do", and "Tier 3 could do." While no formal action was asked of the committee, F. Gervasio mentioned that it would be a good idea for committee members to consider certain factors when deciding on which capital investments to make and discuss at a later date.
- F. Gervasio agreed to distribute the draft list to the committee members.
- M. Sullivan asked if department heads would classify projects with the three tiers. K. Trierweiler stated that this should be the role of the committee, and department heads will present their own priority list for funding.
- M. Sullivan asked M. Marcucci if the committee had recently tried to avoid the "could do" category of projects. M. Marcucci responded that the town had until recently had to focus

	<p>on “must do” projects, and that some “should do” projects eventually become “must do” projects. M. Marcucci also mentioned that non-tax revenues are preferred for “could do” projects.</p> <ul style="list-style-type: none"> • The committee then agreed that its regular meeting time would be each week on Friday mornings at 9:30am. F. Gervasio was to follow up with a recurring meeting invitation. • Committee members had no preference for the order in which departments were reviewed. • M. Marcucci mentioned that department heads should be prepared to discuss FY 2025 request as well as items added or removed for years FY 2026 through FY2029 so that a recommendation can be made to the Select Board on the five-year plan as well as capital expenditures to be made in the upcoming year’s budget. • M. Sullivan asked for F. Gervasio to provide list of FY 2025 requests broken out between fixed and discretionary costs, or those expenses the Town has committed to making each and those that it has not. • F. Gervasio stated that public safety departments would be attending the committees next meeting, and that materials for individual department requests would be distributed prior to each meeting. • M. Marcucci then made a motion to adjourn, which was seconded by R. Aigler. The motion was unanimously approved.
List of all documents and exhibits used	<ul style="list-style-type: none"> • Compiled list of departmental capital requests • Potential criteria list for capital project evaluation
Next Meeting	<ul style="list-style-type: none"> • September 15, 2023 at 9:30 am

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FY2025 to FY2029 Capital Improvement Plan										
Department	Project #	Project	Project Description	Funding Source	Total Project Cost	FY2025 Request	FY2026 Request	FY2027 Request	FY2028 Request	FY2029 Request
Land Use, Building Inspections, Public Works	TWN 1	OpenGov Software	Streamline departmental permitting processes onto one, online platform	Capital Stabilization Fund	80,000	80,000				
Information Technology	IT 5	School Information Technology	Upgrade school IT infrastructure and hardware	Capital Stabilization Fund	1,200,000	300,000	300,000	300,000	300,000	
Information Technology	IT 7	Town departmental computer and server upgrades	Upgrade IT equipment at Town buildings	Capital Stabilization Fund	60,000	30,000	30,000			