

TOWN OF NORTHBOROUGH MASSACHUSETTS



Annual Budget
For the Fiscal Year
Beginning July 1, 2021 and ending June 30, 2022

Board of Selectmen

Jason Perreault, Chair
Timothy Kaelin, Vice-Chair
Leslie Rutan, Clerk
Julianne Hirsh
Scott Rogers

A CITIZEN'S GUIDE TO THE BUDGET

Congratulations! If you are reading this it means you are interested in better understanding one of the most important documents produced by your community. The Annual Budget document is much more than just numbers; it is a reflection of our community's values, priorities and goals. The Budget document serves as a policy document, a financial guide and a communications device to its residents. To this end, it is designed to be as user-friendly as possible. This guide was created to help orient interested readers by providing a brief overview of the budget process, as well as an explanation of the organization of the budget document itself. We hope you find this introductory guide a useful tool as you better acquaint yourself with the latest financial and planning information for the Town of Northborough.

THE BUDGET PROCESS

The Town of Northborough operates under State statutes and the Home Rule Charter as amended to establish the Selectmen-Town Administrator form of government. The legislative body of Northborough is an Open Town Meeting comprised of all registered voters. Town Meeting has the sole authority to appropriate funds for the operating budget and capital projects except for specific instances where statutes or regulations do not require appropriation. Any amendments to appropriations require Town Meeting vote at either a regular or Special Town Meeting. The procedures for Town Meeting are specified in Chapter 1-80 of the Town of Northborough Code. Annual Town Meeting is always held on the fourth Monday in April.

While this document contains detailed departmental budgets, it should be noted that these details are provided for information purposes only. The final budget vote of Town Meeting constitutes the legal budget authority which ultimately governs the manner and amount of local funding expended during the fiscal year. This budget presents only the General Fund, which is required by state statute to be appropriated by Town Meeting.

Readers should also obtain a copy of the Annual Town Meeting Warrant book which contains the actual budget articles to be voted upon. Town Meeting Warrant Articles contain additional funding sources such as Revolving Funds used to offset specific departmental budgets. A more detailed explanation and overview of the Town's larger fund structure and basis of accounting can be found in Appendix B.

BUDGET CALENDAR

August/September

- Identify Goals & Strategic Needs

October

- Capital Budget Manual sent out to Departments

November

- Capital Requests Submitted & Reviewed by Financial Planning Committee
- Operating Budget Manual sent to Departments

December

- Town Administrator Reviews Requests and Develops Operating Budget
- Town Administrator & Financial Planning Committee Develop Capital Budget
- Financial Trends and Forecast Report Updated

January/February

- Proposed Capital Budget Presented to Appropriations Committee
- Preliminary Operating Budget Presented to Appropriations Committee

February/March

- Appropriations Committee Holds Public Budget Hearings with Departments
- Proposed Budget Presented to Board of Selectmen and Appropriations Committee

April

- Proposed Operating and Capital Budgets Presented to Annual Town Meeting

June/July

- June 30th Current Fiscal Year 2021 Ends
- July 1st Fiscal Year 2022 Begins
- State Budget typically passed with Final State Aid numbers (a/k/a "Cherry Sheets")

November

- Tax Classification Hearing & Final Tax Rate Set

A CITIZEN'S GUIDE TO THE BUDGET

Budget documents are traditionally difficult to read, especially if you are not familiar with the organization. One reason is that most of us do not work with written budgets everyday and thus are uncertain as to where we should focus our attention. For this reason the Town's budget has been consciously organized to provide a "big-picture" overview first, followed by progressively more detailed information. This document respects both your time and your need to understand complex financial issues at a level that allows you to actively participate in the discussion in a meaningful way. In order to address these issues, and to assist interested readers in making the budget understandable, we would like to suggest that it be read in the following order:

HOW TO READ THE BUDGET

First, Appendix D at the back of this document contains a **Glossary of Terms** that the reader may want to refer to when using this document.

Second, the **Town Administrator's Budget Message** contains the overall philosophy upon which the budget was developed as well as an explanation of any significant increases or decreases in the level of services being provided in the current fiscal year as well as what will be provided during the upcoming fiscal year. Immediately following the Budget Message is the Town's **Vision Statement** and a general **Community Profile**.

Third, the budget itself is contained in **Budget Highlights & Summaries Section 1**. This segment provides budget summaries which display revenue and expenditure histories as well as proposed appropriations for the coming fiscal year. This section identifies significant budget issues, and explains the Town Administrator's rationale for budget recommendations.

Fourth, since the budget document is designed to present summary information first, and progressively become more in-depth, Sections 2 through 5 are designed to provide **Departmental Detail** according to functional budget categories such as Public Safety, Community Services, etc.

Included in this detail are departmental mission statements, organizational charts, staffing histories, and goals for the upcoming fiscal year. These sections, explain in detail how the expenditures contained in the Budget Highlights section were arrived at and what services will be provided to Town residents.

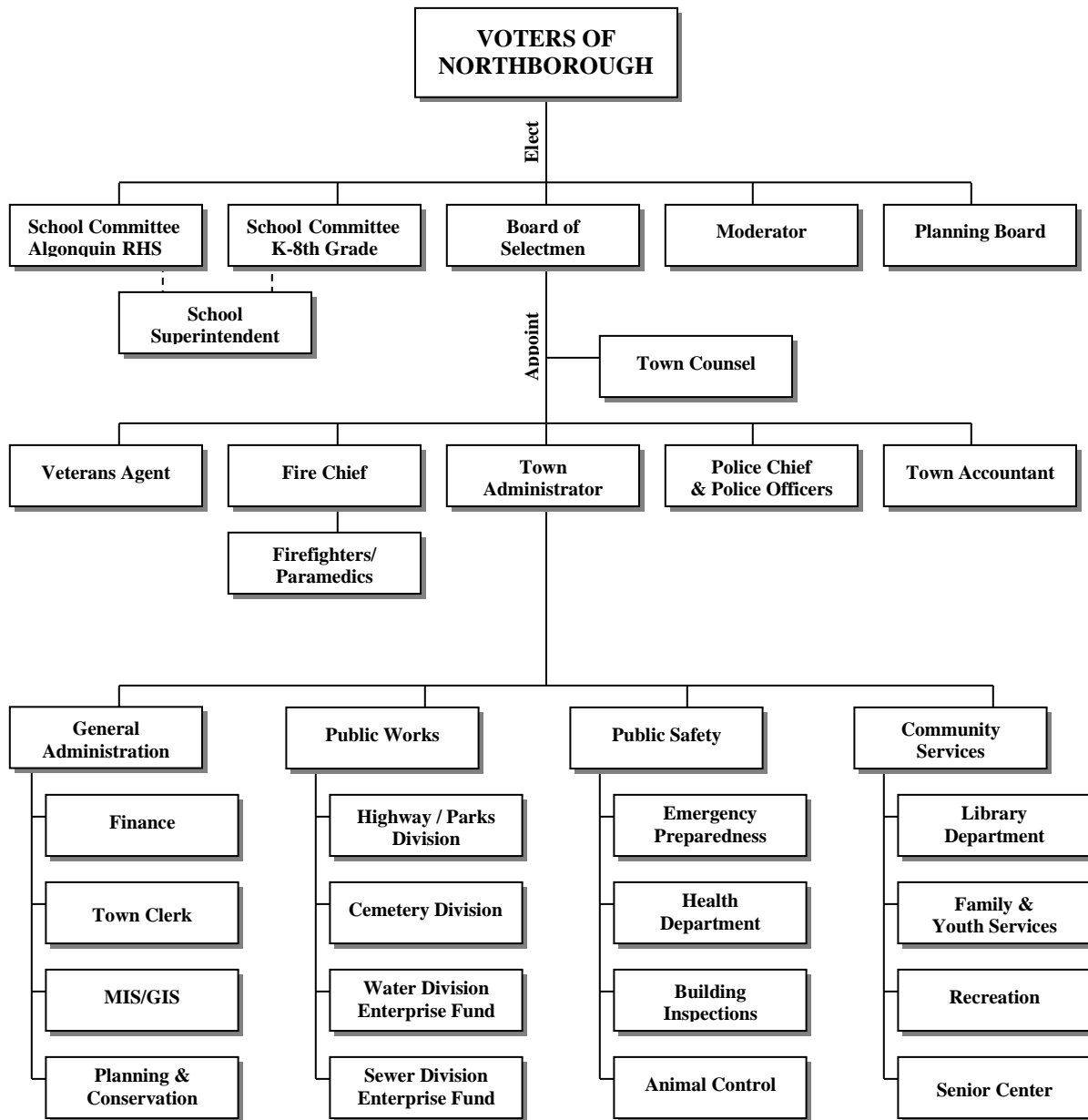
Fifth, Section 6 contains information on **Undistributed Expense Categories** such as Employee Benefits, Long-term Debt, Non-Appropriated Expenses and the FY2022 Warrant Articles.

Sixth, Section 7 contains the basic budgets for Schools. Please refer to the separately published **School Department** budget documents for more detail.

Seventh, Section 8 contains **Water, Sewer and Solid Waste Enterprise Fund budgets**.

Lastly, Section 9 details the FY2022 **Capital Projects Budget** and contains detailed information on the Town's Six-Year **Capital Improvement Program**. This is where the Town comprehensively plans for major projects that typically require funding with debt, such as new or renovated buildings and large equipment acquisitions. Contained within Section 9 is an additional reader's "introduction" guide that explains Northborough's Capital Planning process in a straight-forward manner.

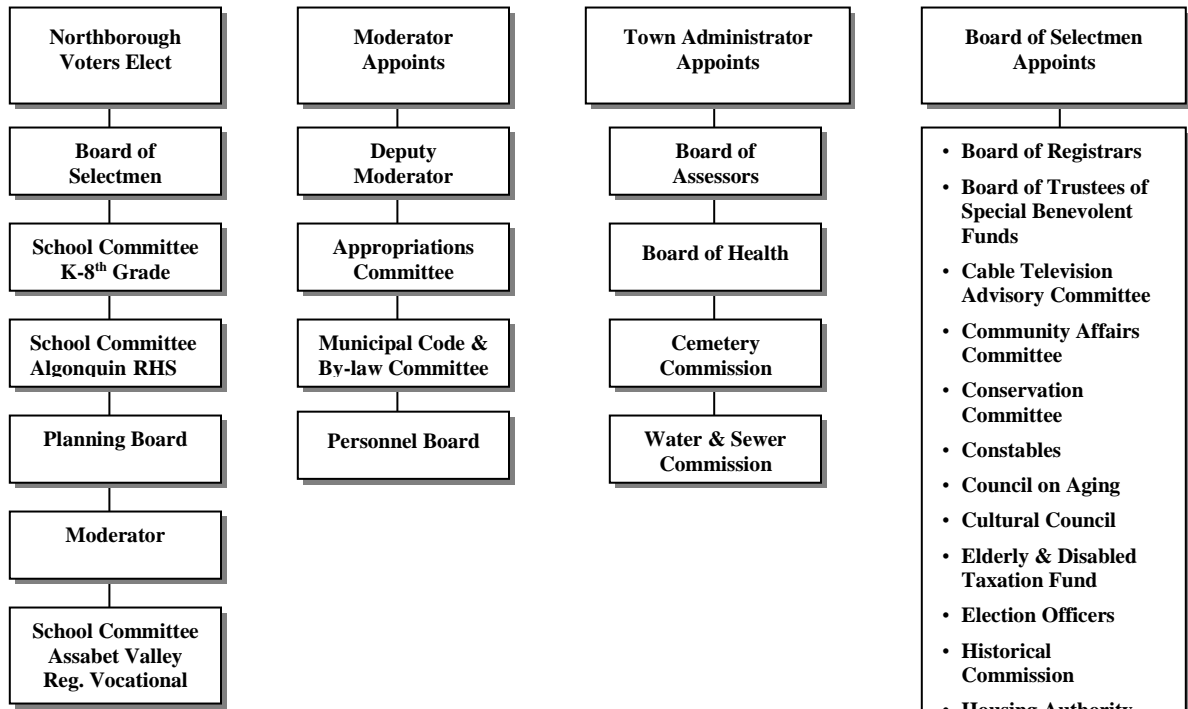
Town Organizational Chart



Personnel Appointing Authority

- Voters elect the Board of Selectmen, School Committees, Planning Board and Town Moderator.
- The Northborough K-8 School Committee and the Algonquin Regional High School Committee appoint the Superintendent.
- The Board of Selectmen appoint the Town Administrator, Fire Chief (Chief appoints firefighters/paramedics), Police Chief, Police Officers, Town Counsel, Town Accountant and Veterans Agent. The Selectmen also appoint the Library Board of Trustees, which operates under their general administrative direction to appoint the Library Director and staff.
- The Town Administrator appoints all other Town Personnel and is responsible for overall budgeting and financial coordination between departments. In accordance with the Board of Selectmen’s Department Reporting Policy 9-128-010, the day-to-day activities of the Police Chief, Fire Chief, Town Counsel, Town Accountant the Veterans Agent coordinate through the Town Administrator’s Office.

Boards and Committees



Boards & Committees with Multiple Appointing Authorities

- **Financial Planning Committee:** The Financial Planning Committee consists of six members, three appointed by the Moderator, one by the Planning Board, one by the School Committee, and one by the Appropriations Committee for three-year terms.
- **Earthwork Board:** The Earthwork Board consists of five members, one each appointed by the Moderator, the Board of Selectmen, the Conservation Commission, the Zoning Board of Appeals and the Planning Board for three-year terms.
- **Groundwater Advisory:** The Groundwater Advisory Committee consists of five members, one each appointed by the Planning Board, the Conservation Commission, the Board of Health, the Board of Selectmen and the Water & Sewer Commission for indefinite terms.
- **Community Preservation Committee (CPC):** The CPC consists of nine members, one each from the Open Space Committee, the Conservation Commission, the Planning Board, the Parks & Recreation Commission, the Historical Commission, the Housing Authority, and three members appointed by the Board of Selectmen for three-year terms.
- **Open Space Committee:** The Open Space Committee consists of seven members, one each from the Planning Board, Conservation Commission, Parks & Recreation Commission, Board of Selectmen, and three members and two alternates appointed by the Board of Selectmen for three-year terms. The Trails Committee is a subcommittee of the Open Space Committee.
- **Housing Partnership:** The Housing Partnership Committee consists of nine members, one each from the Board of Selectmen, Planning Board, Housing Authority, Council on Aging and five members appointed by the Board of Selectmen, one of which must be a realtor, for three-year terms.
- **LEPC:** The Northborough Local Emergency Planning Committee is a committee established through the Federal Emergency Planning and Right-To-Know Act (EPCRA) of 1986. Local, State, and Federal members work together to formulate emergency planning for hazardous materials within Northborough, exercise the plan annually, maintain training for hazardous materials emergencies, and provide information on hazardous materials to the public. Membership includes: State and Local Elected Officials, Hospitals, Firefighters, Environmental Groups, Law Enforcement Personnel, News Media, Civil Defense Officials, Community Groups, Public Health Officials, Transportation Resources, and Hazardous Materials Facilities.
- **Various Ad Hoc Committees:** In addition to the Boards and Committees listed here, at any time there may also exist several ad hoc committees formed by various bodies to study specific issues such as Building Committees, Staffing Committee, Solid Waste Advisory Committee, etc.

IN THE CENTER OF IT ALL

NORTHBOROUGH, MASSACHUSETTS

COMMUNITY PROFILE

Incorporated: 1776

Land Area: 18.72 Sq. Miles

Public Roads: 92.7 Miles

County: Worcester

2015 Population: 15,042

2016 Labor Force: 7,912

Form of Government:

Town Administrator

Five-member Board of Selectmen

Open Town Meeting

FY2021 Tax Rate per Thousand:
\$17.12

**2021 Average Single Family
Home Value:** \$461,432

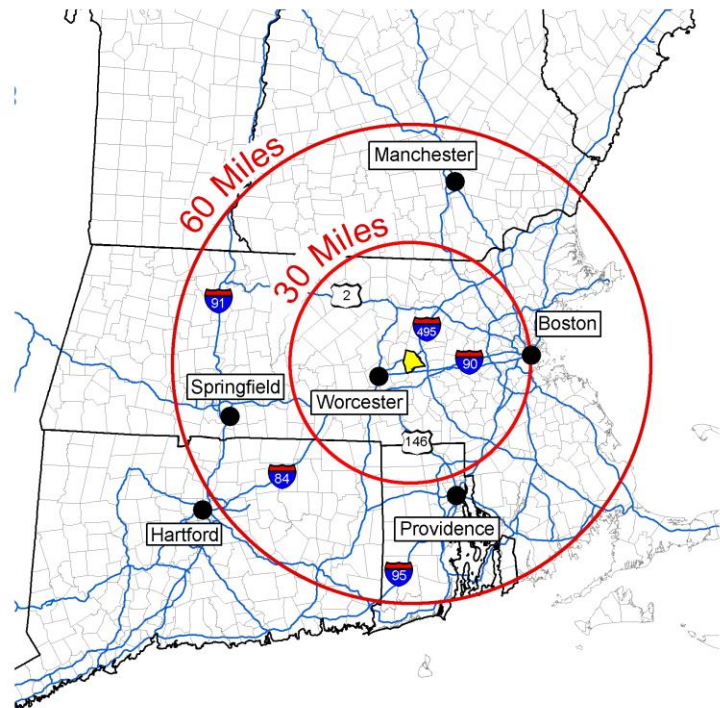
**2021 Average Single Family Tax
Bill:** \$7,900

**FY2021 Municipal Operating
Budget:** \$66,240,522

**To find out more about
Northborough's municipal
services, please visit:**

www.town.northborough.ma.us

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townadmin@town.northborough.ma.us



The Town of Northborough is a suburban community which offers classic New England charm while providing access to educational opportunities, a mix of retail establishments and restaurants, a variety of housing options, and a stable and prospering business environment. These attributes make Northborough an attractive community in which to live, shop and work. Because Northborough is centrally located and in close proximity to I-495, I-290 and the Mass Pike I-90, it is a desirable area for travelers heading to Boston, New Hampshire, Rhode Island and Connecticut.

Northborough provides a broad range of general government services including police and fire protection; water and sewer; public works; parks and recreation; a senior center; and a library.

Northborough's school system consists of the Northborough Public Schools, grades kindergarten through 8, and the Algonquin Regional High School, grades 9 – 12. Technical education at the high school level is provided through the Assabet Valley Regional Technical High School.

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TOWN OF NORTHBOROUGH

Town Offices
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 Northborough, MA 01532-1994
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MEMORANDUM

TO: Honorable Chairman and Members of the Board of Selectmen
 and the Appropriations Committee

FROM: Town Administrator

SUBJECT: FY2022 Proposed Budget

DATE: March 22, 2021

I hereby transmit this proposed annual budget for FY2022. The recommended FY2022 General Fund operating budget totals \$67,726,437 or 2.24% as compared to FY2021.

FY2022 Proposed Budget

EXPENDITURES	FY2021 Budget	FY2022 Proposed	Variance	% Change
General Government (Town)	\$22,913,699	\$23,639,610	\$725,911	3.17%
Schools				
Northborough K-8	\$25,177,844	\$25,799,678	\$621,834	2.47%
Algonquin Reg. HS 9-12	\$12,587,175	\$13,004,868	\$417,693	3.32%
Algonquin Debt Exclusion	\$632,229	\$647,846	\$15,617	2.47%
Assabet Valley	\$865,186	\$934,658	\$69,472	8.03%
Assabet Valley Debt	\$137,660	\$133,832	-\$3,828	-2.78%
Warrant Articles				
Reserve Fund	\$375,000	\$175,000	-\$200,000	-53.33%
Transfer to Stabilization	\$0	\$0	\$0	
Free Cash Capital Projects	\$712,775	\$805,000	\$92,225	12.94%
Transfer to OPEB Trust	\$0	\$0	\$0	
Colburn St. Debt Service	\$59,923	\$57,475	-\$2,448	-4.09%
Library Debt Service	\$354,248	\$343,567	-\$10,681	-3.01%
Senior Center Debt Service	\$380,145	\$371,445	-\$8,700	-2.29%
Lincoln Street Debt Service	\$1,051,475	\$1,026,775	-\$24,700	-2.35%
Fire Station Debt Service	\$17,098	\$52,750	\$35,652	100.00%
Other Funds	\$755,886	\$733,933	-\$21,953	-2.90%
Adjustments	\$220,180		-\$220,180	-100.00%
Subtotal General Fund	\$66,240,522	\$67,726,437	\$1,485,915	2.24%



As I write this transmittal letter it strikes me just how unprecedented this past year has been for our community on so many levels. FY2021 was dominated by the impacts of the COVID-19 pandemic, including a local declaration of emergency, the closure of all Town facilities, and implementation of the Town's Continuity of Operations Plan (COOP) designed to ensure that critical functions remain uninterrupted.

A COVID-19 Task Force was formed early in the pandemic to coordinate issues and responses, both internal and external to the organization. Policies and procedures were put in place to facilitate remote work and new hardware and software systems were deployed. Remote meeting platforms were put in place to allow boards and committees to meet and conduct Town business. A dedicated website was developed to provide continuous, real-time information to residents and businesses regarding the pandemic. An unprecedented level of outreach was undertaken to make sure all at-risk and vulnerable residents had the supplies and services they needed. Staff contacted all seniors in Town at least twice and partnered with the food pantry and other local community groups to ensure any food security issues were quickly addressed.

In conjunction with the School Department, a COVID testing program for all students and staff was put into place to monitor the safety of operations. To fund the response actions Administration and Finance oversaw the processing, tracking, and reporting of emergency grants and relief funds, including FEMA reimbursements and Coronavirus Relief Funds, to address the impacts of the COVID-19 pandemic. Throughout the entire period critical services were never interrupted, and all Town Departments remained accessible.

In January of 2021, staff began planning and organizing local COVID-19 vaccination clinics at the Senior Center. The first clinic took place on February 5, 2021 and resulted in the vaccination of local seniors and at-risk members of our community. While simultaneously planning for and running the local clinic in Northborough, the Town also partnered with seven area communities to spearhead a regional clinic, which was approved by the State and is likely to continue operations into the summer.

Financially, the last year has been unprecedented in terms of economic uncertainty as the State's economy was shut down and reopened in ever changing phases. Local businesses were impacted and local receipts such as restaurant taxes, motor vehicle excise taxes, hotel and meals taxes, and building permit fees plummeted. Despite the original FY2021 budget process being completed in March of 2020, the financial impacts of the pandemic caused the Town to revise all its revenue projections and significantly reduce both capital and operating budget plans. Working in collaboration with the School Department and the financial boards and committees, the Town was able to present a revised budget that was balanced, preserved core services, and anticipated the worst case scenarios for State Aid and local revenues due to the economic shutdown.

Under special State legislation, the 2020 Annual Town Meeting was delayed until July 18th and was ultimately held outdoors due to COVID-19 safety concerns while an emergency 1/12th budget process was used to start FY2021. Once final State Aid figures were approved in late fall, the Town was in the enviable position of being able to continue with its approved budget, which resulted in tax relief for all residents and businesses. Based upon the reduced budgets and level funded State Aid, the average



single-family home tax bill in FY2021 declined by \$65. The needed tax relief was made possible through years of planning, conservative budgeting practices and adherence to adopted comprehensive financial policies. The FY2021 revised budget enjoyed the unanimous support of all boards and committees and was overwhelmingly approved at the July 18, 2020 Annual Town Meeting.

Looking ahead to FY2022, the Town still faces many unknowns, and the proposed budget assumes vaccination efforts will continue to lead to a reopening of the economy and an overall improving economic picture. As presented, the FY2022 Proposed Budget does not draw from the Town's financial reserves and provides sufficient resources to maintain the current level of services.

In preparation for FY2022 the Financial Team updated the Town's Financial Trend Monitoring System (FTMS) Report and presented the results along with revised five-year financial forecasts at a joint meeting of the Board of Selectmen, Financial Planning Committee, Appropriations Committee and K-8 School Committee on January 14, 2021. The updated FTMS Report provided critical information about FY2022 budget assumptions during the ongoing pandemic, which allowed policy-making Boards and Committees to make informed decisions. The updated analysis included a close look at Local Receipts and State Aid projections, which were used to build consensus regarding sustainable FY2022 budget increases. These discussions took place in the context of the standing goals for the annual budget development process.

Standing Budget Development Goals:

1. To protect and improve the Town's overall Financial Condition, which is broadly defined as our ability to maintain existing service levels; withstand local and regional economic disruptions; and meet the demands of natural growth, decline, and change.
2. To develop a budget that is in conformance with the Town's comprehensive financial policies and does not rely on one-time gimmicks or unsustainable practices.
3. To maintain Northborough as an affordable place to live and operate a business
4. To protect the Town's long-run solvency beyond the immediate budget cycle by developing clear policies regarding issues such as debt, pension obligations, OPEB liabilities and capital investment.

As the FY2022 budget process unfolded, individual departmental goals and objectives were developed within these Town-wide umbrella goals to ensure that long-term perspectives that span beyond just the upcoming fiscal year are taken into consideration. In addition to these overriding goals and initiatives, each departmental budget contains more detailed goals and objectives for the FY2022 budget.



Recent Developments

During the preceding months, several significant budgetary items were finalized, including Health Insurance, Debt Service, State Aid estimates, revised Local Receipt projections, and the pending Federal Government Relief Aid. Collectively, these items represent the final pieces of the FY2022 budget.

- Health Insurance—The FY2022 health insurance budget request of \$6.12 million represents a modest increase of \$125,783, or 2.1% from the amount budgeted last year. Through collaborative negotiations with all its employee groups, the Town has successfully mitigated health insurance budget increases to sustainable levels for the past decade.

During FY2019 the Town was facing a 15.6% health insurance budget increase that would have necessitated significant service level reductions across all departments. To address the increase, the Town, working with the employee Insurance Advisory Committee (IAC), chose to bid out its health insurance seeking consolidation under a single carrier. Based upon the bid results and the recommendation of the IAC, Fallon Community Health Plan (Fallon) was awarded the contract. Unfortunately, after several years of favorable renewals the Town was informed that Fallon will be exiting the commercial market after FY2022, resulting in the need to go out to bid for FY2023 health insurance during the fall of 2021. Given its significant impact on Town finances, successful management of the annual health insurance budget will be a major factor in next year's budget cycle.

Health Insurance Budget Increases	
FY2010	0.72%
FY2011	2.99%
FY2012	4.49%
FY2013	3.34%
FY2014	2.00%
FY2015	1.00%
FY2016	3.00%
FY2017	3.00%
FY2018	8.33%
FY2019	3.80%
FY2020	2.00%
FY2021	2.60%
FY2022	2.10%
Average	3.03%

- Debt Service—The proposed FY2022 debt service budget provides for the payment of principal and interest costs for long- and short-term bonds issued by the Town for General Fund purposes. For FY2022, the total Debt Service for the General Fund is \$2.13 million, a decrease of \$71,806 or 3.26%.

One key factor in limiting new debt service is the Town's Free Cash policy whereby smaller capital items are purchased using available funds, such as Free Cash, instead of financing with debt. For a detailed explanation of the Town's Free Cash Policy and the ongoing practice of funding more pay-as-you-go capital projects, interested readers should refer to Section 9 of this budget document.

Of significant note is that in conjunction with the bond issuances for the Lincoln Street School project in 2015, Moody's Investors Service upgraded the Town's bond rating from Aa2 to Aa1, which is Northborough's highest rating ever. During the review Moody's cited the Town's manageable debt levels, strong reserves, below average pension liabilities and its ongoing funding of OPEB liabilities as positive factors. With regard to management they commented that "*the Town has a strong management team evidenced by a multi-year trend of conservative budgeting guided by formal fiscal policies.*" The independent assessment illustrates how our planning efforts and fiscal discipline produce very real and tangible results—lower rates on



bonds resulting in less tax dollars going to pay for interest.

During May of 2021 the Town will undergo an updated bond rating as part of its plans to refinance outstanding debt associated with the Senior Center and Library building projects, resulting in an estimated savings of \$615,000 over the remaining 8 years on the bonds. The Town is not only taking advantage of low market interest rates, but is also leveraging its higher credit rating for additional savings.

BOND RATING SYMBOLS

<u>Moody's</u> <u>Investor Service</u>	
	Aaa
➔	Aa1
	Aa2
	Aa3
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	A1
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➤ State Aid— The current budget model assumes State Aid will increase by 1.6% to \$5.52 million in accordance with the Governor’s FY2022 Budget, which was released on January 27th. Despite State revenue projections expected to grow by 3.5% next fiscal year, the Town does not anticipate receiving much of an increase given past experience and the State’s ongoing commitment to funding the Student Opportunities Act, which is designed to direct increased funding to disadvantaged school districts. Over the coming months the House and Senate will release their respective budget proposals and work out the differences through a joint committee. The Town generally does a little better in terms of aid from the Legislature, in part, because they will have more up-to-date revenue information. However, it is clear that we are unlikely to see any meaningful increase in FY2022. As discussed at the January 14th Financial Trend Monitoring Presentation, because State Aid continues to lag behind our general budget increases, it has become an ever-smaller percentage of our overall budget. State Aid declined from a high of 13.1% of revenues in FY2003 to just 8% in FY2022. Historically, the Town does not receive its final State Aid figures until well after Town Meeting. Based upon the information coming out of the Legislature, the Governor’s 1.6% estimate appears to be a reasonable assumption.

➤ Local Receipts—The third largest source of revenue for the General Fund budget is Local Receipts, which include a variety of economically driven fees, permits, fines and license-related monies that the Town receives, as well as interest that is earned on investments or overdue tax bills. This category also includes excise taxes, which include Motor Vehicle Excise (MVE) and Hotel Rooms and Meals taxes. The total budgeted Local Receipts for FY2022 is \$4.2 million which represents an 8.7% increase over FY2021. The single largest source of revenue within the Local Receipts category is the \$2.38 million budgeted for MVE taxes, which is a State tax collected by the municipality for its own use. The FY2021 Local Receipts estimate was lowered dramatically (14%) from FY2020 due to the pandemic shut down; however, as the phased reopening of the economy progresses, actual revenue collections continue to improve. The FY2022 forecast for Local Receipts is predicated on the continued success of vaccination efforts and corresponding economic recovery.

➤ Federal Relief Funds—The last major outstanding budget factor is the Town’s share of potential federal relief aid coming from the American Rescue Plan Act. On March 11, 2021, President Joe Biden signed the American Rescue Plan Act (ARPA), which



contains \$1.9 trillion in overall national spending to support relief and economic recovery efforts. According to preliminary estimates by the Massachusetts Municipal Association, Northborough could receive up to \$4.42 million in ARPA relief funds. However, at the time of this writing the U.S. Treasury Department has yet to issue detailed guidance on how these funds can be used. Depending on the final guidance there is the possibility that usage of ARPA funds may impact the FY2022 budget. However, the FY2022 budget as proposed is balanced, so any additional relief funds will only have the impact of enhancing services and/or reducing tax impacts.

Assuming the ongoing vaccination plans and resulting economic recovery continues, we do not anticipate any other significant financial information coming forward prior to Town Meeting.

Budget in Brief

Similar to prior budgets, the FY2022 Proposed Budget relies on projections regarding available revenue, thereby accepting the limits of the Town's financial resources. The budget is based upon an established ceiling of revenue derived from local property taxes in accordance with Proposition 2½. Added to these revenues are State Aid, Local Receipts such as fees, permits, interest earned and Available Funds such as Free Cash and Special Revenues.

At this point in time, based upon our latest projections, the overall General Fund budget increase is 2.24% with the proposed budgets for the key departments estimated to increase as follows:

- General Government (Town) increases \$725,911 or 3.17% to \$23,639,610
- Northborough K-8 Schools increase \$621,834 or 2.47% to \$25,799,678
- Algonquin Regional High School (ARHS) combined operating and debt assessments increase by \$433,310 or 3.28% to \$13,652,714
- Assabet Valley Vocational High School combined operating and debt assessments increase by \$65,644, or 6.55% to \$1,068,490

- **General Government Budget**

The total FY2022 General Government Budget (non-school) is \$23,639,610, which is an increase of \$725,911 or 3.17%. The balance of the document that follows this Budget Message provides detail regarding each departmental budget. All FY2022 Collective Bargaining Agreements are settled for a 2% cost-of-living increase, effective July 1, 2021. Other significant budget changes include the addition of a new full-time Facilities Manager in the Public Buildings budget, inclusion of the Recreation Department's two full-time positions in the General Fund pending recovery of revolving fund program fees, and partial restoration of various budget cuts made during FY2021. Also new in FY2022 is \$38,500 for tuition and transportation for a student attending Norfolk Agricultural High School. More details on these expenses can be found on the respective departmental budget pages that follow.



- **Northborough K-8 Schools**

The Northborough K-8 Public School System serves children in grades Kindergarten through 8. There are four elementary schools: the Fannie E. Proctor School, the Lincoln Street School, the Marion E. Zeh School, and the Marguerite E. Peaslee School. These four schools serve children from Kindergarten through grade 5. There is also one middle school, the Robert E. Melican Middle School, which serves grades 6, 7 and 8. As of October 1, 2020, a total of 1,526 students attend the Northborough schools, with 1,007 students in grades K-5 at the four elementary schools and 519 students in grades 6-8 at the Middle School.

The FY2022 Budget for Northborough K-8 Schools is proposed at \$25,799,678, which is an increase of \$621,834 or 2.47%. The budget includes a reduction of 0.47 full-time equivalent positions following a reallocation of staff.

- **Algonquin Regional High School (ARHS)**

The Northborough-Southborough Regional High School budget is composed of an operating assessment and a debt payment related to the completed renovation/addition project. The FY2022 operating assessment is \$13,004,868 which is a \$417,693 increase, or 3.32%. This increase is primarily due to more students attending the high school from Northborough but is offset by the school administration's use \$500,000 in Excess & Deficiency funds (free cash) to limit assessment increases. The debt for ARHS increases by \$15,617, or 2.47%, to \$647,846. Additionally, the debt exclusion will be reduced by \$220,000 which is the amount of the estimated FY2022 settlement payment from the Town of Southborough as a result of the declaratory judgement for the renovation/addition project. The net effect of the combined operating assessment and new debt service is an overall budget increase of \$433,310, or 3.28% to \$13,652,714.

- **Assabet Valley Regional Technical High School**

Assabet Valley Regional Technical High School is a vocational school composed of the member communities of Berlin, Hudson, Marlborough, Maynard, Northborough, Southborough and Westborough. Northborough's assessment is based upon the number of students from Town attending the school. The total FY2022 budget is \$23,104,000 which is an increase of \$667,000, or 2.97%.

As of October 1, 2020, 59 Northborough students attend Assabet Valley, resulting in an operating assessment of \$934,658. This is an enrollment increase of 6 students from the 53 Northborough students that attended Assabet Valley last year. Northborough's FY2022 share of the debt assessment from the completed building renovation project is \$133,832, which will continue to decline in subsequent years. The net effect of the combined operating assessment and new debt service is \$1,068,490 which is an increase of \$65,644, or 6.55%.

- **Special Warrant Articles**

In addition to the individual departmental appropriations, the Town's overall annual financial plan includes warrant articles which draw upon the funds available to the Town. A detailed description of the proposed warrant articles, including their funding sources, is provided in Section 6-21 through 6-24 of this budget document. Further



detail regarding the capital project warrant articles is contained in Section 9, the Town's Annual Capital Budget and FY2022-2027 Capital Improvement Program.

Overall, the Fiscal Year 2022 total operating budget for all funds, including enterprise funds, is \$73,980,716 or a 2.73% increase over FY2021; however, the increase includes one-time pay-as-you-go capital expenditures and increases to the Water & Sewer Enterprise Funds. An in-depth review of revenues and expenditures is provided in the Budget Summaries Section 1 that follows this Budget Message.

Financial Condition and Outlook

During FY2022 the Town updated its Financial Trend Monitoring System (FTMS) analysis designed to assess the Town's Financial Condition. The FTMS, as adapted from the system developed by the International City/County Management Association (ICMA), "identifies the factors that affect financial condition and arranges them in a rational order so that they can be more easily analyzed and measured." It is a management tool that pulls together the pertinent information from the Town's budgetary and financial reports, mixes it with the appropriate economic and demographic data, and creates a series of Town-specific financial indicators that, when plotted over a period of time, can be used to monitor changes in the Town's financial condition. The financial indicators include such areas as revenue and expenditure trends, financial reserves, unfunded liabilities, changes in the tax base, one-time revenue dependencies, debt, capital investments, and external revenue dependencies. The updated FTMS Report is included in its entirety as Appendix C of this budget document.

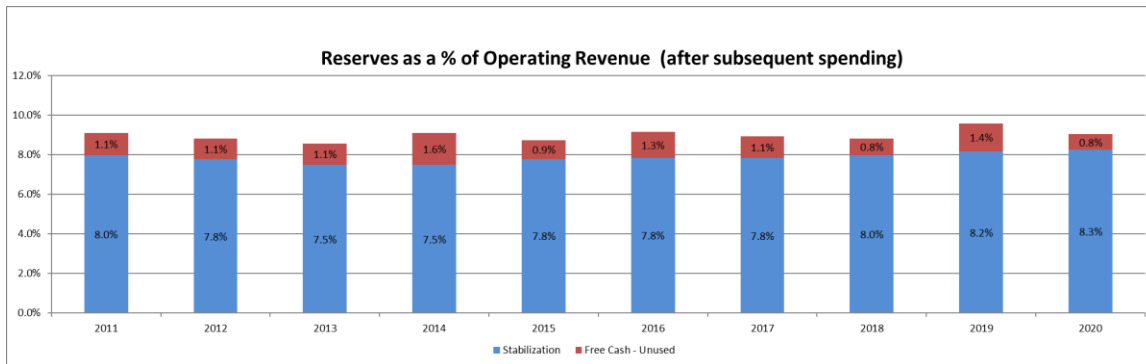
Financial Trend Monitoring System Indicator Summary

	Financial Indicator	FY2021
1	Property Tax Revenues	Favorable
2	Uncollected Property Taxes	Favorable
3	Revenues & Expenditures per Capita	Favorable
4	State Aid (Intergovernmental Revenues)	Unfavorable
5	Economic Growth Revenues	Unfavorable / Uncertain
6	Use of One-Time Revenues	Favorable
7	Personnel Costs	Stable
8	Employee Benefits	Stable / Uncertain
9	Pension Liability	Unfavorable
10	Other Post Employment (OPEB) Liability	Unfavorable / Improving
11	Debt Service Expenditures	Favorable
12	Financial Reserves/Fund Balance	Favorable
13	Capital Investment—Overall fixed asset values	Favorable
14	Capital Investment—Pavement Management	Improving



The conclusion of the FTMS analysis is that Northborough is in relatively good financial condition. The growth in revenue from property taxes, which has kept pace with inflation, as well as excellent tax collections are financial strengths for the Town. While expenditures per capita have risen indicating an increase in service needs, the Town’s revenues per capita have increased proportionally as well. The Town’s financial reserves are strong at 8% and use of the \$5.06 million Stabilization (rainy day) Fund was not necessary during the pandemic. The Town’s debt level is manageable at 3.1% of the operating budget (4.3% including overlapping debt for ARHS and Assabet) and its bond rating was upgraded to Aa1 in 2015.

Reliance on one-time revenues in the operating budget is proposed to go back down to the policy target of \$500,000, or approximately 1% after FY2021 used \$878,000 to provide a hedge against any unknown pandemic expenses. Capital investments were strong leading up to the pandemic which allowed for temporary project postponements in FY2021, but the Capital Improvement Plan (CIP) is back on track for FY2022.



Based on the FTMS analysis, it is apparent that long-run solvency surrounding unfunded pension liability and Other Post-Employment Benefits (OPEB) obligations are potential concerns for the Town. Due to the economic impacts of the COVID-19 pandemic, the Town postponed contributions to the OPEB Trust Fund in FY2021 and FY2022. Future OPEB funding plans will need to be revised based upon the delayed contributions. It is assumed subsequent budgets will return to including at least \$500,000 in OPEB Trust Fund contributions annually.

Uncertainties surrounding the economic recovery, level of State Aid, Local Receipts and future increases in health insurance premiums remain significant areas of potential exposure to be watched during future budget cycles.

For a more detailed explanation regarding the individual fiscal indicators and FTMS, interested readers are encouraged to review the introductory section to Appendix C of this budget document.



Personnel Summary

Overall, personnel wages and benefits represent approximately 75% of the Town's operating budget and remain relatively stable. As vacancies occur, every effort is made to re-examine positions with a view toward restructuring, reducing or eliminating the position, where possible. The table below provides a five-year history of Full-time Equivalent (FTE)¹ positions by department, including any proposed changes for FY2022.

In total, Town Government staffing is up 0.85 FTEs from FY2021. The change includes some minor adjustments to part-time positions in various departments and the addition of a full-time facilities manager position to oversee the Town's public buildings. The full-time position, which was cut from the FY2021 Budget, will be responsible for overseeing maintenance and repairs of all town-owned buildings under control of the Town Administrator.

TOWN OF NORTHBOROUGH PERSONNEL SUMMARY FY2018–FY2022

Town Government	FY 2018 FTE	FY 2019 FTE	FY2020 FTE	FY2021 FTE	FY2022 FTE	FY2021-22 Change
Executive Office	4.00	4.00	4.00	4.00	4.00	0.00
Public Buildings	0.50	0.50	0.50	0.50	1.50	1.00
Financial Offices	9.50	9.50	9.50	9.10	9.10	0.00
MIS/GIS	2.00	2.00	2.00	2.00	2.00	0.00
Town Clerk's Office	2.00	2.00	2.00	2.00	2.00	0.00
Planning & Conservation	2.93	3.45	3.45	3.45	3.48	0.03
Police Department	29.50	30.50	30.50	30.50	30.50	0.00
Fire Department	23.35	23.35	23.18	23.18	22.85	-0.33
Building Department	2.80	2.80	2.80	2.80	2.80	0.00
Health Department	2.20	2.20	2.20	2.20	2.20	0.00
Dog Officer	contract	contract	contract	contract	contract	0.00
Dept. of Public Works	20.48	20.48	20.48	19.00	19.00	0.00
Senior Center/COA	3.00	3.00	3.00	3.00	3.00	0.00
Library	10.48	10.48	10.48	10.48	10.48	0.00
Recreation	2.00	2.00	2.00	2.00	2.00	0.00
Family & Youth Services	1.96	1.96	1.96	1.96	1.96	0.00
Cable Access TV	2.38	2.38	2.38	2.38	2.53	0.15
Veterans' Services	district	district	district	district	district	0.00
Town Subtotal	119.08	120.60	120.43	118.55	119.40	0.85
School Department (K-8)						
K-5 Teachers	52.50	52.00	52.00	59.00	53.00	-6.00
Grade 6-8 Teachers	33.00	31.00	29.00	28.00	28.00	0.00
Specialists	42.30	42.90	41.90	41.52	41.90	0.38
Special Education Staff	46.60	46.10	46.30	50.95	49.30	-1.65
Administration	6.00	6.00	6.00	6.00	6.00	0.00
Support Staff	95.00	93.30	94.30	89.90	96.70	6.80
K-8 Schools Subtotal	275.40	271.30	269.50	275.37	274.90	-0.47
Total Town & K-8 FTEs	394.48	391.90	389.93	393.92	394.30	0.38

¹ Full Time Equivalents are based upon 40 hours per week (i.e., 30hrs/40hrs = .75 FTE).



Facilities management, maintenance and long-term planning are areas that have long been identified as a priority need. In 2013, the Board of Selectmen's ad hoc Staffing Committee heard requests from multiple departments, including the Library, Senior Center and Town Administration for a Facilities Manager to assist with building maintenance and improvement issues at the various Town facilities. The position was formally created as part of the Town's classification/compensation plan in 2005, but was never funded, due to fiscal constraints.

In addition to maintaining facilities presently in use by Town departments, there are a significant number of building/facility initiatives both underway, and contemplated in the near future, including the Fire Station building project, the ongoing assessment of White Cliffs, significant repairs to the Town Offices building, the potential return of the Old Town Hall building located at 4 West Main Street, as well as the Town's participation in the Green Communities grant program. The addition of this position is intended to provide a more centralized and dedicated approach to protect the millions of dollars of investments taxpayers have made in public facilities throughout Town. The position would also lend technical assistance to Town departments during the Capital Improvement Planning process, including taking a leadership role in the bidding and oversight of approved capital projects. The Town has been successful in obtaining grants and other funding sources for projects, such as the Community Preservation Act, which have also added to the need for a dedicated Facilities Manager.

It is important to note that with regard to Personnel expenses, FY2022 is the last year of the previously negotiated collective bargaining agreements for Police Patrol Officers, Police Sergeants, Public Safety Dispatchers, Firefighters and the Northborough Municipal Employees Association. A significant amount of time will be devoted to negotiating fair and sustainable increases for personnel during the contract period of FY2023 through FY2025.

For a detailed breakdown of departmental staffing over the last five years, please see the personnel tables contained in Budget Sections 2 through 5 of this document. With regard to the Northborough K-8 Schools there are 0.47 fewer FTEs in the FY2022 budget². Please refer to the Superintendent's budget presentation for more detail regarding those changes.

² K-8 staffing does not include Central Administration staff which is shared on a budgetary basis between Northborough K-8 Schools (40%), Southborough K-8 Schools (30%) and Algonquin Regional HS (30%).



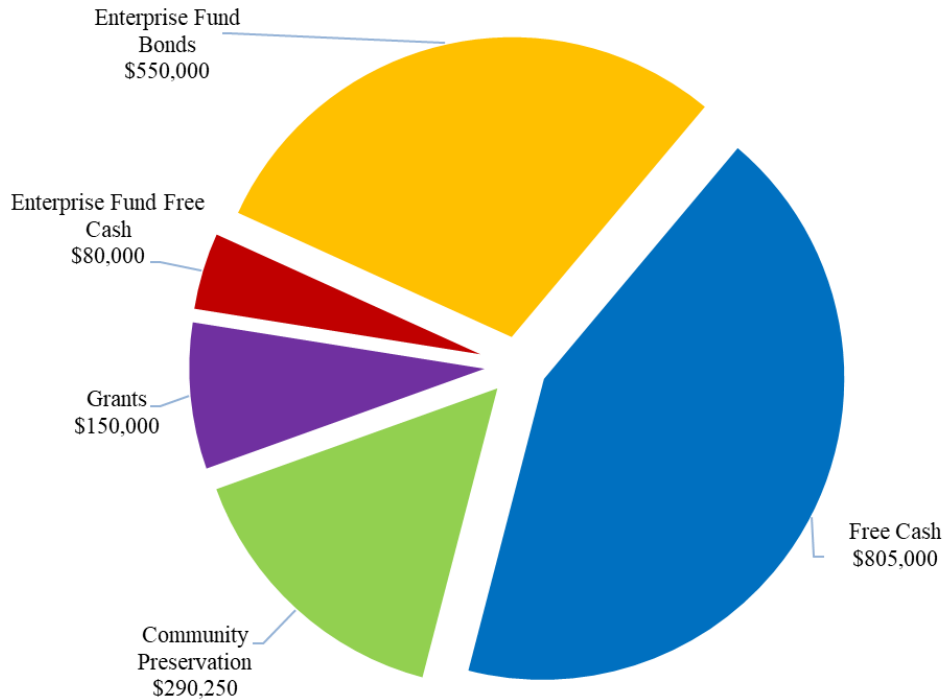
Capital Budget

Enclosed in Section 9 of this document are the Town’s Annual Capital Budget and FY2022-2027 Capital Improvement Program (CIP). The table on the following page represents the Proposed Capital Requests being made by the General Government Departments and the Northborough K-8 School Department for FY2022.

Although the detail for proposed projects has been incorporated as Section 9 of the Annual Operating Budget document, funding for all recommended FY2022 projects requires Town Meeting approval of specific Articles contained in the 2021 Annual Town Meeting Warrant.

The proposed FY2022 Capital Budget totals \$1,875,250 with \$805,000 from Free Cash, and a combination of other sources including, Community Preservation Funds, Grants, and Enterprise Funds. The pie chart below shows the breakdown of funding sources by category for the proposed FY2022 Capital Budget. With the exception of \$550,000 in new Water & Sewer Enterprise bonds, the balance of the proposed expenditures will come from available funds, resulting in no additional tax impact.

FY2022 CAPITAL FUNDING SOURCES





FY2022 CAPITAL BUDGET

PROJECTS BY DEPARTMENT	EXPENDITURE
Police	
Police Cruiser Replacements (3)	150,000
Police Subtotal	\$150,000
Fire	
Car 3 Pick-Up Truck Replacement	80,000
Car 1 SUV Replacement	76,000
Fire Subtotal	\$156,000
Recreation	
Pickleball Courts at Ellsworth/McAfee Park	290,250
Recreation Subtotal	\$290,250
DPW: Highway Division	
Roadway Improvements/Maintenance	310,000
One-Ton Dump Truck w/Plow Replacement	115,000
One-Ton Pickup Truck w/Plow Replacement	74,000
Highway Subtotal	\$499,000
DPW: Sewer Enterprise Funds	
Supervisory Control & Data Acquisition (SCADA) System (split water 44%/sewer 56%)	500,000
Sewer Enterprise Fund Subtotal	\$500,000
DPW: Water Enterprise Fund	
Reservoir Dam Compliance (Design & Permitting for removal)	200,000
Utility Tractor Replacement (split water 40%/sewer 60%)	80,000
Water Enterprise Fund Subtotal	\$280,000
TOTAL FY2022 CAPITAL BUDGET	\$1,875,250

Section 9 of this budget document contains Project Detail Sheets for every capital project included in the Town's Six-year CIP. Part III of the CIP contains the Financial Planning Committee's review and recommendations on the FY2022 Capital Projects and the CIP as a whole. As the Financial Planning Committee's role is to act in an advisory capacity to Town Officials and the citizens at Town Meeting, the Committee's input and comments are an important part of the Town's capital planning process.

The full CIP included in Section 9 of this budget document also contains a question and answer introduction that provides a user-friendly overview of Capital Planning in Northborough.



FY2021 Goals & Accomplishments

The most important aspect of the budget process is the generation of operational and financial plans, program review and the establishment of goals and objectives that will serve the citizens of the community both now and in future years. The financial data that is generated is intended to support the Town's policies, programs and objectives that are identified and articulated during the budget process. The budget serves not only as a financial plan, but also as a short-term strategic plan linked to our more long-term objectives and vision for our community.

During FY2021 several key goals and initiatives were achieved. These include:

1. COVID-19 Pandemic Response: As detailed in the beginning of this Budget Message, FY2021 was dominated by the operational impacts of the COVID-19 pandemic. Throughout the entire period, critical services were never interrupted and all Town Departments remained accessible.
2. FY2021 Budget and Outdoor Town Meeting: FY2021 was unprecedented in terms of budget and Town Meeting preparations. Despite the budget process being completed in March of 2020, the financial impacts of the pandemic caused the Town to revise all its revenue projections and reduce both capital and operating budget plans. Under special State legislation, the 2020 Annual Town Meeting was delayed until July 18th and was ultimately held outdoors due to COVID-19 safety concerns while an emergency 1/12th budget process was used to start FY2021. Once final State Aid figures were approved in late fall, the Town was in the enviable position of being able to continue with its approved budget, which resulted in tax relief for all residents and businesses. Based upon the reduced budgets and level funded state aid, the average single-family home tax bill in FY2021 declined by \$65. The needed tax relief was made possible through years of planning, conservative budgeting practices and adherence to adopted comprehensive financial policies. The FY2021 revised budget enjoyed the unanimous support of all boards and committees and was overwhelmingly approved at Town Meeting.
3. Financial Trend Monitoring Report Updated: The Financial Team updated the Town's Financial Trend Monitoring System (FTMS) Report and presented the results at a joint meeting of the Board of Selectmen, Financial Planning Committee, Appropriations Committee and K-8 School Committee on January 14, 2021. The purpose of the FTMS is to analyze key financial indicators in order to assess the financial direction of the Town. The report brings issues and opportunities to the attention of decision-makers through a systematic method of trend analysis. The updated FTMS Report provided critical information about the FY2022 budget assumptions during the ongoing pandemic, which allowed policy-making Boards and Committees to make informed decisions. The updated analysis included a close look at Local Receipts and State Aid projections which were used to build consensus regarding sustainable FY2022 budget increases.
4. Clean Annual Audit and Positive Free Cash: The Town closed out FY2020 with approximately \$1.98 million in Free Cash on June 30, 2020 and no material issues or deficiencies were noted in the annual audit.



5. FY2021 Capital Budget included \$2,885,000 in Projects with no additional tax impact: The approved FY2021 Capital Budget totaled \$2,885,000 of which \$712,775 was funded with Free Cash (one-time revenues), resulting in no additional tax impact. In addition, \$452,225 came from Community Preservation Funds, \$95,000 from grants, and \$100,000 in funding came from Water & Sewer Enterprise Fund balances with no additional impact on rate payers. The FY2021 Capital Budget also included \$1,525,000 in Water & Sewer Bonds with debt payments to be paid for by fees. Since FY2012 the Town has invested \$17.82 million in pay-as-you-go capital investments with no additional tax impact. That includes \$12.06 million in Free Cash and approximately \$5.76 million in other funding sources.
6. Implemented \$147,012 in “Green Community” Grants: At the end of FY2019, Northborough was officially awarded “Green Community” status by the Department of Energy Resources. This designation allows the Town access to grant funding to reduce municipal energy use and encourage the adoption of and adherence to environmentally sustainable policies. In the initial grant cycle, Northborough was awarded \$147,012 for replacement of the Police Station Boiler at \$79,912, and a new Melican Middle School Energy Management System at \$67,100. Both projects were successfully completed and the Town is preparing for the next round of grants during FY2022.
7. Fire Station Project: The Fire Station Feasibility Study Committee determined that the existing station is inadequate to meet the programmatic needs of the department and that the current site is also too small to accommodate a renovation/addition. As a result, the Committee issued a Request for Proposals to find land in the downtown area appropriate for a potential station site. Following an exhaustive process, the Committee recommended acquisition of 61&65 West Main Street, along with 10 Monroe, as the preferred site and the Town entered into a Purchase & Sale Agreement. However, during the Town’s due diligence it was discovered that the site still requires significant remediation due to contamination from its prior use as a gas station. The language of the executed Purchase and Sale Agreement requires the seller to remove all structures and provide a clean site. Although the Town remains confident the closing will proceed, the scope of the requisite remediation has resulted in significant delays and ongoing coordination efforts with the sellers.
8. Historic White Cliffs Facility Reuse: During FY2021, the Town completed Phase III of the Feasibility and Reuse Study for the historic White Cliffs facility. The Final Report was presented to the Committee on December 18, 2020 and the full report is available on the Town’s webpage. Under Phase III, the architect worked with their consultants to evaluate potential reuse options for White Cliffs. After discussing many different reuse scenarios, the Committee narrowed down options to the following three: event space, municipal offices for the Town, and residential use. Each of these options was then tested with financial models. Unfortunately, all of the identified reuse scenarios would require significant financial subsidy by the Town, as none of the proposed reuse options can generate enough income to pay for the preservation of White Cliffs and, as with some of the reuse opportunities, some new construction on the site. As a result of the report findings, the Committee requested an alternative analysis for a “preservation light” option to preserve as much of the



structure's historical significance as possible and is evaluating private sector partnership options through a Request for Proposals (RFP) process.

9. Negotiate a new Inter-municipal Agreement (IMA) with the City of Marlborough: The Town completed all preparations for litigation in this matter and was scheduled for trial in April of 2021. The trial was subsequently postponed until June as the parties continue to attempt to negotiate a settlement agreement, the outcome of which will establish Northborough's contribution to the operational expenses of the Westerly Wastewater Treatment Plant, as well as its share of the \$30 million plant improvement project. For more information regarding the Town's sewer history and the EPA permit process, please see Section 8-5 of this budget document.
10. Traffic Safety Initiatives: Town staff continue to work with residents to address traffic related concerns, largely focused on the Bartlett Street area. The Town created a Traffic Safety Webpage which includes a portal that allows residents to submit questions or concerns regarding traffic safety matters. The page is then updated with the relevant information relating to the various requests. The Town successfully negotiated \$80,000 in mitigation funds from Amazon for traffic safety improvements on Bartlett Street, which will be implemented in the spring of 2021. Some mitigation measures that the Town plans to make include the layout and installation of bicycle lanes on Bartlett Street, procurement and installation of solar pedestrian activated rapid flashing beacons at Algonquin Regional High School, the construction of a wheelchair ramp at the Maple Street side of ARHS, and to conduct a traffic engineering study for the segment of Bartlett Street in the ARHS area.

In addition, Amazon has committed to funding a post-occupancy traffic study which will be implemented by a Town engaged traffic engineering consultant. This work will begin when the facility is fully operational, which is projected to be in July of 2021. The Central MA Regional Planning Commission (CMRPC) will also be collecting traffic counts on the segment of Bartlett Street between Route 20 and Lyman Street. We will continue to utilize the Traffic Safety Webpage to communicate updates and information to residents on the various projects in the Bartlett Street neighborhood.

11. Diversity & Inclusion Committee: In August of 2020, the Board of Selectmen established the Diversity and Inclusion Committee to address equity concerns following the death of George Floyd in Minneapolis, Minnesota. The 9-member Committee is charged with reviewing existing policies and procedures related to diversity, equity and inclusion, and identifying any potential areas for improvement based on relevant local, state and national research on best practices. The Committee has been engaging with community stakeholders, leaders, and residents to collect qualitative and quantitative data which will aid the group as they prepare their final recommendations to the Board of Selectmen, which are due in the Fall of 2021.



Major Upcoming Issues or Projects

Looking forward to FY2022, the primary issues likely to continue dominating much of our focus over the next year involve the ongoing operational and financial impacts of the COVID-19 pandemic, as well as various capital improvement projects. The primary projects in FY2022 include:

1. GFOA Distinguished Budget Award Program: The Government Finance Officers Association (GFOA) Distinguished Budget Award Program underwent major revisions last year, adding several new criteria requirements. The Town will review the new requirements and continue to refine its award-winning budget for submission. FY2022 enhancements will focus on long-range planning and the introduction of meaningful performance measures into operating budgets. The impacts of COVID-19 and the management of state and federal recovery funds will continue throughout FY2022 and into the FY2023 budget process, including the close monitoring of local revenues.
2. Fire Station Project Design: Once the requisite remediation work is completed on the 61&65 West Main Street property, which is under agreement, the Town will close on the property and issue a Request for Qualifications for an Owner's Project Manager (OPM). Following the OPM selection, the Town will conduct a similar process to hire the architect and begin the formal design phase of the project. The goal is to complete the design development phase in time to seek approval of construction funding at the 2022 Annual Town Meeting in conjunction with a debt exclusion vote on the 2022 Election Ballot.
3. Historic White Cliffs Facility Reuse: Following completion of the Feasibility and Reuse Study in FY2021, the Committee intends to seek consulting assistance to develop a scope of services for a Request for Proposals (RFP) solicitation. The goal of the RFP process is to identify potential private sector partners willing to perform the restoration work needed to bring the facility back into code compliant use. It remains to be seen if additional subsidy will be needed from the Town to make a project economically viable; however, the Feasibility Study results clearly indicate that full restoration of White Cliffs to its former historic glory is unlikely. Moving forward, the Town needs to identify a financially viable use that preserves as many of the historically significant features of the structure as possible.
4. Town Offices Feasibility Study: In April of 2020, the Town allocated funding to conduct a feasibility study to determine the future location of the Town Administrative Offices, but COVID-19 and the ensuing emergency planning efforts delayed the project. The feasibility study process is set to begin in the spring of 2021 and last through the summer and early fall. Once a determination is made on a path forward for the future of the Administrative Offices, the Town will put forth a request for design funding in the spring of 2022.
5. Litigation regarding Sewer Inter-Municipal Agreement (IMA) with the City of Marlborough: If ongoing negotiation efforts are unsuccessful, the Town anticipates going to trial at the start of FY2022 to resolve the long-standing dispute with the City of Marlborough regarding sewer capacity and charges associated with the expired



Inter-Municipal Agreement for sewer treatment services at the Marlborough Westerly Treatment Plant. This issue has significant implications for future economic development and the financial viability of the Sewer Enterprise Fund. For more detail please see Section 8-5 of this budget document.

6. All Collective Bargaining Agreements in Negotiations: All five of the Town's collective bargaining agreements expire at the end of FY2022 on June 30, 2022. During FY2022 the Town will be negotiating fair and sustainable future increases for all union personnel covering FY2023 through FY2025. The Town was also recently informed that its sole health insurance carrier, Fallon, will be exiting the commercial market at the close of FY2022, which means the Town will have to bid out its health insurance and manage the collective bargaining and financial implications of that change during the fall of 2021.
7. Public Health Excellence Grant for Shared Services: The Town is proposing to create a new shared health services arrangement with the Towns of Westborough, Boylston, and Southborough. If awarded, the grant funds will provide for expanded public health nursing services, additional staffing for inspectional services, dedicated software for inspectional services, and ongoing continuity of operations for all four community health departments. These additional resources will allow for improved infectious disease surveillance, preventative care programs and education, immunization opportunities, and additional resources for outreach and emergency planning. Northborough will be the lead community in this \$300,000 per year, multi-year grant to improve public health services in the region.
8. Infrastructure Improvements: The Town will continue implementing the Pavement Management Plan in FY2022; complete bridge/culvert replacements on Ridge Rd., Lyman St. and Davis St.; construct the new ADA compliant Assabet Park, install flashing crosswalks and other traffic safety improvements on Bartlett Street and in front of Town parks; complete construction of the new Water/Sewer Garage; and refurbish the Assabet Hill Water Tank. These projects, as well as many smaller capital improvements scheduled throughout FY2022 will continue to add to the quality and economic vitality of the Northborough community.
9. Development of Information Technology/GIS Strategic Plan: Using \$40,000 in funding received under the State Community Compact Grant program, the Town will hire an independent third party consultant to assist with the development of a comprehensive IT/GIS Strategic Plan that focuses on aligning technology investment with overall organizational priorities. The Town will also be participating in a regional grant to assess and better protect our technology against cyber security threats.

Conclusion

The FY2022 Proposed Budget that follows is balanced pending passage of the final State Budget and meets the previously determined budget goals. The FY2022 Proposed Budget is below the budgetary increase allowable under the limits of Proposition 2½ and does not make use of any excess levy capacity in order to maintain current service levels. The budget attempts to minimize the tax impact while maintaining core services.



Following this Budget Message is Section 1—Budget Summaries, which contains both the revenue and expenditure highlights of the FY2022 Proposed Budget and further details the challenges and opportunities facing the Town of Northborough.

I would like to take this opportunity to thank the members of the Financial Team—Assistant Town Administrator Becca Meekins and Finance Director Jason Little for their tireless contributions. I would also like to thank Superintendent of Schools Greg Martineau for his excellent communication and cooperation during this past year. The level of professionalism and sense of teamwork exhibited by all the financial Boards and Committees in Northborough is something I am proud to be a part of.

Respectfully submitted,

John W. Coderre
Town Administrator



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Budget Summaries

Section 1

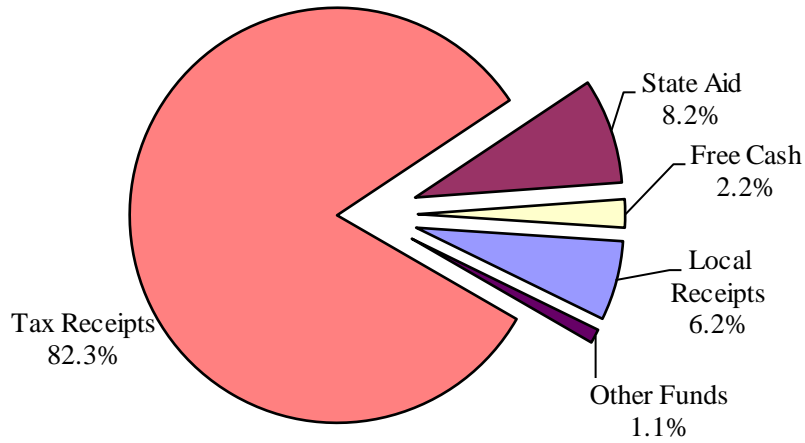


Table 1

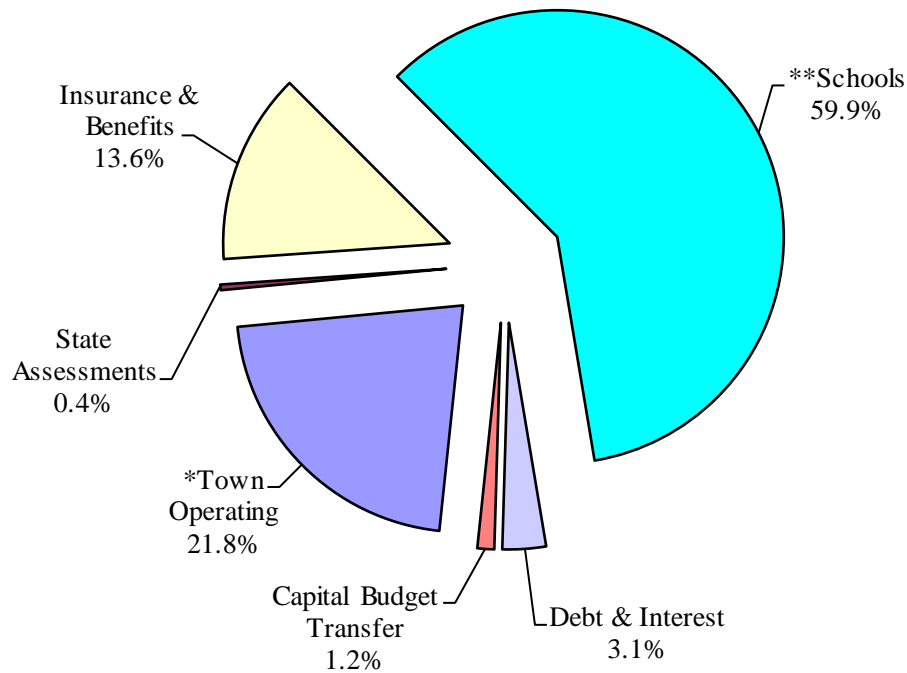
TOWN OF NORTHBOROUGH					
REVENUE & EXPENDITURE SUMMARY FISCAL YEARS 2020--2022					
LEVY LIMIT CALCULATION	FY2020	PROPOSED FY2021	REVISED FY2021	PROPOSED FY2022	% CHANGE
Prior Year Levy Limit	\$50,955,099	\$52,997,340	\$52,997,340	\$55,450,240	
Add 2.5%	\$1,273,877	\$1,324,934	\$1,324,934	\$1,386,256	
Add New Growth	\$768,364	\$776,250	\$1,127,966	\$684,800	
Add Overrides	\$0	\$0	\$0	\$0	
True Levy Limit	\$52,997,340	\$55,098,524	\$55,450,240	\$57,521,296	
Add Debt Excl - Zeh School	(\$32,041)	\$0	\$0	\$0	
Add Debt Excl - Colburn St.	\$0	\$0	\$0	\$0	
Add Debt Excl - Library	\$364,428	\$353,803	\$353,803	\$343,177	
Add Debt Excl - Senior Center	\$383,272	\$370,348	\$370,348	\$362,594	
Add Debt Excl - Algonquin	\$621,442	\$632,229	\$632,229	\$647,846	
Less Debt Excl - Settlement	(\$223,108)	(\$220,000)	(\$227,586)	(\$220,000)	
Add Debt Excl - Lincoln Street	\$1,075,199	\$1,050,837	\$1,050,837	\$1,026,182	
Add Debt Excl - Fire Station	\$0	\$17,098	\$17,098	\$52,750	
Adjusted Levy Limit	\$55,186,532	\$57,302,839	\$57,646,969	\$59,733,845	
REVENUES					
Adjusted Levy Limit	\$55,186,532	\$57,302,839	\$57,646,969	\$59,733,845	
Less Unused Levy Capacity	(\$2,166,828)	(\$2,333,425)	(\$3,399,223)	(\$3,913,557)	
Total Tax Receipts	\$53,019,704	\$54,969,414	\$54,247,746	\$55,820,288	2.90%
State Aid	\$5,412,370	\$4,492,267	\$5,434,115	\$5,521,216	1.60%
MSBA Payments	\$382,543	\$0	\$0	\$0	
Free Cash (Operating)	\$500,000	\$500,000	\$500,000	\$500,000	0.00%
Free Cash (Rtmt/Health Ins)	\$0	\$378,000	\$378,000	\$0	-100.00%
Free Cash (Reserve)	\$175,000	\$375,000	\$375,000	\$175,000	-53.33%
Free Cash (Stabilization)	\$200,000	\$0	\$0	\$0	
Free Cash (Capital/Other)	\$861,167	\$712,775	\$712,775	\$805,000	12.94%
Local Receipts	\$4,468,000	\$3,837,000	\$3,837,000	\$4,171,000	8.70%
Other Funds	\$952,083	\$755,886	\$755,886	\$733,933	-2.90%
TOTAL GENERAL FUND REVENUES	\$65,970,867	\$66,020,342	\$66,240,522	\$67,726,437	2.24%
Enterprise Funds	\$5,726,753	\$5,770,815	\$5,770,815	\$6,254,279	8.38%
TOTAL REVENUES	\$71,697,620	\$71,791,157	\$72,011,337	\$73,980,716	2.73%
EXPENDITURES					
Town	\$22,391,273	\$22,913,699	\$22,913,699	\$23,639,610	3.17%
Schools					
Northborough K-8	\$24,928,558	\$25,177,844	\$25,177,844	\$25,799,678	2.47%
Algonquin 9-12	\$12,252,514	\$12,587,175	\$12,587,175	\$13,004,868	3.32%
HS Debt Exclusion	\$621,442	\$632,229	\$632,229	\$647,846	2.47%
Assabet	\$694,822	\$865,186	\$865,186	\$934,658	8.03%
Assabet Renovation Project	\$141,488	\$137,660	\$137,660	\$133,832	-2.78%
Warrant Articles					
Reserve Fund	\$175,000	\$375,000	\$375,000	\$175,000	-53.33%
Transfer to Stabilization	\$200,000	\$0	\$0	\$0	
Capital / Other Articles	\$861,167	\$712,775	\$712,775	\$805,000	12.94%
Transfer to OPEB Trust	\$550,000	\$0	\$0	\$0	
Zeh School Debt Service	\$350,578	\$0	\$0	\$0	
Colburn Street Debt Service	\$62,315	\$59,923	\$59,923	\$57,475	-4.08%
Library Debt Service	\$364,928	\$354,248	\$354,248	\$343,567	-3.01%
Senior Center Debt Service	\$394,645	\$380,145	\$380,145	\$371,445	-2.29%
Lincoln Street Debt Service	\$1,075,875	\$1,051,475	\$1,051,475	\$1,026,775	-2.35%
Fire Station Debt Service	\$0	\$17,098	\$17,098	\$52,750	208.52%
Other Funds	\$952,083	\$755,886	\$755,886	\$733,933	-2.90%
Adjustments	(\$45,821)		\$220,180		
TOTAL GENERAL FUND EXPENDITURES	\$65,970,867	\$66,020,342	\$66,240,522	\$67,726,437	2.24%
Water Enterprise Fund	\$2,548,680	\$2,600,970	\$2,600,970	\$2,961,675	13.87%
Sewer Enterprise Fund	\$2,244,114	\$2,296,295	\$2,296,295	\$2,373,460	3.36%
Solid Waste Enterprise Fund	\$933,959	\$873,550	\$873,550	\$919,144	5.22%
TOTAL ALL FUNDS	\$71,697,620	\$71,791,157	\$72,011,337	\$73,980,716	2.73%



Fiscal Year 2022 Revenue Sources



Fiscal Year 2022 Expenditures



*Town Expenditures include Reserves for Abatements, Appropriation Reserve Fund, and Offsets
**School Expenditures include Northborough K-8 School operations, Algonquin Regional High School operations, Algonquin Regional High School Debt Service & Assabet Valley Assessment



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FY2022 REVENUE SUMMARY

The Town’s General Fund revenue (excluding the Water & Sewer Enterprise and Solid Waste Enterprise Funds) is divided into four main categories: Property Taxes, State Aid, Local Receipts and Available Funds.

Property Taxes

Property taxes are the single largest revenue source for the Town and historically provide approximately 80% of the General Fund budget. Typically, year to year variations of 1% or 2% are the result of external factors beyond the Town’s control, such as the level of State Aid, building activity, or fluctuations in interest rates.

Property taxes are levied on real property (land & buildings) and personal property used by Northborough’s non-manufacturing business firms. In accordance with State law, the Town’s Board of Assessors determines the fair market value of all property every five years. Northborough conducted a full revaluation during FY2021 with the next scheduled for FY2026; however, interim adjustments are performed each year that full revaluation is not required.

Under the provisions of Proposition 2½, property taxes may not exceed 2½ percent of the “full and fair cash value” of all property in Town. This limit is known as the “levy ceiling.” Additionally, annual levy increases may not exceed 2½ percent more than the previous year’s levy plus the taxes from any new growth value. Any Proposition 2½ override or debt exclusion amounts approved by ballot election are also added to the levy limit.

As the Town’s primary revenue source, property taxes are expected to increase in FY2022 by 2.90% or approximately \$1.57 million, to \$55.82 million. This increase includes the 2½ percent increase of \$1,386,256 and an increase of \$684,800 in estimated taxes from projected new growth. It also includes the value of any previously approved debt exclusions. The value of new growth is budgeted conservatively at \$40 million. A conservative approach is necessary because new growth revenue is derived from the value of new development and other growth in the tax base. The rate of this development is greatly influenced and ultimately determined by economic factors in the private sector.

Table 2

LEVY LIMIT CALCULATION	FY2021	FY2022	% CHANGE
Prior Year Levy Limit	\$52,997,340	\$55,450,240	
Add 2.5%	\$1,324,934	\$1,386,256	
Add New Growth	\$1,127,966	\$684,800	
Add Overrides	\$0	\$0	
True Levy Limit	\$55,450,240	\$57,521,296	
Add Net Debt Exclusions	\$2,196,729	\$2,212,549	
Adjusted Levy Limit	\$57,646,969	\$59,733,845	
Less Unused Levy Capacity	(\$3,399,223)	(\$3,913,557)	
Total Tax Receipts	\$54,247,746	\$55,820,288	2.90%



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Revenue Summary

State Aid

State Aid is Northborough’s second largest revenue source and usually represents 8-10% of the General Fund budget. Together, State Aid and local property taxes account for approximately 90% of the General Fund budget. The proposed FY2022 budget assumes State Aid will increase by 1.6% to \$5.52 million. This estimate is based upon the Governor’s Budget which was released on January 27, 2021.

Despite State revenue projections expected to grow by 3.5% next fiscal year, the Town does not anticipate receiving much of an increase given past experience and the State’s ongoing commitment to funding the Student Opportunities Act, an initiative designed to direct available State funding to disadvantaged school districts. Current State revenue projections are heavily predicated on successful vaccination efforts and reopening of the economy, as well as additional federal assistance through the American Rescue Plan Act (ARPA). Over the coming months the House and Senate will release their respective budget proposals and work out the differences through a joint committee. Historically, the Town does not receive its final State Aid figures until well after Town Meeting.

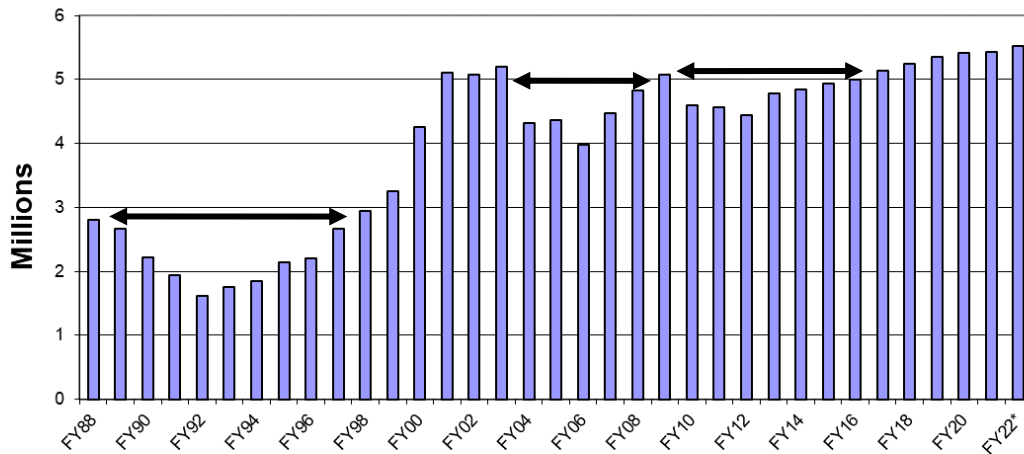
It is important to note that State Aid continues to lag behind our general budget increases and has become an ever-smaller percentage of Northborough’s overall budget. State Aid declined from a high of 13.1% of revenues in FY2003 to just 8% in FY2022, and that is not accounting for inflation.

Table 3: State Aid in Millions

FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22*
4.93	5.00	5.14	5.25	5.35	5.41	5.43	5.52

*Estimated

Northborough State Aid FY1988-2022



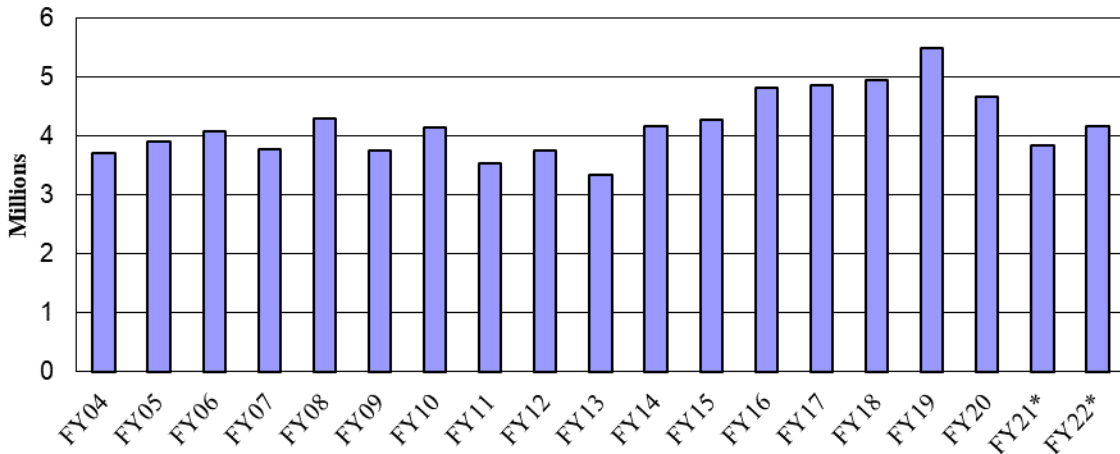


At the time of this writing the Town has limited information regarding State Assessments, and it is the net effect of the new aid and any increase in charges that really determines if Northborough is better off compared to the previous year. Given that unknown, the Town has chosen to proceed with the Governor’s Budget figures for the FY2022 assessment expense budget and continue with the estimated 1.6% revenue increase. Any State Aid actually received above current estimates can only be used to reduce the local tax impact in FY2022.

Local Receipts

The third largest source of revenue for the General Fund budget is Local Receipts, which include a variety of fees, permits, fines and license-related monies that the Town receives, as well as interest that is earned on investments or overdue tax bills. This category also includes excise taxes, which include Motor Vehicle Excise (MVE) and Hotel Rooms and Meals taxes. The total budgeted Local Receipts for FY2022 is \$4.2 million which represents an 8.7% increase over FY2021. The single largest source of revenue within the Local Receipts category is the \$2.38 million budgeted for MVE taxes, which is a State tax collected by the municipality for its own use. The FY2021 Local Receipts estimate was lowered dramatically (14%) from FY2020 due to the pandemic shut down; however, as the phased reopening of the economy progresses, actual revenue collections continue to improve. Similar to the State’s revenue assumptions, the FY2022 forecast for Local Receipts is predicated on the continued success of vaccination efforts and a corresponding economic recovery.

Local Receipts



*FY21 & 22 Budgeted

The Local Receipts shown in the above graph are the actual receipts from FY2004 through FY2020 and contain many one-time sources of funds, while the budgeted amounts are shown for both FY2021 and FY2022.

Until FY2010 Local Receipts included revenues from the Town’s pay-as-you-throw (PAYT) trash program, which generated approximately \$500,000 annually in bag sales. Beginning in FY2011, the PAYT revenues were moved into the Solid Waste Enterprise Fund budget. That change in accounting represents a significant part of the reduction shown in the graph above going from FY2010 to FY2011.



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Revenue Summary

More recently, the Meals Tax Surcharge of .75% and the increase in the local Room Occupancy Excise were adopted at the 2013 Town Meeting and the first funds were received in FY2014. In FY2016 the Town also began receiving settlement payments from the Town of Southborough related to successful litigation over the ARHS building project.

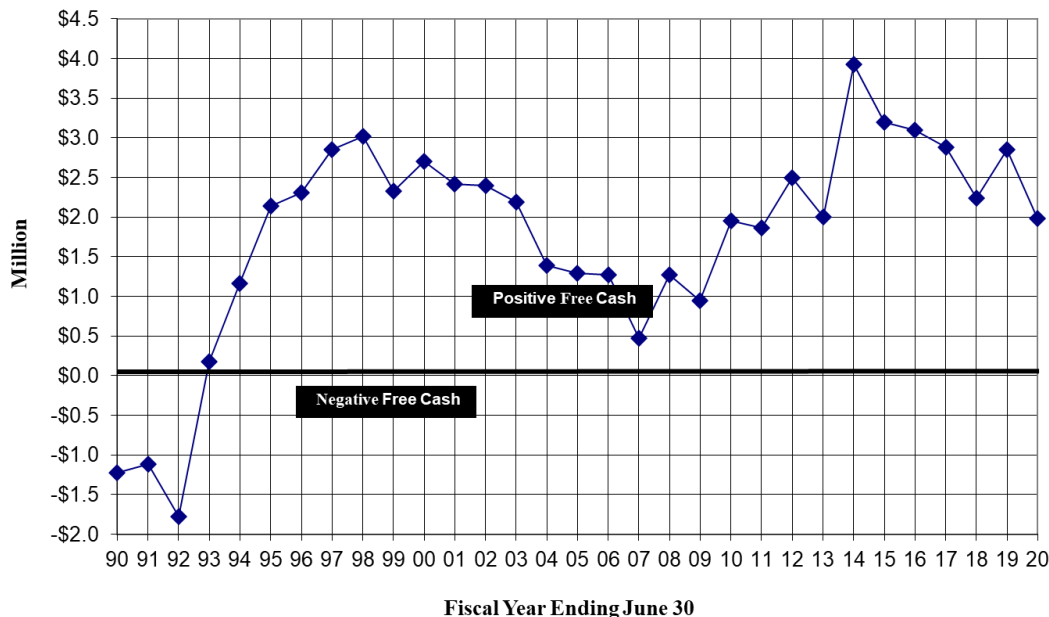
In general, the level of Local Receipts is greatly affected by outside economic conditions beyond the Town’s control; especially as it relates to motor vehicle sales, building activity and permits fees. The actual revenue trend in the preceding graph tends to mirror the general economic conditions at the time.

Available Funds (including Free Cash)

The last category of revenue for the Town is monies in various Special Revenue funds and certified Free Cash available for appropriation from prior years. General Fund Free Cash as of July 1, 2020 was certified at \$1,980,662.

By far the single largest source of Available Funds is Free Cash. Free Cash is an available fund that is composed of the remaining, unrestricted funds from operations of the previous fiscal year, including unexpended Free Cash from the previous year, actual receipts in excess of revenue estimates and unspent amounts in appropriated budget line-items. After the June 30th close of the fiscal year, the Town’s Free Cash is certified by the State Department of Revenue and only then is it available for appropriation.

Certified Free Cash FY1990-2020



*Source: Massachusetts Department of Revenue

Historically, the Town of Northborough had relied on over \$1 million of Free Cash to balance the operating budget and continued this practice for many years. However, the dependency upon one-time available funds to supply a portion of the foundation for the operating budget essentially created a rolling “structural deficit” which became an additional financial burden during the recessionary period following the close of FY2007.



Use of Free Cash in the operating budget was systematically phased down over several years from \$700,000 in FY2010, down to \$600,000 in FY2011, and ultimately, reaching the Free Cash policy target amount of \$500,000 in FY2012, which is approximately 1% of the budget, where it remained through FY2020.

The chart on the previous page illustrates the unpredictability of Free Cash as a budgeted revenue source since it is heavily influenced by economic activity and political decision-making by the State Legislature. Any amount of Free Cash used in the operating budget must be reasonably expected to recur in subsequent years. If the Town fails to generate sufficient Free Cash to replenish what was used, as was the case in FY2007, a structural deficit materializes that could result in significant service reductions. More importantly, that structural shortfall carries forward into subsequent fiscal years.

For these reasons, the Board of Selectmen adopted a Free Cash Policy in November 2010 with the unanimous support of both the Appropriations Committee and the Financial Planning Committee. The policy identifies the acceptable uses of Free Cash for mainly one-time expenses and provides for a maximum level of \$500,000 for use in the operating budget (approximately 1%). However, the policy allows for additional funds to be used in an emergency, and the estimated loss of revenue due to the COVID-19 pandemic led to the FY2021 General Government Budget using \$378,000 in additional Free Cash from postponed capital projects. However, the FY2022 budget returns to the policy goal of \$500,000, which is just 0.74% of the operating budget revenues. Free Cash devoted to other one-time expenses amounts to 1.45% of the budget, including \$805,000 in capital articles and \$175,000 for the Appropriation Committee's Reserve Fund article.

Other sources of Available Funds to be used in FY2022 are projected to include transfers from special revenue funds to offset departmental budgets such as \$12,000 in Cemetery Sale of Lots income, \$19,495 in Cemetery Trust Fund income, \$8,523 in Conservation Commission fees, \$351,240 from the Fire/EMS Revolving Account, \$39,039 from the Medicare Part D Subsidy, \$27,461 from the Animal Control Revolving Account, \$262,753 from the PEG Access and Cable Related Fund to cover the Cable Access Departmental costs, and a transfer of \$3,587 from the Department of Public Utilities Transportation Fund, which are fees collected by the state derived from ride-sharing services such as Uber and Lyft that must be appropriated and are restricted to Roadway maintenance expenses.

In addition, there will be a transfer of \$9,835 from premium reserves. Premium reserves are funds that were received when bonds were issued for debt excluded projects. The total net premiums are allocated over the term of the obligation, held in reserve and then transferred to offset the amount of the debt exclusion added to the tax rate.

In addition to Free Cash, these "Other" revenue sources total \$733,933 and will be used to off-set the municipal budgets as shown in Article 4 of the 2021 Annual Town Meeting Warrant.

**American Rescue Plan Act of 2021 (ARPA)**

One new revenue source in FY2022 is the Town's share of potential federal relief coming from the American Rescue Plan Act. On March 11, 2021, President Joe Biden signed the American Rescue Plan Act of 2021 (ARPA), which contains \$1.9 trillion in overall national spending to support relief and economic recovery efforts. Within that amount is \$130.2 billion dedicated to local governments from a Coronavirus Local Fiscal Recovery Fund. Because Massachusetts does not have functioning county government, the Massachusetts Municipal Association estimates that Northborough could receive up to \$4.42 million in ARPA funding, to be distributed over two years and expended by December 31, 2024.

The ARPA legislation allows funds allocated from the Recovery Fund to be used to:

- Respond to the COVID-19 emergency, and address its economic effects, including through aid to households, small businesses, nonprofits, and impacted industries such as tourism and hospitality.
- Provide premium pay to essential employees of state or local governments or make grants to the employers of essential employees. Premium pay may not exceed \$13 per hour or \$25,000 per worker.
- Revenue replacement due to revenue reductions resulting from COVID-19 (prior to March 3, 2021).
- Make infrastructure improvements in water, sewer, or broadband.

At the time of this writing, the U.S. Treasury Department has yet to issue detailed guidance on how these funds can be used. Depending on the final guidance there is the possibility that usage of ARPA funds may impact the FY2022 budget. However, the FY2022 budget as proposed is balanced, so any additional relief funds will only have the impact of enhancing services and/or reducing tax impacts.



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Expenditure Summary



FY2022 EXPENDITURE SUMMARY

Following is a summary of the Town's General Government Budget (non-school), which details the 3.17% increase allowable under current revenue projections.

Department	FY2021 Budget	FY2022 Proposed Budget	\$ Change	% Change
GENERAL ADMINISTRATION				
<u>EXECUTIVE OFFICE</u>				
Selectmen	177,341	181,004	3,663	2.07%
Administrator	278,059	295,460	17,401	6.26%
Economic Development	1,325	1,325	-	0.00%
Town Reports	5,150	5,150	-	0.00%
<u>PUBLIC BUILDINGS</u>				
Town Hall/Public Bldgs.	504,586	598,961	94,375	18.70%
<u>FINANCE</u>				
Treasurer	311,508	317,419	5,911	1.90%
Board of Assessors	274,461	265,150	(9,311)	-3.39%
Town Accountant	188,031	191,719	3,688	1.96%
<u>MIS/GIS</u>				
MIS/GIS	488,693	543,666	54,973	11.25%
<u>TOWN/CLERKS OFFICE</u>				
Town Clerk	142,941	146,171	3,230	2.26%
Election/Registration	47,715	26,067	(21,648)	-45.37%
<u>ADVISORY BOARDS/SERVICES</u>				
Moderator	500	500	-	0.00%
Appropriations Committee	1,695	1,695	-	0.00%
Town Counsel	85,000	90,000	5,000	5.88%
Personnel Board	66,082	79,975	13,893	21.02%
<u>PLANNING & CONSERVATION</u>				
Conservation Commission	90,841	94,148	3,307	3.64%
Planning Board	188,511	200,113	11,602	6.15%
Zoning Board	5,254	5,306	52	0.99%
Earthwork Board	1,877	1,944	67	3.57%
<u>PUBLIC SAFETY</u>				
Police	2,986,114	3,032,302	46,188	1.55%
Fire	2,155,018	2,194,077	39,059	1.81%
Emergency Preparedness	2,000	7,000	5,000	250.00%
Building	181,971	187,234	5,263	2.89%
Gas Inspector	12,671	12,897	226	1.78%
Wire Inspector	22,671	23,052	381	1.68%
Sealer of Weights	8,000	8,000	-	0.00%
Board of Health	203,784	220,246	16,462	8.08%
Animal Control	41,484	42,729	1,245	3.00%
<u>PUBLIC WORKS</u>				
Highway Admin.	128,214	129,862	1,648	1.29%
Hwy. Const. & Maint.	1,578,034	1,610,922	32,888	2.08%
Parks	137,950	150,950	13,000	9.42%
Cemetery	151,147	165,987	14,840	9.82%
Engineering	194,275	196,605	2,330	1.20%
Snow & Ice	437,000	437,000	-	0.00%
Street Lighting	125,000	135,000	10,000	8.00%
Trees	46,000	51,000	5,000	10.87%
<u>COMMUNITY SERVICES</u>				
Council on Aging	302,029	312,262	10,233	3.39%
Library	865,875	886,565	20,690	2.39%
Recreation	104,021	145,591	41,570	39.96%
Youth Services	152,933	172,083	19,150	12.52%
Veterans Services	82,726	88,039	5,313	6.42%
Cable TV	304,246	262,753	(41,493)	-13.64%
Cultural Council	500	500	-	0.00%
Community Affairs Committee	500	500	-	0.00%
Historical Commission	500	500	-	0.00%



Expenditure Summary

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Department	FY2021 Budget	FY2022 Proposed Budget	\$ Change	% Change
UNDISTRIBUTED EXPENSES				
<u>EMPLOYEE BENEFITS & INSURANCE</u>				
Health Insurance	5,997,041	6,122,824	125,783	2.10%
Transfer to OPEB Trust	-	-	-	
Life Insurance	8,930	8,930	-	0.00%
Other Benefits/FICA	488,258	489,904	1,646	0.34%
Workers Comp	141,330	134,702	(6,628)	-4.69%
Retirement Assessments	2,275,596	2,470,601	195,005	8.57%
<u>BUILDING & LIABILITY INSURANCE</u>				
Bldg. & Liability Insur.	269,862	283,557	13,695	5.07%
<u>DEBT SERVICE</u>				
Debt Service	2,202,532	2,130,726	(71,806)	-3.26%
<u>STATE ASSESSMENTS</u>				
State Assessments	273,418	255,768	(17,650)	-6.46%
<u>NORFOLK AGRICULTURAL HIGH SCHOOL</u>				
Tuition/Transportation	-	38,500	38,500	
<u>STABILIZATION FUND CONTRIBUTION</u>				
Stabilization Fund	-	-	-	
<u>RESERVE FUND</u>				
Reserve Fund	375,000	175,000	(200,000)	-53.33%
<u>SPECIAL WARRANT ARTICLES</u>				
Special Articles	712,775	805,000	92,225	12.94%
Solid Waste Subsidy	337,160	337,160	-	0.00%
OTHER NON-APPROPRIATED AMOUNTS				
Reserve for Abatements	650,299	404,661	(245,638)	-37.77%
Offsets	23,994	28,793	4,799	20.00%
ENTERPRISE FUNDS				
Water	2,600,970	2,961,675	360,705	13.87%
Sewer	2,296,295	2,373,460	77,165	3.36%
Solid Waste	873,550	919,144	45,594	5.22%
GROSS TOTAL TOWN	32,611,243	33,459,834	848,591	2.60%
CALCULATION OF NET TOTAL TOWN				
Less Water Fund	(2,600,970)	(2,961,675)		
Less Sewer Fund	(2,296,295)	(2,373,460)		
Less Solid Waste	(873,550)	(919,144)		
Less Other Funds	(755,886)	(733,933)		
Less Recap Adjustments	(220,180)			
Less Debt Exclusion	(1,862,888)	(1,852,012)		
Less Reserve Fund Article	(375,000)	(175,000)		
Less Transfer to OPEB Trust	-	-		
Less Transfer to Stabilization	-	-		
Less Special Articles	(712,775)	(805,000)		
NET TOTAL TOWN	22,913,699	23,639,610		3.17%
CALCULATION OF TOWN APPROPRIATION				
GROSS TOTAL TOWN	32,611,243	33,459,834		
Less County Assessments	(2,275,596)	(2,470,601)		
Less State Assessments	(273,418)	(255,768)		
Less Reserve for Abatements	(650,299)	(404,661)		
Less Offsets	(23,994)	(28,793)		
Less Reserve Fund Article	(375,000)	(175,000)		
Less Stabilization Transfer Article	-	-		
Less Special Articles	(712,775)	(805,000)		
Less Solid Waste Subsidy	(337,160)	(337,160)		
Less Enterprise Funds	(5,770,815)	(6,254,279)		
Net Town Warrant Article 4	22,192,186	22,728,572		

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Expenditure Summary



General Administration

The first of the budget categories is General Administration. This category includes the offices and departments which support the direct service departments of the Town through overall management, legal services, financial management (including collecting of revenues and the maintenance of financial records), administration of elections, Management Information Systems/Geographic Information Systems (MIS/GIS), personnel administration and related ancillary services. General Administration also includes planning and conservation services.

General Administration Summary

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED	% CHANGE
EXECUTIVE OFFICE						
Selectmen	\$167,333	\$171,012	\$177,341	\$72,204	\$181,004	2.07%
Administrator	\$269,580	\$213,817	\$278,059	\$108,797	\$295,460	6.26%
Economic Development	\$850	\$855	\$1,325	\$0	\$1,325	0.00%
Town Reports	\$4,700	\$1,435	\$5,150	\$0	\$5,150	0.00%
Subtotal	\$442,463	\$387,119	\$461,875	\$181,002	\$482,939	4.56%
PUBLIC BUILDINGS						
Subtotal	\$384,468	\$388,304	\$504,586	\$150,425	\$598,961	18.7%
FINANCE						
Treasurer	\$332,017	\$283,613	\$311,508	\$129,861	\$317,419	1.90%
Board of Assessors	\$265,318	\$261,485	\$274,461	\$80,242	\$265,150	-3.39%
Town Accountant	\$167,159	\$182,149	\$188,031	\$87,486	\$191,719	1.96%
Subtotal	\$764,494	\$727,247	\$774,000	\$297,589	\$774,288	.04%
MIS/GIS						
Subtotal	\$448,644	\$396,108	\$488,693	\$274,665	\$543,666	11.25%
TOWN CLERKS OFFICE						
Town Clerk	\$136,110	\$140,772	\$142,941	\$66,048	\$146,171	2.26%
Elections/Registration	\$44,649	\$31,675	\$47,715	\$38,756	\$26,067	-45.37%
Subtotal	\$180,760	\$172,447	\$190,656	\$104,804	\$172,238	-9.66%
ADVISORY BOARDS/SERVICES						
Moderator	\$200	\$0	\$500	\$0	\$500	0.00%
Appropriations Committee	\$415	\$422	\$1,695	\$210	\$1,695	0.00%
Personnel Board	\$31,408	\$9,914	\$66,082	\$3,609	\$79,975	21.02%
Town Counsel	\$84,782	\$63,787	\$85,000	\$18,128	\$90,000	5.88%
Subtotal	\$116,805	\$74,123	\$153,277	\$21,947	\$172,170	12.33%
PLANNING AND CONSERVATION						
Town Planner/Planning Bd	\$174,834	\$180,420	\$188,511	\$87,079	\$200,113	6.15%
Zoning Board of Appeals	\$1,757	\$1,038	\$5,254	\$1,551	\$5,306	.99%
Earthworks	\$15	\$0	\$1,877	\$318	\$1,944	3.57%
Conservation Commission	\$75,602	\$79,301	\$90,841	\$39,230	\$94,148	3.64%
Subtotal	\$252,209	\$260,759	\$286,483	\$128,178	\$301,511	5.25%



Expenditure Summary Section 1-15

FY2022 is the last year of the previously negotiated collective bargaining agreements for Police Patrol Officers, Police Sergeants, Public Safety Dispatchers, Firefighters and the Northborough Municipal Employees Association. All departmental budgets as presented include a 2% cost-of-living increase for Union and Non-union personnel, while merit increases are provided for centrally within the Personnel Board budget.

Following are the key changes of significance for the General Government Departments:

- **Executive Office**

Overall, the Executive Office budget is increasing \$21,064 or 4.56% in FY2022. In addition to a 2% salary increase for non-union personnel, \$9,960 of the increase reflects the hiring of a new Assistant Town Administrator at a higher salary than the prior year's budgeted amount, which reflected a vacant position funded at the midpoint of the salary range.

- **Public Buildings**

The Public Buildings Budget will increase \$94,375, or 18.70% in FY2022. In FY2022 a full-time Facilities Manager is being added at a cost of \$92,616. The position was initially slated to be funded for half of the fiscal year in FY2020, and then full-time in FY2021; however, due to financial concerns surrounding COVID-19, funding for the position was eliminated. The new position will be responsible for coordination of the maintenance and repairs of Town Buildings, as well as assisting with preparation of the Town's Six-Year Capital Improvement Plan (CIP).

- **Finance Department**

Overall, the Finance Department's FY2022 budget is up just \$288, or 0.04%. The departmental budget as presented includes 2% contractual wage increases for Union and Non-Union personnel, which were largely offset by personnel changes in the Assessor's Division. In addition to the hiring of a new Principal Assessor and Assessor's Assistant at a lower salary rates, a new Data Collector position was also added. As part of the reorganization an Assessor's Assistant position was eliminated, resulting in net level staffing for FY2022.

- **Management Information System/Geographic Information Systems (MIS/GIS)**

The MIS/GIS budget is increasing by \$54,973, or 11.25%. The most significant factors contributing to the increase are the addition of infrastructure to support a new Town-wide phone system and the planned core network switch replacement. The main departmental initiatives in FY2022 include finalizing and implementing the new VoIP phone system, and other updates to the Town's internet connectivity.

- **Town Clerk/Elections**

The combined FY2022 Town Clerk/Elections budget represents an overall decrease of \$18,418, or 9.66%. The decrease is due to there being only one scheduled election in FY2022 as opposed to the three held in FY2021. The FY2022 schedule includes only one Annual Town Election on May 10, 2022. During FY2021 the department fully transitioned to one centralized polling location at the Melican Middle School in order to reduce disruption at the four elementary schools and increase efficiency of oversight.



- **Advisory Boards/Services**

- **Personnel Board**

This budget account reflects costs associated with merit pay, limited town-wide training, DOT required drug testing and legal expenses associated with collective bargaining. The account is also used for consultant or temporary labor services associated with personnel transitions. During the course of the fiscal year, funds are transferred out as appropriate and reflected in the departmental budgets, such as following a settled labor contract.

FY2022 is the final year of all settled collective bargaining agreements. Negotiations for the next cycle of contracts will begin during FY2022. While all FY2022 departmental budgets include a 2% contractual cost-of-living wage increase for Union and Non-Union personnel, merit pay increases for eligible employees not at the max of their pay grade are held in this Personnel Board Budget until approved based upon satisfactory performance evaluations. Once approved, the funds are transferred and reflected in the year-end “actuals” of the appropriate departmental budgets.

- **Town Counsel**

The budget for Town Counsel is funded at \$90,000, which is an increase of \$5,000 to better reflect yrending costs. Town Counsel is appointed by the Board of Selectmen for an indefinite term. Town Counsel serves as counsel to Town Officers and Committees and attends to the Town’s legal affairs at the request of the Town Administrator. Under the Town bylaws, Town Counsel reviews all Warrant Articles prior to Town Meeting and serves as a resource during all Town Meeting proceedings. The budget represents general legal services. Legal expenses associated with specific capital projects or Water & Sewer Enterprise Funds are reflected in those budgets.

- **Planning and Conservation**

Overall, the FY2022 Planning and Conservation budget is up \$15,028, or 5.25%. In addition to a 2% wage increase for union and non-union personnel, the budget includes a \$5,000 increase in consulting services related to the Master Plan Implementation Committee’s work. The budget also includes an increase in hours for the part-time secretary that supports the Planning Board which is needed given the increased frequency and extended length of Board meetings.



Public Safety

Public Safety consists of police, fire, emergency management services, inspections & enforcement, public health and animal control services.

Public Safety Summary

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED	% CHANGE
PUBLIC SAFETY						
Police	\$2,617,788	\$2,762,388	\$2,986,114	\$1,380,173	\$3,032,302	1.55%
Fire	\$1,980,539	\$2,079,042	\$2,155,018	\$1,020,818	\$2,194,077	1.81%
Emergency Preparedness	\$0	\$110	\$2,000	\$0	\$7,000	250.00%
Building Inspection	\$166,060	\$173,576	\$181,971	\$82,120	\$187,234	2.89%
Gas Inspector	\$9,961	\$10,173	\$12,671	\$6,280	\$12,897	1.78%
Wiring Inspector	\$20,919	\$19,204	\$22,671	\$6,597	\$23,052	1.68%
Sealer Weights/Measures	\$5,000	\$5,000	\$8,000	\$0	\$8,000	0.00%
Health/Plumbing Inspector	\$175,015	\$168,052	\$203,784	\$68,358	\$220,246	8.08%
Animal Control	\$39,913	\$39,481	\$41,484	\$19,818	\$42,729	3.00%
Subtotal	\$5,015,194	\$5,257,026	\$5,613,713	\$2,584,164	\$5,727,537	2.03%

• Police Department

Overall, the FY2022 Police Department Budget reflects an increase of \$46,188 or 1.55%. The majority (\$34,253) of the increase is attributable to contractual wage increases of 2% for union and non-union personnel. Due to staffing turnover, several officers have been hired at a lower starting wage, which contributed to the smaller than usual FY2022 personnel increase. Expenses increased by \$11,935 due to Computer Services and a \$5,000 restoration to the new equipment line item, which was previously reduced in FY2021 due to the pandemic.

• Fire Department

As presented, the FY2022 Fire Department Budget reflects an increase of \$39,059 or 1.81% in the General Fund appropriation. The departmental budget includes a 2% cost-of-living wage increases for Union and Non-Union personnel.

In addition to the General Fund appropriation of \$2,194,077 (which includes a transfer in of \$351,240 from the Fire Department Revolving Fund under Article 4 of the Town Meeting Warrant) the departmental budget also includes \$582,778 in planned expenses that are charged directly to the Fire Department Revolving Fund. The Fire Department Revolving Fund is supported primarily by fees for ambulance services. The direct Revolving Fund charges include ambulance billing services, overtime wages, licensing fees, related maintenance and operational expenses of the ambulances and related equipment. The account also pays for the debt service associated with the purchase of ambulances.



The total FY2022 budget that supports the Fire/EMS services is \$2,776,855 (\$2,194,077 plus the Fire Department Revolving Fund direct charges of \$582,778).

- **Building Department**

There are no significant budget changes for the FY2022 Building Department. Overall, the departmental budgets for Building, Gas, Wiring and Sealer are up \$5,870 or 2.61%, inclusive of a 2% contractual wage increases for Union and Non-Union personnel.

- **Health Department**

Overall, the Health Department's FY2022 budget increases \$16,462, or 8.08%, primarily due to changes in departmental personnel and the hiring of a new Health Agent at a higher salary than previously budgeted. The budget as presented includes a 2% contractual wage increases for Union and Non-Union personnel. The budget also includes \$13,000 in the temporary wages line in order to provide limited back-up for the department's only Health Agent. Looking forward, Northborough has applied for a new Public Health Excellence Grant. The Town is proposing to create a new shared services arrangement with the Towns of Westborough, Boylston, and Southborough. If awarded, the grant funds will provide for expanded public health nursing services, additional staffing for inspectional services, dedicated software for inspectional services, and ongoing continuity of operations for all four community health departments.

- **Animal Control**

Beginning in FY2013 Animal Control services were outsourced through a contractual arrangement and the fees from dog licenses and fines brought into the General Fund as a transfer from the revolving fund to off-set the cost of the contract. Since FY2021 is the last year of a three-year contract, the FY2022 Animal Control Budget assumes a 3% increase, pending bid results. In FY2022, the revolving fund revenues to be transferred in are \$27,461 and the estimated cost for animal control services is \$42,729, resulting in a net tax-supported service expenses of \$15,268.



Expenditure Summary

Section 1-19

Public Works

The Department of Public Works (DPW) consists of multiple Divisions collectively responsible for maintaining and improving the Town’s public spaces and infrastructure. This includes the maintenance and development of Town roads, sidewalks, public trees, cemeteries, parks, public grounds and buildings, as well as the Town water supply system and wastewater/sewerage system. In addition to general Administration and Engineering, the Divisions within the Department include: Highway, Parks, Cemetery, Water and Sewer¹.

Public Works Summary

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED	% CHANGE
PUBLIC WORKS						
Highway Admin.	\$123,087	\$125,009	\$128,214	\$41,970	\$129,862	1.29%
Hwy. Const. & Maint.	\$1,203,646	\$1,140,713	\$1,578,034	\$546,696	\$1,610,922	2.08%
Parks	\$99,798	\$121,572	\$137,950	\$26,974	\$150,950	9.42%
Cemetery	\$126,221	\$143,676	\$151,147	\$61,913	\$165,987	9.82%
Engineering	\$152,607	\$152,151	\$194,275	\$61,356	\$196,605	1.20%
Snow & Ice	\$369,316	\$330,412	\$437,000	\$94,533	\$437,000	0.00%
Street Lighting	\$117,000	\$120,000	\$125,000	\$58,478	\$135,000	8.00%
Trees	\$37,573	\$43,658	\$46,000	\$39,360	\$51,000	10.87%
Subtotal	\$2,229,248	\$2,177,192	\$2,797,620	\$931,280	\$2,877,326	2.85%

Overall, the Department of Public Works General Fund budget is increasing \$79,706 or 2.85%. The majority of the increase is attributed to contractual wage increases for Union and Non-Union personnel, and as well as restoration of previously reduced small equipment budgets that were cut in FY2021. The elimination of the Assistant DPW Director position and part-time Administrative Assistant position in FY2021 remain unbudgeted in FY2022.

¹ Please see the end of this Expenditure Summary for information regarding the Water, Sewer and Solid Waste Enterprise Funds. Section 8-5 of this budget document contains the detailed budget information regarding Enterprise Fund budgets.

Section 1-20

Expenditure Summary



Community Services

Section 5 of the Budget contains the category of human services, cultural and recreational programs and departments. These include the Senior Center/Council on Aging, Library, Recreation, Family & Youth Services, Veterans' Services, Cable Access TV, as well as various Boards and Committees.

Community Services Summary

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED	% CHANGE
<u>COMMUNITY SERVICES</u>						
Senior Center/COA	\$289,986	\$300,559	\$302,029	\$132,869	\$312,262	3.39%
Library	\$825,731	\$808,484	\$865,875	\$334,802	\$886,565	2.39%
Recreation	\$149,167	\$153,054	\$104,021	\$49,558	\$145,591	39.96%
Family & Youth Services	\$131,028	\$137,010	\$152,933	\$64,212	\$172,083	12.52%
Veterans' Services	\$61,537	\$64,671	\$82,726	\$23,793	\$88,039	6.42%
Cable TV	\$238,905	\$233,429	\$304,246	\$131,942	\$262,753	-13.64%
Cultural Council	\$500	\$500	\$500	\$0	\$500	0.00%
Community Affairs Comm.	\$500	\$500	\$500	\$500	\$500	0.00%
Historic Dist. Commission	\$390	\$290	\$500	\$0	\$500	0.00%
Subtotal	\$1,697,744	\$1,698,497	\$1,813,330	\$737,677	\$1,868,793	3.06%

- **Senior Center/Council on Aging**

Overall, the departmental budget is up 3.39%, or \$10,233, which includes a \$5,160 increase in the utilities line to better reflect actual cost trends. The departmental budget as presented includes a 2% contractual wage increases for Union and Non-Union personnel. During FY2021 the Senior Center was required to close due to the COVID-19 pandemic, resulting in the separation of two part-time employees associated with the Bistro Meal Program and one part-time Program Coordinator position, all three of which were funded from the Senior Center Revolving Fund (program fees). In FY2022, when it is safe, the goal is to reopen the Bistro Meal Program and return to indoor programs that generate the revenues necessary to phase back in these part-time positions.

In addition to the appropriated budget supported by tax revenues, the Senior Center receives approximately \$32,000 in additional funds directly from the State Formula Grant which is used primarily to provide exercise programs to seniors. The formula grant (based on the number of seniors in Town) is not subject to Town Meeting appropriation.

- **Family and Youth Services Department**

The FY2022 Family and Youth Services Department budget is up \$19,150, or 12.52%, primarily due to the addition of a new \$15,500 mental health referral service called INTERFACE. During the pandemic mental health needs increased and the department added this cost-effective program through William James College, which



Expenditure Summary Section 1-21

is a free, confidential referral service that connects Northborough residents and public school students to outpatient mental health providers. The service was paid for in FY2021 through trust funds on a trial basis and is being added to the base budget in FY2022 given its effectiveness and positive feedback.

- **Veterans' Services**

Since the formation of the Central Massachusetts Veterans' District in FY2014 with the Towns of Grafton, Shrewsbury and Westborough, Northborough's share of the District budget has remained stable at 16% (\$20,259) of the overall administrative expenses in FY2022. Ordinary benefits for qualifying veterans and their families remain level funded at \$58,580 based upon historic needs. Although any approved benefits paid to Northborough veterans will eventually be subject to a 75% reimbursement from the Commonwealth's Department of Veterans' Services as part of the Town's State Aid revenue, the Town is required to budget for the benefit payments in full in advance of the reimbursement. Overall, the FY2022 Veterans' Services budget is increasing by \$5,313, or 6.42%, primarily due to new costs associated with the hanging of banners for the "Home Town Heroes" program.

- **Library**

Overall, the FY2022 Library Budget is up 2.39%, or \$20,690. The budget reflects a 2% wage increase for Union and Non-union personnel, which was largely offset by new hires being brought in at lower wage rates. The FY2022 Library budget includes restoration of \$30,000 in FY2021 cuts that were made to the books and materials line as a result of COVID-19. The increased books and materials line is partially offset by minor reductions in other expense lines. In FY2022 the Library will also receive an estimated \$28,793 in State Aid under the Governor's proposed budget that goes directly to the Library and does not require Town Meeting appropriation.

- **Recreation Department**

The FY2022 Recreation Budget is increasing \$41,570, or 39.96%, due to absorption of the remaining personnel expenses associated with the department's two full-time staff. Prior to the pandemic, the Recreation Department was 100% financially self-sufficient through program fees. In FY2022 the department is being funded through general tax dollars with the goal of phasing back to self-sufficiency by FY2023. However, all part-time and seasonal employees as well as programmatic expenses will continue to be paid directly out of the Recreation Revolving Fund as programming begins to return to pre-pandemic levels. The Recreation Department's goal moving forward is to once again fund 100% of its budget with program revenues, so that no tax dollars are used for departmental services.

- **Cable Access TV**

Overall, the Cable Access budget decreases in FY2022 by \$41,493 primarily due to completed capital expenditures. Contractual capital and operational payments received from Charter Communications and Verizon continue to provide all departmental funding. The Town is currently in negotiations with Verizon and Charter for cable contract renewals and as part of the negotiations the Town must balance the fees added to the cable bills with the desired level of services. One significant concern is that the cable industry continues to evolve, and an increasing number of people are cutting the cable cord, resulting in declining cable revenues. The Town is legally



prohibited from adding fees to phone or internet services, so declining cable fees will continue to put pressure on PEG Access funding for the coming years.

Undistributed Expenses

The Town's practice is to budget certain overhead costs in the aggregate rather than distributing costs by department or program. These overhead costs include employee benefits of health insurance, life insurance, Worcester Regional Retirement contributions, unemployment compensation and workers' compensation insurance; comprehensive building and liability insurance; debt service; non-appropriated expenses such as State Assessments and reserves for abatements; stabilization fund contributions; a reserve fund for extraordinary and unforeseen expenses; and various Town Meeting special warrant articles.

• Employee Benefits & Insurance

Employees Benefits and Insurance represent the budgetary requirements for health and life insurance coverage for both Town and K-8 School employees and retirees as well as other benefits such as FICA expense, Worcester Regional Retirement contributions, unemployment compensation and workers' compensation insurance.

The FY2022 Health Insurance budget request of \$6.12 million represents a modest increase of \$125,783, or 2.1% from the amount budgeted last year. Through collaborative negotiations with all its employee groups, the Town has successfully mitigated health insurance budget increases to sustainable 3% average increase over the past decade.

During FY2019 the Town was facing a 15.6% health insurance budget increase that would have necessitated significant service level reductions across all departments. To address the increase, the Town, working with the employee Insurance Advisory Committee (IAC), chose to bid out its health insurance seeking consolidation under a single carrier. Based upon the bid results and the recommendation of the IAC, Fallon Community Health Plan (Fallon) was awarded the contract. Unfortunately, after several years of favorable renewals the Town was informed that Fallon will be exiting the commercial market after FY2022, resulting in the need to go out to bid. Given its significant impact on Town finances, successful management of the annual health insurance budget will be a major factor in next year's budget cycle.

The second largest category of employee benefit costs after Health Insurance is the Worcester Regional Retirement System (WRRS). The total FY2022 Worcester Regional Retirement Assessment is \$2,548,279. The \$2,470,601 portion included in the General Fund budget does not include the retirement costs contained in the Water Enterprise Fund (\$34,940), the Sewer Enterprise Fund (\$23,293) or the Cable Access TV budget (\$19,445). The FY2022 General Fund increase of \$195,005 represents a significant 8.6% rise in costs, primarily due to implementation of the funding schedule designed to eliminate the unfunded pension liability by 2036.

It is important to note that a municipal employee hired after 1996 will contribute 9% of their total compensation plus another 2% of any regular compensation over \$30,000 to the retirement system. Such an employee, if retired with 25 years of creditable



service and the investment return assumption is met, will effectively pay for their entire pension.²

- **Transfer to OPEB Trust**

Other Post-Employment Benefits (OPEB) are the benefits, other than retiree pensions, offered to retirees and their dependents. These benefits mainly consist of medical insurance. OPEB liability is the present value of benefits for retired and vested employees. An unfunded liability reflects an incurred obligation, payable in the future, for which no reserves have been set aside.

Following the acknowledgment of OPEB in FY2009 as required by the Government Accounting Standards Board (GASB), the Town has continued to contract with an actuary to update the liability, but also to develop a funding plan to address the liability. GASB has since clarified and replaced Statement #45, with Statements #74 and #75, and under GASB #75 the Town's latest liability was calculated to be \$36.32 million (Net OPEB Liability) under the new standards at the end of FY2020. In FY2015 the Town adopted the optional Meals Tax Surcharge and increased the Room Occupancy Tax in order to provide capacity within the budget to begin funding the OPEB Trust Fund. Since FY2015 the General Fund budget has appropriated \$500,000 annually into the OPEB Trust Fund and in FY2020 that amount was increased to \$550,000.

Unfortunately, the Town's annual contributions, although significant, are not yet lowering the overall liability. In addition, recent fiscal constraints associated with the COVID-19 pandemic have required postponement of contributions to the OPEB Trust Fund in FY2021 and FY2022. As of this writing, the OPEB Trust Fund had \$4.53 million in it and the funding ratio has increased to 9.33%. The Town will need to revisit its funding plan in subsequent years to get back on track, resources permitting.

- **Building & Liability Insurance**

This budget category includes property and liability coverage for all Town owned property, as well as liability coverage for all elected and appointed Town officials. In addition, because fire and police personnel are not eligible under Massachusetts law for regular workers' compensation coverage, a separate insurance policy with premiums based largely on claims experience is purchased to cover these personnel for injuries sustained in the line of duty. The police and fire MGL Chapter 41 Section 111F Injured on Duty (IOD) premium is also included here. The Town's Building and Liability insurance premiums reflect a 5.1% budgetary increase for FY2022.

- **Debt Service**

For FY2022, the total Debt Service budget for the General Fund is \$2.13 million, a decrease of \$71,806. The largest component of the debt service budget in FY2022 is for the Lincoln Street School, which is \$1,026,775.

One key factor in limiting the increase in new FY2022 debt service is the Town's Free Cash policy whereby smaller capital items are purchased using available funds, such

² Information from actuary, James R. Lamenzo of the Public Employee Retirement Administration (PERAC).



as Free Cash, instead of financing with debt. For a detailed explanation of the Town's Free Cash Policy and the recent efforts to fund more pay-as-you-go capital projects, interested readers should refer to Section 9 of this budget document.

It should be noted that the debt service appropriations for the Water & Sewer Enterprise Funds appear in their respective budgets (Section 8 of this budget document).

- **State Assessments**

The FY2022 State Assessments are projected to decrease \$17,650, or 6.46%, based on the Governor's initial budget assessment to Northborough of \$255,768. However, the Town will not know its final assessments until after the State Legislature completes its budget process, which typically wraps up well after Town Meeting. Three categories of State Assessments account for over 72% of the expenses—Mosquito Control (\$65,994), Massachusetts Bay Transportation Authority (\$82,996) and Charter School sending tuition (\$36,326).

- **Stabilization Fund Contribution**

As of June 30, 2020, the balance in the Stabilization Fund is \$5.06 million. Historically the budget had provided for an annual appropriation of \$100,000 to be added to the Stabilization Fund. However, for several years the appropriation was not possible due to financial constraints. Beginning in FY2016, the contribution to the Stabilization Fund was restored and augmented with additional funding for a total contribution of \$200,000 with Free Cash as the source. The FY2022 budget does not include a contribution to the Stabilization Fund from Free Cash due to the fiscal impacts of COVID-19. However, given the lower overall budget increases and the extra Free Cash being held in reserve, financial reserves as a percentage of the budget are estimated at 8-9%. Future contributions to the Stabilization Account will require a yearly review of the Town's financial position. Overall, the Town's reserves remain within the acceptable levels prescribed by its financial policies, which is 5-10% of operating revenues. More information regarding the Town's Free Cash Policy can be found in Appendix A, and information regarding the Town's level of reserves can be found in Appendix B, pages 9 and 10.

- **Reserve Fund**

In FY2021, the Reserve was funded at \$375,000 to mitigate the unknown potential impacts of Covid-19. However, given the significant federal support through both the CARES Act and the American Rescue Plan Act, it is unlikely there will be a need to utilize the additional Reserve Fund dollars in FY2021, and as a result, the appropriation for FY2022 will be reduced to pre-pandemic levels at \$175,000. Most commonly, the Reserve Fund account has been used to make up for storm related snow and ice budget overdrafts.

- **Special Warrant Articles**

In addition to the individual departmental appropriations, the Town's overall annual financial plan includes warrant articles which draw upon the funds available to the Town. The warrant articles contain proposed funding using a combination of Free Cash, bond proceeds, and/or other available funds. In FY2022, these warrant articles



include \$175,000 for the Reserve Fund from Free Cash, and the FY2022 Capital Improvement Plan (CIP) which in total amounts to \$1,875,250. The funding sources for the CIP are \$805,000 from Free Cash, \$290,250 from Community Preservation Funds, \$150,000 in grant funding, \$80,000 from Water Enterprise Free Cash, \$50,000 in Water Enterprise Fund bonds, and \$500,000 from Water & Sewer Enterprise Fund bonds. The CIP totals \$1,875,250, and together with the other warrant articles the total expenditures come to \$2,050,250.

The FY2022 Town Meeting Warrant Articles include the following:

- \$175,000 for the Appropriation Committee's Reserve Fund (Article 10)
- \$150,000 for Police Cruiser Replacements (Article 11)
- \$80,000 for One-Ton Pickup Truck for Fire Department (Article 12)
- \$76,000 for SUV Command Vehicle for Fire Department (Article 13)
- \$310,000 for Roadway Maintenance and Improvements (Article 14)
- \$115,000 for One-Ton Dump Truck with Plow (Article 15)
- \$74,000 for One-Ton Pickup Truck with Plow (Article 16)
- \$500,000 for DPW/Water and Sewer SCADA Project (Article 17)
- \$50,000 (plus \$150,000 grant) for DPW/Water Reservoir Dam Breach (Article 18)
- \$80,000 for DPW/Water and Sewer Utility Tractor (Article 19)
- \$290,250 for CPA funded Pickleball Courts at Ellsworth/McAfee Park (Article 23)

The Board of Selectmen adopted a Free Cash Policy in November 2010, which provides a funding source for projects, other than municipal bonds. The Free Cash Policy can be found on page 2 of Appendix A of this budget document and is further discussed in the transmittal letter of the Capital Improvement Plan contained in Section 9-1 through 9-6 of this document.

Public Education

• Northborough K-8

The Northborough K-8 Public School System serves children in grades Kindergarten through 8. There are four elementary schools: the Fannie E. Proctor School, the Lincoln Street School, the Marion E. Zeh School, and the Marguerite E. Peaslee School. These four schools serve children from Kindergarten through grade 5. There is also one middle school, the Robert E. Melican Middle School, which serves grades 6, 7 and 8. As of October 1, 2020, a total of 1,526 students attend the Northborough schools, with 1,007 students in grades K-5 at the four elementary schools and 519 students in grades 6-8 at the Middle School.

Based on the Town's revenue forecast and declining enrollment, the Northborough K-8 School Budget will increase 2.47% in FY2022. Therefore, the FY2022 amount available for the Northborough K-8 School department is \$25,799,678. This represents an increase of \$621,834 from the \$25,177,844 appropriated last year.



- **Algonquin Regional High School (ARHS)**

As of October 1, 2020, a total of 861 Northborough students attend the Northborough-Southborough Regional High School. This represents 63.26% of the total 1,361 student enrollment in grades 9-12. The Northborough-Southborough budget is composed of an operating assessment and a debt payment related to the completed renovation/addition project. The ARHS operating assessment is increasing \$417,693, or 3.32% in FY2022. The debt for ARHS is increasing by \$15,617, or 2.47%, to \$647,846. The net effect of the combined operating assessment and new debt service is an overall increase of \$433,310, or 3.28%, to \$13,652,714.

- **Assabet Valley Regional Technical High School**

Assabet Valley Regional Technical High School is a vocational school composed of the member communities of Berlin, Hudson, Marlborough, Maynard, Northborough, Southborough and Westborough. Northborough's assessment is based upon the number of students from Town attending the school. The total FY2022 budget is \$23,104,000 which is an increase of \$667,000, or 2.97%.

As of October 1, 2020, 59 Northborough students attend Assabet Valley, resulting in an operating assessment of \$934,658. This is an enrollment increase of 6 students from the 53 Northborough students that attended Assabet Valley last year. Northborough's FY2022 share of the debt assessment from the completed building renovation project is \$133,832, which will continue to decline in subsequent years. The net effect of the combined operating assessment and new debt service is \$1,068,490 which is an increase of \$65,644, or 6.55%.

- **Norfolk County Agricultural High School (NCAHS)**

In prior years Northborough has borne the expense of tuition and transportation to the NCAHS in the Town's portion of the budget. This expense is borne by the Town because students have the freedom to seek admission to schools with state-approved vocational technical education programs pursuant to M.G.L. c. 74 603 CMR 4.00 and are known as Chapter 74 approved programs. Once accepted the Town is required to bear the full cost of both tuition and transportation. The FY2022 cost for one student's tuition and transportation is \$38,500.

Enterprise Funds

Water, Sewer and Solid Waste services are operated as enterprise funds. Briefly, an enterprise fund as authorized under MGL Ch. 44 §53F½ is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery—direct, indirect, and capital costs—are identified. This allows the community to recover total service costs through user fees, if it chooses.



Enterprise Funds Summary

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED	% CHANGE
ENTERPRISE FUNDS						
Water Enterprise Fund	\$2,287,872	\$2,371,565	\$2,600,970	\$1,106,242	\$2,961,675	13.87%
Sewer Enterprise Fund	\$1,636,645	\$1,704,353	\$2,296,295	\$710,761	\$2,373,460	3.36%
Solid Waste Enterprise	\$731,978	\$824,976	\$873,550	\$477,782	\$919,144	5.22%
Subtotal	\$4,656,495	\$4,900,893	\$5,770,815	\$2,294,785	\$6,254,279	8.38%

• **Water Enterprise Fund**

The FY2022 Water Enterprise Fund is budgeted at \$2,961,675 which is an increase of \$360,705 or 13.87%. This increase is due to one major factor which is the projected MWRA annual assessment increase of \$345,583 (24.3%) that accounts for nearly 96% of the total budget increase. Also included are contractual labor increases and mandated semiannual systemwide leak detection. The reason for the substantial increase to the MWRA assessment is a shift in water use among the MWRA communities. The City of Boston and other large metropolitan members used less water during the pandemic. The result was a shift in Northborough's share of the total MWRA budget, disproportionately driving up our FY2022 assessment. The FY2022 Water Enterprise Budget includes the use of \$316,548 in fund balance (Enterprise Fund Free Cash) to mitigate the one-time spike in the MWRA assessment. It is expected that the Town's percentage of MWRA water use will return to pre-pandemic levels once the economy fully opens.

In the second quarter of FY2014, a base charge was added to each water account to recover a portion of fixed costs paid from the enterprise funds such as debt, meter reading, billing and collection, regardless of the amount of water usage. Based upon formal rate studies, the water utility user rates are expected to increase approximately 5% per year due to a combination of inflationary pressures (between 2% and 3% annually), annual water use fluctuations, and the need to make regular infrastructure investments.

• **Sewer Enterprise Fund**

The FY2022 Sewer Enterprise Fund is budgeted at \$2,373,460, which is an overall increase of \$77,165 or 3.36%. The budget reflects an estimated 5% increase in the Marlborough use charge of \$38,726 and an increase in debt service of \$27,978. These two items account for over 86% of the overall budget increase. Several smaller initiatives account for the remainder of the increase including an escalation to the cost of state-mandated inflow and infiltration investigation.

The critical issue facing the DPW Sewer Enterprise Fund continues to be negotiations for a new Intermunicipal Agreement with the City of Marlborough. The matter is currently in litigation, the outcome of which will establish our contribution to the operational expenses of the City's Westerly Wastewater Treatment Plant as well as



Northborough's share of the \$30 million plant improvement project. Sewer rates were increased significantly in the second quarters of FY2014, FY2016, FY2017, and FY2018 in anticipation of a large plant improvement payment to Marlborough. The sewer use charges for FY2019 and FY2021 increased by 5% but were maintained with no increase for FY2020. While final rate adjustments will be based upon an updated rate study, no increase is projected at this time for FY2022.

• **Solid Waste Enterprise Fund**

Recycling markets throughout the United States continue to experience a difficult and complicated transition. For many years China had been the primary market for our country's recyclable materials. However, in early 2018 China revised their specifications for acceptance of recyclable materials to an unachievably low contamination standard, which eliminated the option of exporting these commodities to China. That action resulted in the need for fast and drastic changes to the market for recyclable materials in the United States.

In FY2019 the Town issued an Invitation for Bids (IFB) for a new solid waste collection and recyclable materials collection and disposal contract. The contract no includes an annual Recycling Net Processing Cost Adjustment, which allows the Town to better manage costs associated with the changing recycling market trends.

Overall, the pay-as-you-throw (PAYT) Solid Waste and Recycling budget is increasing \$45,594, or 5.22%. The FY2022 bag fee revenues are projected to be \$488,000 and the FY2022 expenses are estimated at \$919,144, leaving a projected general fund subsidy of \$337,160 in addition to a transfer from the Solid Waste Fund Free Cash of \$93,984. In FY2022, the appropriation will again contain a \$10,000 Contingency Reserve account within the Solid Waste Fund to ensure adequate funding for the potential of an unforeseen event in the coming year.

For a full review of the PAYT trash program, as well as a more detailed discussion regarding recent market issues, interested readers are referred to the Solid Waste Enterprise Fund budget contained in Section 8 of this budget document.

General Administration

Section 2



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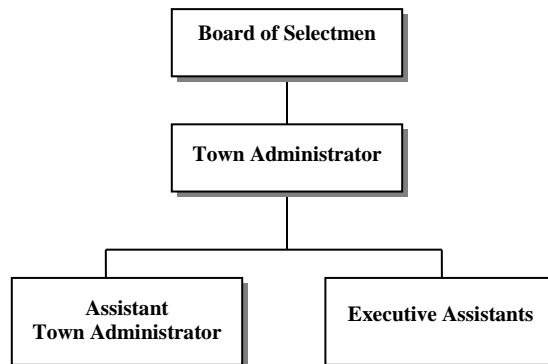


Executive Office Departmental Statement

The Executive Office of the Town of Northborough is made up of the Board of Selectmen and the Town Administrator. The Board of Selectmen is recognized by the General Laws of the Commonwealth of Massachusetts as the Town's body of chief elected officials with the authority to enact rules and regulations establishing Town policies not otherwise governed by bylaw, the Town Charter, or by statute. The Board is composed of five members who are elected to staggered three-year terms. The powers and duties of the Board of Selectmen include appointing the Town Administrator, Police Chief, Fire Chief and Town Accountant, as well as various boards, committees and commissions. The Board of Selectmen also issues certain licenses and permits such as alcohol, car dealerships, common victualler, and entertainment; enforce special sections of the Town Code; and regulate the public ways.

The Town Administrator is appointed by the Board of Selectmen and is the senior appointed officer of the Town. The Town Administrator is responsible for managing the day-to-day operations of municipal government as outlined in Article IV of the Town Charter. The Town Administrator appoints and removes department heads, subordinates and employees, and members of certain boards and commissions for which no other method is provided in the Town Charter or in the general laws. The Town Administrator works closely with the Board of Selectmen to develop and implement policies and goals for the efficient and effective administration of Town government.

Executive Office Organizational Chart





Executive Office FY2021 Initiatives and Accomplishments

1. COVID-19 Pandemic Response: FY2021 was dominated by the impacts of the COVID-19 pandemic, including a local declaration of emergency, the closure of all Town facilities, and implementation of the Town's Continuity of Operations Plan (COOP) designed to ensure that critical functions remain uninterrupted. A COVID-19 Task Force was formed to coordinate issues and responses, both internal and external to the organization. Policies and procedures were put in place to facilitate remote work and new hardware and software systems deployed. Remote meeting platforms were put in place to allow boards and committees to meet and conduct Town business. A dedicated website was developed to provide continuous, real-time information to residents and businesses regarding the pandemic, including an unprecedented level of outreach to make sure all at-risk and vulnerable residents had the supplies and services they needed. Staff contacted all seniors in Town at least twice and partnered with the food pantry and other local community groups to ensure any food security issues were addressed. In conjunction with the School Department, a COVID testing program for all students and staff was put into place to monitor the safety of operations. Administration and Finance oversaw the processing, tracking, and reporting of emergency grants and relief funds, including FEMA reimbursements, Coronavirus Relief Funds, and American Rescue Plan Act funding.

In January of 2021, staff began planning and organizing local COVID-19 vaccination clinics at the Senior Center. The first clinic took place on February 5, 2021 and resulted in the vaccination of local seniors and at-risk members of the community. While simultaneously planning for and running the local clinic in Northborough, the Town also partnered with seven area communities to collaborate on a regional clinic in Westborough at the DoubleTree hotel. The impacts of COVID-19 on the daily operations of Town Government during FY2021 cannot be overstated. Throughout the entire period, critical services were never interrupted and all Town Departments remained accessible.

2. FY2021 Budget and Outdoor Town Meeting: FY2021 was unprecedented in terms of budget and Town Meeting preparations. Despite the budget process being completed in March of 2020, the financial impacts of the pandemic caused the Town to revise all its revenue projections and reduce both capital and operating budget plans. Working in collaboration with the School Department and the financial boards and committees, the Town was able to present a revised budget that was balanced, preserved core services, and anticipated the worst case scenarios for state aid and local revenues due to the economic shutdown. Under special State legislation Town Meeting was delayed until July 18th using an emergency 1/12 budget process and was ultimately held outdoors due to COVID-19. Once final state aid figures were approved in late fall, the Town was in the enviable position of being able to continue with its approved budget, which resulted in tax relief for all residents and businesses. Based upon the reduced budgets and level funded state aid, the average single-family home tax bill in FY2021 declined by \$65. The needed tax relief was made possible through years of planning, conservative budgeting practices and adherence to adopted comprehensive financial policies. The FY2021 revised budget enjoyed the unanimous support of all boards and committees and was overwhelming approved at Town Meeting.



3. Financial Trend Monitoring Report Updated: The Financial Team updated the Town's Financial Trend Monitoring System (FTMS) Report and presented the results at a joint meeting of the Board of Selectmen, Financial Planning Committee, Appropriations Committee and K-8 School Committee on January 14, 2021. The purpose of the FTMS is to analyze key financial indicators in order to assess the financial direction of the Town. The report brings issues and opportunities to the attention of decision-makers through a systematic method of trend analysis. The updated FTMS Report provided critical information about the FY2022 budget assumptions during the ongoing pandemic, which allowed policy-making Boards and Committees to make informed decisions. The updated analysis included a close look at local receipts and state aid projections which were used to build consensus regarding sustainable FY2022 budget increases.
4. Clean Annual Audit and Positive Free Cash: The Town closed out FY2020 with approximately \$1.98 million in Free Cash on June 30, 2020 and no material issues or deficiencies were noted in the annual audit.
5. FY2021 Capital Budget included \$2,885,000 in Projects with no additional tax impact: The approved FY2021 Capital Budget totaled \$2,885,000 of which \$712,775 was funded with Free Cash (one-time revenues), resulting in no additional tax impact. In addition, \$452,225 came from Community Preservation Funds, \$95,000 from grants, and \$100,000 in funding came from Water & Sewer Enterprise Fund balances with no additional impact on rate payers. The FY2021 Capital Budget also included \$1,525,000 in Water & Sewer Bonds with debt payments to be paid for by fees. Since FY2012 the Town has invested \$17.82 million in pay-as-you-go capital investments with no additional tax impact. That includes \$12.06 million in Free Cash and approximately \$5.76 million in other funding sources.
6. Awarded "Green Community" Designation: At the end of FY2019, Northborough was officially awarded "Green Community" status by the Department of Energy Resources. This designation allows the Town access to grant funding to reduce municipal energy use and encourage the adoption of and adherence to environmentally sustainable policies. In the initial grant cycle, Northborough was awarded \$147,012 for replacement of the Police Station Boiler at \$79,912, and a new Melican Middle School Energy Management System at \$67,100. Both projects were successfully completed.
7. Fire Station Project: The Fire Station Feasibility Study Committee determined that the existing station is inadequate to meet the programmatic needs of the department and that the current site is also too small to accommodate a renovation/addition. As a result, the Committee issued a Request for Proposals to find land in the downtown area appropriate for a potential station site. Following an exhaustive process, the Committee recommended acquisition of 61/65 West Main Street with 10 Monroe as the preferred site and the Town entered into a Purchase & Sale Agreement. However, during the Town's due diligence it was discovered that the site still requires significant remediation due to contamination from its prior use as a gas station. The language of the executed Purchase and Sale Agreement requires the seller remove all structures and provide a clean site. Although the Town remains confident the closing will proceed, the scope of the requisite remediation has resulted in significant delays and ongoing coordination with the sellers.



8. Historic White Cliffs Facility Reuse: During FY2021, the Town completed Phase III of the Feasibility and Reuse Study for the historic White Cliffs facility. The Final Report was presented to the Committee on December 18, 2020 and the full report is available on the Town's webpage. Under Phase III, the architect worked with their consultants to evaluate potential reuse options for White Cliffs. After discussing many different reuse scenarios, the Committee narrowed down options to the following three: event space, municipal offices for the Town, and residential use. Each of these options was then tested with financial models. Unfortunately, all of the identified reuse scenarios would require significant financial subsidy by the Town, as none of the proposed reuse options can generate enough income to pay for the preservation of White Cliffs and, as with some of the reuse opportunities, some new construction on the site. As a result of the report findings, the Committee requested an alternative analysis for a "preservation light" option to preserve as much of the structure's historical significance as possible and is evaluating private sector partnership options through a Request for Proposals (RFP) process.
9. Negotiate a new Inter-municipal Agreement (IMA) with the City of Marlborough: The Town completed all preparations for litigation in this matter and was scheduled for trial in April of 2021. The trial was subsequently postponed until June as the parties continue to attempt to negotiate a settlement agreement, the outcome of which will establish Northborough's contribution to the operational expenses of the Westerly Wastewater Treatment Plant, as well as its share of the \$30 million plant improvement project. For more information regarding the Town's sewer history and the EPA permit process, please see Section 8-5 of this budget document.
10. Traffic Safety Initiatives: Town staff continue to work with residents to address traffic related concerns, largely focused on the Bartlett Street area. The Town created a Traffic Safety Webpage which includes a portal that allows residents to submit questions or concerns regarding traffic safety matters. The page is then updated with the relevant information relating to the various requests. The Town successfully negotiated \$80,000 in mitigation funds from Amazon for traffic safety improvements on Bartlett Street. Some mitigation measures that the Town plans to make include the layout and installation of bicycle lanes on Bartlett Street, procurement and installation of solar pedestrian activated rapid flashing beacons at Algonquin Regional High School, the construction of a wheelchair ramp at the Maple Street side of ARHS, and to conduct a traffic engineering study for the segment of Bartlett Street in the ARHS area.

In addition, Amazon has committed to funding a post-occupancy traffic study which will be implemented by a town engaged traffic engineering consultant. This work will begin when the facility is fully operational, which is projected to be in early July. CMRPC will also be collecting traffic counts on the segment of Bartlett Street between Route 20 and Lyman Street. We will continue to utilize the Traffic Safety Webpage to communicate updates and information to residents on the various projects in the Bartlett Street neighborhood.

11. Diversity & Inclusion Committee: In August of 2020, the Board of Selectmen established the Diversity and Inclusion Committee to address equity concerns following the death of George Floyd in Minneapolis, Minnesota. The 9-member Committee is charged with reviewing existing policies and procedures related to diversity, equity and inclusion, and identifying any potential areas for improvement based on relevant local, state and national research on best



practices. The Committee has been engaging with community stakeholders, leaders, and residents to collect qualitative and quantitative data which will aid the group as they prepare their final recommendations to the Board of Selectmen, which are due in the Fall of 2021.

Executive Office FY2022 Goals and Initiatives

1. GFOA Distinguished Budget Award Program: The Government Finance Officers Association (GFOA) Distinguished Budget Award Program underwent major revisions last year, adding several new criteria requirements. The Town will review the new requirements and continue to refine the its award-winning budget for submission. FY2022 enhancements will focus on long-range planning and the introduction of meaningful performance measures into operating budgets. The impacts of COVID-19 and the management of state and federal recovery funds will continue throughout FY2022 and into the FY2023 budget process, including the close monitoring of local revenues.
2. Fire Station Project Design: Once the requisite remediation work is completed on the 61/65 West Main Street property, which is under agreement, the Town will close on the property and issue a Request for Qualifications for an Owner's Project Manager (OPM). Following OPM selection, the Town will conduct a similar process to hire the architect and begin the formal design phase of the project. The goal is to complete design development phase in time to seek approval of construction funding at the 2022 Annual Town Meeting in conjunction with a debt exclusion vote on the 2022 Election Ballot.
3. Historic White Cliffs Facility Reuse: Following completion of the Feasibility and Reuse Study in FY2021, the Committee intends to seek consulting assistance to develop a scope of services for a Request for Proposals (RFP) solicitation. The goal of the RFP process is to identify potential private sector partners willing to perform the restoration work needed to bring the facility back into code compliant use. It remains to be seen if additional subsidy will be needed from the Town to make a project economically viable; however, the Feasibility Study results clearly indicate that full restoration of White Cliffs to its former historic glory is unlikely. Moving forward, the Town needs to identify a financially viable use that preserves as many of the historically significant features of the structure as possible.
4. Town Offices Feasibility Study: In April of 2020, the Town allocated funding to conduct a feasibility study to determine the future location of the Town Administrative Offices, but COVID-19 and the ensuing emergency planning efforts delayed the project. The feasibility study process is set to begin in the spring of 2021 and last through the summer and early fall. Once a determination is made on a path forward for the future of the Administrative Offices, the Town will put forth a request for design funding in the spring of 2022.
5. Litigation regarding Sewer Inter-municipal Agreement (IMA) with the City of Marlborough: If ongoing negotiation efforts are unsuccessful, the Town anticipates going to trial at the start of FY2022 to resolve the long-standing dispute with the City of Marlborough regarding sewer capacity and charges associated with the expired Inter-Municipal Agreement for sewer treatment services at the Marlborough Westerly Treatment Plant. This issue has significant implications for future economic development and the financial viability of the Sewer Enterprise Fund. For more detail please see Section 8-5 of this budget document.



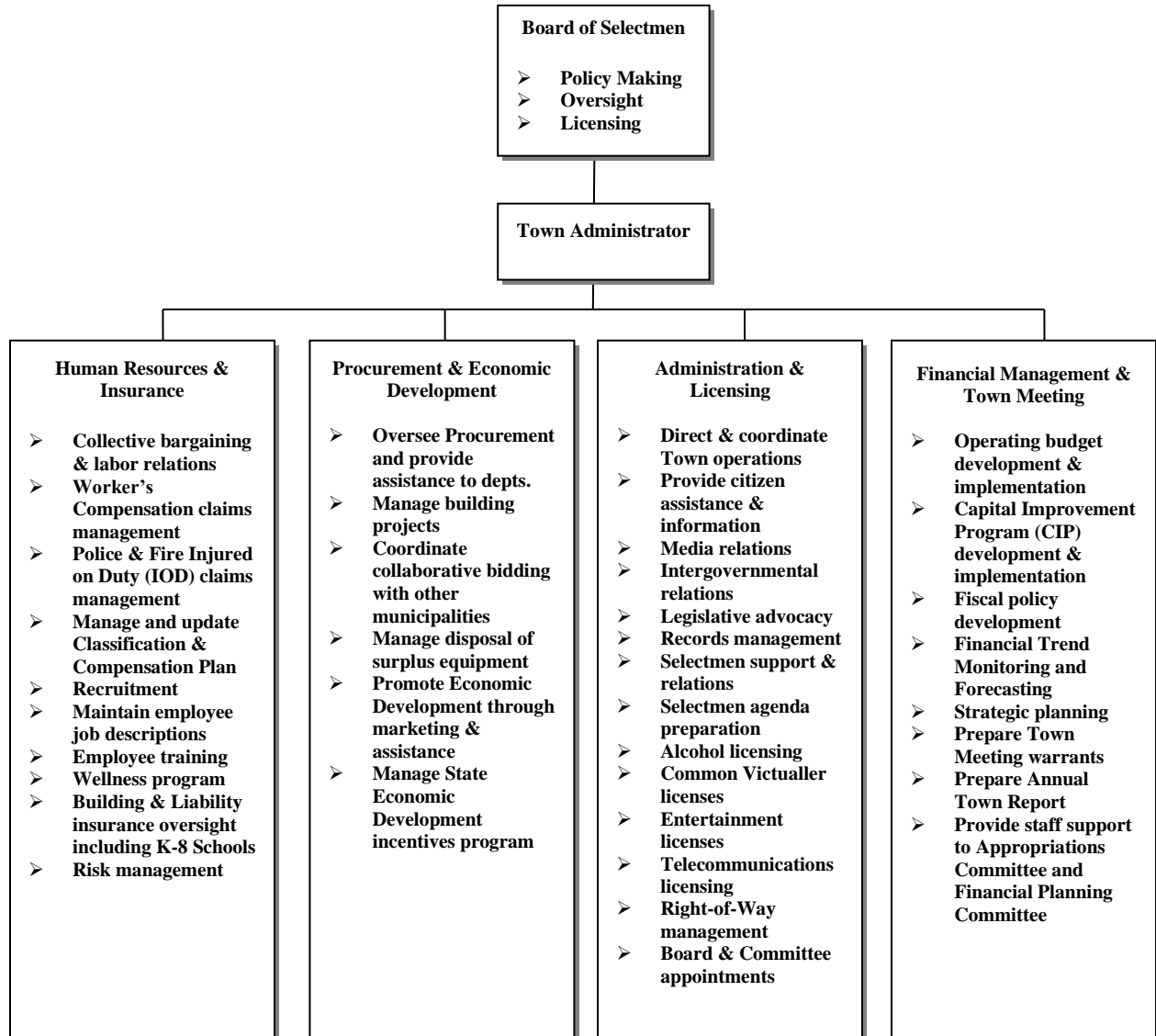
6. All Collective Bargaining Agreements in Negotiations: All five of the Town's collective bargaining agreements expire at the end of FY2022 on June 30, 2022. During FY2022 the Town will be negotiating fair and sustainable future increases for all union personnel covering FY2023 through FY2025. The Town was also recently informed that its sole health insurance carrier, Fallon, will be exiting the commercial market at the close of FY2022, which means the Town will have to bid out its health insurance and manage the collective bargaining and financial implications of that change in the fall of 2021.
7. Public Health Excellence Grant for Shared Services: The Town is proposing to create a new shared health services arrangement with the Towns of Westborough, Boylston, and Southborough. If awarded, the grant funds will provide for expanded public health nursing services, additional staffing for inspectional services, dedicated software for inspectional services, and ongoing continuity of operations for all four community health departments. These additional resources will allow for improved infectious disease surveillance, preventative care programs and education, immunization opportunities, and additional resources for outreach and emergency planning. Northborough will be the lead community in this \$300,000 per year, multi-year grant to improve public health services in the region.
8. Infrastructure Improvements: The Town will continue implementing the Pavement Management Plan in FY2022; complete bridge/culvert replacements on Ridge Rd., Lyman St. and Davis St.; construct the new ADA compliant Assabet Park, install flashing crosswalks and other traffic safety improvements on Bartlett Street and in front of Town parks; complete construction of the new Water/Sewer Garage; and refurbish the Assabet Hill Water Tank. These projects, as well as many smaller capital improvements scheduled throughout FY2022, will continue to add to the quality and economic vitality of the Northborough community.
9. Development of Information Technology/GIS Strategic Plan: Using \$40,000 in funding received under the State Community Compact Grant program, the Town will hire an independent third party consultant to assist with the development of a comprehensive IT/GIS Strategic Plan that focuses on aligning technology investment with overall organizational priorities. The Town will also be participating in a regional grant to assess and better protect our technology against cyber security threats.

Significant Budget Changes or Initiatives

Overall, the Executive Office budget is increasing \$21,064 or 4.56% in FY2022. In addition to a 2% salary increase for non-union personnel, \$9,960 of the increase reflects the hiring of a new Assistant Town Administrator at a higher salary than the prior year's budgeted amount, which reflected a vacant position funded at the midpoint of the salary range.



Executive Office Programs and Services





EXECUTIVE OFFICE					
Personnel Summary					
Position	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2021 FTE	FY 2022 FTE
Town Administrator	1	1	1	1	1
Assistant Town Administrator	1	1	1	1	1
Executive Assistants	2	2	2	2	2
Total Full-time Equivalent	4	4	4	4	4

*Personnel Explanation: Full Time Equivalents based upon 40 hrs per wk (30hrs/40hrs = .75 FTE)



Executive Office

Section 2-9

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
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BOARD OF SELECTMEN

Personnel Services

51110 Selectmen Stipends	5,356	6,240	6,240	6,240	3,120	6,240
51120 Executive Assistant	128,835	131,373	135,066	137,224	64,668	139,980
51220 Part-Time Executive Assistant	0	0	0	0	0	0
51410 Longevity Pay	800	1,600	1,600	1,600	1,750	1,750
SUBTOTAL	134,991	139,213	142,906	145,064	69,538	147,970

Expenses

¹ 52850 Annual Independent Audit	23,355	23,821	24,534	25,256	0	26,013
53090 Advertising	295	355	272	850	0	850
56930 Town Meeting Expenses	0	323	0	500	0	500
57320 Subscriptions	485	425	345	600	0	600
57330 Memberships	2,613	2,676	2,741	2,821	2,666	2,821
57340 Meetings	26	340	214	1,250	0	1,250
57810 Unclassified	0	181	0	1,000	0	1,000
SUBTOTAL	26,774	28,120	28,106	32,277	2,666	33,034

TOTAL: SELECTMEN

	161,765	167,333	171,012	177,341	72,204	181,004
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¹ The FY2022 total cost of the annual audit is \$29,560. The cost is split 88% General Fund and 12% Water/Sewer Enterprise Funds

Section 2-10

Executive Office



	FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED

TOWN ADMINISTRATOR

Personnel Services

51100 Town Administrator	155,534	161,805	168,340	175,158	81,479	180,429
51120 Assistant Town Administrator	94,976	98,252	30,672	90,000	20,651	99,960
51410 Longevity Pay	1,350	700	500	500	500	500
SUBTOTAL	251,859	260,757	199,511	265,658	102,630	280,889

Expenses

52800 Contractual Services	0	0	5,300	0	0	0
53110 Printing	0	0	0	1,600	0	1,600
54290 Office Supplies	0	0	1,068	1,200	0	1,200
57110 Travel/Mileage	3,967	4,128	4,211	4,295	2,106	4,382
57310 Dues	1,553	1,745	1,801	1,906	1,802	1,963
57320 Subscriptions	868	1,280	1,387	1,400	1,626	1,626
57340 Meetings	4,232	1,670	539	2,000	634	3,800
SUBTOTAL	10,621	8,823	14,305	12,401	6,168	14,571

TOTAL: TOWN ADMINISTRATOR

	262,480	269,580	213,817	278,059	108,797	295,460
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Executive Office

Section 2-11

	FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED

ECONOMIC DEVELOPMENT

Expenses

54290 Office Supplies	0	0	0	200	0	200
57110 Travel/Mileage	0	0	0	0	0	0
57310 Dues	850	850	855	875	0	875
57320 Subscriptions	0	0	0	0	0	0
57340 Meetings	0	0	0	250	0	250
SUBTOTAL	850	850	855	1,325	0	1,325

TOTAL: ECONOMIC DEVELOPMENT

850	850	855	1,325	0	1,325
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ANNUAL TOWN REPORTS

Expenses

52800 Contractual Services	1,470	1,800	1,435	1,854	0	1,854
53110 Printing	2,269	2,900	0	3,296	0	3,296
SUBTOTAL	3,739	4,700	1,435	5,150	0	5,150

TOTAL: ANNUAL TOWN REPORTS

3,739	4,700	1,435	5,150	0	5,150
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Public Buildings Departmental Statement

The Public Buildings Account provides for various costs associated with the Town Office Building as well as other Town facilities, including:

1. Gasoline and diesel fuel used by all Town vehicles.
2. The cost of electricity and natural gas to heat the Town Office Building (the Town works cooperatively with the Northborough K-8 Schools and the Regional School District to purchase fixed rate electricity under an aggregation program overseen by the Massachusetts Municipal Association).
3. The Public Buildings account provides funds for the payment of water & sewer user fees to the Water & Sewer Enterprise Funds for use by Town Buildings and Facilities (Town Hall, Library, Fire Station, Police Station, Public Works Garage, Cemetery, Parks and Senior Center).
4. The account provides funds for the payment of Solid Waste fees for solid waste collection and disposal services provided to Town buildings and facilities.

PUBLIC BUILDINGS					
Personnel Summary					
Position	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2021 FTE	FY 2022 FTE
Facilities Manager	0	0	0	0	1
Custodian	.5	.5	.5	.5	.5
Total Full-time Equivalent	.5	.5	.5	.5	1.5

*Personnel Explanation:

Full Time Equivalents based upon 40 hrs per wk (30hrs/40hrs = .75 FTE)

- There is a full-time custodian that works 20 hours per week (.5 FTE) in the Town Offices Building and 20 hours per week in the Police Station.
- In FY2022 a full-time Facilities Manager is being added, effective July 1, 2021. The position was initially slated to be funded for half of the fiscal year in FY2020, and then full-time in FY2021, however, due to the financial concerns surrounding COVID-19, the position was left vacant. The position will be responsible for coordination of the maintenance and repairs of Town Buildings, as well as assisting with preparation of the Town’s Capital Improvement Plan.



Public Buildings

Section 2-13

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
PUBLIC BUILDINGS						
Personnel Services						
51100 Full-time Salaries	0	0	0	0	0	92,616
51300 Overtime	0	0	0	6,465	0	6,596
51410 Longevity	100	175	175	175	175	175
51970 Part-time Custodian	25,241	26,258	27,466	28,126	13,254	28,690
SUBTOTAL	25,341	26,433	27,641	34,766	13,429	128,077
Expenses						
52110 Utilities Town Office Building	45,924	46,013	57,709	58,000	16,837	58,000
52460 Office Machine Maintenance	10,349	9,959	10,371	16,200	3,942	16,200
52800 Contractual Services	227	110	0	3,000	4,486	3,000
53410 Telephone	27,153	25,448	25,449	30,000	12,544	30,000
53420 Postage	34,540	30,924	33,028	35,000	22,681	35,000
54290 Office Supplies	5,125	5,207	3,882	9,000	3,436	9,000
54490 Repairs and Maintenance	65,876	63,650	82,932	85,490	15,782	85,490
54590 Supplies	16,587	13,453	13,959	15,000	5,626	15,000
54820 Gasoline	116,077	118,281	74,713	150,000	27,341	150,000
58700 Water Charges	9,449	9,681	9,129	16,500	9,247	16,500
58705 Sewer Charges	6,090	5,711	5,879	6,720	1,528	6,720
58708 Solid Waste Charges	32,012	29,598	43,612	44,910	13,545	45,974
SUBTOTAL	369,407	358,035	360,662	469,820	136,995	470,884
TOTAL: PUBLIC BUILDINGS	394,748	384,468	388,304	504,586	150,425	598,961

Significant Budget Changes or Initiatives

The Public Buildings Budget will increase \$94,375, or 18.70% in FY2022. In FY2022 a full-time Facilities Manager is being added at a cost of \$92,616, effective July 1, 2021. The position was initially slated to be funded for half of the fiscal year in FY2020, and then full-time in FY2021; however, due to the financial concerns surrounding COVID-19, funding for the position was eliminated. The new position will be responsible for coordination of the maintenance and repairs of Town Buildings, as well as assisting with preparation of the Town's Six-Year Capital Improvement Plan (CIP).



Finance Departmental Statement

The Finance Department consists of three Divisions that work closely with the Town Administrator's Office to prepare the information needed to reach essential management decisions and formulate fiscal policies. These Divisions include Treasurer/Collector, Assessors and Accounting. Below is a description of each.

Treasurer/Collector Division

The Treasurer/Collector's Office is responsible for billing and collection of real estate taxes, personal property taxes, motor vehicle excise taxes, and the receipt of various permits and licenses. In addition, the Division is responsible for reconciliation of bank accounts, long and short-term investments, long and short-term borrowing, payroll processing, income tax reporting, and benefit administration for active and retired employees (health, dental, disability and life insurance). The Treasurer/Collector's Division receives, manages and disperses all funds of the Town in accordance with Massachusetts General Laws and the Town of Northborough Financial Policies contained in Appendix A of the Annual Budget Document.

Assessing Division

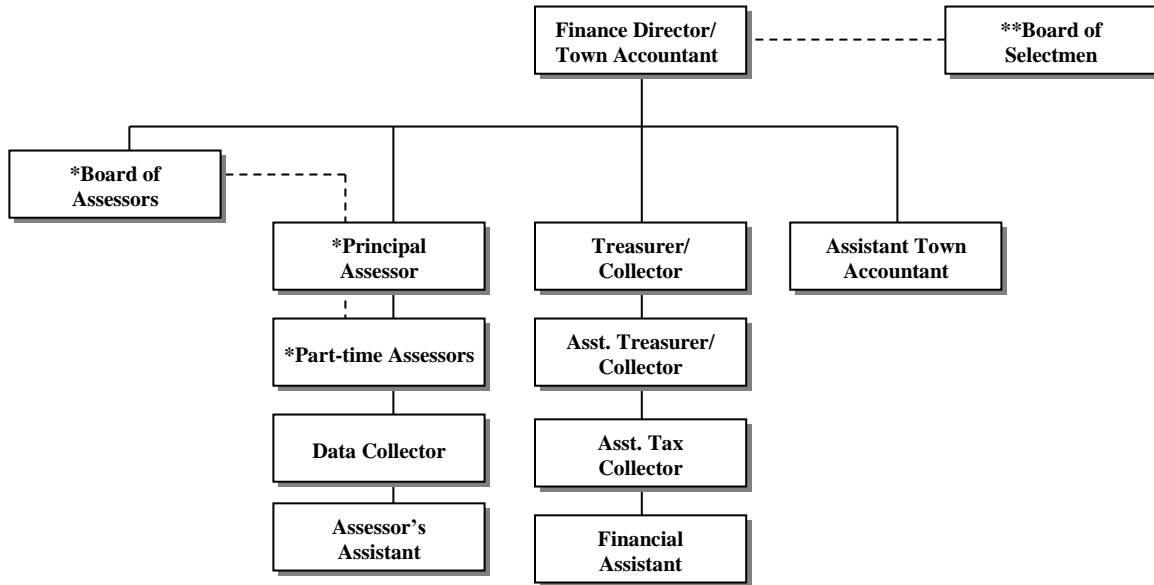
The primary role of the Assessor's Division, under the direction of the Board of Assessors, is the valuation of all real and personal property in the Town. The State Department of Revenue (DOR) requires that all property be valued at full and fair cash value which ensures that all property owners pay their fair share of the yearly tax burden. The Assessor's Division is responsible for meeting and adhering to strict certification requirements of the DOR. To meet these requirements, the Assessors are obligated to analyze and adjust the values of all properties annually and, once every five years, undergo a full recertification. In addition to appraisal duties, the Assessor's Division is responsible for the administration of statutory tax exemptions; tax abatement filings for real estate, personal property and motor vehicle excise taxes; maintaining and updating records following Registry of Deeds transactions; processing of betterments; maintaining tax maps; maintaining records of exempt property; and defense of values at the Appellate Tax Board.

Accounting Division

The Accounting Division is responsible for record keeping of all financial transactions of the Town; processing of all bills, warrants, receipts, payroll and ledgers; keeps records of all contracts and grants and provides departments with financial reports. The Accounting Division is the internal auditor for the Town and ensures the Town's compliance with Generally Accepted Accounting Principles, Federal and State laws, and Town Meeting authorizations. The Finance Director serves as the Town Accountant in addition to the position's other responsibilities.



Finance Department Organizational Chart



Organizational Chart Notes:

*The Board of Assessors consists of three members appointed by the Town Administrator for three-year terms. The Principal Assessor along with two Part-time Assessors serve as the Board of Assessors. Historically, the Part-time Assessors were also responsible for performing the field inspection work necessary for the appraisal of all real estate and personal properties in Town. During FY2022 a new Data Collector position is proposed which will take over most of the routine field work, reducing the Part-time Assessors hours to focus primarily on the more complex Board of Assessors duties.

**In accordance with the Town Charter, the Town Accountant position is appointed by the Board of Selectmen. The Board of Selectmen also contracts with a certified public accounting firm annually to conduct an independent audit of all records and accounts of the Town. In accordance with Town Code Chapter 9-128 and Chapter 1-36-030, the Town Administrator oversees the Finance Department and may appoint either the Town Accountant or the Treasurer-Collector to serve as Finance Director.

**Finance FY2021 Initiatives and Accomplishments****Treasurer/Collector Division:**

1. Financial Team worked closely with the Assessing Division to maintain the tax rate approval schedule so that the Classification Hearing could continue being held in November for FY2021.
2. Actively pursued the real estate tax collection of several properties in tax title.
3. Successfully prepared for debt issuance in FY2021, with 3 new issues in addition to existing short-term debt being renewed. “Green Light” requirements have been met to proceed to the market with Bond Counsel’s opinion.

Assessing Division:

1. Successfully completed the FY2021 Revaluation Certification in compliance with Massachusetts Department of Revenue guidelines, including maintaining physical property inspection schedules, which allowed the tax rate to be set in November.
2. Assisted over 150 Senior residents with applications for real estate tax relief programs.
3. Established information continuity for assignment of map, lot & street numbers including map updates provided to other departments.
4. Finance Team successfully recruited a new Principal Assessor and Assessors Assistant to replace transitioning staff, in addition to developing modernized staffing proposal to be considered for 2021 Town Meeting.

Accounting Division:

1. Completed the FY2020 annual independent audit of the Town’s financial statements resulting in no material deficiencies and including compliance with Government Account Standards Boards (GASB) Statements in the financial statements.
2. Timely submission of all required reports to the Department of Revenue including the Balance Sheet used to accurately certify Free Cash for the close of FY2020.
3. Prepared all data related to the Town’s Financial Trend Monitoring System (FTMS) program, to allow for the annual presentation to be held in January for all boards, committees, and the public.
4. Developed draft of formal internal control policy and procedural manual as recommended by the Town’s external auditor.



Finance FY2022 Goals and Initiatives

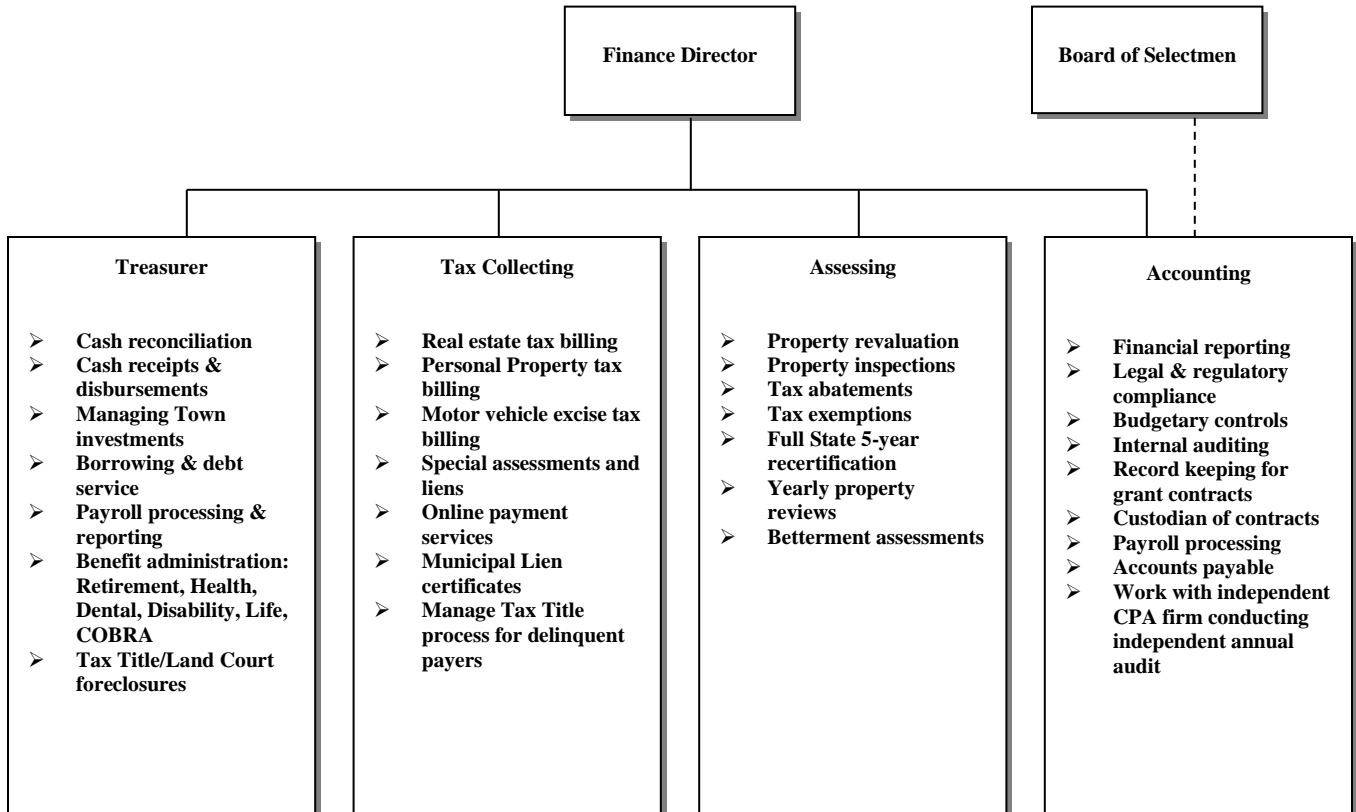
1. Continue progress towards modernizing operations of the Financial Offices with improved communication, cross training and sharing of resources.
2. Continue to work to improve our budget document for the Government Finance Officers Association Distinguished Budget Award which requires the Town to implement Best Practices in public budgeting.
3. Continue to work with our comprehensive financial and investment policies to improve financial procedures and expand internal controls to efficiently manage our financial resources.
4. Continue to expand utilization of technology to gain efficiencies.
5. Continue to maintain collection rates of at least 95% of current levy pursuant to the Town's financial policies contained in Appendix A of the annual budget document.

Significant Budget Changes or Initiatives

Overall, the Finance Department's FY2022 budget is up just \$288, or 0.04%. The departmental budget as presented includes 2% contractual wage increases for Union and Non-Union personnel, which were largely offset by personnel changes in the Assessor's Division. In addition to the hiring of a new Principal Assessor and Assessor's Assistant at a lower salary rates, a new Data Collector position was also added. The new position assumes most of the responsibilities for field inspection work previously performed by the higher paid part-time Assessors, who also serve as members of the Board of Assessors. As part of the reorganization an Assessor's Assistant position was eliminated, resulting in net level staffing for FY2022.



Financial Offices Programs and Services





FINANCIAL OFFICES

Personnel Summary

Position	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
	FTE	FTE	FTE	FTE	FTE
<u>Finance Director</u>	1	1	1	1	1
<u>Treasurer/Collector's Division</u>					
Treasurer/Collector	0	1	1	1	1
Assistant Treasurer/Collector	1	1	1	1	1
Assistant Tax Collector	1	1	1	1	1
Financial Assistant	1	1	1	1	1
<u>Assessing Division</u>					
Principal Assessor	1	1	1	1	1
Part-time Assessors (2)	.5	.5	.5	.1	.1
Assessor's Assistants	2	2	2	2	1
Data Collector	0	0	0	0	1
<u>Accounting Division</u>					
Town Accountant	1	0	0	0	0
Assistant Accountant	1	1	1	1	1
Total Full-time Equivalents	9.5	9.5	9.5	9.1	9.1

*Personnel Explanation: Full-time Equivalents are based upon 40hrs per wk (20hrs/40hrs = .5 FTE).

- During FY2019 the Finance Director/Treasurer-Collector retired and the Town Accountant was promoted to Finance Director/Town Accountant.
- During the FY2021 budget the hours of the Part-time Assessors were reduced. In FY2022 a reorganization of the Assessor's Office was implemented which shifted most of the field inspection work from the higher paid Part-time Assessors, who also serve on the Board of Assessors, to a new Data Collector position. The overall FTE count remains the same due to elimination of an Assessor's Assistant position.

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Finance Department



	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGET	FY2021 SIX MONTHS	FY2022 PROPOSED	
TREASURER/COLLECTOR							
Personnel Services							
51100	Treasurer/Collector Salary*	114,595	104,669	87,720	90,370	42,038	93,090
51120	Treasurer Office Staff Salaries	212,985	195,344	172,935	192,169	83,038	196,774
51410	Longevity Pay	1,650	1,800	500	650	650	850
51970	Treasurer's Stipend	1,000	1,000	1,000	1,000	0	1,000
	SUBTOTAL	330,231	302,813	262,155	284,189	125,725	291,714
Expenses							
52800	Contractual Services	0	7,350	0.00	0	0	0
53040	Computer Services	7,129	7,249	8,016.34	8,377	3,303	9,805
53090	Advertising	594	624	602.00	1,000	0	1,000
53110	Printing	5,487	5,372	4,126.92	7,595	73	4,753
53160	Banking Services	5,070	5,944	5,653.50	6,100	619	6,200
54290	Office Supplies	46	119	368.49	600	0	300
57110	Travel/Mileage	259	239	264.80	642	0	642
57310	Dues	330	360	140.00	140	140	140
57340	Meetings	437	373	935.50	240	0	240
57810	Unclassified	1,458	1,575	1,350.00	2,625	0	2,625
	SUBTOTAL	20,809	29,205	21,458	27,319	4,135	25,705
TOTAL: TREASURER/COLLECTOR	351,040	332,017	283,613	311,508	129,861	317,419	

* During FY2019 the Finance Director/Treasurer-Collector retired and the Town Accountant was promoted to Finance Director/Town Accountant.



Finance Department

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FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGET	FY2021 SIX MONTHS	FY2022 PROPOSED
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ASSESSOR

Personnel Services

51100	Principal Assessor Salary	96,742	98,677	100,650	102,664	27,792	86,700
51120	Asst. & Data Collector Salaries	114,369	117,776	107,675	117,576	28,090	117,868
51130	PT Assessors Salaries	22,956	14,286	12,555	6,071	2,225	13,122
51410	Longevity	1,050	1,050	700	700	500	500
SUBTOTAL		235,117	231,789	221,580	227,011	58,608	218,190

Expenses

52800	Contractual Services	11,508	28,724	34,786	39,210	20,429	39,300
53090	Advertising	0	0	155	150	0	0
53110	Printing	0	514	0	750	0	320
54290	Office Supplies	0	595	309	500	56	500
57110	Travel/Mileage	1,266	813	831	3,000	10	2,000
57310	Dues	254	304	284	290	649	290
57320	Subscriptions	1,332	1,149	2,028	1,550	0	1,550
57340	Meetings	1,294	1,430	1,512	2,000	490	3,000
SUBTOTAL		15,655	33,529	39,905	47,450	21,634	46,960

TOTAL: ASSESSOR

250,772	265,318	261,485	274,461	80,242	265,150
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Section 2-22

Finance Department



		FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
		ACTUAL	ACTUAL	ACTUAL	BUDGET	SIX MONTHS	PROPOSED
ACCOUNTING							
Personnel Services							
51100	Town Accountant Salary*	96,742	105,681	119,225	121,610	57,136	124,042
51120	Asst. Accountant Salary	55,671	57,913	60,694	62,286	29,353	63,517
51410	Longevity	200	200	550	550	550	550
	SUBTOTAL	152,613	163,794	180,469	184,446	87,038	188,109
Expenses							
52800	Contractual Services	834	834	834	1,000	0	1,000
53110	Printing	166	174	181	450	0	450
54290	Office Supplies	279	0	0	200	33	200
57310	Dues	125	185	315	435	315	435
57320	Subscriptions	0	0	40	125	0	125
57340	Meetings	1,903	2,172	311	1,375	100	1,400
	SUBTOTAL	3,308	3,365	1,680	3,585	448	3,610
TOTAL: ACCOUNTING		155,921	167,159	182,149	188,031	87,486	191,719

* During FY2019 the Finance Director/Treasurer-Collector retired and the Town Accountant was promoted to Finance Director/Town Accountant.



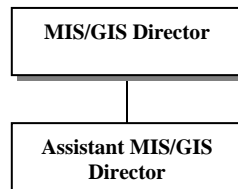
Management Information Systems (MIS) & Geographic Information Systems (GIS) Departmental Statement

The MIS/GIS Department is charged with coordinating the implementation and application of information technology throughout Town. GIS is a system of hardware and software used for storage, retrieval, mapping and analysis of geographic data. In the simplest terms, GIS is the merging of cartography and database technology.

The mission of MIS is to enhance public service by improving interdepartmental communication and providing efficient and effective information for decision-making purposes. This enhancement is accomplished by proactively maintaining all network systems to minimize downtime and maximize employee productivity.

The mission of GIS is to improve access to spatially related information for decision-making purposes for Town staff, various Board and Committees and the general public by making various maps and information layers such as wetlands, utilities and topography readily available in a user friendly format.

MIS/GIS Organizational Chart





MIS/GIS FY2021 Initiatives and Accomplishments

1. Like other departments, the MIS/GIS Department's efforts during FY21 focused on responding to the pandemic. Laptop computers and VPN accounts were issued to Town employees and the benefits of cloud-based applications became even more evident.
2. Governor Baker's Executive Order of March 12th, 2020 suspended the requirements of the Open Meeting Law to have all meetings in a publicly accessible physical location. As a result, Northborough's Boards and Committees began (and continue) to meet virtually. The MIS/GIS Department worked with the Fire Chief and numerous others, forming the Remote Meetings Working Group. The group developed guidelines and procedures to facilitate the return to meeting on a regular basis in a virtual environment.
3. New aerial photography was obtained in late winter 2020. The project was a collaboration with two neighboring municipalities and will provide updated planimetric data (pavement, structures, wetlands, etc.) and topographic data. Data and aerial photography from the project will be made available online through the Town's MapGeo webpage.

MIS/GIS FY2022 Goals and Initiatives

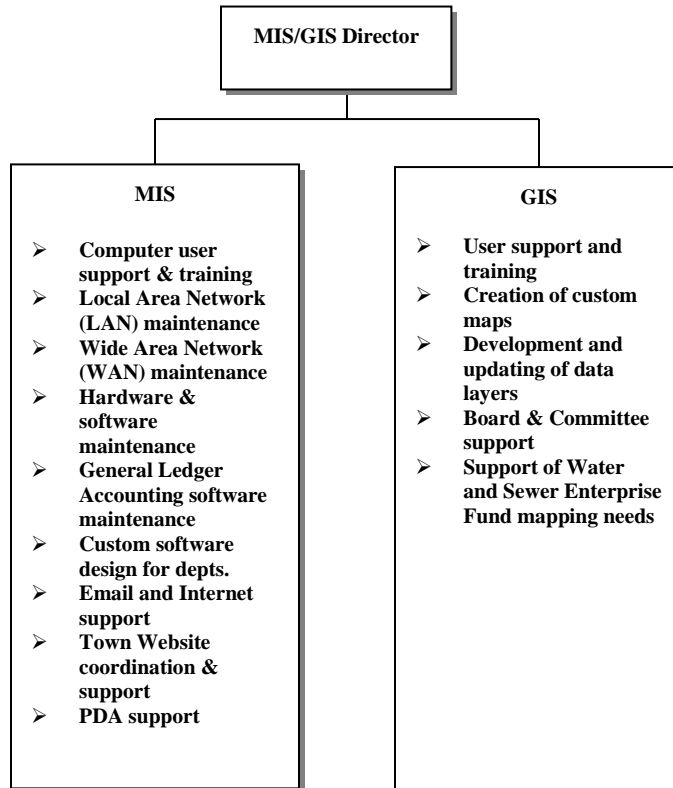
1. A new town-wide phone system is coming in the months ahead, replacing separate systems currently in use throughout Town facilities, all of which have reached end-of-life. The new cloud-based system will integrate with desktop PCs and mobile devices and provide greater flexibility with videoconferencing and remote work.
2. Upgrades to the Town's wireless and wired networks are also planned in the coming months, supporting the increased use of wireless devices and providing power over ethernet (PoE) for new phones and wireless access points. In FY2022, core network switches at Town Hall, Police and Fire will reach end-of-life and are scheduled for replacement.
3. With VoIP phones and an increase in the use of cloud applications, reliable internet connectivity is paramount. In FY2022 the Town will deploy redundant internet connectivity and utilize an SD-WAN solution for failover and load balancing.

Significant Budget Changes or Initiatives

The MIS/GIS budget is increasing by \$54,973, or 11.25%. The most significant factors contributing to the increase are the addition of infrastructure to support a new Town-wide phone system and the planned core network switch replacement. The main departmental initiatives in FY2022 include finalizing and implementing the new VoIP phone system, and other updates to the Town's internet connectivity. It is anticipated that videoconferencing needs will continue after the pandemic has ended and the hardware and software needed to support these services must continue to be a focus. Additionally, the \$40,000 State grant to create a comprehensive IT/GIS Strategic Plan focused on aligning technology investment with overall organizational priorities was delayed due to COVID-19. That project is anticipated to begin at the close of FY2021 with implementation of any recommended changes in FY2022 and beyond.



MIS/GIS Programs and Services





MIS/GIS DEPARTMENT					
Personnel Summary					
Position	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2021 FTE	FY 2022 FTE
* MIS/GIS Director	1	1	1	1	1
Assistant MIS/GIS Director	1	1	1	1	1
Total Full-time Equivalent	2	2	2	2	2

*Personnel Explanation:

Full Time Equivalent based upon 40 hrs per wk (30hrs/40hrs = .75 FTE).

- The MIS/GIS Director’s time and salary is split between the General Fund (30hrs) and the Water/Sewer Enterprise Funds (10hrs). The FY2022 salary total is \$104,716.38 (\$78,538 reflected in the General Fund Budget and \$26,179 in the Water/Sewer Enterprise Fund Budgets in Section 8 of the budget).



MIS/GIS

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	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
MIS/GIS DEPARTMENT						
Personnel Services						
51110 MIS/GIS Director Salary (GF)	73,555	74,795	76,050	76,998	22,568	78,538
51120 Asst. MIS/GIS Director Salary	87,387	89,134	90,917	92,736	43,570	83,675
51410 Longevity Pay	1,150	1,150	1,150	1,150	1,150	1,150
SUBTOTAL	162,091	165,079	168,117	170,884	67,288	163,363
Expenses						
52800 Contractual Services	21,440	18,526	21,493	40,000	14,608	40,000
53040 Computer Services	41,141	27,047	29,088	41,058	24,549	60,630
53190 Training	0	2,343	1,314	4,750	264	4,800
53720 Computer Maintenance	113,847	111,998	124,755	172,061	157,452	177,233
54290 Office Supplies	13,811	20,828	12,647	13,645	3,755	13,845
57110 Travel/Mileage	0	256	385	0	0	0
57310 Dues	100	100	100	295	0	295
57320 Subscriptions	0	0	0	0	0	0
57340 Meetings	0	38	2,857	0	0	0
58690 New Equipment	2,705	102,430	35,351	46,000	6,750	83,500
SUBTOTAL	193,044	283,565	227,990	317,809	207,377	380,303
TOTAL: MIS/GIS	355,135	448,644	396,108	488,693	274,665	543,666

* The FY2022 salary total is \$104,716.38 (\$78,538 reflected in the General Fund Budget and \$26,179 in the Water/Sewer Enterprise Fund Budgets in Section 8 of the budget).

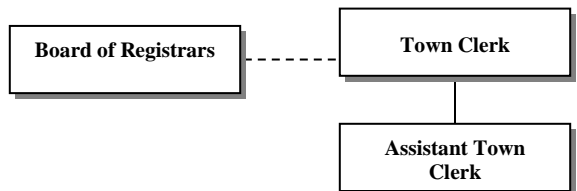


Town Clerk's Office Departmental Statement

The Town Clerk's Office is responsible for maintaining vital public records and information so that they are easy to locate, up-to-date, accurate and preserved for future generations. The Town Clerk is also the chief election official and supervises the Town's election activities including the development of the ballots, managing election equipment and set-up, hiring and training election officials, certifying, reporting, and recording election results. The Town Clerk is an ex officio member of the Board of Registrars.

The Registrar Board consists of three members appointed by the Board of Selectmen to three-year terms. The members of the Board of Registrars of Voters shall represent the two leading political parties, and in no case shall an appointment be made so as to cause the Board to have more than two members, including the Town Clerk, of the same political party. The Board of Registrars of Voters supervises the qualification of persons to vote; certifies the names of voters on nomination papers and petition forms; and holds hearings and decides all disputes relating to these matters.

Town Clerk's Office Organizational Chart





Town Clerk's FY2021 Initiatives and Accomplishments

1. Successfully managed the State Primary Election and State General Election during the COVID-19 Pandemic, including Early Voting sessions.
2. Coordinated and managed an unprecedented volume of requests for vote by-mail ballots.
3. Coordinated the purchase and installation of a new drive-up drop box at Town Hall.
4. Developed a dedicated COVID-19 pandemic webpage and assisted with content updates.
5. Continued to manage content on the Town's homepage, including all Board and Committee meeting agendas and minutes. Managed Town News content and subscription email notices.
6. Continued to manage communication and sales of bags, bins and bulk labels for the PAYT trash and recycling program, including processing of all payables and receivables.
7. Manage, track, and coordinate response to public records requests received by the Town. The volume of requests has increased significantly in recent years
8. Continue to manage the 48 hour posting requirements for all public meetings in accordance with the Open Meeting Law.
9. Distribute and track Conflict of Interest/Ethics training documentation for all Town Officials.

Town Clerk's FY2022 Goals and Initiatives

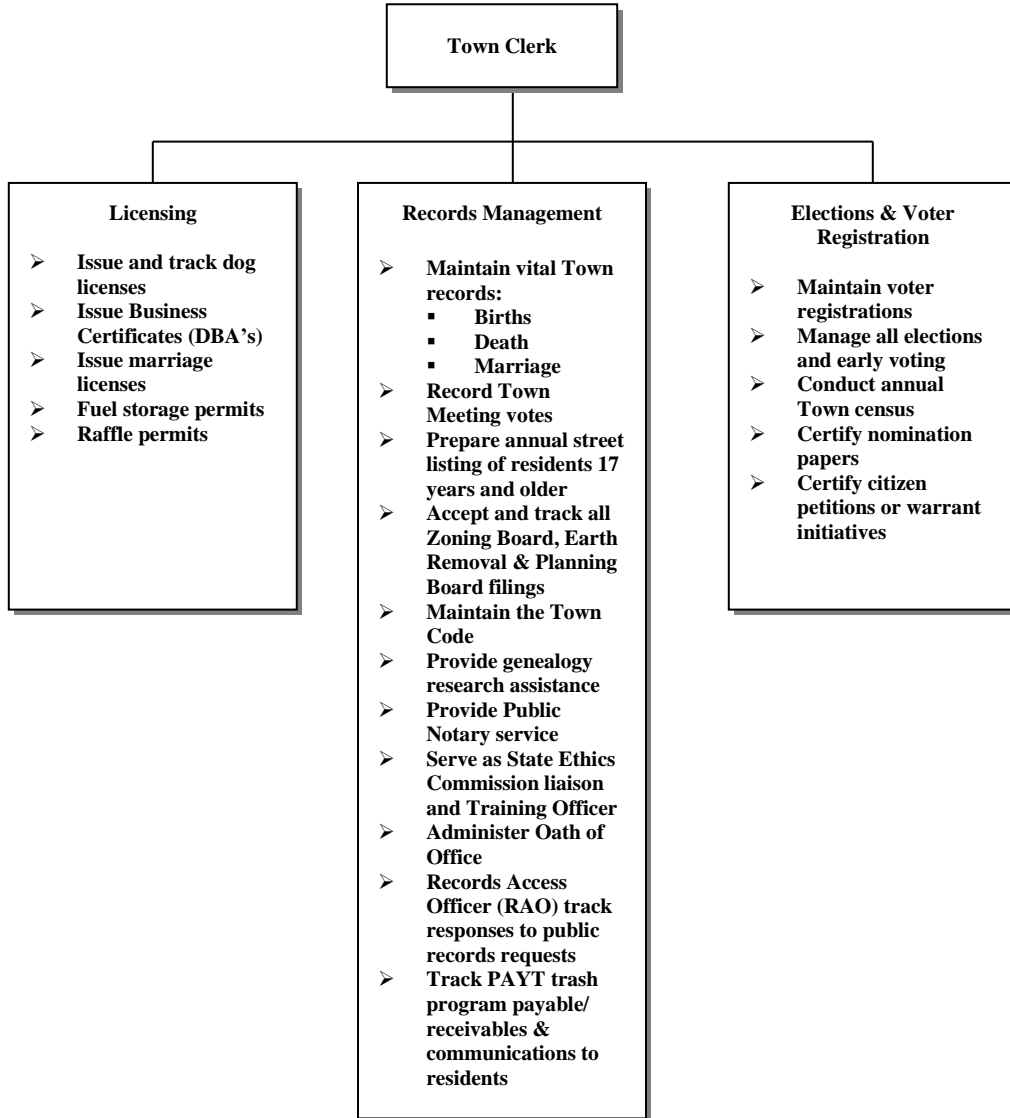
1. Develop tracking tools for responding to and managing public records requests.
2. Continue development of improved payables and receivables methods for PAYT trash and recycling program. Increase communication with PAYT customers.
3. Increase communication with residents through enhanced website content and integration of social media platforms.
4. Continue to expand and promote credit card counter payments and online payments for the purchase of dog licenses and vital records (birth, death, marriage certificates).
5. Continue to assess the need for additional historic records preservation, digitization, and storage needs for the Town's records.

Significant Budget Changes or Initiatives

The combined FY2022 Town Clerk/Elections budget represents an overall decrease of \$18,418, or 9.66%. The decrease is due to there being only one scheduled election in FY2022 as opposed to the three held in FY2021. The FY2022 schedule includes only one Annual Town Election on May 10, 2022. During FY2021 the department fully transitioned to one centralized polling location at the Melican Middle School in order to reduce disruption at the four elementary schools and increase efficiency of oversight.



Town Clerk's Programs and Services





TOWN CLERK'S OFFICE					
Personnel Summary					
Position	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2021 FTE	FY 2022 FTE
Town Clerk	1	1	1	1	1
* Assistant Town Clerk	1	1	1	1	1
Total Full-time Equivalent	2	2	2	2	2

*Personnel Explanation: Full-time Equivalents are based upon 40 hrs per wk (30hrs/40hrs = .75 FTE).

- The full-time Assistant Town Clerk position is budgeted 35 hours per week under the Town Clerk and 5 hours per week under Census Worker in the elections budget.
- In addition to the 2 permanent FTEs in the Town Clerk's Office, there are three Registrars, ten Town Meeting workers and approximately forty election workers (wardens, clerks, tellers, counters) that staff the voting precinct during each election. The cost of the election workers is reflected in the Elections budget, as well as additional expenses for school custodians working during the elections. Election Workers are not considered permanent employees and require annual appointment by the Board of Selectmen.

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Town Clerk's Office



FY2018 FY2019 FY2020 FY2021 FY2021 FY2022
 ACTUAL ACTUAL ACTUAL BUDGETED SIX MONTHS PROPOSED

TOWN CLERK'S OFFICE

Personnel Services

51110 Town Clerk Salary	87,387	89,134	90,917	92,736	43,570	94,591
51120 Assistant Town Clerk Salary	39,411	41,632	44,293	45,835	21,403	47,210
51410 Longevity Pay	950	950	950	950	950	950
51970 Stipend	1,000	1,000	1,000	1,000	0	1,000
SUBTOTAL	128,748	132,716	137,160	140,521	65,923	143,751

Expenses

52800 Contractual Services	100	0	0	1,000	0	1,000
53190 Training	925	925	2,071	450	0	450
57110 Travel/Mileage	359	241	302	350	0	350
57310 Dues	410	465	725	420	125	420
57340 Meetings	1,083	1,763	514	200	0	200
SUBTOTAL	2,877	3,394	3,612	2,420	125	2,420

TOTAL: TOWN CLERK

131,625	136,110	140,772	142,941	66,048	146,171
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Town Clerk's Office

Section 2-33

FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED

ELECTIONS/VOTER REGISTRATION

Personnel Services

51240 Registrars	950	950	950	1,250	0	1,250
51250 Census Workers	6,006	6,076	6,216	6,548	3,029	6,744
51260 Town Election Workers	3,875	13,045	7,281	21,202	15,459	6,534
51270 Town Meeting Workers	220	1,638	0	640	480	864
SUBTOTAL	11,051	21,709	14,447	29,640	18,968	15,392

Expenses

52720 Film Storage	296	896	1,052	750	1,094	750
52800 Contractual Services	4,475	10,365	9,094	9,500	17,223	4,000
53110 Printing	1,416	0	1,528	1,600	0	1,600
54290 Office Supplies	560	774	342	975	0	325
55820 Street Listing	1,898	0	1,444	900	1,030	900
55830 Census	1,851	1,765	1,929	1,800	0	1,800
55840 Election Expenses	847	7,434	1,317	1,800	441	600
57110 Travel/Mileage	58	251	252	75	0	25
57340 Meetings	981	1,455	269	675	0	675
58690 New Equipment	0	0	0	0	0	0
SUBTOTAL	12,381	22,940	17,228	18,075	19,788	10,675

TOTAL: ELECTIONS/VOTER REG

23,431	44,649	31,675	47,715	38,756	26,067
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Town Moderator

The Moderator is the presiding officer at Town Meeting. This is an elective office held for a one-year term. It is the responsibility of the Moderator to conduct the meeting so that all issues are discussed and voted upon in a business-like manner. The Moderator appoints the Appropriations Committee, Personnel Board and three of the six members of the Financial Planning Committee. The Moderator also appoints a deputy moderator to serve in the event of his/her absence or disability, subject to approval by Town Meeting.

		FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
		ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
MODERATOR							
Personnel Services							
51110	Moderator Stipend	150	150	0	150	0	150
51130	Deputy Moderator Stipend	50	50	0	50	0	50
	SUBTOTAL	200	200	0	200	0	200
Expenses							
57810	Moderator Expenses	0	0	0	300	0	300
	SUBTOTAL	0	0	0	300	0	300
TOTAL:	MODERATOR	200	200	0	500	0	500



Appropriations Committee

The Appropriations Committee consists of six members appointed by the Town Moderator for three-year terms. Under the Town Charter and bylaws, the role of the Appropriations Committee is to advise Town Meeting regarding all articles involving the appropriation or expenditure of money. Immediately following the presentation of a monetary article at Town Meeting, the Committee must report to the Meeting its recommendation of approval or disapproval of such appropriation or expenditure, together with the reasons therefore.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
APPROPRIATIONS						
Expenses						
53110 Printing	0	0	0	900	0	900
57310 Dues	210	0	210	240	210	240
57340 Meetings	200	210	212	555	0	555
57810 Unclassified	0	205	0	0	0	0
SUBTOTAL	410	415	422	1,695	210	1,695
TOTAL: APPROPRIATIONS	410	415	422	1,695	210	1,695



Personnel Board

The Personnel Board consists of six members appointed by the Moderator for three-year terms. The Board is responsible for the administration of the classification and compensation plans and exercises this responsibility through the Town Administrator according to the provisions of the Consolidated Personnel Bylaw for the Town of Northborough, as amended. This budget account reflects costs associated with merit pay, limited town-wide training, drug testing and legal expenses associated with collective bargaining negotiations. The account is also used for consultant or temporary labor services associated with personnel transitions. During the course of the fiscal year funds are transferred out as appropriate and reflected in the departmental budgets, such as a settled labor contract. Any unused funds shown in the prior year "Actual" columns below are closed out to free cash at the end of the fiscal year.

FY2022 is the final year of all settled collective bargaining agreements. Negotiations for the next cycle of contracts will begin during FY2022. All FY2022 departmental budgets include a 2% contractual cost-of-living wage increase for Union and Non-Union personnel. Merit pay increases for eligible employees not at the max of their pay grade are held in this Personnel Board Budget account until approved based upon satisfactory performance evaluations. Once approved, the funds are transferred and reflected in the appropriate departmental budgets.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
PERSONNEL BOARD						
Expenses						
51980 Compensation Adjustments	0	0	0	61,107		75,000
52800 Contractual Services	0	25,519	5,643.00	0	0	0
53090 Advertising	4,020	1,936	1,691.95	1,000	1,580	1,000
53170 Drug & Alcohol Testing	5,891	3,322	2,211.00	2,000	483	2,000
53190 Training	334	40	53.96	1,000	446	1,000
57310 Dues	250	250	275.00	275	825	275
57340 Meetings	0	340	39.44	700	275	700
SUBTOTAL	10,495	31,408	9,914	66,082	3,609	79,975
TOTAL: PERSONNEL BOARD	10,495	31,408	9,914	66,082	3,609	79,975



Town Counsel

Town Counsel is appointed by the Board of Selectmen for an indefinite term. Town Counsel serves as counsel to Town Officers and Committees and attends to the Town’s legal affairs at the request of the Town Administrator. Under the Town bylaws, Town Counsel reviews all Warrant Articles prior to Town Meeting and serves as a resource during all Town Meeting proceedings. The budget below represents general legal services. Legal expenses associated with specific capital projects or Water & Sewer Enterprise Funds are reflected in those budgets.

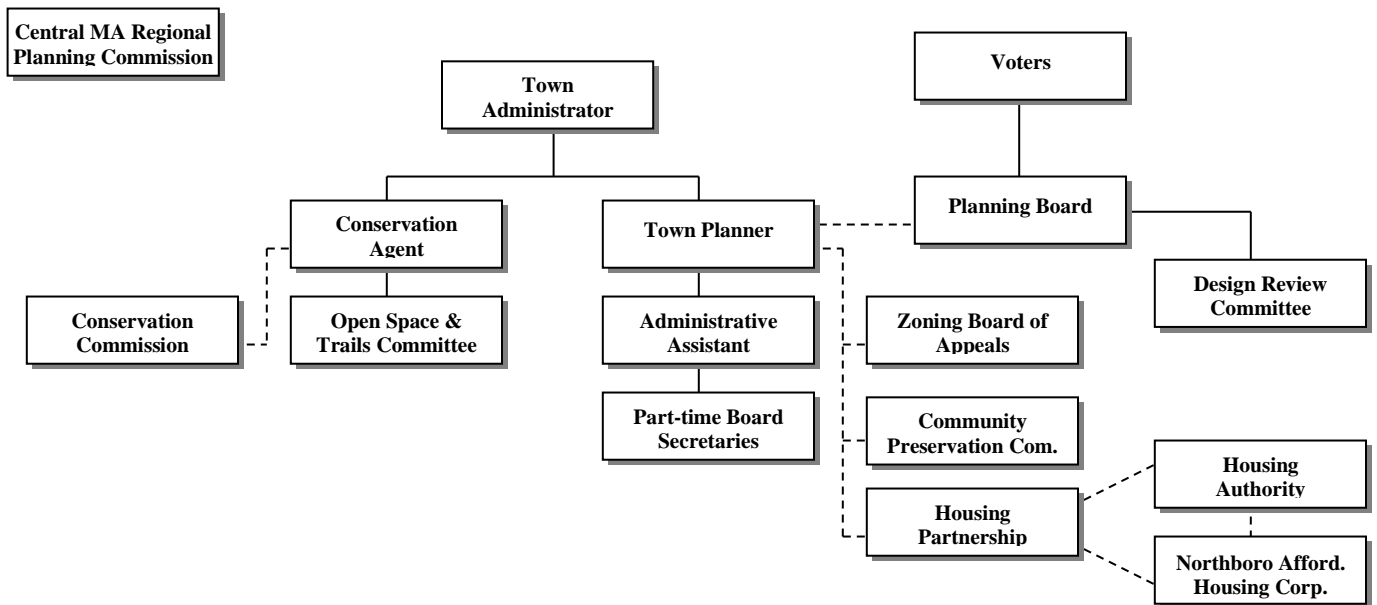
		FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
		ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
TOWN COUNSEL		<hr/>					
Expenses							
53020	Legal Services	45,407	84,782	63,787	85,000	18,128	90,000
	SUBTOTAL	45,407	84,782	63,787	85,000	18,128	90,000
TOTAL:	TOWN COUNSEL	45,407	84,782	63,787	85,000	18,128	90,000



Planning & Conservation Departmental Statement

The Planning and Conservation Offices encompass a number of Boards, Commissions, Committees and affiliated organizations which together manage growth and promote the highest quality of development within the Town. These bodies are served by the Town Planner, Conservation Agent, Town Engineer and Building Inspector/Zoning Enforcement Officer who provide technical support and information regarding land use and development to the Planning Board, Zoning Board of Appeals, Conservation Commission, Earthwork Board, Open Space Committee, Trails Committee, Northborough Housing Partnership and Community Preservation Committee. Affiliate organizations include the Central Massachusetts Regional Planning Commission (CMRPC), the Northborough Housing Authority and the Northborough Affordable Housing Corporation (NAHC). Below is an organizational chart that provides a graphic representation of their relationship to Town staff and each other. A detailed description of each is included in the pages that follow.

Planning & Conservation Organizational Chart



Organizational Chart Notes:

- Voters elect the Planning Board.
- The Town Administrator appoints all staff positions.
- The Northborough Affordable Housing Corporation (NAHC) is a registered 501(c)(3) non-profit corporation that is a legally separate entity from Town Government, but works in close relationship with the Northborough Housing Authority and the Northborough Housing Partnership. NAHC has received funding from the Town through the Community Preservation Committee to develop affordable housing in Northborough.
- All other Boards and Committees are appointed by either the Selectmen or a combination of various Boards as detailed in the descriptions on the following pages.
- Central MA Regional Planning Commission has a Representative appointed by the Selectmen and a representative appointed by the Planning Board.

**Planning & Conservation FY2021 Initiatives and Accomplishments**

1. Master Plan was completed by the Master Plan Steering Committee. The Master Plan Implementation Committee has been established and will begin meeting at the end of FY2021 and into FY2022.
2. Update of Open Space and Recreation Plan has begun.
3. The Planning Department continues to work with Shrewsbury and Westborough to explore the creation of multi-use transportation path utilizing the former Boston Worcester Air Line Trail. Goal is to provide a paved commuting route for bikers and walkers linking Worcester with Framingham. Easement research has begun in Northborough.
4. Solar bylaw and hazardous materials facility bylaw were adopted at the 2020 Annual Town Meeting.
5. A lakes and pond specialist was hired to work with the Conservation Commission to apply a supplemental herbicide application at Bartlett Pond to control vegetation as part of the plan to promote continued recreational use of the pond.
6. The Planning Board and the Department of Public Works have begun updating the Subdivision Rules and Regulations.
7. Groundbreaking ceremony was held for the Boroughs Loop Trail, a continuous 33+ mile trail through Northborough, Marlborough, Westborough and Southborough.
8. Staff worked with the Conservation Commission and Open Space Committee to permanently protect 19 acres of open space abutting Mt. Pisgah.
9. The Conservation Commission's applications and permits have been converted to eDEP, the online permit software from MassDEP.

Planning & Conservation FY2022 Goals and Initiatives

1. Work with Master Plan Implementation Committee and land use boards to implement Master Plan recommendations.
2. Implement goals and recommendations of the Open Space and Recreation Plan.
3. Continue publicizing Boroughs Loop Trail.
4. Update Planning Board and Zoning Board of Appeals submittal forms with the goal of offering electronic application submission.
5. Prepare Planning Board, Zoning Board of Appeals, and Conservation Commission files for electronic conversion.



6. Explore public access options utilizing the MWRA aqueduct bridge to connect northern and southern walking trails along the aqueduct.
7. Work with DPW, Planning Board and Zoning Board of Appeals to establish a sidewalk development policy.
8. The Conservation Commission will actively work to restore and protect Mount Pisgah Conservation Area from recent vandalism.
9. Staff have begun to assist the Trails Committee to work collaboratively with the Senior Center and DPW on the creation of the first ADA accessible trail in Northborough.
10. Update of the interpretive trail on Edmund Hill to include interactive web-based resources including historical, geological and natural features through pictures, videos and recorded first person interviews.
11. Update trail maps in Town GIS, online, handouts, trailhead printed maps and with regional partners to include trail maintenance, creation and re-routes.

Significant Budget Changes or Initiatives

Overall, the FY2022 Planning and Conservation budget is up \$15,028, or 5.25%. In addition to a 2% wage increase for union and non-union personnel, the budget includes a \$5,000 increase in consulting services related to the Master Plan Implementation Committee's work. The budget also includes an increase in hours for the part-time secretary that supports the Planning Board which is needed given the increased frequency and extended length of Board meetings.



PLANNING & CONSERVATION					
Personnel Summary					
Position	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2021 FTE	FY 2022 FTE
Town Planner	1	1	1	1	1
Conservation Agent	.48	1	1	1	1
Administrative Assistant	1	1	1	1	1
Part-time Board Secretaries for					
Conservation Commission	.30	.30	.30	.30	.30
Earthwork	0.03	0.03	0.03	0.03	0.03
Zoning Board of Appeals	0.05	0.05	0.05	0.05	0.05
Planning Board	0.07	0.07	0.07	0.07	0.1
Total Full-time Equivalent	2.93	3.45	3.45	3.45	3.48

*Personnel Explanation: Full Time Equivalents are based upon 40 hrs per wk (30hrs/40hrs = .75 FTE).

- There are two part-time Board Secretaries that take minutes at the meetings of the Planning Board, Conservation Commission, Earthwork Board, and Zoning Board of Appeals. Conservation is 12 hours per week, or 0.30 FTE (12hrs/40hrs = 0.30 FTE). Earthwork is budgeted at 5.5 hrs per month, or 0.03 FTE (averages 1.27 hours per week/40hrs). ZBA is budgeted at 8 hrs per month, or 0.05 FTE (averages 1.85hrs wk/40hrs). In FY2022, the Planning Board is budgeted at 16 hrs per month, or 0.1 FTE (averages 4hrs wk/40hrs). This is an overall increase of 0.03 due to the increased hours required to support the Planning Board.
- In FY2019 the 19/hr per week Conservation Agent was increased to full-time based upon workload and office coverage needs. The position will also provide staff support to the Trails Committee and Open Space Committee.



Town Planner

The Town Planner provides technical support to all Town Departments, Boards and Committees as requested. The Town Planner serves as staff liaison to the Planning Board, Zoning Board of Appeals, Community Preservation Committee, Design Review Committee and the Housing Partnership. The position is also responsible for oversight of the Zoning Bylaw, Subdivision Rules & Regulations, Master Plan, Community Development Plan, Open Space & Recreation Plan and Housing Plan. The Town Planner works with various state agencies as a Town representative on local issues (e.g., Central Mass Regional Planning Commission, and MA Department of Housing and Community Development).

Planning Board

The Planning Board is the regulatory agency most responsible for ensuring that development occurs in a manner that is beneficial to the Town. The Planning Board is responsible for enforcing the Zoning Act (MGL c. 40A), Subdivision Control Law (MGL c. 41, section 81K-81GG), the Northborough Zoning Bylaw and the Northborough Subdivision Rules and Regulations. The Planning Board reviews all plans for subdivisions, common driveways, wireless communication facilities, and site plans; works with the Town Planner in accomplishing goals as set forth in the Master Plan, Community Development Plan, and Open Space & Recreation Plan; and maintains the Zoning Bylaw and Subdivision Rules & Regulations. The Board consists of five officials elected by the voters of Northborough for three-year terms.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
PLANNING DEPARTMENT						
Personnel Services						
51100 Town Planner Salary	96,742	98,676	100,650	102,664	48,234	104,717
51120 Administrative Assistant wages	51,628	59,634	63,154	62,285	32,551	63,517
51140 Part-time Board Secretary wages	0	2,422	2,363	3,862	3,169	5,075
51410 Longevity Pay	1,300	1,300	1,300	1,450	1,450	1,450
SUBTOTAL	149,669	162,032	167,467	170,261	85,403	174,759
Expenses						
52800 Contractual Services	4,000	0	0	5,000	0	10,000
53090 Advertising	1,010	768	2,310	1,560	448	1,560
53110 Printing	1,715	595	3,025	2,250	0	2,250
54290 Office Supplies	571	1,094	527	850	69	850
56820 Central MA RPC Assessment	3,858	3,955	4,054	4,155	0	4,259
57110 Travel/Mileage	1,217	1,276	1,103	2,070	282	2,070
57310 Dues	630	643	672	400	491	400
57320 Subscriptions	95	621	786	865	95	865
57340 Meetings	729	3,851	475	1,100	290	3,100
SUBTOTAL	13,825	12,802	12,952	18,250	1,675	25,354
TOTAL: PLANNING DEPARTMENT	163,494	174,834	180,420	188,511	87,079	200,113

* The Planning Department budget contains an assessment for the Central MA Regional Planning Commission.



Central Massachusetts Regional Planning Commission (CMRPC)

The Planning Department budget includes an assessment for the Central Massachusetts Regional Planning Commission (CMRPC). The Board of Selectmen and Planning Board each appoint a representative to the CMRPC each year as do other member communities. The CMRPC, formed in 1963, is the designated regional planning entity for the Central Massachusetts region, which includes the City of Worcester and the surrounding 39 communities. This region encompasses the southern two-thirds of Worcester County. CMRPC provides municipal and regional planning for Land Use and Transportation, as well as a variety of Community Development services, Transit Planning for the region's transit authority, Geographic Information Services (GIS), staffing for MORE (Municipalities Organized for Regional Effectiveness) and other programs. CMRPC collaborates with local, regional, state and federal officials, as well as with legislators, in order to bring a regional perspective and a coordinated approach to the planning and development that occurs in this region. The ultimate goal of this agency is to improve the quality of life for those who work and live in the Central Massachusetts region.

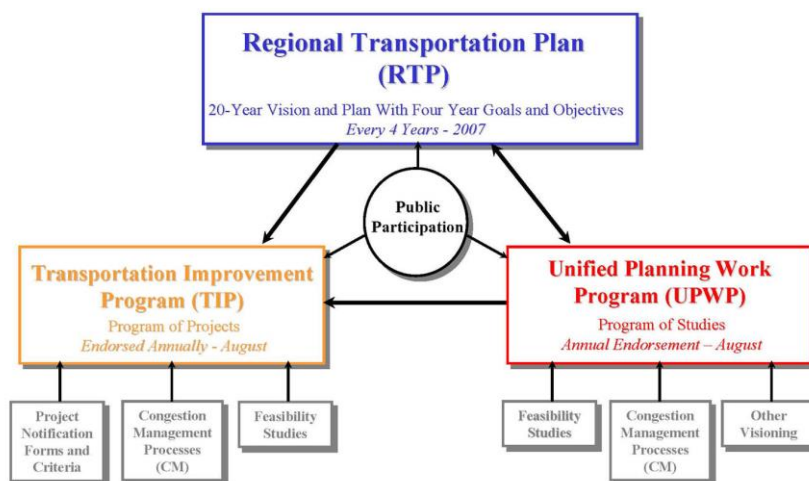
Central Massachusetts Metropolitan Planning Organization¹ (CMMPO)

The Central Massachusetts Metropolitan Planning Organization (CMMPO) was established in 1976 to undertake the comprehensive, continuing, and cooperative transportation planning process required by the United States Department of Transportation. The Central MA Regional Planning Commission (CMRPC) is one of ten members of the CMMPO and it is the staff to this organization as well.

The CMMPO is responsible for preparing and updating the Regional Transportation Plan (RTP), the Transportation Improvement Program (TIP), the Unified Planning Work Program (UPWP) and the Public Outreach Plan (POP) for the Central Massachusetts region that includes the City of Worcester and the surrounding 39 communities.

The RTP is a long-range planning document that describes the region's current transportation system and how that system should be maintained or modified over the next 20 years. The federal planning provisions passed in August of 2005, requires the CMMPO to update the RTP every 4 years, since it presides over a region that does not meet federal air quality standards for ozone. The TIP lists federal-aid eligible highway, bridge and transit projects that are expected to be implemented over the next 5 years. A new list is compiled over the course of every year and endorsed by the CMMPO.

Relationship of CMMPO Documents to One Another



¹ Description and graphic taken directly from the CMRPC website located at <http://www.cmrpc.org>



Zoning Board of Appeals (ZBA)

The Zoning Board of Appeals consists of five members and two alternates appointed by the Board of Selectmen for three-year terms. The ZBA hears petitions and applications for variances, special permits, comprehensive permits and other appeals under the Zoning Act (MGL c. 40A), the Anti-Snob Zoning Act (MGL c. 40B) and the Northborough Zoning Bylaw. The ZBA hears all appeals of actions taken by the Building Inspector on matters which arise out of the enforcement of Town Bylaws relating to the construction, reconstruction, demolition or repair of buildings and other structures within the Town. The ZBA also hears and decides all appeals of actions taken by the Planning Board and other Town officers under the Zoning Bylaws.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
ZONING BOARD OF APPEALS						
Personnel Services						
51140 Part-time Board Secretary wages	588	515	0	2,574	893	2,626
SUBTOTAL	588	515	0	2,574	893	2,626
Expenses						
53090 Advertising	567	1,092	798	2,200	658	2,200
53110 Printing	0	0	0	80	0	80
54290 Office Supplies	15	0	135	30	0	30
57310 Dues	0	0	0	70	0	70
57340 Meetings	0	150	105	300	0	300
SUBTOTAL	582	1,242	1,038	2,680	658	2,680
TOTAL: ZONING BOARD OF APPEALS	1,170	1,757	1,038	5,254	1,551	5,306



Conservation Commission

The Conservation Commission consists of seven members appointed by the Board of Selectmen for three-year terms. The purpose of the Commission is to promote and develop the natural resources and to protect the watershed resources of the Town as provided for under MGL Ch. 40, Section 8C, as amended. The Conservation Commission's charge is to protect the wetlands, related water resources and adjoining land areas in Northborough as mandated by the Wetlands Protection Act and the Northborough Wetlands Bylaw.² This is achieved through a permitting process designed to minimize the impact of activities on wetland resource areas, including public or private water supply, groundwater, flood control, erosion and sedimentation control, storm damage prevention, water pollution prevention, fisheries, freshwater shellfish, wildlife habitat, recreation, aesthetics, agriculture and aquaculture values. Activities proposed within 100 feet of any resource area are subject to review by the Commission. Resource areas include freshwater wetlands, bordering vegetated wetlands, marshes, wet meadows, bogs or swamps; any bank, beach, lake, river, pond, stream or any land under said waters; any land subject to flooding or inundation by groundwater. Any project in any riverfront area is also subject to review by the Commission. The Commission adheres to the existing regulations of MGL Chapter 131, Section 40, the Wetlands Protection Act.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
CONSERVATION COMMISSION						
Personnel Services						
51120 Administrative Assistant wages	7,309	61,906	67,010	68,350	32,113	69,717
51140 Part-time Board Secretary wages	8,444	10,689	9,001	16,071	5,747	16,556
51220 Conservation Agent	2,265	0	0	0	0	0
SUBTOTAL	18,017	72,595	76,011	84,421	37,859	86,273
Expenses						
53090 Advertising	476	743	567	1,200	278	1,200
53110 Printing	0	0	0	400	0	400
54290 Office Supplies	333	501	254	450	52	930
55980 Field Supplies	0	137	558	500	0	500
57110 Travel/Mileage	0	332	555	1,035	165	1,035
57310 Dues	776	669	757	835	771	835
57340 Meetings	375	625	600	1,000	105	1,975
57840 Conserv. Property Maintenance	75	0	0	1,000	0	1,000
SUBTOTAL	2,035	3,007	3,290	6,420	1,371	7,875
TOTAL: CONSERVATION COMMISSION	20,053	75,602	79,301	90,841	39,230	94,148

² The Conservation Commission charges permit fees to all applicants. These fees return to the General Fund budget under "Other Funds" and have the effect of an off-set to the Conservation Commission budget.



Earthwork Board

The Earthwork Board consists of five members, one each appointed by the Moderator, the Board of Selectmen, the Conservation Commission, the Zoning Board of Appeals and the Planning Board for three-year terms. The Earthwork Board was created in 1971 to implement the Earth Removal Bylaw which, at the time, was passed primarily to prevent soil stripping and the creation of unsafe and unsightly conditions in Town. The Earthwork Board conducts hearings and issues permits for the removal of earth material from any land not in public use in accordance with Town Bylaws.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
EARTHWORK BOARD						
Personnel Services						
51140 Part-time Board Secretary wages	1,297	0	0	1,677	318	1,744
SUBTOTAL	1,297	0	0	1,677	318	1,744
Expenses						
53090 Advertising	0	0	0	50	0	50
53110 Printing	0	15	0	50	0	50
57320 Subscriptions	187	0	0	100	0	100
SUBTOTAL	187	15	0	200	0	200
TOTAL: EARTHWORK BOARD	1,484	15	0	1,877	318	1,944



Community Preservation Committee

The Town Planner is the staff liaison to the Community Preservation Committee (CPC) which is responsible for the expenditures authorized by the adoption of the Community Preservation Act (CPA). The Committee evaluates community preservation needs, develops a long-range community preservation plan, and makes recommendations for the CPA Fund expenditures at Town Meeting.

The CPC consists of nine members, one each from the Open Space Committee, the Conservation Committee, the Planning Board, the Parks & Recreation Commission, the Historical Commission, the Housing Authority and three members appointed by the Board of Selectmen for three-year terms. The CPA is a funding tool to assist communities with the protection and acquisition of open space, preservation of historic resources, and the creation of affordable housing. The CPA provides for local autonomy in deciding where and how funds will be spent. It is the responsibility of the Committee (CPC) to consult with Town departments and boards and community organizations; evaluate community preservation needs, develop a long-range community preservation plan; and make recommendations for CPA fund expenditures at Town Meeting.

For an explanation of CPC funding please refer to the individual Town Meeting Warrant Articles, as the revenues and expenditures for the CPC are outside the General Fund budget. The expenses associated with the Board Secretary for the CPC meetings are paid for directly from CPA funds and not reflected in the Planning & Conservation budget.

Open Space Committee

The Open Space Committee consists of seven members, one each from the Planning Board, Conservation Commission, Parks & Recreation Commission, Board of Selectmen and three members and two alternates appointed by the Board of Selectmen for three-year terms. The Open Space Committee is responsible for the identification and preparation of proposals for Town Meeting of properties to be acquired for open space and/or recreational use. The Open Space Committee also considers alternative methods for open space preservation, including but not limited to grants, donations, and conservation easements.

➤ **Trails Committee**

The Northborough Trails Committee is a subcommittee of the Northborough Open Space Committee. The Trails Committee works to develop and maintain a viable recreational trail system in Northborough on public and private property by utilizing volunteers from the community.

Both the Open Space Committee and the Trails Committee have received funding through individual Town Meeting Warrant Articles funded by the Community Preservation Committee.



Design Review Committee

The Design Review Committee is a five-member board appointed by the Planning Board per Section 7-03-050 E of the Zoning Bylaw. The DRC consists of a member of the Planning Board, two architects, a landscape architect, and one resident of the town with a related background such as real estate development, interior design, graphic design, lighting design, or building/construction; or a balance as close to that representation as possible. The DRC works with applicants in an advisory capacity in reviewing the design review components of the site plan such as design of building, landscaping, and placement of building on the site. Written recommendations are then provided to the applicable board.

Affordable Housing

There are several affordable housing agencies active within the Town of Northborough, each serving separate functions, but sharing the mutual goal of addressing the affordable housing needs in the community. Some of these agencies are direct agents of the Town, while others are affiliated with the Town in some way, but legally separate from Town Government. The Town Planner serves as the liaison to these various affordable housing organizations, which are described below.

Housing Partnership Committee

The Housing Partnership Committee consists of nine members, one each from the Board of Selectmen, Planning Board, Housing Authority, Council on Aging and five members appointed by the Board of Selectmen, one of which must be a realtor, for three-year terms. The purpose of the Northborough Housing Partnership is to formulate and implement a Housing Policy for the Town of Northborough that will work toward the provision of decent, safe and affordable housing for all of Northborough's residents.

The local Housing Partnership was established by the Board of Selectmen to allow the community to gain control of the process of affordable housing development by initiating a process that will combine growth management with affordable housing initiatives in a positive way. Rather than simply react to the imposition of comprehensive permit proposals under MGL c. 40B, which might burden services, disrupt neighborhoods and be otherwise inappropriate to the community and environment, the Partnership may establish pro-active guidelines for the preservation and production of acceptable and appropriate affordable housing development and support and encourage housing initiatives that meet these criteria.

The primary objectives of the Partnership are: to facilitate an increase in the supply of affordable housing in the Town; establish a housing policy and a housing action plan; survey the current housing stock to determine specific unmet needs for varying categories of housing; identify and research available sites including Town-owned land; and recommend and coordinate specific procedures for the implementation of its objectives with other entities, including the Board of Selectmen, the Town Administrator, the Zoning Board of Appeals, the Planning Board, and other appropriate boards, committees, agencies or for-profit or non-profit organizations such as the Housing Authority and the Affordable Housing Corporation.



Northborough Housing Authority

The Northborough Housing Authority (NHA) consists of four members appointed by the Board of Selectmen and one governor-appointed member for five-year terms. The Director is appointed by the Housing Authority. The Housing Authority is a public agency which provides housing for low-income, elderly and handicapped and families. The Housing Authority is regulated by the Commonwealth of Massachusetts through the Department of Housing and Community Development (DHCD) and must adhere to their regulations and funding requirements. The Authority has the local management responsibilities for housing for the elderly under its jurisdiction in the Town, and is responsible for the clearance of substandard, decadent or blighted open areas or the provision of housing for families of low income or engaging in land assembly and redevelopment, including the preservation, restoration or relocation of historical buildings.

The NHA developed and manages one hundred four (104) senior housing units located in two areas of town and twenty-six (26) units of family housing scattered throughout town.

Northborough Affordable Housing Corporation (NAHC)

The Northborough Affordable Housing Corporation exists for the purpose of assessing the housing needs of the Town of Northborough and to create housing to be made available to low and moderate income people. The Corporation may acquire land on which appropriate housing could be built or may acquire existing buildings which could be converted into appropriate housing. The Corporation is a private, non-profit entity which exists independent of any other organization and is empowered to raise funds and to own and transfer property in a manner consistent with its mission to increase the supply of affordable housing in the town of Northborough. The NAHC is not controlled by the Department of Housing and Community Development (DHCD) as the Northborough Housing Authority is, and can apply for funding as well as develop property without DHCD restrictions.

To date, the only source of funding to the NAHC has been Community Preservation Funds voted by Town Meeting and transferred to the NAHC to pursue its mission. Town Meeting appropriated \$303,000 in April 2008, \$150,000 in April 2009, \$150,000 in April 2010 and \$52,000 in 2011 to NAHC, pursuant to the Community Preservation Act. Although the use of these funds was at the sole discretion of NAHC, the Town entered into an agreement with NAHC to use these funds to renovate the former Senior Center building located on Centre Drive. Construction of four new apartments at the former Senior Center was completed in 2014.

Under Article 57 of the April 2015 Annual Town Meeting another \$500,000 was appropriated to NAHC for future creation of affordable housing, contingent upon a written contract with the Town. Article 38 of the April 2016 Annual Town Meeting appropriated another \$100,000 in CPC funds for the NAHC. Article 42 of the April 2017 Annual Town Meeting appropriated \$100,000 in CPC funds for use by the NAHC. Article 28 of the April 2018 Annual Town Meeting appropriated \$100,000 in CPC funds for use by the NAHC. Using the CPC funds, NAHC worked with the non-profit Habitat for Humanity to develop 4 units of affordable housing in two historic buildings in the Town Center in 2019. Article 26 of the April 2019 Annual Town Meeting Warrant appropriated another \$100,000 in CPC funds for use by the NAHC in a yet to be determined project.

Public Safety

Section 3



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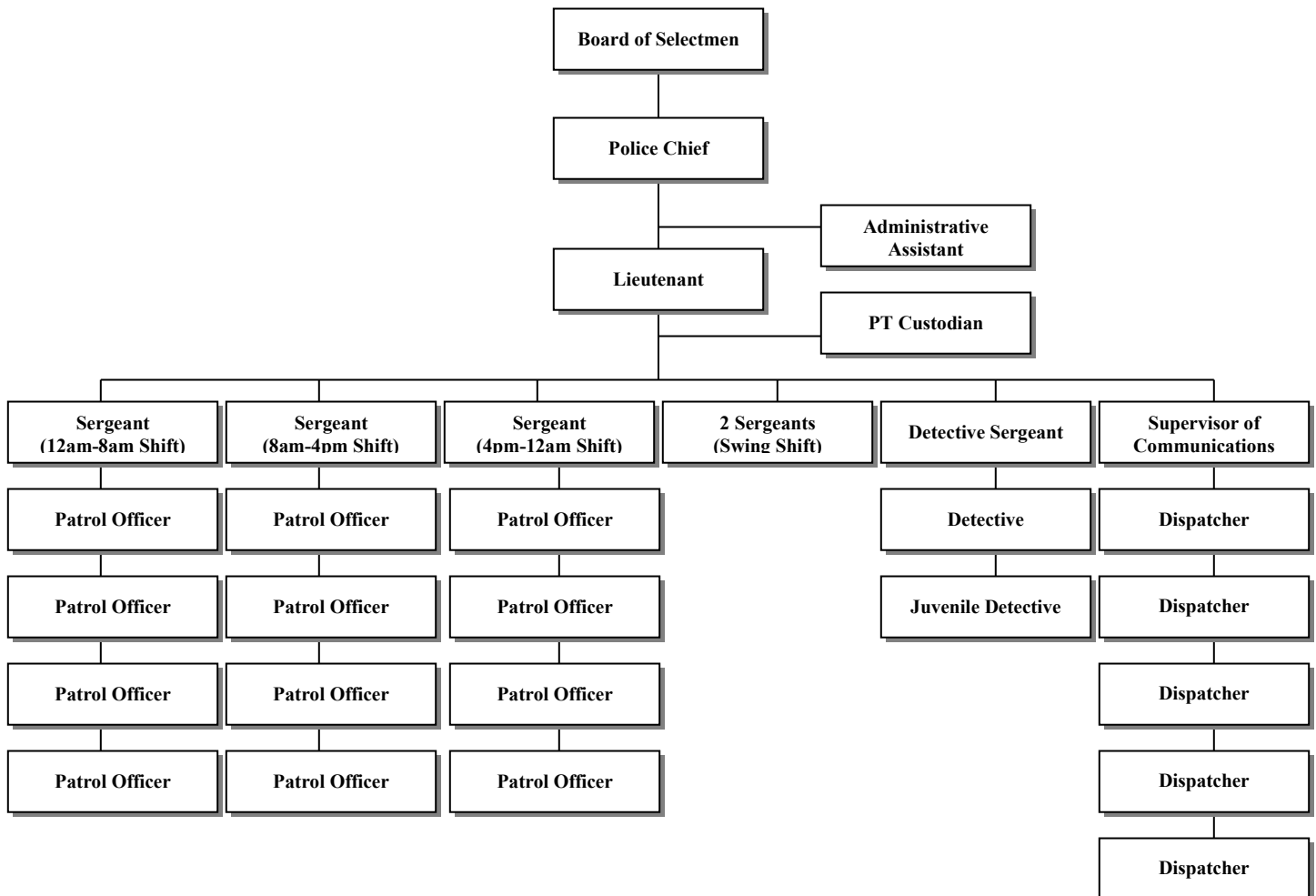


Police Department Mission Statement

The Northborough Police Department will provide residents and visitors to the Town of Northborough the highest level of public safety which preserves a quality of life that makes this community a desirable place within which to live, visit or work, by:

- Emphasizing a pro-active, preventative and problem-solving approach to policing; protecting people and property; preserving the peace, order and dignity of individuals, and providing fair and equitable enforcement of all laws.
- Establishing community-wide partnerships around issues of public safety and fostering the trust and confidence of the citizenry while working on solutions to root causes of problems.
- Instituting a process of integrity and responsiveness that provides timely investigations and dispositions of all complaints of employee conduct.

Organizational Chart



**Police Department FY2021 Initiatives and Accomplishments**

1. During FY2021, the Police Department continued to serve the community with the following initiatives:
 - R.U.O.K.: A free, daily telephone call to check on the welfare of senior citizens and shut-ins.
 - Child Safety Seat Installations provided by our trained and certified Police Officer installer. This is a free service.
 - Supported the following community functions: Applefest Celebration, Memorial Day Parade, Recreation Department functions, numerous road races, and fundraising events.
 - The D.A.R.E. (Drug Abuse Resistance Education) Program was suspended due to the pandemic and is scheduled to be back in FY2022.
2. Continued the communications working group comprised of key stakeholders (Police, Fire, DPW) to improve the communications center functions. The group met during the fiscal year to discuss topics including policies and procedures; communications center modernization improvements, and staff workload demands.
3. Maintained our aggressive crime prevention patrols specifically targeting high risk businesses and municipal property as part of our security check program.
4. Maintained an aggressive traffic enforcement program aimed at increasing roadway safety. This is the single most requested police service by our residents and the Department completed nearly 5,000 traffic enforcement actions.
5. Continued participation in the Massachusetts Police Accreditation Program to ensure that we maintain best practices, policies and procedures in accordance with national professional standards. The Department received a three-year accredited status renewal on October 24, 2018.
6. Continued implementation of our professional development and recognition program. This on-going voluntary program facilitates professional development and career guidance. Achievements are recognized through the issuance of uniform insignia indicating achievement of minimum standards and demonstration of competencies in identified areas.
7. Continued our participation with the CEMLEC (Central Mass Law Enforcement Council) ERT/SWAT unit.
8. Achieved our goal of implementing the restorative justice diversion program in 2020 and saw our first cases being referred from the courts to the restorative justice model.
9. Secured grant funding for a shared mental health clinician as part of the Jail Diversion Program. This clinician responds with officers to situations involving persons with mental health/emotional issues in an effort to divert them from the criminal justice system.



Police Department FY2022 Goals and Initiatives

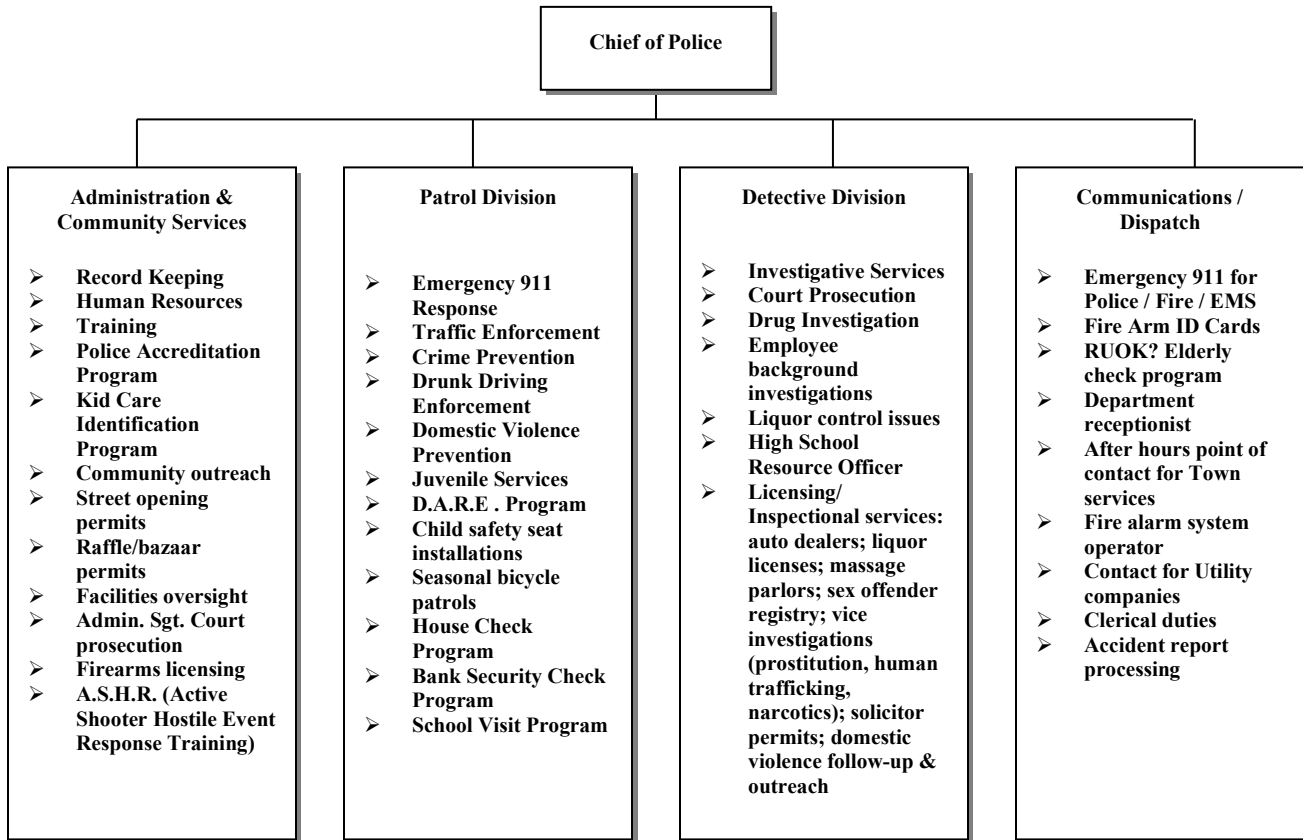
1. Continue to maintain and improve services and programs identified in items one through nine above.
2. Maintain grant funding for the Jail Diversion/Co-responder program instituted in FY2020. The program allows the department to effectively handle persons with mental health issues and substance abuse disorders by partnering with a mental health provider to respond to calls with officers.
3. Expand the number of Special Police Officers to better cover staffing details.
4. Continue to expand the community policing/community outreach efforts by expanding programs such as “Coffee with a Cop,” open house days, increased bike patrols and continued participation in programs in partnership with the senior center staff.
5. Expand outreach to our senior community through regular lunch visits at the Senior Center.
6. Continue emphasis and improvement of our school intruder response program (A.L.I.C.E.) imitated drills and provide training within the school system.
7. Increased building maintenance and upgrades on an annual, incremental basis by addressing age-related issues (carpet, tile repair and painting).
8. Seek grants or other funding for an ATV patrol vehicle to increase presence on the Town’s trail system and provide additional mode of officer transportation for Applefest events such as the parade and fireworks.
9. Obtain grant funding to establish a police K9 unit. This force multiplier is an invaluable tool in searching for lost children, seniors with dementia and apprehension of criminals on foot or in hiding. Grant opportunities exist to fully fund implementation of the unit. Funding covers the costs that include purchasing the dog, training, kennel facilities at the officer’s home, retrofitting a cruiser for the exclusive use of the K9 unit, food and veterinary care for the first three years.

Significant Budget Changes or Initiatives

Overall, the FY2022 Police Department Budget reflects an increase of \$46,188 or 1.55%. The majority (\$34,253) of the increase is attributable to contractual wage increases of 2% for union and non-union personnel. Due to staffing turnover, several officers have been hired at a lower starting wage, which contributed to the smaller than usual FY2022 personnel increase. Expenses increased by \$11,935 due to Computer Services and a \$5,000 restoration to the new equipment line item, which was previously cut in FY2021 due to the pandemic.



Police Programs and Services





POLICE DEPARTMENT					
Personnel Summary					
Position	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2021 FTE	FY 2022 FTE
Chief of Police	1	1	1	1	1
Lieutenant	1	1	1	1	1
Sergeant	6	6	6	6	6
Patrol Officers	14	14	14	14	14
Supervisor of Communications	1	1	1	1	1
Dispatcher	5	6	6	6	6
Administrative Assistant	1	1	1	1	1
Custodian	0.5	0.5	0.5	0.5	0.5
Total Full-time Equivalent	29.5	30.5	30.5	30.5	30.5

***Personnel Explanation:**

Full Time Equivalent based upon 40 hrs per wk (30hrs/40hrs = .75 FTE).

- The Custodian position is one full-time position split 20 hours per week at the police station and 20 hours per week at the Town Offices building. The other half of this position is reflected in the Public Buildings account.
- The FY2022 budget authorizes 22 sworn Officers in the Department, including the Chief of Police. During FY2016, a consultant engaged by the Board of Selectmen’s ad hoc staffing committee issued findings from its comprehensive operational and staffing study. The study recommended adding a sixth Sergeant in FY2017 to improve shift coverage and supervision. The position was primarily intended to improve coverage on the 12AM-8AM shift and reduce future overtime expenses. The study also recommended further review of the dispatching function with the goal of adding a second dispatcher during peak call times. During FY2019 a sixth dispatcher was added mid-fiscal year.

Section 3-6

Police Department



	FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED

POLICE DEPARTMENT

Personnel Services

51100	Police Chief Salary	122,617	125,069	127,388	130,122	60,823	132,725
51120	Administrative Assistant Salary	59,342	60,528	62,209	63,204	29,544	64,468
51150	Sergeant Salaries	428,716	438,032	458,780	464,050	216,086	473,331
51160	Patrol Officer Salaries	777,444	811,572	791,437	891,416	372,918	902,964
51170	Dispatcher Salaries	218,232	261,773	346,204	405,448	188,026	416,341
51180	Special Officers	0	0	0	5,000	0	5,000
51200	Detective Pay	9,612	9,908	9,846	12,892	4,879	13,152
51210	Lieutenant Salary	96,742	98,677	100,650	102,664	47,988	104,717
51300	General Overtime	129,072	110,442	91,243	130,653	101,224	130,653
51310	Dispatcher Overtime	63,727	61,228	49,165	29,960	23,272	29,960
51320	Christmas Overtime	2,780	2,283	2,424	2,453	0	2,890
51330	Dispatcher Christmas Overtime	848	870	1,287	1,051	0	1,066
51400	Longevity pay	8,600	10,075	8,875	9,925	9,075	10,125
51410	Dispatcher Longevity Pay	1,200	0	1,200	1,200	1,200	1,675
51420	Holiday Pay	51,450	52,707	52,208	57,164	23,817	58,398
51430	Dispatcher Holiday Pay	9,714	12,620	16,268	17,043	7,706	17,942
51440	Shift Differential	3,725	4,184	10,149	8,528	3,076	8,528
51450	Court Time	11,763	5,835	4,709	10,500	641	10,500
51460	Quinn Bill Educational Incentive	226,974	235,029	263,659	309,367	128,735	301,829
51470	Dispatcher EMD Stipend	0	0	0	7,000	0	7,000
51920	Uniforms	31,606	34,127	36,792	30,250	10,039	30,250
51930	In-service Training	5,275	8,656	11,219	8,000	3,321	8,000
51940	Fitness Incentive	19,100	18,700	19,100	26,800	9,400	26,800
51950	Roll Call	0	0	0	3,334	0	3,400
51960	Dispatcher Differential	715	0	0	2,044	0	2,044
51965	Officer In Charge Pay	976	2,251	1,664	0	499	0
51970	Part-time Custodian	25,241	26,258	27,466	28,125	13,254	28,688
	SUBTOTAL	2,305,472	2,390,824	2,493,942	2,758,193	1,255,525	2,792,446



Police Department

Section 3-7

FY2018 FY2019 FY2020 FY2021 FY2021 FY2022
ACTUAL ACTUAL ACTUAL BUDGETED SIX MONTHS PROPOSED

POLICE DEPARTMENT

Expenses

52110 Utilities	32,091	31,483	33,324.36	32,613	15,623	32,613
52690 Radio Equipment Maintenance	313	2,942	4,905.71	5,000	2,483	5,000
52800 Contractual Services	25,259	33,362	33,600.73	33,113	35,031	35,501
53110 Printing	1,065	334	933.43	600	0	600
53190 Training	19,613	13,296	13,202.76	10,000	8,869	10,000
53410 Telephone	14,034	16,826	17,908.62	16,990	7,922	16,990
53420 Postage	52	83	2,255.43	600	0	600
53430 Radio Line Rentals	6,353	6,353	4,545.60	6,552	2,924	6,552
53720 Computer Services	27,321	25,932	34,360.29	55,453	19,364	60,000
54290 Office Supplies	2,178	3,495	2,870.37	3,000	3,711	3,000
54490 Repairs & Maintenance	21,994	12,111	14,559.65	15,000	9,126	15,000
54590 Custodial Supplies	2,586	4,391	4,872.65	4,000	1,485	4,000
54850 Vehicle Maintenance	21,871	20,536	35,651.86	20,000	3,637	20,000
55970 Special Investigations	0	500	0.00	0	0	0
55980 Field Supplies	10,562	16,301	15,522.16	8,000	7,601	8,000
57810 Unclassified	2,507	1,858	2,025.17	2,000	1,055	2,000
58690 New Equipment	58,757	37,162	47,907.17	15,000	5,815	20,000
SUBTOTAL	246,557	226,964	268,446	227,921	124,648	239,856

TOTAL: POLICE

2,552,028	2,617,788	2,762,388	2,986,114	1,380,173	3,032,302
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Fire Department Mission Statement

“To promote and deliver life safety by providing efficient, professional, high quality, cost effective, and timely protective services including fire suppression, emergency medical services, fire prevention, disaster response management, public safety education, and code enforcement.”

The Northborough Fire Department is charged with the protection of life and property from fire through direct fire suppression efforts, prevention, inspectional services, self-inspection programs, fire code enforcement and public fire education. The department also provides a Fire Investigation Unit of trained fire investigators to determine the cause and origin of fires. These department investigators work closely with the Town’s Police Department, Fire District 14 Fire Investigation Unit, Office of the State Fire Marshal’s Fire and Explosion Investigation Unit as well as the Federal Bureau of Alcohol, Tobacco and Firearms.

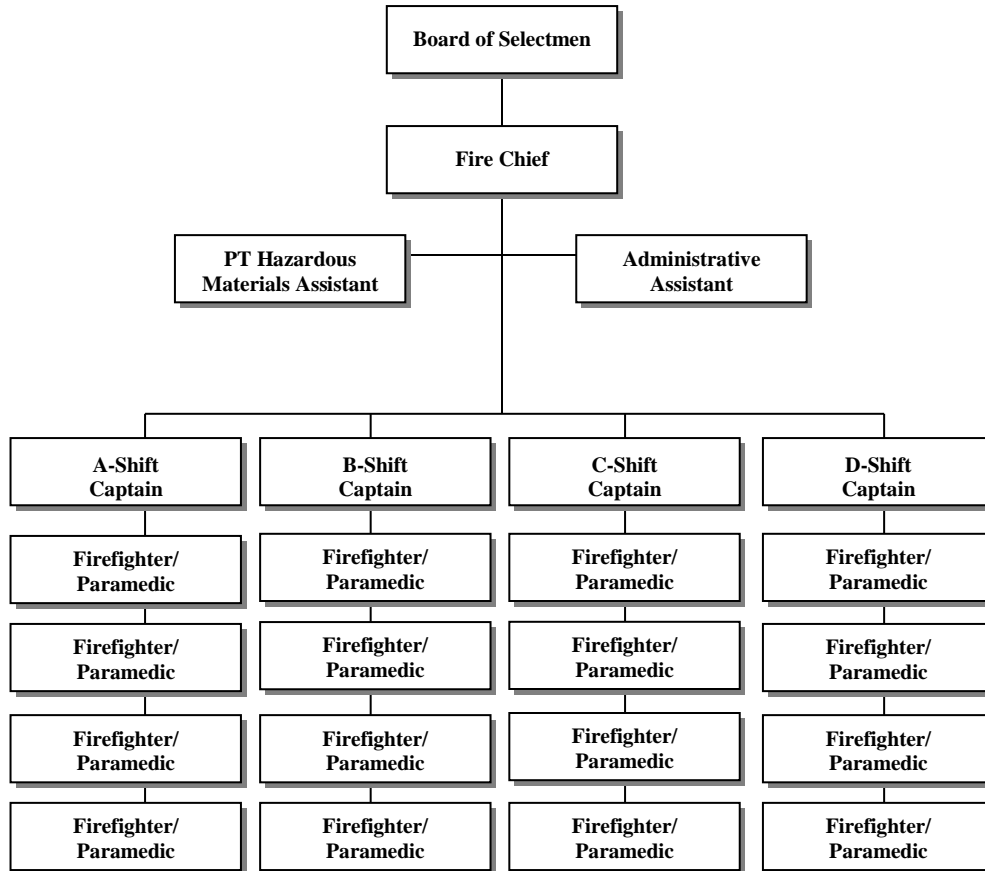
In keeping with the protection of life as its highest priority, the department is licensed by the state to operate its emergency medical ambulance service at the advance life support paramedic level. Through the department’s Paramedics, Advanced Emergency Medical Technicians (AEMT), and Basic Emergency Medical Technicians (EMT-B), the highest standard of pre-hospital emergency care is provided to those in need.

The department is also equipped to handle a wide variety of rescue services ranging from motor vehicle extrication to water and ice rescue. Fire and EMS mutual aid is coordinated through Massachusetts Fire District 14 with hazardous materials response and mitigation provided on a regional basis through the Massachusetts Department of Fire Services.

Through an all-hazards approach to manmade and natural disasters, the department provides and prepares for a planned response and coordination effort by all town departments through the town’s Comprehensive Emergency Management Plan (CEMP) and Hazardous Materials Plan approved by the Massachusetts Emergency Management Agency (MEMA). The department also plays the lead role for the framework of the Local Emergency Planning Committee (LEPC).



Organizational Chart



Through a combination of career and on-call personnel, the department provides fire suppression/prevention, EMS and rescue services. Career Firefighters cover the fire station on a 24/7 basis with four shifts consisting of a Captain and four Firefighter/Paramedics.

**Fire Services FY2021 Initiatives and Accomplishments**

1. Applied for and received a Grant for Senior Safe Program to conduct a fire safety and fall prevention program for seniors.
2. Completed integration of the Computer Aided Dispatch System with the Department Record Management System.
3. Completed development of a new driver training program.
4. Reviewed and updated all department general orders and standard operating guidelines.
5. Coordinated town-wide implementation of Zoom video conferencing.
6. As part of the COVID-19 Task Force, assisted with community response to the pandemic.
7. Coordinated acquisition and distribution of personal protective gear in relation to the pandemic.
8. Conducted a Request for Proposals (RFP) process for new Fire Alarm Monitoring and Maintenance for all town and school buildings.
9. Implemented new billing schedule for EMS.

Fire Department FY2022 Goals and Initiatives

1. Complete design for new fire station and move forward with the next steps in the project.
2. Fully implement new driver training program.
3. Obtain an EMS Chute time (tone to on air) of 90 seconds or less 90% of the time.
4. Review and update Technical Rescue Capabilities and equipment.
5. Continue working with the Senior Safe program to enhance the safety of our senior residents.
6. Expand data collection for occupancy pre-plan program.



Significant Budget Changes or Initiatives

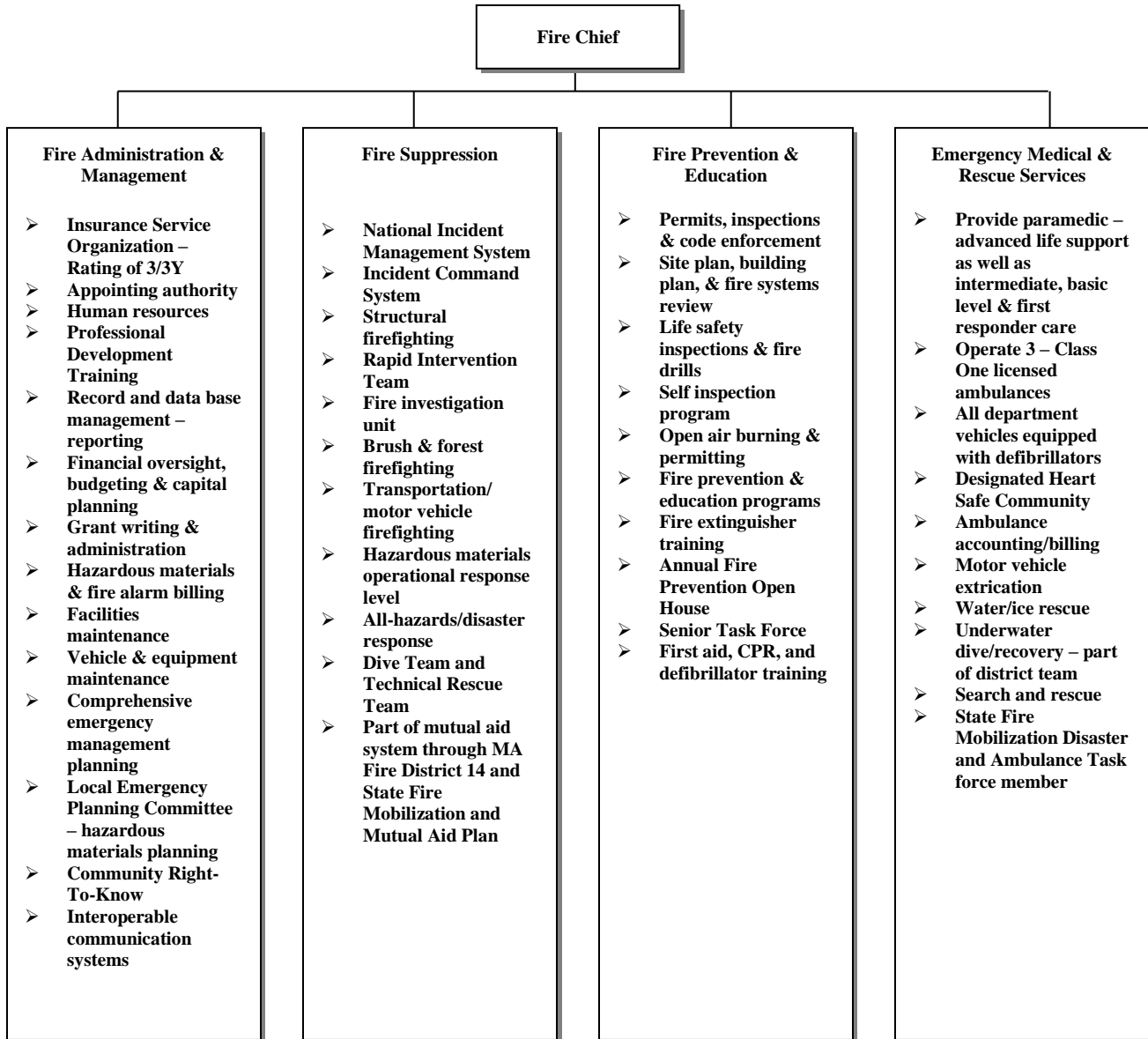
As presented, the FY2022 Fire Department Budget reflects an increase of \$39,059 or 1.81% in the General Fund appropriation. The departmental budget as presented includes 2% cost-of-living wage increases for Union and Non-Union personnel.

In addition to the General Fund appropriation of \$2,194,077 (which includes a transfer in of \$351,240 from the Fire Department Revolving Fund under Article 4 of the Town Meeting Warrant) the departmental budget also includes \$582,778 in planned expenses that are charged directly to the Fire Department Revolving Fund. The Fire Department Revolving Fund is supported primarily by fees for ambulance services. The direct Revolving Fund charges include ambulance billing services, overtime wages, licensing fees, related maintenance and operational expenses of the ambulances and related equipment. The account also pays for the debt service associated with the purchase of ambulances.

The total FY2022 budget that supports the Fire/EMS services is \$2,776,855 (\$2,194,077 plus the Fire Department Revolving Fund direct charges of \$582,778).



Fire Programs and Services





FIRE DEPARTMENT					
Personnel Summary					
Position	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2021 FTE	FY 2022 FTE
Fire Chief	1	1	1	1	1
Fire Captain	4	4	4	4	4
Firefighter / EMT Basic	2	1	1	1	0
Firefighter / EMT Advanced	0	0	0	0	0
Firefighter / Paramedic	14	15	15	15	16
Administrative Assistant	1	1	1	1	1
Hazardous Materials Assistant	0.48	0.48	0.48	0.48	0.48
Call Firefighters	0.87	0.78	0.70	0.70	0.37
Total Full-time Equivalent	23.35	23.26	23.18	23.18	22.85

- Current Fire Department staffing is comprised of 22 full-time career members consisting of a Fire Chief, four Captain/EMT’s, and sixteen Firefighter/Paramedics and one Administrative Assistant. Northborough Firefighters provide fire suppression, fire prevention/code enforcement and emergency medical ambulance transportation. Over the course of the last several years the Department has set a standard to hire only Firefighter/Paramedics. This is to allow the department to provide the highest-level pre-hospital care on each of the four, rotating twenty-four-hour work shifts.

- In addition to the full-time professional Firefighters, there are currently 3 active Call Firefighters that work as needed. During FY2022 Call Firefighter wages average \$26.00/hr. The Call wages budget is \$20,000. This results in approximately 0.37 FTEs ($\$20,000 / \$26.00 = 769.23$ hrs. per year/ 52 weeks = 14.79 hrs. per week / 40hrs. per week = .37 FTE). Variations in the FTE calculation for Call Firefighters is attributable to the number of active call personnel during any given year.

- The department employs a 19 hour per week (.48 FTE) Hazardous Materials Assistant who also assists with ambulance billing.

Section 3-14

Fire Department



FY2018 FY2019 FY2020 FY2021 FY2021 FY2022
 ACTUAL ACTUAL ACTUAL BUDGETED SIX MONTHS PROPOSED

FIRE DEPARTMENT

Personnel Services

51100 Fire Chief's Salary	111,469	119,956	125,723	129,913	61,124	132,725
51110 Administrative Salary	56,763	59,047	61,292	62,285	29,353	63,517
51115 Part-time Admin Salary	0	0	0	0	0	0
51120 Firefighters Salaries	1,141,013	1,198,751	1,256,277	1,333,863	598,934	1,346,349
51132 Hazardous Materials Assistant	19,026	16,785	13,662	28,763	5,527	29,625
51230 Call Firefighter wages	19,895	14,028	14,318	24,582	2,119	20,000
51300 Overtime	184,135	192,000	219,020	155,480	152,784	160,144
51410 Longevity Pay	10,200	10,200	9,600	10,000	8,400	9,500
51420 Fire Holiday Pay	47,374	50,396	53,034	56,191	23,732	56,734
51460 Educational Incentive	114,838	122,708	134,121	137,550	52,842	152,050
51930 In-service Training	44,549	40,102	35,636	41,430	14,402	42,572
SUBTOTAL	1,749,263	1,823,973	1,922,683	1,980,057	949,216	2,013,216



Fire Department

Section 3-15

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
FIRE DEPARTMENT						
Expenses						
52110 Utilities	25,733	25,607	25,416	26,550	9,419	26,550
52410 Vehicle Maintenance	18,707	21,572	18,438	19,250	9,478	19,250
52415 Equipment Maintenance	7,079	1,076	11,482	12,425	4,916	12,925
52800 Contractual Services	633	1,863	1,863	12,400	7,638	11,900
53110 Printing	1,621	2,728	2,199	1,000	718	1,000
53190 Training Expenses	4,503	4,085	4,809	9,000	1,136	9,000
53210 Fire Prevention Education	605	581	572	1,500	0	1,000
53410 Telephone	1,760	3,314	3,720	3,720	2,203	3,720
53420 Postage	57	20	0	1,200	0	400
53720 Computer Services	15,585	14,687	26,278	10,613	11,163	10,613
54290 Office Supplies	701	261	378	1,000	80	1,000
54490 Building Maintenance	9,213	12,261	11,316	9,000	2,668	12,300
54590 Custodial Supplies	1,763	1,646	2,007	2,000	1,448	2,000
55130 Uniforms	22,098	19,645	18,816	23,500	5,135	22,500
55990 Materials & Supplies	12,390	14,278	12,199	12,750	6,964	12,750
57110 Travel / Mileage	362	38	83	490	27	390
57310 Dues	4,049	4,305	4,280	4,164	4,275	4,164
57320 Subscriptions	1,601	1,936	1,370	1,445	30	1,445
57340 Meetings	245	512	90	604	0	604
57360 NFPA 1500 Compliance	1,923	1,570	1,129	2,350	822	2,350
58530 Capital Outlay	7,330	24,581	9,915	20,000	3,480	25,000
SUBTOTAL	137,956	156,566	156,360	174,961	71,602	180,861
*TOTAL: FIRE	1,887,219	1,980,539	2,079,042	2,155,018	1,020,818	2,194,077

* In addition to the General Fund appropriation of \$2,194,077 (which includes a transfer in of \$351,240 from the Fire Department Revolving Fund under Article 4 of the Town Meeting Warrant) the departmental budget also includes \$582,778 in planned expenses that are charged directly to the Fire Department Revolving Fund. The Fire Department Revolving Fund is supported primarily by fees for ambulance services. The total FY2022 budget that supports the Fire/EMS services is \$2,776,855 (\$2,194,077 plus the Fire Department Revolving Fund direct charges of \$582,778).

Section 3-16

Fire Department



	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
EMERGENCY PREPAREDNESS						
Personnel Services						
51130 Stipend for EP Director	0	0	0	0	0	5,000
51130 Stipend for Shelter Coordinator	0	0	0	1,000	0	1,000
SUBTOTAL	0	0	0	1,000	0	6,000
Expenses						
52690 Equipment Maintenance	0	0	0	0	0	0
53410 Telephone	0	0	0	0	0	0
55980 Field Supplies	0	0	110	1,000	0	1,000
58690 New Equipment	0	0	0	0	0	0
SUBTOTAL	0	0	110	1,000	0	1,000
TOTAL: EMERGENCY PREPAREDNESS	0	0	110	2,000	0	7,000

The Northborough Local Emergency Planning Committee (LEPC) is a Northborough committee established through the Federal Emergency Planning and Right-To-Know Act (EPCRA) of 1986. Local, State and Federal members work together to formulate emergency planning for hazardous materials within Northborough, exercise the plan annually, maintain training for hazardous materials emergencies and provide information on hazardous materials to the public.

The Fire Chief is the Emergency Preparedness Director for the Town and coordinates the LEPC. Membership in the LEPC includes State and Local Elected Officials, Hospitals, Firefighters, Environmental Groups, Law Enforcement Personnel, News Media, Emergency Management Officials, Community Groups, Public Health Officials, Transportation Resources and Hazardous Materials Facilities. This committee maintains the Town of Northborough Hazardous Materials Plan. Input from all the groups within the LEPC membership is incorporated into hazardous materials planning.

The Northborough LEPC is a fully certified stand-alone Local Emergency Planning Committee by the Massachusetts State Emergency Response Commission (SERC). Re-Certification was last issued in 2020 and is valid for a five-year period.

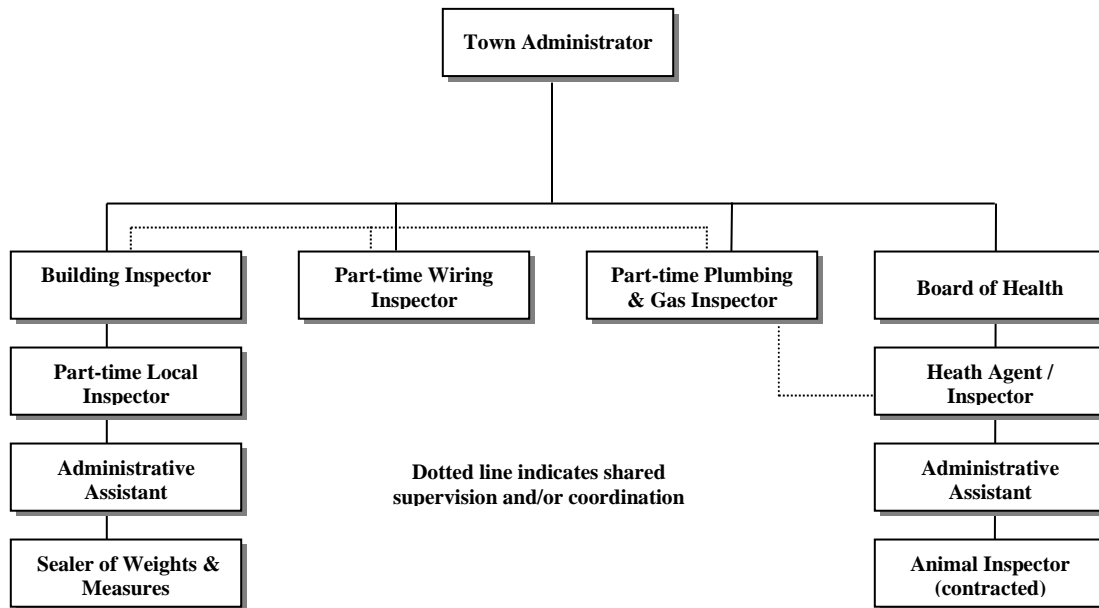
During FY2013 an Emergency Shelter Coordinator position was created, and a stipend was added to the budget, which is continues in FY2022. In FY2022 the Emergency Preparedness Director Stipend was returned to the budget to recognize the efforts required to perform that role.



Building Department Mission Statement

The Building Department is responsible for administering and enforcing Massachusetts Codes regarding building, sheet metal, plumbing, gas, and electrical work; as well as the rules and regulations of the Massachusetts Architectural Access Board. In addition, the department administers and enforces all Town of Northborough Zoning By-laws. It is the mission of the Building Department to strive to ensure public safety, health and welfare through inspection activities and continuous enforcement of all codes, rules and regulations designed to detect and correct improper and/or unsafe building practices and land uses within the Town.

Organizational Chart



*Note: The Building Department and the Health Department share an office suite and two Administrative Assistants that are cross trained. The Health Agent also has some oversight responsibilities with regard to the Plumbing Inspector.



Building Department FY2021 Initiatives and Accomplishments

1. The onset of the COVID-19 Pandemic in the spring of 2020 confronted the building department with new challenges. We had to innovate and modify the way we do business to continue to serve the residents and businesses of Northborough. While we were able to successfully continue providing permits, there is no doubt that COVID-19 had some economic impact on the town which resulted in reduced permits from 2019. The department processed, reviewed, and issued 651 building and mechanical permits in 2020, which represents a reduction of 106 permits or -14% from calendar year 2019. Nevertheless, we were able to deliver on our obligations.
2. The approximate total value of the permitted building and mechanical work from calendar year 2020 was \$26,182,582.04.
3. In calendar year 2020, all existing vacant positions in the Building/Zoning/Health Departments were filled, including the position of Health Agent.

Building Department FY2022 Goals and Objectives

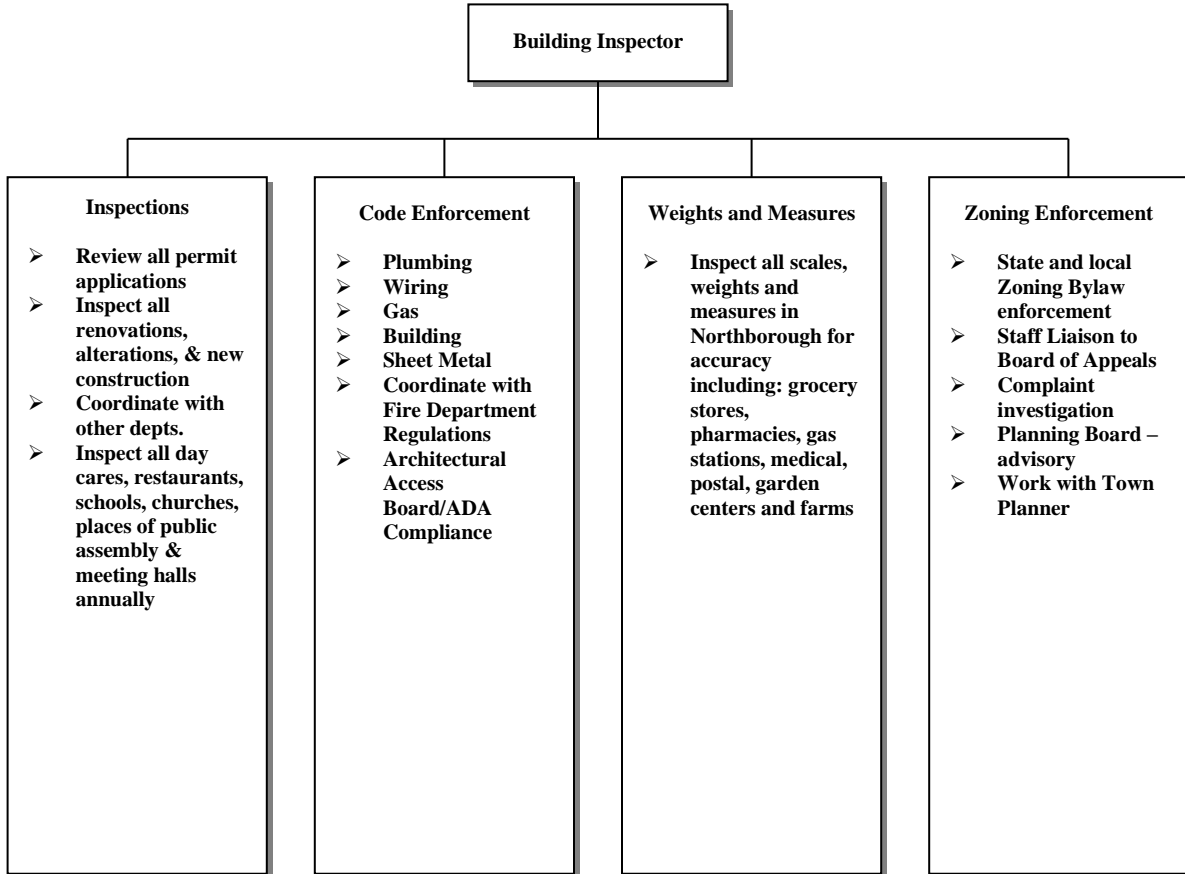
1. Staff is preparing for the adoption and implementation of the 10th Edition of the Building Code, which was initially expected to become effective during FY2020 but has now been postponed to FY2022 due to COVID-19.
2. The department will undergo a transition from the existing server based permitting software to a new and upgraded cloud based permitting software. This implementation process will continue through calendar year 2021 and will require training both to internal staff, as well as contractors and homeowners.
3. The department's website will be updated to reflect current code requirements, and will provide more information to architects, contractors, and homeowners alike.

Significant Budget Changes or Initiatives

There are no significant budget changes for the FY2022 Building Department. Overall, the departmental budgets for Building, Gas, Wiring and Sealer are up \$5,870 or 2.61%, inclusive of a 2% contractual wage increases for Union and Non-Union personnel.



Building Department Programs and Services





BUILDING DEPARTMENT					
Personnel Summary					
Position	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2021 FTE	FY 2022 FTE
Building Inspector	1	1	1	1	1
Part-time Local Building Inspector	0.40	0.40	0.40	0.40	0.40
Part-time Wiring Inspector	0.25	0.25	0.25	0.25	0.25
Part-time Gas Inspector	0.15	0.15	0.15	0.15	0.15
Part-time Plumbing Inspector	See	Health	Dept	---	---
Administrative Assistant	1	1	1	1	1
PT Sealer of Weights & Measures	Contract	Contract	Contract	Contract	Contract
Total Full-time Equivalent	2.80	2.80	2.80	2.80	2.80

*Personnel Explanation:

- Full Time Equivalents are based upon 40hrs per wk (30hrs/40hrs = .75 FTE).
- One individual serves as both the Part-time Plumbing Inspector 8hrs per week (0.20 FTE) and the Part-time Gas Inspector 6hrs per week (0.15 FTE). The Part-time Plumbing Inspector’s wages are reflected in the Health Department budget.
- Beginning in FY2013 the Town began contracting with the Massachusetts Division of Standards (DOS) to provide all Sealer of Weights & Measures services, including the inspections required at the Northborough Crossing shopping plaza. DOS is the State agency responsible for enforcing all laws, rules, and regulations relating to weights and measures and the use of weighing and measuring devices in commercial transactions.



Building Department

Section 3-21

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
BUILDING INSPECTOR						
Personnel Services						
51100 Building Inspector Salary	80,110	82,410	85,738	89,211	41,498	91,895
51120 Part-time Local Inspector wages	15,671	23,156	28,788	27,508	12,538	28,337
51140 Administrative Assistant	56,519	55,555	54,946	58,562	27,331	60,312
51410 Longevity Pay	250	500	0	0	0	0
SUBTOTAL	152,550	161,621	169,472	175,281	81,367	180,544
Expenses						
53190 Training	1,512	620	200	1,850	0	1,850
54290 Office Supplies	1,041	1,048	1,778	660	195	660
55980 Field Supplies	0	0	0	100	0	100
57110 Travel / Mileage	2,540	2,336	1,791	3,000	558	3,000
57310 Dues	210	285	285	285	0	285
57340 Meetings	646	150	50	645	0	645
58690 New Equipment	0	0	0	150	0	150
SUBTOTAL	5,949	4,439	4,104	6,690	753	6,690
TOTAL: BUILDING INSPECTOR	158,498	166,060	173,576	181,971	82,120	187,234

Section 3-22

Building Department



	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
GAS INSPECTOR						
Personnel Services						
51130 Gas Inspector Salary	10,695	8,518	8,914	11,351	5,675	11,577
SUBTOTAL	10,695	8,518	8,914	11,351	5,675	11,577
Expenses						
53190 Training	0	0	85	125	0	125
54290 Office Supplies	180	75	0	225	0	225
57110 Travel / Mileage	827	1,313	1,149	880	580	880
57310 Dues	15	55	25	90	25	90
58690 New Equipment	0	0	0	0	0	0
SUBTOTAL	1,022	1,443	1,259	1,320	605	1,320
TOTAL: GAS INSPECTOR	11,717	9,961	10,173	12,671	6,280	12,897



Building Department

Section 3-23

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
WIRING INSPECTOR						
Personnel Services						
51130 PT Wiring Inspector Wages	16,849	18,237	15,927	18,991	6,465	19,372
51140 PT Permanent Wages	247	755	1,171	1,000	0	1,000
SUBTOTAL	17,095	18,992	17,098	19,991	6,465	20,372
Expenses						
53190 Training	0	0	170	250	0	250
54290 Office Supplies	363	180	398	430	75	430
57110 Travel / Mileage	1,725	1,747	1,538	2,000	57	2,000
SUBTOTAL	2,088	1,927	2,106	2,680	132	2,680
TOTAL: WIRING INSPECTOR	19,183	20,919	19,204	22,671	6,597	23,052

Section 3-24

Building Department



	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
SEALER OF WEIGHTS & MEASURES						
Personnel Services						
51130 Sealer Salary	0	0	0	0	0	0
SUBTOTAL	0	0	0	0	0	0
Expenses						
52800 Contractual Services	5,000	5,000	5,000	8,000	0	8,000
53190 Training	0	0	0	0	0	0
54290 Office Supplies	0	0	0	0	0	0
57110 Travel / Mileage	0	0	0	0	0	0
57310 Dues	0	0	0	0	0	0
SUBTOTAL	5,000	5,000	5,000	8,000	0	8,000
TOTAL: SEALER WEIGHTS/MEASURES	5,000	5,000	5,000	8,000	0	8,000



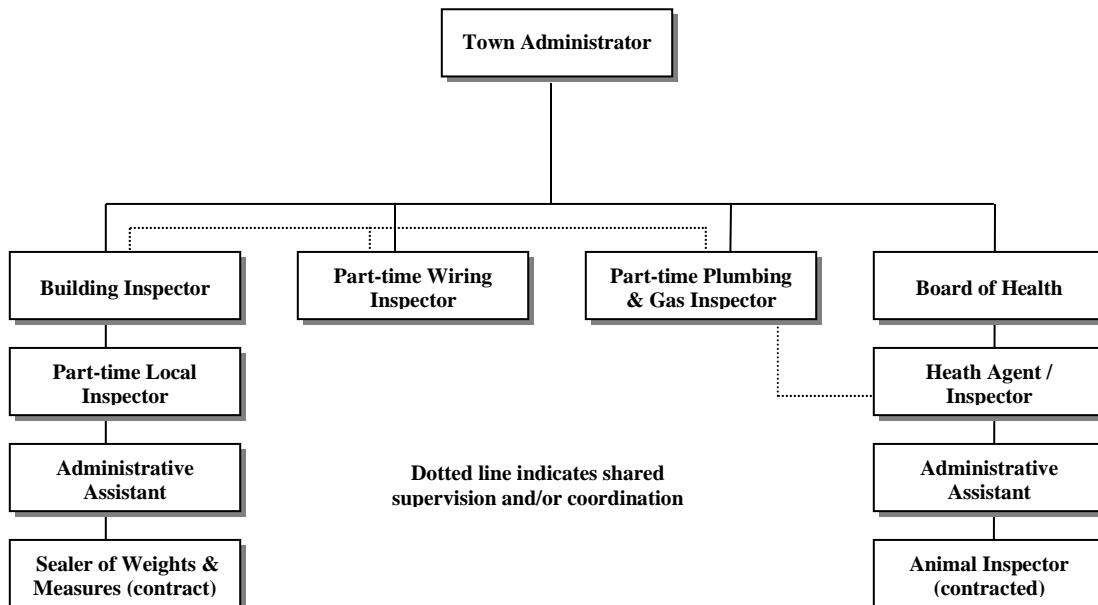
Health Department Mission Statement

The Health Department and the Board of Health are dedicated to keeping the Town of Northborough a healthy and environmentally safe place to live. We strive to do this through the development and implementation of programs that seek to prevent the outbreak of infectious diseases and by controlling environmental health hazards. Through enforcement of State statutes and regulations regarding on-site sewerage treatment and disposal systems (Title V), restaurant sanitation and tobacco control, we further endeavor to protect, preserve and improve the health of our citizens. We promote sanitary living conditions for all our residents and strive to protect the environment from damage and pollution.

Board of Health

The Board of Health is composed of five members appointed by the Town Administrator. Each member serves a term of three years. The Board of Health works under the general policy direction of the Board of Selectmen and has the responsibility for the formulation and enforcement of regulations affecting the environment and the public health. The Board shall have all the powers and duties and obligations that boards of health may have under the Constitution and laws of the Commonwealth and the State Sanitary Codes, the Town Charter, Town Bylaws and the Administrative Code.

Organizational Chart



*Note: The Building Department and the Health Department share an office suite and two Administrative Assistants that are cross-trained. The Health Agent also has some oversight responsibilities with regard to the Plumbing Inspector.



Health Department FY2021 Initiatives and Accomplishments

1. Food Establishments/Swimming Pools/Camps—Conducted inspections for food establishments, swimming pools and recreation camps. Reviewed plans as needed for new establishments. Provided educational information to food establishments of the importance of proper food safety practices and sanitation and COVID-19 safety standards, guidance documents and checklists.
2. Septic Systems/Wells—Permitted and inspected new septic systems and repairs in accordance with Title V (310 CMR 15.000) and local regulations. All septic systems, both new and repairs require and received a plan review and multiple inspections before receiving compliance certificates. Reviewed and permitted new well permits in accordance with state and local regulations.
3. COVID-19—Provided timely information and updates regarding COVID-19. Northborough, like all other Massachusetts towns, was severely impacted by the COVID-19 pandemic. The Health Agent frequently communicated with Salmon VNA (contracted nursing services), the Massachusetts Department of Public Health, Northborough Public Schools and other departments to ensure the residents, businesses and employees had access to the most relevant and accurate information.
4. Flu Clinics/Health Screening and Education—Conducted outreach and educational efforts to promote awareness of seasonal flu and how to reduce transmission. The Health Department held two flu clinics, one at Melican Middle School and one at the Senior Center with almost 200 flu shots given. The Health Department also contracts with Salmon VNA to provide Health Screening/Health Education Clinics 5 times per year.
5. Interdepartmental Collaboration—Continued to develop and work with our municipal task force on issues relating to COVID-19, public health and wellness. This valued collaboration ensures we are maximizing available resources and improving efficiencies in providing services to residents of Northborough.
6. Substance Abuse Prevention—The Health Department continued to work with the Substance Abuse Prevention Collaborate based out of Hudson and the Mass Opioid Abuse Prevention Collaborative based in Framingham on substance abuse prevention activities. Additionally, the Health Agent participates in the Northborough-Southborough Substance Abuse Prevention Coalition (NSSAPC) to promote awareness and prevention of substance abuse among youth.
7. Emergency Planning—Continued to review and update relevant emergency plans including the 2020 Emergency Dispensing Site (EDS) Plan. Worked with the Public Health Emergency Preparedness (PHEP) Region 2 coalition as well as other municipal departments to ensure compliance with state of federal guidelines. Participated in relevant drills including annual EDS Drill. Completed repairs to PHEP regional trailer including major roof repairs, new tires, shelving, and complete inventory.



Health Department FY 2022 Goals and Initiatives

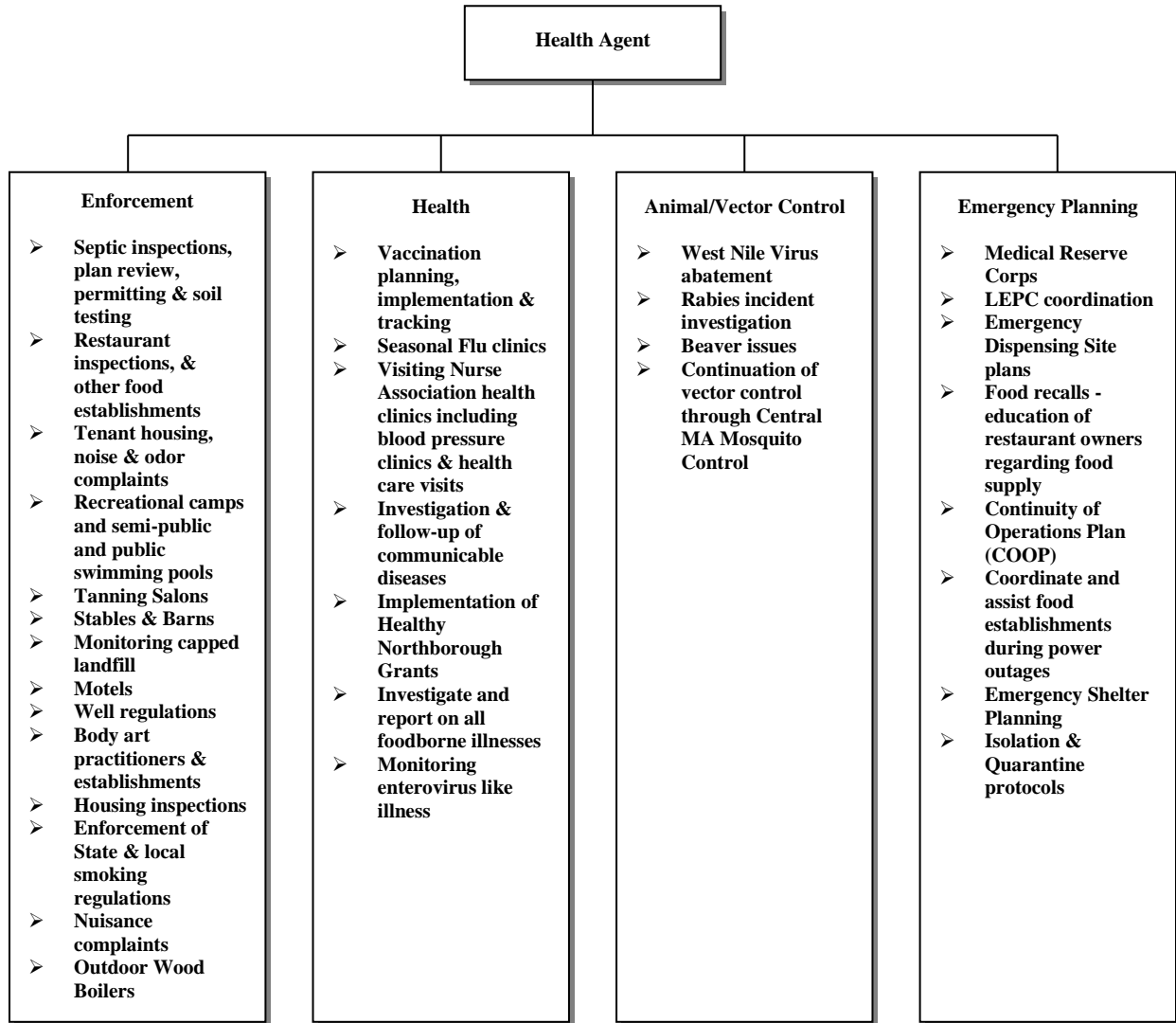
1. Improved Online Permitting Platform—Starting in the spring of 2021, the Health and Building Departments are moving to a cloud based permitting software. A goal in FY2022 is to improve user experience for applicants and to improve efficiencies of permitting and inspections.
2. Improved Emergency Preparedness Response Capabilities—The Health Department is preparing to assist the state with COVID-19 Vaccination Clinics. Continue to update and improve the Town's abilities to respond to town wide and regional emergencies through updating plans, purchasing supplies as needed and with drills and trainings relating to Emergency Dispensing Sites and Sheltering Operations.
3. Sharps Disposal Program for Residents—Develop and advertise a safe and convenient sharps disposal program for residents. A statewide ban on the disposal of needles, syringes and lancets went into effect on July 1, 2012. The new program will offer sharps drop-off in approved containers during usual business hours at Town Hall.
4. Promote Public Health Initiatives related to COVID-19 Pandemic—The need for public health education around COVID-19 will continue through FY2022. This will include continued promotion of practices of mask wearing, social distancing, and hygiene practices, and compliance with State COVID-19 Orders for both residents and businesses. In additional, there is an anticipated need for increased public health education and outreach related to mental health, substance abuse, and obesity. A primary goal will be coordinating and leveraging resources and grant opportunities with surrounding communities, town departments, Northborough Southborough Public Schools and professional associations.
5. Improved Food Safety and Housing Inspections—The Health Department will improve inspections, compliance, and investigations for food establishment and housing using FoodCode-Pro™ permitting software. This software will produce easy to read reports with required code references and color photographs that will clearly demonstrate code violations and required corrective actions. This software will allow inspectors to conduct and report inspections in a timelier manner and alleviate administrative work for staff.

Significant Budget Changes or Initiatives

Overall, the department's FY2022 budget increases \$16,462, or 8%, primarily due to changes in departmental personnel and the hiring of a new Health Agent at a higher salary than previously budgeted. The budget as presented includes a 2% contractual wage increases for Union and Non-Union personnel. The budget also includes \$13,000 in the temporary wages line in order to provide limited back-up for the department's only Health Agent. Looking forward, Northborough has applied for a new Public Health Excellence Grant. The Town is proposing to create a new shared services arrangement with the Towns of Westborough, Boylston, and Southborough. If awarded, the grant funds will provide for expanded public health nursing services, additional staffing for inspectional services, dedicated software for inspectional services, and ongoing continuity of operations for all four community health departments.



Health Department Programs and Services





HEALTH DEPARTMENT

Personnel Summary

Position	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2021 FTE	FY 2022 FTE
Health Agent	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Part-time Plumbing Inspector	0.20	0.20	0.20	0.20	0.20
Animal Inspector	contractual	contractual	contractual	contractual	contractual
Total Full-time Equivalent	2.20	2.20	2.20	2.20	2.20

*Personnel Explanation:

- Full Time Equivalents are based upon 40 hrs per wk (30hrs/40hrs = .75 FTE).
- One individual serves as both the Part-time Plumbing Inspector 8hrs per week (8hrs/40 hrs = 0.20 FTE) and the Part-time Gas Inspector 6hrs per week (6hrs/40hrs = 0.15 FTE). The part-time Plumbing Inspector's wages are reflected in the Health Department budget. The part-time Gas Inspector's wages are reflected in the Building Department's Budget.
- The Animal Inspector is a contractual service covered as part of the Animal Control contract.

Section 3-30

Health Department



	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
HEALTH DEPARTMENT						
Personnel Services						
51100 Health Agent	67,280	75,535	72,338	80,598	23,515	94,591
51130 Part-time Plumbing Inspector	14,624	14,563	12,963	16,634	7,567	16,937
51140 Administrative Assistant wages	56,519	55,555	54,946	58,562	27,331	60,312
51220 Temporary wages	14,186	14,104	10,496	13,000	5,904	13,000
51410 Longevity Pay	250	0	0	0	0	0
SUBTOTAL	152,859	159,757	150,743	168,794	64,316	184,840
Expenses						
52800 Contractual Animal Inspector	0	0	0	1,000	0	1,000
53090 Advertising	420	0	0	250	0	250
53170 Testing	8,773	4,133	7,662	20,000	0	20,000
53990 Nursing Services	6,500	6,671	7,000	7,000	3,750	7,000
54290 Office Supplies	1,351	1,044	989	1,260	232	1,260
57110 Travel / Mileage	1,393	1,858	1,383	3,000	0	3,000
57310 Dues / Licensure Fees	150	520	60	785	60	1,201
57340 Meetings	465	954	115	1,195	0	1,195
57810 Unclassified	0	78	78	300	0	300
58690 New Equipment	0	0	23	200	0	200
SUBTOTAL	19,051	15,258	17,309	34,990	4,042	35,406
TOTAL: HEALTH DEPARTMENT	171,910	175,015	168,052	203,784	68,358	220,246



Animal Control Services Statement

Animal Control has primary responsibility for the enforcement of Chapter 2-24 of the Town Code—Dogs and Other Animals, as amended, and Massachusetts General Laws, Chapter 140—Licenses, Sections 136A through 175 (regulation of dogs and other animals) as amended, and any other applicable laws or regulations. Duties include, but are not limited to licensing enforcement; enforcing state and local leash laws and regulations; investigating complaints relative to alleged violations of laws, bylaws and regulations related to domesticated animals; and participating in any hearings before the Board of Selectmen and/or prosecution of cases in Court as needed. Animal Control is also responsible for assisting with general animal-related situations, as appropriate.

Significant Budget Changes or Initiatives

Beginning in FY2013 Animal Control services were outsourced through a contractual arrangement and the fees from dog licenses and fines brought into the General Fund as a transfer from the revolving fund to off-set the cost of the contract. Since FY2021 is the last year of a three-year contract, the FY2022 Animal Control Budget assumes a 3% increase, pending bid results. In FY2022 the revolving fund revenues proposed to be transferred in are \$27,461 and the estimated cost for contractual Animal Control services is \$42,729, resulting in a net tax-supported service expense of \$15,268.



Animal Control					
Personnel Summary					
Position	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2021 FTE	FY 2022 FTE
Dog Officer	Contracted	Contracted	Contracted	Contracted	Contracted
Assistant Dog Officer	Contracted	Contracted	Contracted	Contracted	Contracted
Total Full-time Equivalent	0	0	0	0	0

*Personnel Explanation:

- During FY2012 the position of Dog Officer became vacant due to a retirement. Following a detailed analysis, the Town opted to contract out for the service at significant savings. The contractual arrangement continues during FY2022.

Prior to the outsourcing of the Animal Control services in FY2013 there were two on-call Assistant Dog Officers that served on an “as-needed” basis to cover absences of the full-time Dog Officer. The costs associated with the Assistant Dog Officers were funded through the Dog Officer’s Revolving Fund where dog license fees and related fines are collected and deposited for use in support of the service. These positions were eliminated in FY2013.



Animal Control

Section 3-31

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
ANIMAL CONTROL						
Personnel Services						
51130 Dog Officer Salary	0	0	0	0	0	0
51410 Longevity Pay	0	0	0	0	0	0
SUBTOTAL	0	0	0	0	0	0
Expenses						
52800 Contractual ACO Services	39,819	39,913	39,481	41,484	19,818	42,729
SUBTOTAL	39,819	39,913	39,481	41,484	19,818	42,729
TOTAL: ANIMAL CONTROL	39,819	39,913	39,481	41,484	19,818	42,729

Dog Officer's Revolving Fund Explanation:

The Revolving Fund is where dog license fees and related fines are collected and deposited for use in support of the service. Beginning in FY2013 the fees from dog licenses and fines went into the General Fund as a transfer to off-set the costs of the Animal Control services contract. In FY2022 the revolving fund revenues proposed to be transferred in are \$27,461 and the estimated cost for contractual Animal Control services is \$42,729, resulting in a net tax-supported service expense of \$15,268.



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Public Works

Section 4



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Public Works Departmental Statement

The Department of Public Works (DPW) consists of multiple Divisions collectively responsible for maintaining and improving the Town's public spaces and infrastructure. This includes the maintenance and development of Town roads, sidewalks, public trees, cemeteries, parks, public grounds and buildings, as well as the Town water supply system and wastewater/sewerage system. In addition to general administration, the Divisions within the Department include: Highway, Parks, Cemetery, Engineering, Water and Sewer. For budget information regarding the Water and Sewer Divisions, please see Enterprise Funds, Section 8 of this document.

Highway Division

The Highway Division is responsible for all repairs, street openings, new construction of public ways, sidewalk construction and repair, drainage, snow removal and other matters having to do with the proper maintenance and development of the Town's road system. The Highway Division also maintains the trees within the right-of-way along the public roads.

Parks Division

The Parks Division is responsible for maintaining and developing public playgrounds, parks and related facilities. Under the current staffing model, the same staff performs the duties of the Highway and Parks Divisions.

Cemetery Division

The Cemetery Division operates, maintains and develops the public burial grounds of the Town and related facilities. There is a small cemetery on Brigham Street which has few headstones and is often referred to as the old "Indian Burial Ground". The main burial ground in Town is the Howard Street Cemetery which has two portions: the older, historic section and the north section, or the Kizer Cemetery, named for the family from whom the land was purchased. The original section is 18.65 acres and the active North section is 21.71 acres.

Engineering Division

The Engineering Division provides technical support to all Town Departments, Boards, and Committees as requested. The Town Engineer reviews a variety of projects for the Planning Board, Conservation Commission, Earthwork Board, Groundwater Advisory Committee and Zoning Board of Appeals. The Division is also responsible for oversight of the Town Pay-As-You-Throw solid waste program which is shown separately under the Solid Waste Enterprise Fund portion of this budget document. The Town Engineer works with various state agencies as a Town representative on local issues (e.g., Mass Highway, Central Mass Regional Planning Commission, MA Executive Office of Environmental Affairs and US Department of Environmental Protection).

Water and Sewer Divisions (Enterprise Funds)

The Water and Sewer Divisions operate, maintain and develop the Town's public water and sewer systems and related facilities. The Water and Sewer Divisions are operated as enterprise funds. Briefly, an enterprise fund as authorized under MGL Ch. 44 §53F½ is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery—direct,



indirect, and capital costs—are identified. This allows the community the option to recover total service costs through user fees.

For purposes of providing a departmental overview and personnel summary, the Water & Sewer Division is included here within the DPW Section 4 of the budget. The actual budgets associated with the Water and Sewer enterprise funds are contained in Section 8 of this budget document.

Related Advisory Boards and Commissions

In addition to the various DPW Divisions, there are several advisory Boards and Commissions related to the DPW's mission and functions. These include:

Cemetery Commission

The Cemetery Commission consists of three members appointed by the Town Administrator for three-year terms. The Commission is responsible for the development of policies, fees, rules and regulations pertaining to the care, superintendence and management of all public burial grounds. The DPW Director serves as the staff liaison to the Cemetery Commission.

Parks & Recreation Commission

The Parks & Recreation Commission consists of five members appointed by the Board of Selectmen for three-year terms. The Commission is responsible for the development of policies, rules and regulations pertaining to the care, superintendence and management of the public recreation programs, facilities and public parks and playgrounds under its control. The DPW Director serves as one of the staff liaisons to the Parks & Recreation Commission and is responsible for the physical maintenance of the facilities. The other staff liaison is the Recreation Director, who is responsible for the Recreation Department programs on those facilities.

Water & Sewer Commission

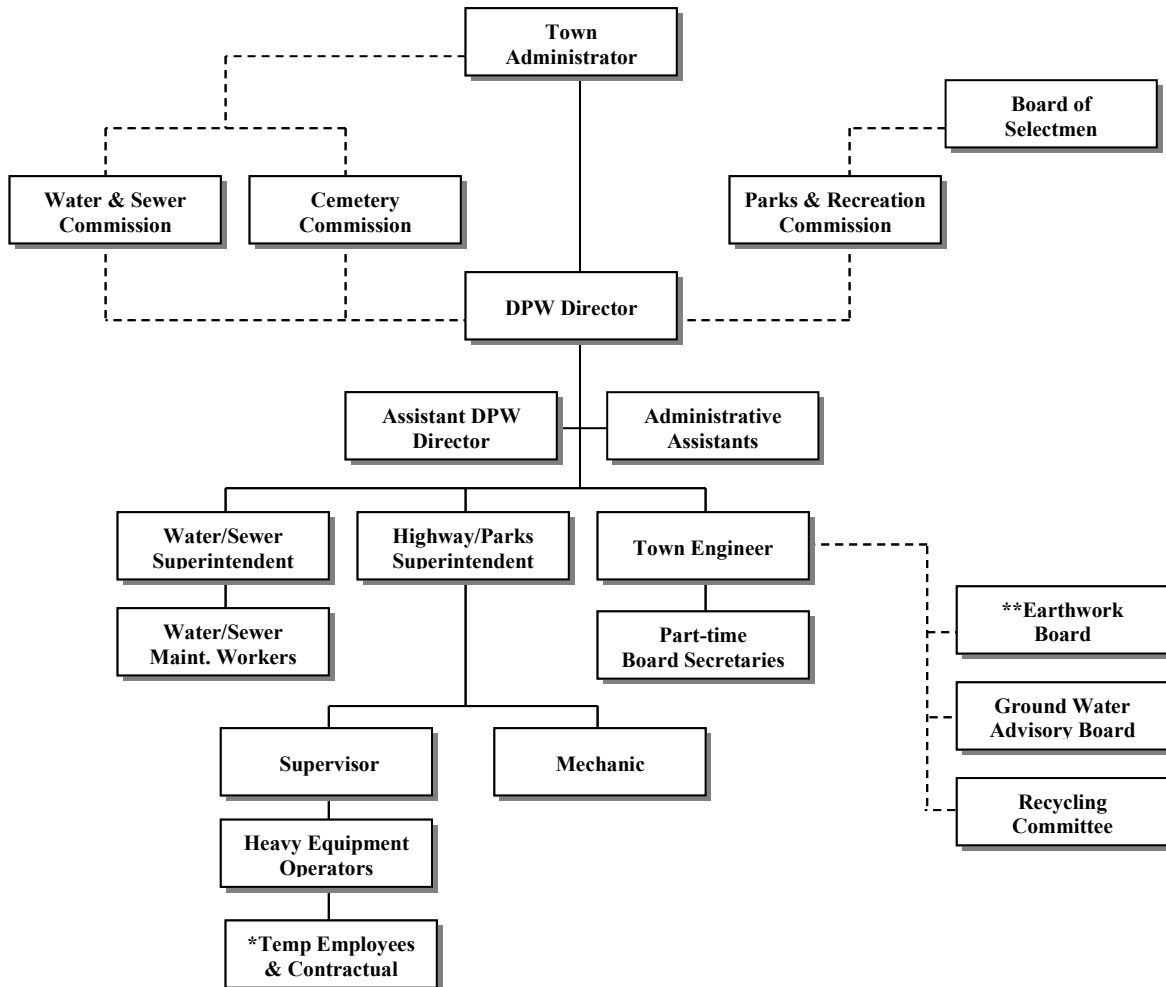
The Water & Sewer Commission consists of three members appointed by the Town Administrator for three-year terms. The Commission is responsible for the development of policies, fees, rules and regulations pertaining to the care, superintendence, development and management of the Town's water supply and facilities and the Town's sewerage system. The DPW Director serves as the staff liaison to the Water & Sewer Commission.

Groundwater Advisory Committee

The Groundwater Advisory Committee consists of five members, one each appointed by the Planning Board, the Conservation Commission, the Board of Health, the Board of Selectmen and the Water & Sewer Commission for indefinite terms. The Committee exists to protect, preserve and maintain the existing and potential groundwater supply and groundwater recharge areas within the known aquifers of the town.



DPW Organizational Chart



Organizational Chart Notes:

*The Highway/Parks Division and Cemetery Division use temporary, seasonal employees to augment park maintenance in the summer months, and contractual snowplow operators to supplement DPW staff during winter operations.

**The Earthwork Board secretary is budgeted under Planning & Conservation.

**DPW FY2021 Initiatives and Accomplishments****Highway/Parks & Cemetery Divisions:**

1. Fiscal Year 2021 posed unique challenges related to capital projects and equipment acquisitions due to pandemic related fiscal constraints.
2. The Department postponed three equipment replacements but was able to purchase a new wide area wing mower for maintenance of our grounds and athletic fields.
3. The design phase for upgrades and accessibility improvements to the Assabet Park Playground commenced. Construction is expected to begin in calendar 2021 with a goal of substantial completion by the end of the year.
4. Applied for FEMA grant funding to replace the highway garage backup generator. Design services will begin upon award with the goal of construction in late calendar 2021.
5. Implemented approximately 12.4 miles of roadway maintenance and improvements including roadway narrowing, mill and overlay, full depth reconstruction, and crack fill.
6. Conducted snow plowing and treatment of over 80 miles of roads for all winter weather events in what turned out to be an average snow fall year.
7. Continued improvements to the Town Common including construction of a pergola and installation of a kinetic wind sculpture, both thanks to two generous donors.
8. Pruned or completely removed over 72 unhealthy, dead, or dying street trees located within the Town's right of way.
9. Conducted bidding and began replacement of three critical and failing culverts; Ridge Road, Lyman Street, and Davis Avenue.
10. Completed the stormwater catchment connectivity mapping for town drainage outfalls.
11. Northborough was designated by the Commonwealth of Massachusetts Executive Office of Energy and Environmental Affairs as a Municipal Vulnerability Preparedness Community.
12. Completed improvements to the front area of Town Offices including masonry repairs to the facade, and reconstruction of the front lawn area which required stabilization of the minuteman monument and replacement of flagpole lighting.

Engineering Division:

1. The Engineering Department normally would work with the Recycling Committee and the Northborough Junior Women's Club on the annual swap meet - TAKE IT OR LEAVE IT DAY and Styrofoam collection – which had been held at the at the DPW Garage in early May for each of the last several years but due to COVID-19 concerns and the potential for spreading the virus this event was cancelled this year.



2. The annual Household Hazardous Waste Day normally held in the fall of each year at the DPW Garage was also cancelled this year due to COVID-19 concerns and the potential for spreading the virus during that event.
3. During 2015 the Massachusetts Department of Environmental Protection (DEP) restored some Grant programs which had been eliminated a number of years before due to the constraints on the state budget. In 2020, the Town received a \$7,800 grant under the Sustainable Materials Recovery Program which will be used to offset the cost of purchasing recycling bins as well as to offset the cost of producing and mailing the annual recycling calendar to each household in June.
4. The Town Engineer represented Northborough as their liaison to the Central Massachusetts Regional Stormwater Coalition (CMRSWC) and also sits on their Steering Committee as they work towards finding feasible ways to protect stormwater quality and to remain in compliance with the Federal Environmental Protection Agency MS4 NPDES permit.
5. The Town Engineer worked closely with the Massachusetts Department of Transportation (MDOT) regarding projects involving the state highway within the limits of Northborough.

Water and Sewer Divisions:

1. Began construction of second water/sewer operations building which is scheduled to be ready for interior fit-out by the Assabet Valley Regional Technical High School students by the end of Fiscal Year 2021.
2. Conducted the fourth year of a 15-year Sanitary Sewer Inflow and Infiltration (I&I) Elimination Program as mandated by State and Federal clean water regulations including system smoke testing and flow isolation.
3. Began rehabilitation of the Assabet Hill Water Storage Tank including installation of a non-mechanical water quality mixing system.
4. Completed an Emergency Action Plan for the Reservoir Dam and applied for design and permit grant funding for dam removal.
5. Replaced approximately 12 aging fire hydrants.
6. Installed backup power at the Wesson Terrace Sewer Pump Station.
7. Continued our bi-annual hydrant flushing and annual gate exercising program.
8. Continued compliance with unfunded drinking water mandates including:
 - a. Revised Total Coliform Rule;
 - b. Reduction of Lead in Drinking Water Act;
 - c. Revisions to the Water Management Act (WMA) including the Sustainable Water Management Initiative (SWMI).
 - d. Unregulated Contaminant Monitoring Rule (UCMR) Phase 4.



9. Replaced aged iron corporations along Charina Road.
10. Migrated to a cloud based cross connection control program monitoring system.

Department of Public Works FY2022 Goals and Initiatives

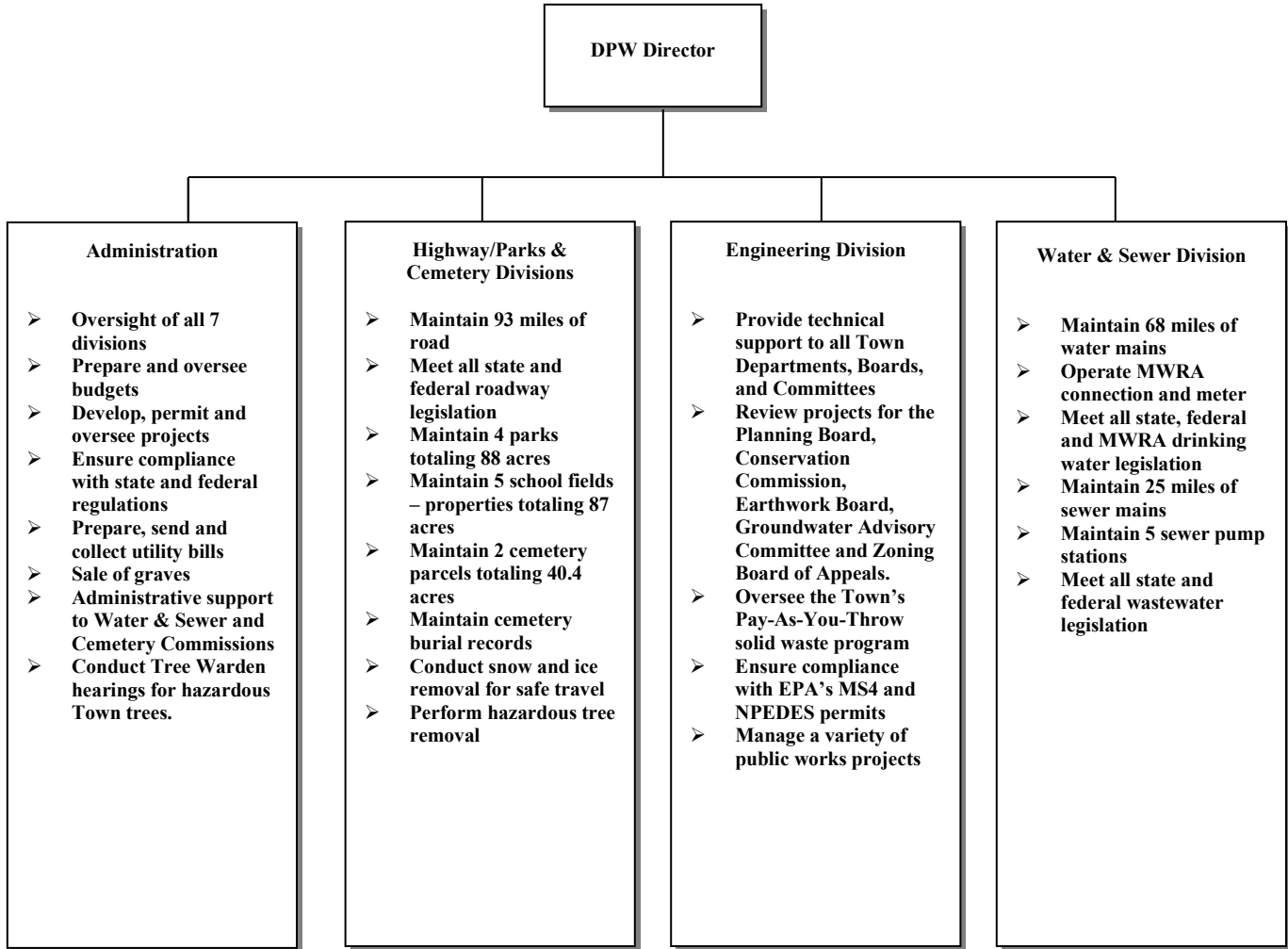
1. Continue the all-inclusive approach to infrastructure management and improvement by combining the recommendations from the pavement management program, water master plan and the comprehensive wastewater management plan to proficiently manage operations and prioritize future capital improvement projects.
2. Selectively implement the pavement management plan according to recommendations by the consultants and Public Works staff with a goal of addressing 10% of the town roadways.
3. Replace roadside guardrail identified in our recently developed inventory.
4. Commission the newly construction Assabet Park Accessible Playground.
5. Complete replacement of the Ridge Road, Lyman Street, and Davis Avenue culverts with new culverts including headwalls and guardrail.
6. Bring into operation the rehabilitated Assabet Hill Water Storage Tank.
7. Continue compliance with unfunded drinking water mandates including:
 - a. Revised Total Coliform Rule;
 - b. Reduction of Lead in Drinking Water Act;
 - c. Revisions to the Water Management Act (WMA) including the Sustainable Water Management Initiative (SWMI).
 - d. Unregulated Contaminant Monitoring Rule (UCMR) Phase 4.
8. Implement the Town's Stormwater Management Plan and Stormwater Pollution Prevention Plan as required by the EPA's final MS4 permit.
9. Rehabilitate the Three War Memorial.
10. Complete construction of the new water and sewer division operations building.
11. Perform design and permitting for the removal of Reservoir Dam.
12. Begin design phase of water and sewer Supervisory Control and Data Acquisition (SCADA) system.

Significant Budget Changes or Initiatives

Overall, the Department of Public Works General Fund budget is increasing \$79,706 or 2.85%. The majority of the increase is attributed to contractual wage increases for Union and Non-Union personnel, and as well as restoration of previously reduced small equipment budgets that were cut in FY2021. The elimination of the Assistant DPW Director position and part-time Administrative Assistant position in FY2021 remain unbudgeted in FY2022.



DPW Programs and Subprograms





DEPARTMENT OF PUBLIC WORKS					
Personnel Summary					
Position	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2021 FTE	FY 2022 FTE
<u>Administration</u>					
DPW Director	1	1	1	1	1
Assistant DPW Director	1	1	1	0	0
Administrative Assistants	2.48	2.48	2.48	2	2
<u>Engineering Division</u>					
Town Engineer	1	1	1	1	1
<u>Highway/Parks/Cemetery Division</u>					
Highway/Parks Superintendent	1	1	1	1	1
Highway/Parks/Cemetery Supervisor	1	2	2	2	2
Mechanic	1	1	1	1	1
Heavy Equipment Operators	7	6	6	5	5
Light Equipment Operator	1	1	1	2	2
<u>Water & Sewer Division</u>					
Water/Sewer Supervisor	1	1	1	1	1
Water/Sewer Maintenance Workers	3	3	3	3	3
Total Full-time Equivalents	20.48	20.48	20.48	19	19

*Personnel Explanation: Full-time Equivalents are based upon 40 hrs per wk (30hrs/40hrs = .75 FTE).

- The Highway/Parks & Cemetery Divisions use seasonal staff to augment park maintenance in the summer and contract snowplow operators to supplement staff during winter operations.
- The DPW Director's salary, Assistant Director's salary and wages for the two full-time Administrative Assistants are budgeted 50% in the General Fund (under Highway Administration), 30% in the Water Enterprise Fund and 20% in the Sewer Enterprise Fund budget (See Section 8 of this budget document for Enterprise Fund detail). Wages for the Water/Sewer Maintenance Workers are budgeted 60% in the Water Enterprise Fund budget and 40% in the Sewer Enterprise Fund budget.
- The FY2019 budget included a second Supervisor position budgeted 75% in the Cemetery Division and 25% in Highway/Parks. The new Supervisor was a promotion and no new staff was added.
- The FY2021 budget moved funding for the vacant Assistant DPW Director and reallocated it to hire another Light Equipment Operator at the request of the Director in order to better meet service demands. The part-time water/sewer administrative assistant was eliminated and the department started using a lockbox service.



Department of Public Works

Section 4-9

DPW Personnel Table of FTEs by Division Budgets

DEPARTMENT OF PUBLIC WORKS					
Personnel Summary					
Position	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2021 FTE	FY 2022 FTE
<u>Administration</u>					
Budgeted in Divisions below					
<u>Engineering Division</u>					
Town Engineer	1	1	1	1	1
<u>Highway/Parks Division</u>					
DPW Director	.5	.5	.5	.5	.5
Assistant DPW Director	.5	.5	.5	0	0
Administrative Assistants	1	1	1	1	1
Highway/Parks Superintendent	1	1	1	1	1
Supervisor	1	1.25	1.25	1.25	1.25
Mechanic	1	1	1	1	1
Heavy Equipment Operators	6.25	6	5	5	5
Light Equipment Operator	.5	.5	1.5	1.5	1.5
<u>Cemetery Division</u>					
Supervisor	0	.75	.75	.75	.75
Heavy Equipment Operator	.75	0	0	0	0
Light Equipment Operator	.5	.5	.5	.5	.5
<u>Water Division Enterprise Fund</u>					
DPW Director	.3	.3	.3	.3	.3
Assistant DPW Director	.3	.3	.3	0	0
Administrative Assistants	.89	.89	.89	.6	.6
Water/Sewer Superintendent	0	0	0	0	0
Water/Sewer Supervisor	.6	.6	.6	.6	.6
Water/Sewer Maintenance Workers	1.8	1.8	1.8	1.8	1.8
<u>Sewer Division Enterprise Fund</u>					
DPW Director	.2	.2	.2	.2	.2
Assistant DPW Director	.2	.2	.2	0	0
Administrative Assistants	.59	.59	.59	.4	.4
Water/Sewer Superintendent	0	0	0	0	0
Water/Sewer Supervisor	.4	.4	.4	.4	.4
Water/Sewer Maintenance Workers	1.2	1.2	1.2	1.2	1.2
Total Full-time Equivalents	20.48	20.48	20.48	19	19

The table above represents how personnel in the table on the previous page are budgeted, as opposed to how many full-time equivalents exist by title. The distinction is important due to the existence of the Water and Sewer Enterprise Funds and the accounting required to capture all the costs associated with these services, so that the fee structures may be set to cover 100% of the direct and indirect costs. For more detail on enterprise fund budgets, please refer to Section 8 of this budget document.

Section 4-10

Department of Public Works



	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
HIGHWAY ADMINISTRATION						
Personnel Services						
151100 DPW Director Salary (50%)	57,176	59,481	61,884	64,391	29,953	66,328
51100 Assistant DPW Director (50%)	0	0	0	0	0	0
51410 Longevity Pay	0	0	0	0	0	100
SUBTOTAL	57,176	59,481	61,884	64,391	29,953	66,428
Expenses						
52110 Utilities	32,558	33,753	35,710	38,751	7,530	39,751
52800 Contractual Services	0	0	2,952	0	470	0
54290 Office Supplies	1,309	1,693	1,263	2,000	444	2,000
54490 Building Maintenance	22,215	27,002	20,435	19,420	3,020	18,725
57110 Travel/Mileage	720	568	673	1,075	154	1,075
57310 Dues	1,187	590	2,093	2,577	400	1,883
SUBTOTAL	57,988	63,605	63,125	63,823	12,017	63,434
TOTAL: HIGHWAY ADMINISTRATION	115,164	123,087	125,009	128,214	41,970	129,862

¹ Line 51100 includes 50% of the DPW Director and Assistant Director Salaries with 30% carried in the Water Enterprise Fund Budget and the other 20% included in the Sewer Enterprise Budget (see Section 8 of this Budget Document for detail on the Enterprise Budgets)



Department of Public Works

Section 4-11

FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
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HIGHWAY DIVISION CONSTRUCTION & MAINTENANCE

Personnel Services

51010 Labor Wages	607,726	594,614	625,709	665,452	312,085	678,846
51140 Wages Part-time Permanent	58,469	59,634	61,287	62,265	29,353	63,510
51300 Overtime	119,671	124,186	98,408	111,554	58,814	117,666
51410 Longevity Pay	4,200	4,350	4,175	4,875	4,875	5,012
51920 Uniforms	6,750	6,750	8,313	10,213	4,156	10,213
51970 Stipends	0	0	0	0	0	0
SUBTOTAL	796,815	789,534	797,892	854,359	409,283	875,247

Expenses

52690 Equipment Maintenance	74,405	87,865	79,537	83,415	47,624	83,415
52800 Contractual Services	39,421	46,238	17,438	57,250	36,600	57,250
55320 Materials & Supplies	13,342	21,398	23,089	14,200	15,697	16,200
55420 Safety Training, Dues & Licenses	2,244	2,145	3,230	6,910	0	6,910
58690 New Equipment	2,617	4,570	0	3,000	0	13,000
58710 Roadway Maintenance	365,087	183,884	77,891	400,000	27,906	400,000
58715 Storm water/Drainage	74,821	68,012	141,636	158,900	9,586	158,900
SUBTOTAL	571,937	414,112	342,821	723,675	137,413	735,675

TOTAL: HIGHWAY CONST & MAINT.	1,368,752	1,203,646	1,140,713	1,576,420	546,696	1,610,922
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Section 4-12

Department of Public Works



FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED

PARKS DIVISION

Personnel Services

251130 Labor Wages	0	0	0	0	0	0
51220 Seasonal Temporary Labor	70,424	43,757	45,160	40,500	11,312	43,500
51300 Overtime	0	0	0	0	0	0
51410 Longevity Pay	0	0	0	0	0	0
SUBTOTAL	70,424	43,757	45,160	40,500	11,312	43,500

Expenses

51920 Uniforms	0	0	832.25	1,700	0	1,700
52110 Utilities	1,720	1,324	1,485.18	2,000	625	2,000
52610 Materials & Supplies	41,186	36,049	52,838.71	72,000	11,141	72,000
52800 Contractual Services	0	0	5,000.00	8,250	2,915	8,250
54710 Building Maintenance	2,217	8,355	6,885.77	4,000	981	4,000
58690 New Equipment	13,687	10,313	9,369.81	9,500	0	19,500
SUBTOTAL	58,810	56,041	76,412	97,450	15,662	107,450

TOTAL: PARKS DIVISION

129,235	99,798	121,572	137,950	26,974	150,950
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² Funding previously included in Line 51130 has been collapsed into Line 51220 to fund seasonal/temporary help instead of a permanent laborer position



Department of Public Works

Section 4-13

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
CEMETERY DIVISION						
Personnel Services						
³ 51010 Labor Wages	32,684	71,348	81,606	83,446	39,203	85,384
⁴ 51100 Miscellaneous Labor	0	8,448	15,362	21,720	7,755	22,300
51300 Overtime	0	1,871	6,314	7,368	3,097	7,578
51410 Longevity Pay	500	0	375	475	475	587
51920 Uniforms	375	750	1,188	1,188	594	1,188
SUBTOTAL	33,559	82,418	104,843	114,197	51,123	117,037
Expenses						
52110 Utilities	2,276	562	685	1,000	344	1,000
52690 Equipment Maintenance	3,791	9,274	4,421	3,750	3,865	3,750
54490 Building Repair	4,232	3,040	3,654	4,100	230	4,100
54690 Materials & Supplies	16,155	19,289	19,398	17,100	6,352	19,100
58690 New Equipment / Capital	14,982	11,639	10,676	11,000	0	21,000
SUBTOTAL	41,436	43,803	38,833	36,950	10,790	48,950
TOTAL: CEMETERY DIVISION	74,995	126,221	143,676	151,147	61,913	165,987

³ FY2019 represents a new Supervisor position budgeted 75% in Cemetery and 25% in highway/parks to accurately reflect the time dedicated to the Cemetery Division

⁴ Seasonal summer help dedicated exclusively to the cemetery is now budgeted in line 51100 to more accurately represent the resources devoted to the Cemetery Division

Section 4-14

Department of Public Works



	FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED

ENGINEERING

Personnel Services

51100 Town Engineer Salary	109,771	111,966	114,205.80	116,490	54,730	118,820
51410 Longevity Pay	500	650	650.00	650	650	650
SUBTOTAL	110,271	112,616	114,856	117,140	55,380	119,470

Expenses

52800 Contractual Services	21,000	37,092	35,000	74,200	5,000	74,200
54290 Office Supplies	239	641	374	450	216	450
55980 Field Supplies	0	0	0	100	0	100
57110 Travel/Mileage	1,359	1,927	1,516	1,500	500	1,500
57310 Dues	238	245	406	435	260	435
57320 Subscriptions	153	0	0	150	0	150
57340 Meetings	0	85	0	300	0	300
SUBTOTAL	22,989	39,991	37,295	77,135	5,976	77,135

TOTAL: ENGINEERING

133,260	152,607	152,151	194,275	61,356	196,605
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Department of Public Works

Section 4-15

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
SNOW & ICE						
Personnel Services						
51220 Miscellaneous Labor	0	0	0	0	0	9,000
⁵ 51300 Overtime	127,325	111,157	80,066	112,000	18,625	112,000
SUBTOTAL	127,325	111,157	80,066	112,000	18,625	121,000
Expenses						
⁶ 52800 Contractual Services	126,445	63,353	49,957	92,000	14,583	92,000
55350 Salt & Additives	183,789	151,525	117,400	190,000	40,696	181,000
57810 Materials & Supplies	59,095	43,281	82,989	43,000	20,628	43,000
SUBTOTAL	369,329	258,159	250,346	325,000	75,907	316,000
TOTAL: SNOW & ICE	496,654	369,316	330,412	437,000	94,533	437,000

⁵ Line 51300 contains Overtime funds for DPW employees that plow snow during winter operation

⁶ The DPW uses contractual snowplow services to supplement Town staff and equipment during winter operations

Section 4-16

Department of Public Works



	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
TREES						
Expenses						
52690 Equipment Maintenance	4,512	682	3,639	3,000	254	3,000
52800 Contractual Services	35,000	35,350	37,770	40,000	39,000	45,000
54700 Supplies	1,215	1,541	2,249	3,000	106	3,000
SUBTOTAL	40,727	37,573	43,658	46,000	39,360	51,000
TOTAL: TREES	40,727	37,573	43,658	46,000	39,360	51,000

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
STREET LIGHTING						
Expenses						
52130 Utilities	114,000	117,000	120,000	125,000	58,478	135,000
SUBTOTAL	114,000	117,000	120,000	125,000	58,478	135,000
TOTAL: STREET LIGHTING	114,000	117,000	120,000	125,000	58,478	135,000

NOTE: Please see Section 8 Enterprise Fund of this document for the detailed Water & Sewer Division budgets.

Community Services

Section 5



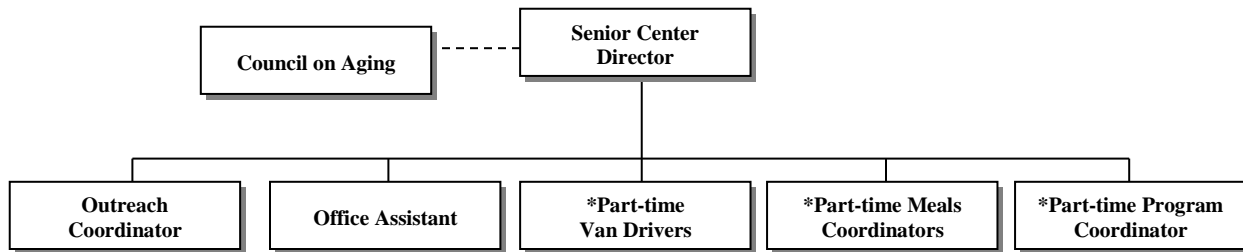
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Senior Center/Council on Aging Departmental Statement

The role of the Senior Center/Council on Aging is to improve the quality of life for the mature citizens of our community. We do this through support, advocacy, planning, coordination, and implementation of programs that bring mature citizens together for social, recreational, and educational purposes. We seek to educate the entire community and enlist its support and participation. The Council on Aging consists of nine members appointed by the Board of Selectmen for three-year terms.

Senior Center Organizational Chart



*One of the Part-time Meals Coordinator positions is funded through revenues generated by the senior center lunch and dinner program known as the Bistro @ 119 and the other is funded through donations from the Friends of the Senior Center. The Part-time Program Coordinator position is funded through program revenues. The Part-time Van Driver positions are funded through an agreement with the Worcester Regional Transit Authority. Please see the Personnel Tables on pages 5-4 and 5-5 for more detail.



Senior Center FY2021 Initiatives and Accomplishments

1. In FY2021, a new strategic plan and rebranding project was developed and completed with the assistance of a professional consultant, staff, and a Strategic Plan Special Committee that included COA Board Members, staff, volunteers, and members of the Friends of the Senior Center. The Strategic Plan was started over a year ago and was completed in the midst of the COVID-19 pandemic. Looking forward to the year 2025, the Strategic Plan outlines goals for the Senior Center in the areas of financial stability, improved data collection, addressing Master Plan goals of housing and transportation for seniors, expanding building hours, and increasing volunteer capacity.

The main objective and goal of the rebranding project was to position the Senior Center in a unique and compelling way to engage the Senior Center's target audience: those over the age of 60, not currently using the Senior Center. In order to engage new participants, we needed to convey that the Northborough Senior Center is an empowering agent, and a hub for programs, services and community to support a self-determined aging experience everything you want and need for living your best life.

With the assistance of a creative design team we chose a new logo to represent our "brand" and laid out a plan for strategic marketing and social media engagement. The plan to communicate a distinctive, compelling, and consistent brand message to our primary target audiences and the community will assist us in growing our programs and services and widening our positive community impact.

2. As COVID-19 first struck in March 2020 and began to hit the community hard in April 2020, the Senior Center planned a large-scale community outreach initiative. Utilizing staff from the senior center, other town departments, and volunteers, we called over 3,000 seniors in town to check on their well-being. We created a brand new, all-encompassing Community Outreach Guide that covers resources for affordable housing, tax relief, substance abuse and misuse assistance, and dementia resources to name a few. An at-risk resident list was created, and those vulnerable seniors were contacted as often as daily as per their requests. Collaborations with other town departments and volunteer groups were established to assist residents in obtaining cloth masks, and cable shows were filmed to broaden our outreach.

As part of our strategy to continue to engage senior residents and combat isolation we were able to pivot our programming strategy and move a majority of our activities, clubs, and support groups to a virtual format. We have been able to expand on that path, reaching over 20 on-going virtual (online, on the phone, or on cable) opportunities to residents to participate in. In the month of September 2020, we had over 600 activity check-ins, even with the building being closed to the public.

3. A three-town collaborative grant project for the social day program called "DayBreak" that provides respite to caregivers with loved ones who have dementia was approved for an additional year of funding. The MetroWest Health Foundation granted Northborough, Hudson, and Marlborough funding to continue the program, which provides 3 hours of quality structured time including socialization, lunch, and activities 3 times per week between the 3 towns.



Senior Center FY2022 Goals and Initiatives

1. Maintain the virtual programming growth successes while re-building in-person programs and events safely in the post-COVID-19 landscape. This goal includes continuing to offer a core group of virtual programs even after the building re-opens to the public.
2. Rebuild the lunch and dinner programs at the Bistro@119 in the post-COVID-19 landscape, following our new social media strategic plan to re-engage the community. This goal will be accomplished by working closely with the Board of Health, re-training staff and volunteers, and promoting the Bistro in a wide and varied way.
3. Increase the technological capacity of senior residents through a new comprehensive technology loan program, increasing the patronage of our one-on-one technical assistance programs, and reducing barriers to the affordability of technology through grants.

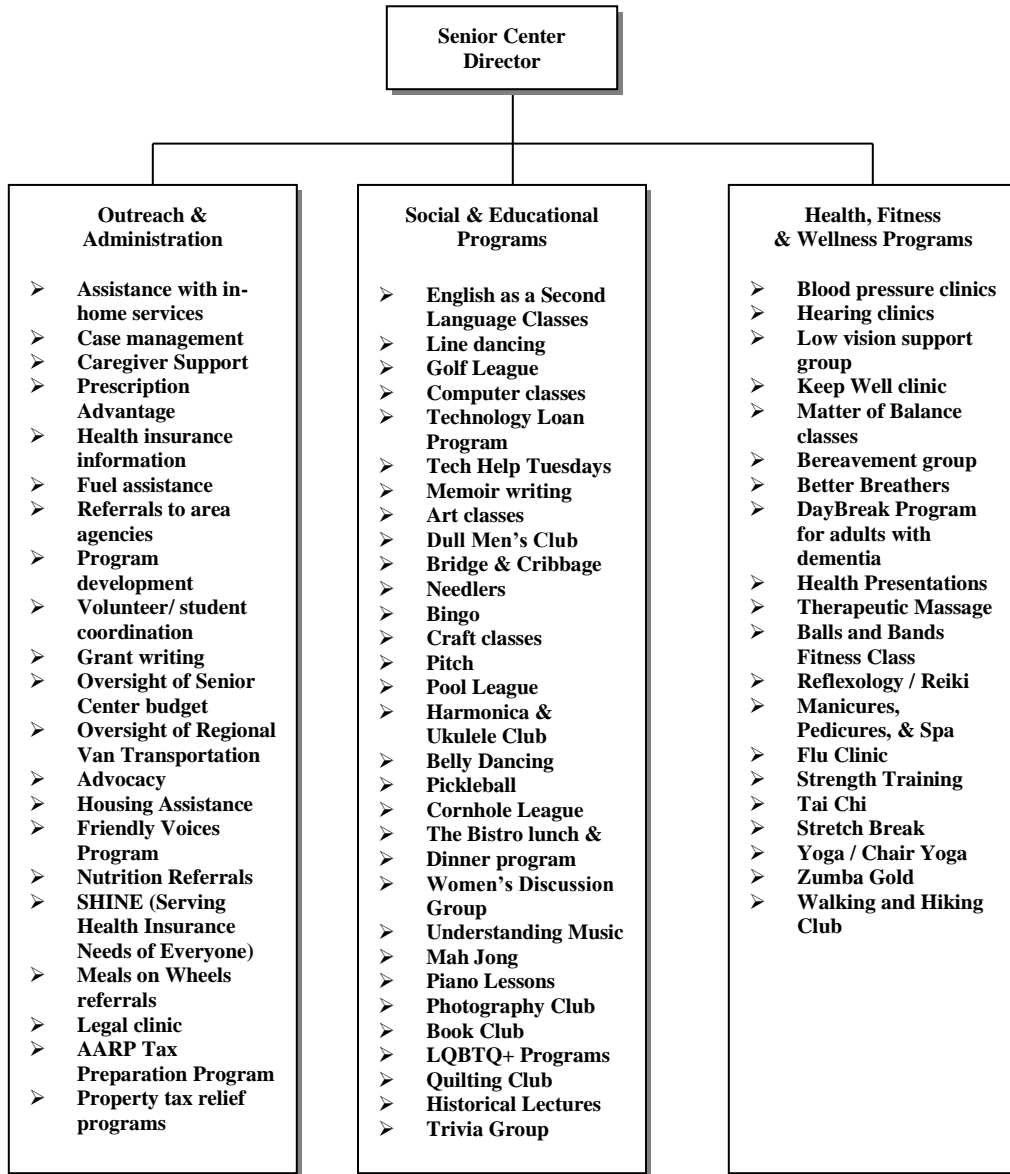
Significant Budget Changes or Initiatives

Overall, the departmental budget is up 3.39%, or \$10,233, which includes a \$5,160 increase in the utilities line to better reflect actual cost trends. The departmental budget as presented includes a 2% contractual wage increases for Union and Non-Union personnel. During FY2021 the Senior Center was required to close due to the COVID-19 pandemic, resulting in the separation of two part-time employees associated with the Bistro Meal Program and one part-time Program Coordinator position, all three of which were funded from the Senior Center Revolving Fund (program fees). In FY2022, when it is safe, the goal is to reopen the Bistro Meal Program and return to indoor programs that generate the revenues necessary to phase back in these part-time positions.

In addition to the appropriated budget supported by tax revenues, the Senior Center receives approximately \$32,000 in additional funds directly from the State Formula Grant which is used primarily to provide exercise programs to seniors. The formula grant (based on the number of seniors in Town) is not subject to Town Meeting appropriation.



Senior Center Programs and Services





SENIOR CENTER					
Personnel Summary					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Position	FTE	FTE	FTE	FTE	FTE
Director	1	1	1	1	1
Office Assistant	1	1	1	1	1
Outreach Coordinator	1	1	1	1	1
Total Full-time Equivalent	3	3	3	3	3

*Personnel Explanation:

- In addition to the personnel table above, there are positions funded outside of the General Fund. Please refer to the table below for an explanation of those positions not carried in the official personnel count.

Additional staffing funded outside the General Fund (tax revenues):

SENIOR CENTER					
Personnel Summary					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Position	FTE	FTE	FTE	FTE	FTE
Part-time Van Drivers	1.69	1.69	1.69	1.69	1.69
Part-time Bistro (meals) Coordinators	.48	.96	.96	0	.96
Part-time Program Coordinator	.48	.48	.48	0	.48
Total Full-time Equivalent	2.65	3.13	3.13	1.69	3.13

- In addition to the staffing included in the General Fund, a 19hr/wk (.48 FTE) part-time Program Coordinator position was funded through the program revolving fund without using tax revenues. The position was vacated during the FY2021 pandemic due to closure of the Senior Center. We hope to return a similar part-time position during FY2022 if programming revenues can support it.
- Four part-time Van Drivers work approximately 15hrs/wk each for a total average of 67.5 hours per week (67.5hrs/40hrs = 1.69 FTEs). A fifth substitute driver is used as needed. The full cost of providing van service to seniors and disabled individuals in the Towns of Northborough, Boylston and Westborough is funded by the Worcester Regional Transit Authority (WRTA).
- There are two 19hr/wk (.96 FTEs) Meals Coordinator positions that run the lunch and dinner program at the Senior Center known as the Bistro @ 119. The program serves lunch Monday through Thursday and dinner on Tuesday evenings. These positions were vacated when the Bistro closed during FY2021 due to COVID-19. We hope to reopen the Bistro in FY2022 when it is safe and fill those positions again. The goal is to fund the second position through program fees as the meals program continues to grow.

Section 5-6

Senior Center/COA



	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
SENIOR CENTER						
Personnel Services						
51100 Director Salary	82,729	86,065	95,043	87,567	40,693	90,203
51120 Administrative Staff Wages	52,083	53,767	55,355	56,251	26,509	57,379
51140 Outreach Worker Wages	60,870	61,734	64,044	64,637	30,510	65,929
51410 Longevity Pay	1,200	1,200	1,200	700	1,000	1,150
SUBTOTAL	196,882	202,766	215,642	209,155	98,712	214,661
Expenses						
52110 Utilities	41,744	44,090	46,173	41,000	14,966	46,160
52800 Contractual Services ¹	26,643	30,250	27,340	38,244	9,366	37,811
53110 Printing	54	335	0	300	30	300
53420 Postage	317	349	275	400	282	400
54490 Repairs & Maintenance	3,421	7,944	9,165	8,000	8,981	8,000
54590 Custodial Supplies	2,023	1,994	1,502	1,700	74	1,700
55990 Senior Center Programs	329	420	232	1,000	249	1,000
57110 Travel/Mileage	441	696	200	850	17	850
57310 Dues	709	713	0	860	191	860
57340 Meetings	173	430	30	520	0	520
SUBTOTAL	75,853	87,220	84,917	92,874	34,157	97,601
TOTAL: SENIOR CENTER	272,735	289,986	300,559	302,029	132,869	312,262

¹ FY2019 Contractual Services budget line includes an additional \$11,000 to cover all routine building cleaning and maintenance contracts, which were previously funded out of the program revolving fund. This change allowed more program fee revenues to support actual services for seniors.

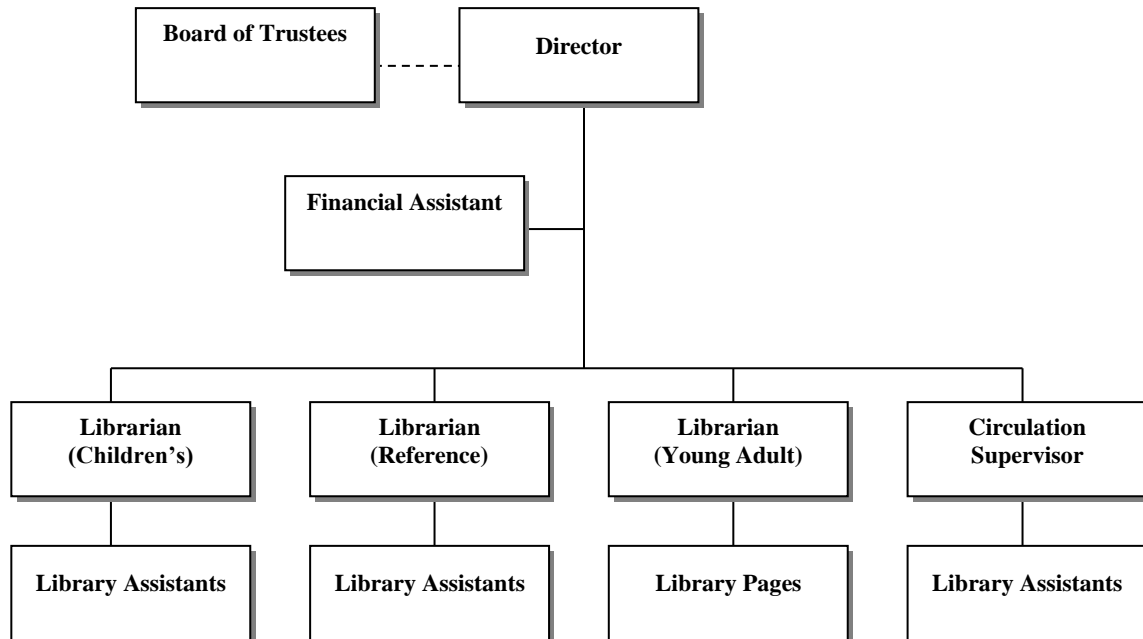


Library Departmental Statement

The mission of the Northborough Free Library is to provide materials, space, access and opportunities for members of the community to learn and discover; to enrich their lives and further their personal goals; and to engage with others in a comfortable environment. Materials are purchased for recreation, independent learning, and vocational and educational support. In addition, the Library provides access to materials and information in other libraries or organizations, as well as electronic databases. The Library also serves as a center of community activity, with programs for preschoolers to the elderly; a meeting place for civic, cultural, social, and other non-profit organizations; and a distribution point for local information.

The Board of Library Trustees consists of nine members appointed by the Board of Selectmen for three-year terms. The Trustees have the responsibility for the care, superintendence and management of the Northborough Free Library.

Library Organizational Chart





Library FY2021 Initiatives and Accomplishments

1. Provided ways for residents to stay connected in the midst of a global pandemic.
 - Hosted 496 programs for all ages, with a total attendance of 11,635 participants.
 - Created safe outdoor and pop-up programs in warmer weather that enabled residents to utilize library resources and connect with neighbors while socially distancing. A total of 942 participants attended these programs.
 - Created the Northborough Job Seekers program for adults in order to support residents laid off during the pandemic. This program offers speakers, interactive support groups, and resume support as well as many other job-related resources.
2. Found new ways to provide library resources despite the extended closure of the library.
 - Developed a contactless curbside pickup and home delivery procedures to allow for the circulation of physical library materials. To date, 46,846 items have been circulated utilizing these methods.
 - We were able to issue 94 new library cards to residents during the pandemic.
 - We increased the size of our Overdrive collection, providing Northborough residents with a total of 25,627 e-books, e-audio, and digital magazines.
3. Increased virtual library presence and accessibility of library staff and services through a redesigned web site, library YouTube channel, and more robust social media content.
4. Increased access to library materials through the “Library on the Go” program, which provides delivery of library materials directly to people who are either permanently or temporarily unable to visit the Library in person. This service continues to be invaluable to the homebound and others who cannot visit the Library due to the COVID-19 pandemic.
5. Began to plan for the library’s reopening to the public and consider the services people are likely to need. In anticipation of this, we purchased and installed 3 new computers in Children’s and Adult Services including an Early Literacy Station. This educational computer station is designed to support school readiness and early education through appropriate, engaging and academically relevant software for children ages 2 to 8. Old computer stations will be re-purposed as self-checkout stations. New mobile hotspots were added to the library’s circulating collection for patron to use.
6. Engaged townspeople in evaluating and brainstorming ways to reallocate and reuse space within the Library to meet the current and future needs of the community. Information gathered from focus group sessions will be used in developing the Library's FY2022 – FY2027 Strategic, and Space Utilization Plans.



Library FY2022 Goals and Initiatives

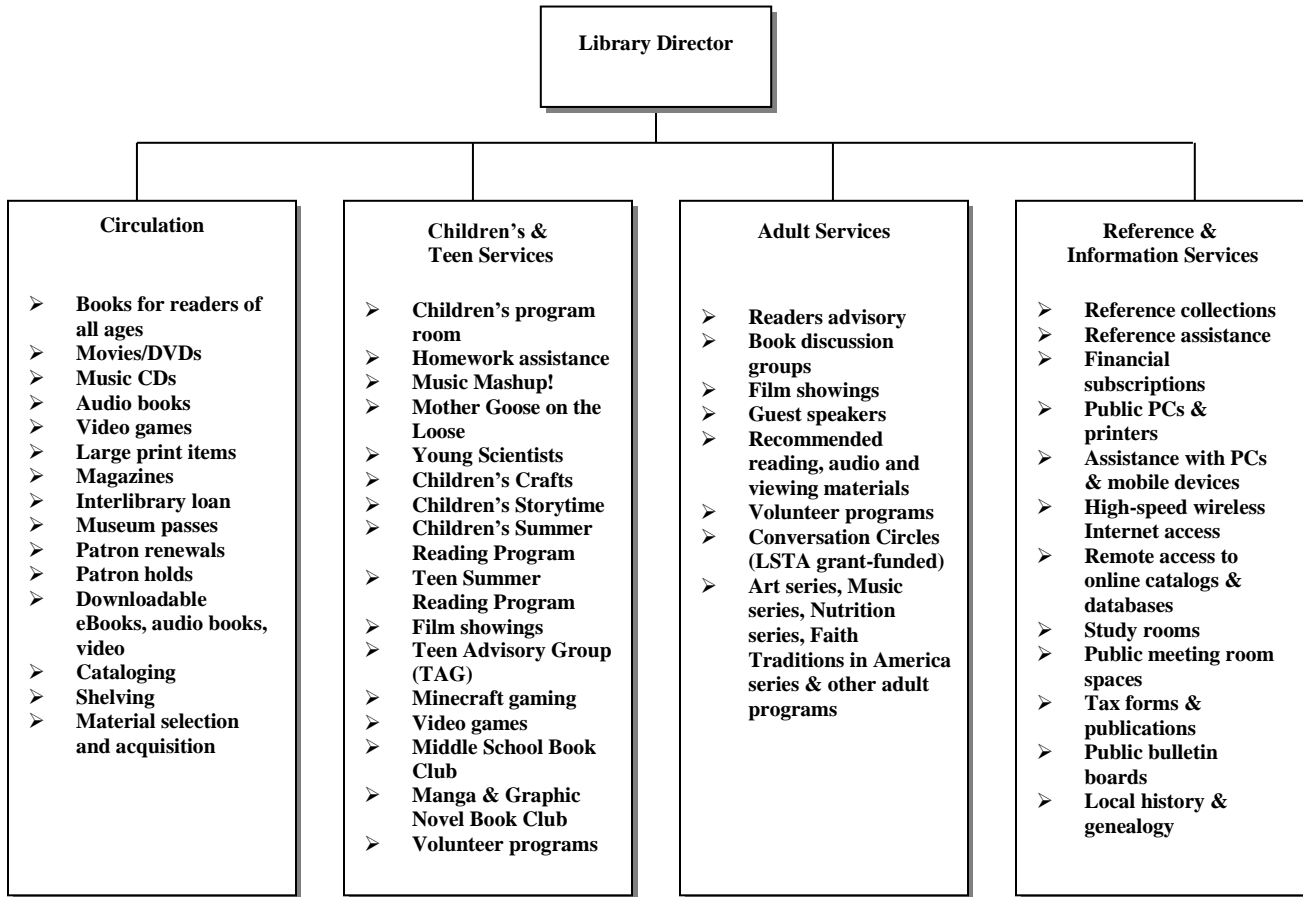
1. Improve and update all collections within the library so that patrons are getting accurate, reliable information and have access to a diverse range of popular subjects.
2. Offer exciting and engaging programs virtually and in person. As soon as it's safe to resume gatherings, we look forward to providing residents with opportunities to reconnect with neighbors. We will be looking at increasing the flexibility of our available space, ways to combine virtual and in person audiences, and utilizing outdoor venues in town. Efforts will include pursuing grant funding to expand the Northborough Job Seekers program to help residents get back to work, improve small businesses, and develop needed job skills.
3. Improve the space within the building. This goal includes completion of needed repairs to the interior and exterior of the building, fully evaluating the space in order to develop a Space Utilization Plan and installing self-checkout stations for patron use.
4. Engage the community. We will be developing a new Strategic Plan that will drive the library's activities for the next five years. Much of the plan will involve partnering with other community groups and finding ways to make the library an active and welcoming community hub.
5. We will continue fundraising and development efforts in order to raise private funds that supplement Town appropriations, including conducting an annual fund appeal, creating a donor database, recognizing donors in an *Annual Report to Donors*, making deposits to our endowed agency fund at the Greater Worcester Community Foundation, and planning for more formal donor development efforts that will engage local residents and businesses.

Significant Budget Changes or Initiatives

Overall, the FY2022 Library Budget is up 2.39%, or \$20,690. The budget reflects a 2% wage increase for union and non-union personnel, which was largely offset by new hires being brought in at lower wage rates. The FY2022 Library budget includes restoration of \$30,000 in FY2021 cuts that were made to the books and materials line as a result of COVID-19. The increased books and materials line is partially offset by minor reductions in other expense lines. In FY2022 the Library will also receive an estimated \$28,793 in State Aid under the Governor's proposed budget that goes directly to the Library and does not require Town Meeting appropriation.



Library Programs and Services





LIBRARY					
Personnel Summary					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Position	FTE	FTE	FTE	FTE	FTE
Director	1	1	1	1	1
Assistant Library Director	0	0	0	0	0
Librarians	3.48	3.48	3.48	3.48	3.48
Circulation Supervisor	1	1	1	1	1
Library Assistants	3.4	3.4	3.4	3.4	3.4
Financial Assistant	1	1	1	1	1
Custodian	0	0	0	0	0
Pages	0.60	0.60	0.60	0.60	0.60
Total Full-time Equivalent	10.48	10.48	10.48	10.48	10.48

*Personnel Explanation:

- Full Time Equivalents based upon 40 hour per week (30hrs/40hrs = .75 FTE)
- A part-time Library Page position (8 hours/week) was added back into the Library budget in FY2017 and again in FY2018 so that all three Page positions are now funded by the Town.
- Custodial services are provided through a contractual cleaning service that provides cleaning services four hours per day, five days per week.

Section 5-12

Library



	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
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LIBRARY

Personnel Services

51100 Professional Librarian Salaries	292,183	305,623	310,494	322,554	108,841	314,425
51120 Library Assistant Salaries	232,381	237,710	235,705	267,343	121,016	274,964
51140 Pages Salaries	10,953	11,696	10,527	15,973	7,131	17,381
51410 Longevity Pay	900	1,050	1,250	1,400	1,600	1,600
SUBTOTAL	536,418	556,079	557,976	607,270	238,587	608,370

Expenses

52110 Utilities	37,267	37,379	33,932	41,000	19,501	39,000
52140 Fuel	8,558	7,997	9,577	10,180	961	9,700
52640 Equipment Maintenance	0	2,663	4,186	2,000	0	2,000
52680 HVAC Maintenance	10,606	12,049	9,715	12,000	6,943	12,200
52800 Contractual Services	42,785	35,173	30,186	43,450	22,043	38,000
53410 Telephone	3,305	3,751	3,460	3,500	1,085	3,500
54290 Office Supplies	15,427	12,839	14,197	17,500	4,104	15,000
54490 Building Maintenance	24,613	26,097	9,972	15,500	4,740	15,500
54590 Custodial Supplies	2,362	2,684	2,999	2,600	613	2,600
54690 Materials & Supplies	0	0	0	0	0	0
55120 Books and Periodicals	92,976	97,112	97,733	74,950	30,971	99,950
55130 Supplies	5,949	3,579	4,135	5,300	700	5,300
55290 Non-print Media	28,078	25,568	23,153	25,250	4,454	30,250
57110 Travel Mileage	225	215	0	225	0	225
57310 Dues	849	1,355	1,137	1,000	100	1,120
57340 Meetings	992	679	0	600	0	600
57810 Unclassified	208	113	129	250	0	250
58690 New Equipment	634	398	5,999	3,300	0	3,000
SUBTOTAL	274,836	269,652	250,508	258,605	96,215	278,195

TOTAL: LIBRARY

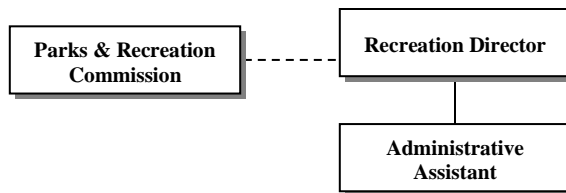
811,254	825,731	808,484	865,875	334,802	886,565
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Recreation Departmental Statement

The mission of the Northborough Recreation Department is to provide Northborough and area residents with comprehensive programs, activities, and facilities that encourage health, fitness, cultural, recreational, educational, and social opportunities in our community. The Department offers a wide variety of programming opportunities for all ages. We utilize all of our Town parks, Recreation Center, Town Hall Gym, schools, library, and private locations in providing programs for the public. Our department offers programs for infants through seniors.

Recreation Department Organizational Chart





Recreation Department FY2021 Initiatives and Accomplishments

1. Assisted with the planning for a new playground area for Assabet Park using CPC funds.
2. Fully implemented usage of the new MUSCO LED field lights at Melican Middle School.
3. Renovated the baseball and softball fields at the Melican Middle School.
4. Successfully continued operations at the Northborough Community Gardens, which consists of 30 lots available to residents by lottery each year.

Recreation Department FY2022 Goals and Initiatives

1. Prior to the pandemic, the Recreation Department was 100% financially self-sufficient through program fees. In FY2022 the department is being funded through general tax dollars with the goal of phasing back to self-sufficiency by FY2023.
2. Return to pre-pandemic program levels and offerings while ensuring the safety of participants by adhering to strict COVID-19 safety protocols in coordination with the Board of Health.
3. Promote a healthy community by assessing program offerings and seeking input from residents regarding new programmatic options during the transitional period following the pandemic.
4. Assist DPW in the planning and construction of new outdoor pickleball courts at Ellsworth-McAfee Park.
5. Investigate options for the possible creation of a public dog park.
6. Continue to increase awareness of Recreation's programming to the community through social media and the website.
7. Increase Challenger Program awareness by expanding the current sports to other communities.
8. Provide high quality recreational services to all residents regardless of income, background, or ability.

Significant Budget Changes or Initiatives

The FY2022 Recreation Budget is increasing \$41,570, or 39.96%, due to absorption of the remaining personnel expenses associated with the department's two full-time staff. Prior to the pandemic, the Recreation Department was 100% financially self-sufficient through program fees. In FY2022 the department is being funded through general tax dollars with the goal of phasing back to self-sufficiency by FY2023. However, all part-time and seasonal employees as well as programmatic expenses will continue to be paid directly out of the Recreation Revolving Fund as programming begins to return to pre-pandemic levels. The Recreation Department's goal moving forward is to once again fund 100% of its budget with program revenues, so that no tax dollars are used for departmental services.



Recreation Department Programs and Services

Recreation Director

Winter Program

- Vacation Fun Days
- Parent/Tot Swim
- Tiny Blades
- Gym & Swim
- Holiday Crafting
- A Hop Skip and A Jump
- Future All Stars Sports
- Messy Mixtures
- Open Playgroups
- Painting Parties
- Preschool fun Drop Off
- STEM
- Pre-K Cook & Create
- Indoor Soccer
- Basketball
- Learn-to-Skate
- Kids' Night Out
- Tennis
- Theater
- Beasties Art
- Jedi Master Lego
- Spectacular Science
- Young Rembrandts
- Cross Country
- Girls Volleyball
- Strong Body
- Archery
- Babysitting
- Swim Lessons
- Gentle Yoga
- Hatha Yoga
- Body Sculpting
- Kickboxing
- Birthday Parties

Spring Program

- Big Truck Day
- Swim Lessons
- Parent/Tot Swim
- Tiny Blades
- Gym & Swim
- Painting Party
- Preschool Fun drop off
- Pre-K –T-ball
- Gymnastics
- Young Rembrandts
- Pre-K Cook & Create
- Indoor Soccer
- Vacation Fun Days
- Basketball
- Sailing Lessons
- Hip Hop
- Home Alone Safety
- Cross Country
- Strong Body
- Hands on Math
- Girls Volleyball
- Taekwondo
- Beasties
- Learn-to-Skate
- Babysitting
- Junior Golf
- Kids' Night Out
- Learn to Skate
- Tennis
- Theater
- Body Sculpting
- Golf Lessons at Juniper Hill
- Kickboxing
- Hatha & Gentle Yoga
- Community Gardens
- Birthday Parties
- 5 K Road Race
- Babysitter Expo
- Yard Sale

Summer Program

- Club Assabet
- Kid's Discovery
- Teen Scene
- CIT Program
- Swim Lessons
- Soccer Tots
- T-Ball
- Volleyball
- Field Hockey Clinic
- Golf Clinic
- Boys' Lacrosse
- Girls' Lacrosse
- Body Sculpting
- Kickboxing
- Hatha Yoga
- Gentle Yoga
- Birthday Parties
- Nantucket Trip
- NYC Trip
- Block Island
- Splash Pad
- Lake Chauncy
- Beasties Art
- Cheering
- Archery
- Food Fun and Sun
- Lego camps
- Learn to Sail
- Superhero Camp
- Science
- Tennis
- learn to run a 5K

Fall Program

- NYC Trip
- Fall Kayaking Trip
- Halloween Cooking Party
- Holiday Crafting
- A Hop Skip and A Jump
- Future All Stars Sports
- Messy Mixtures
- Open Playgroups
- Painting Parties
- Preschool fun Drop Off
- STEM
- Swim Lessons
- Parent-Tot Swim
- Gym & Swim
- Lunch Break
- T-Ball Skills
- Tiny Blades
- Tumbling Around
- Art Blast
- Tennis
- Junior Golf
- Beasties Art
- Jedi Master Lego
- Spectacular Science
- Young Rembrandts
- Cross Country
- Girls Volleyball
- Strong Body
- Kids' Night Out
- Learn to Skate
- Boys' Lacrosse
- Archery
- Soccer
- Super Sports
- Theater
- Tumbling & Gymnastics
- Babysitting
- Adult Golf
- Gentle Yoga
- Hatha Yoga
- Kayaking
- Kickboxing
- Yard Sale
- Vacation Fun Days
- Space Workshop
- Home Alone Safety
- Birthday Parties



RECREATION DEPARTMENT					
Personnel Summary					
Position	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2021 FTE	FY 2022 FTE
Recreation Director	1	1	1	1	1
Full-time Administrative Assistant	1	1	1	1	1
Total Full-time Equivalent	2	2	2	2	2

*Personnel Explanation:

Salaries and benefits for the full-time Recreation Director and Administrative Assistant are typically funded through the Revolving Account, as well as payroll for all part-time and seasonal staff. However, due to the elimination of the majority of recreation programs as a result of COVID-19 in FY2021, the full-time staff will be paid for from the General Fund in FY2022.



Recreation Department

Section 5-17

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
¹RECREATION DEPARTMENT						
Personnel Services						
51100 Director & Admin Salaries	144,420	148,317	152,204	103,021	49,058	145,091
51410 Longevity Pay	850	850	850	1,000	500	500
SUBTOTAL	145,270	149,167	153,054	104,021	49,558	145,591
Expenses						
52800 Contractual Services	0	0	0	0	0	0
53090 Advertising	0	0	0	0	0	0
54710 Supplies	0	0	0	0	0	0
57110 Travel/Mileage	0	0	0	0	0	0
57310 Dues	0	0	0	0	0	0
57340 Meetings	0	0	0	0	0	0
SUBTOTAL	0	0	0	0	0	0
TOTAL: RECREATION DEPARTMENT	145,270	149,167	153,054	104,021	49,558	145,591

¹ Prior to FY2021 salaries and benefits for the full-time Recreation Director and Administrative Assistant were 100% funded through a transfer from the Revolving Account under Article 4 of the Town Meeting Warrant. Due to the pandemic, programs were canceled in FY2021 and the cost of the full-time staff transitioned to the General Fund Budget, pending the return of program revenues. However, all part-time and seasonal employees as well as programmatic expenses will continue to be paid directly out of the Recreation Revolving Fund as programming begins to return to pre-pandemic levels during FY2022.



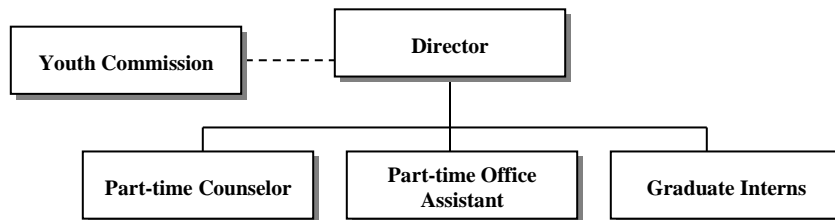
Family & Youth Services Departmental Statement

The mission of the Family & Youth Services (FYS) Department is to identify and respond to the Town’s human service needs to enhance the lives of Northborough youth, families and individuals of all ages. FYS services are shaped by community need and developed through ongoing collaboration with the Youth Commission, schools, police, fire and other Town departments and organizations.

Youth Commission

The Youth Commission consists of seven members appointed by the Board of Selectmen for three-year terms. The Commission investigates and conducts programs for the youth of the Town, and is responsible for the care, superintendence and management of such programs. The Commission also evaluates community needs and advocates for the development and support of resources for Northborough families. Student liaisons from the high school also participate in the monthly meetings.

Family & Youth Services Organizational Chart



*The Office Assistant and Counselor positions are part-time positions (19 hours per week).



Family & Youth Services FY2021 Initiatives and Accomplishments

1. At the time of this FY2022 Budget, we are facing a global public health crisis unlike any in the recent history of our nation – the COVID-19 pandemic. But this is much more than a health crisis – it is a human, economic and social crisis.

At Family & Youth Services we have been steadfast in our conviction to continue to help residents and stand by them. We provided a seamless transition to this “new way of doing business.” Even when the Town Hall became closed to the public, we made immediate adjustments and delivered all our services through phone calls or virtual means.

2. Our collaborative work with every town department and the schools has been second to none. Together we worked hard to balance the safety of employees and the public, while continuing to meet the needs of residents.
3. Under the leadership of our Town Administrator, it has been a priority to keep the public informed with the ever-changing information about COVID-19. This has included the constant update of the town website, numerous presentations on the Cable Access Channel, press releases, newspaper articles, etc.
4. FYS participated in the planning of a safe way to provide community meals with the Junior Woman’s League, Trinity Church, Senior Center, local restaurants, and volunteers. We also relied on Helping Hands to assist families with heat and utility bills; Food Pantry to provide our clients with grocery gift cards; and the Special Benevolent Fund Trustees who supported two families dealing with loss and chronic illness.
5. FYS partnered with William James College’s INTERFACE Referral Service. INTERFACE is a free, confidential service connecting residents and public-school students to mental health therapists. For more details about INTERFACE service, please visit <http://interface.williamjames.edu/>

Several years ago, FYS had to establish a waitlist for counseling, as we are often the last resort for families. Over the past 2 years we have had up to 28 families on our counseling waitlist, which is why we forged our partnership with William James College – as INTERFACE will increase resident’s accessibility to mental health therapists.

Family & Youth Services FY2022 Goals and Initiatives

1. Provide continued leadership and support to residents, employees and the community as we all deal with the traumatic impact of COVID-19 on our lives.
2. Continue our steadfast conviction to help residents in the most safe and effective way. Make necessary adjustments to service delivery methods in response to the status of COVID-19.
3. Evaluate service delivery methods provided through phone calls or telehealth. Make recommendations and adjustments to platforms as needed.



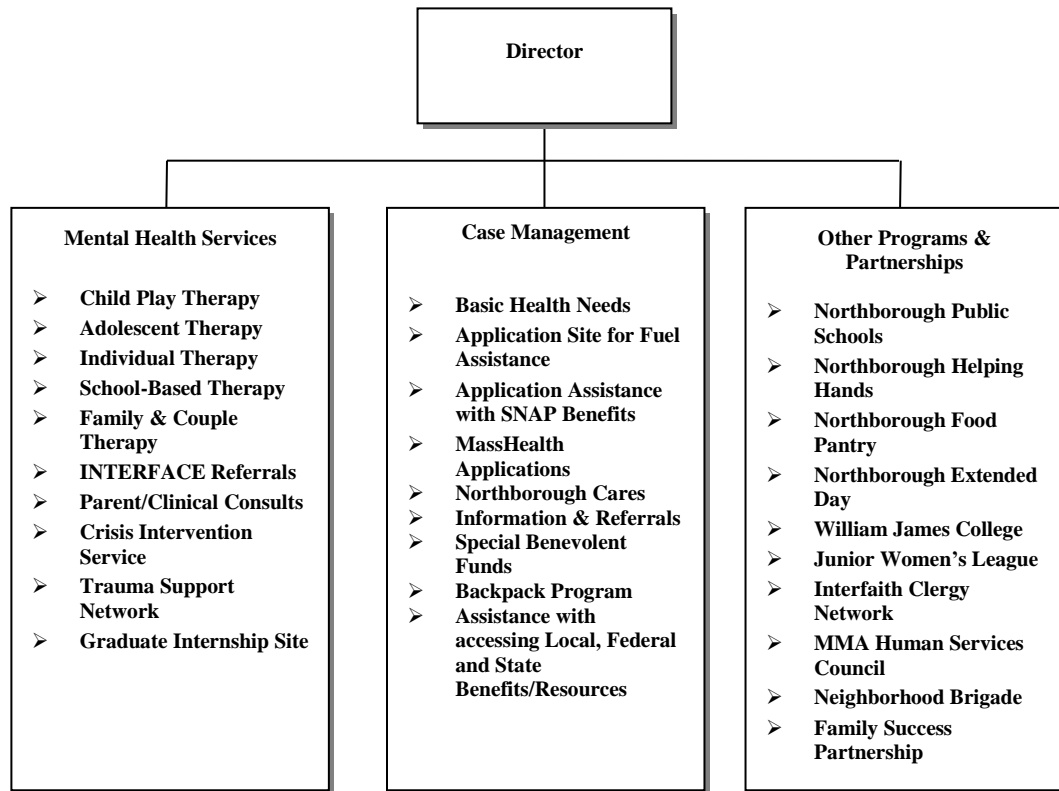
4. Maintain collaboration with all partnership programs and town departments to safely and effectively provide essential services to support residents. If changes are necessary, meet with partnership programs to assist in planning for those modifications.
5. Participate in the Youth & Family Services Network meetings with other Department Directors. These meetings are extremely helpful as we share strategies to help people cope with the impact of COVID-19. We discuss program planning, generate ideas, and support each other in adjusting to this “new way of doing business.”
6. Family & Youth Service is excited about the future of the INTERFACE Referral Service with the Town of Northborough. Following the September 10, 2020 “kick off meeting,” there is much more to accomplish in the implementation of INTERFACE Referral Service. The following are some highlights of the tasks and goals:
 - Maintain ongoing communication with INTERFACE employees. This will serve several purposes including program implementation; program evaluation; consultation; ideas for advertising, etc.
 - We will continue to spread the word about this important service to the community-at-large. This will be accomplished through presentations on the Cable Access Channel, advertising in local newspapers, updates on the town and department websites, etc.
 - Encourage the community-at-large to utilize the extensive information listed on the INTERFACE website in the section entitled Guides and Resources on Mental Health.
 - Continue to reach out to those families who have been placed on our waitlist for counseling to determine if there is still a need. If clinicians’ caseloads are full, we will referral them to INTERFACE Referral Service.
7. The partnership between Family & Youth Services and William James College also includes our department serving as a field placement site for their doctoral level graduate interns. It is our goal to continue to recruit interns from William James College.

Significant Budget Changes or Initiatives

The FY2022 Family and Youth Services Department budget is up \$19,150, or 12.52%, primarily due to the addition of a new \$15,500 mental health referral service called INTERFACE. During the pandemic mental health needs increased and the department added this cost-effective program through William James College, which is a free, confidential referral service that connects Northborough residents and public school students to outpatient mental health providers. The service was paid for in FY2021 through trust funds on a trial basis and is being added to the base budget in FY2022 given its effectiveness and positive feedback.



Family & Youth Services Programs and Services





FAMILY & YOUTH SERVICES					
Personnel Summary					
Position	FY 2016 FTE	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE
Director	1	1	1	1	1
Office Assistant*	.48	.48	.48	.48	.48
Counselor	.48	.48	.48	.48	.48
Total Full-time Equivalent	1.96	1.96	1.96	1.96	1.96

Personnel Explanation:

*The 19 hours per week (19hrs/40hrs = .48 FTE) Office Assistant position is partially funded through an agreement with Northborough Extended Day Program (NEDP), a private non-profit entity which shares office space with FYS.



Family & Youth Services

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FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
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FAMILY & YOUTH SERVICES

Personnel Services

51100 Director Salary	87,387	89,134	90,917	92,736	43,570	94,591
51120 Part-time Counselor	29,653	30,279	22,037	32,591	13,177	33,246
51140 Part-time Admin. Asst Wages	20,981	5,739	18,779	20,451	6,537	21,245
51410 Longevity Pay	350	350	350	350	350	350
SUBTOTAL	138,370	125,502	132,084	146,128	63,633	149,432

Expenses

52800 Contractual Services	0	0	0	0	0	15,500
53080 Clinical Consultants	1,000	1,725	2,200.00	2,600	0	2,600
53190 Training	943	868	484.00	1,020	0	1,020
53580 Program Supplies	1,166	611	682.23	1,500	579	1,500
57110 Travel/Mileage	1,805	1,817	1,169.38	1,260	0	1,260
57320 Subscriptions	300	504	391.00	425	0	771
SUBTOTAL	5,214	5,525	4,927	6,805	579	22,651

TOTAL: FAMILY & YOUTH SERVICES

143,584	131,028	137,010	152,933	64,212	172,083
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Cable Access TV Departmental Statement

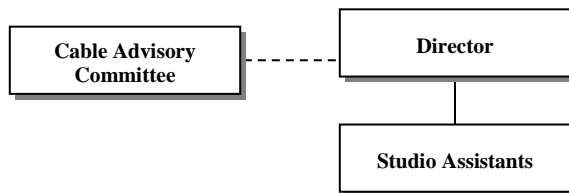
The Cable Access TV Department, under the direction of the Cable Access Director, is responsible for the operations of the three local access television stations, which are Public Access, Educational Access and Government Access Television (PEG). The Director is also responsible for overseeing the provisions of the Town’s Cable TV contracts with Charter Communications and Verizon.

Northborough Community Access Television is a public television cablecast forum to facilitate the non-commercial expression of its member community for educational, entertainment and informational use. It actively promotes and provides all necessary training and assistance to encourage the creation of diverse and unique local programming for Northborough cable television subscribers and the community as a whole.

Cable Advisory Committee

The Cable Advisory Committee consists of five to seven members appointed by the Board of Selectmen for three-year terms. The purpose of the Committee is to act on behalf of the issuing authority of the Town; to formulate and publish operating rules for the local access channels; and to promote the use of local access cable television within the Town.

Cable Access TV Department Organizational Chart





Cable Access TV Department FY2021 Initiatives and Accomplishments

- Produced a highly acclaimed graduation ceremony for Algonquin students involving thousands of video clips and hundreds of staff-hours of work throughout the pandemic. The events included over 350 individual student features, music, speeches, parades and more.
- Provided technical and logistical consulting to the Town enabling an outdoor Town Meeting event with live broadcast to TV and YouTube.
- Provided live streaming and TV broadcast of all high school sporting events so that parents and families who were not allowed to attend the events could watch the games at home.
- Produced critical information shows for Seniors, providing valuable resources and education to Northborough's elderly population.
- Produced, recorded, and edited community events including Veteran's Day, Memorial Day, Christmas Tree Lighting, Virtual Applefest, Virtual Cultural Arts Festival, Northborough Bear Hunt, Holiday Light Display Contest and more.
- Provided live monitoring and editing of Town municipal and School Committee meetings providing lower thirds titling and optimizing Zoom presentations for television viewers.
- Gained more than twelve hundred subscribers to the Northborough Cable YouTube Channel with shows getting over fifteen thousand views every month.

Cable Access TV Department FY2022 Goals and Initiatives

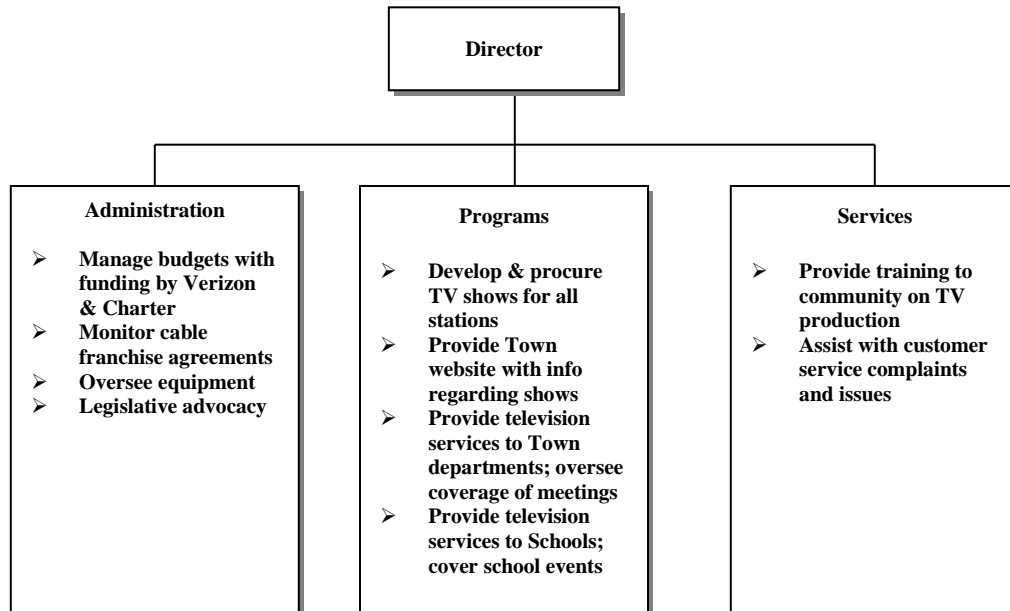
- Continue to provide a broad selection of video content to subscribers and the community.
- Update technology to allow for live meeting broadcasting in the Selectmen's Meeting Room in Town Hall and the Lincoln Street School, the location for Northborough School Committee meetings.
- Increase event coverage at the newly updated Senior Center main activity room.

Significant Budget Changes or Initiatives

Overall, the Cable Access budget decreases in FY2022 by \$41,493 primarily due to completed capital expenditures. Contractual capital and operational payments received from Charter Communications and Verizon continue to provide all departmental funding. The Town is currently in negotiations with Verizon and Charter for cable contract renewals and as part of the negotiations the Town must balance the fees added to the cable bills with the desired level of services. One significant concern is that the cable industry continues to evolve, and an increasing number of people are cutting the cable cord, resulting in declining cable revenues. The Town is legally prohibited from adding fees to phone or internet services, so declining cable fees will continue to put pressure on PEG Access funding for the coming years.



Cable Access TV Department Programs and Services





CABLE ACCESS TV DEPARTMENT					
Personnel Summary					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Position	FTE	FTE	FTE	FTE	FTE
Director	1	1	1	1	1
Studio Assistants	1.38	1.38	1.38	1.38	1.53
Total Full-time Equivalent	2.38	2.38	2.38	2.38	2.53

*Personnel Explanation:

- In FY2022 there is one full-time Studio Assistant and two permanent part-time Studio Assistants budgeted at 15hrs/wk on average (.38 FTE) and 6hrs/wk on average at (.15FTE).
- In addition to the two full-time positions and two permanent part-time positions, the Department also uses temporary, Seasonal Studio Assistants that work as needed to cover community events.
- All Cable Access Departmental personnel and benefit expenses are financed through Charter and Verizon Cable Contract fees with no funding coming directly from the General Fund (tax dollars).

Section 5-28

Cable Access TV



	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
CABLE ACCESS TV						
Personnel Services						
51110 Director Salary	71,226	72,744	74,062	75,668	35,659	77,181
51120 Studio Assistants	62,991	64,087	68,039	84,137	32,195	87,668
51410 Longevity Pay	500	500	650	650	650	650
SUBTOTAL	134,718	137,330	142,751	160,455	68,504	165,499
Expenses						
51730 Town FICA Expense	0	0	2,232	2,321	2,321	2,400
51750 Town Health Insurance	38,080	32,998	32,998	36,513	36,513	37,609
52800 Contractual Services	3,153	4,730	4,267	3,500	1,554	2,500
53040 Computer Services	6,510	6,540	4,229	11,000	890	10,400
53410 Telephone	1,528	1,586	1,629	1,750	822	1,750
53720 Maintenance	0	0	519	2,000	0	1,000
54290 Office Supplies	2,187	1,595	2,682	4,000	146	2,000
54690 Studio Materials	18,836	8,351	8,915	14,500	3,736	9,500
56220 County Retirement Assessment	15,624	17,350	15,776	17,257	17,257	19,445
57110 Travel/Mileage	189	85	72	500	0	300
57310 Dues	350	375	375	450	200	350
58690 New Equipment/Capital	1,340	27,967	16,985	50,000	0	10,000
59990 Other Financing Uses	0	0	0	0	0	0
SUBTOTAL	87,797	101,575	90,678	143,791	63,438	97,254
TOTAL: CABLE ACCESS TV	222,515	238,905	233,429	304,246	131,942	262,753

Cable Access TV Special Revenue Fund Explanation:

The department's budget is within the Town's General Fund, however it is financed 100% by contractual payments from its two contracted providers, Charter Communications and Verizon. These revenues are held in reserve outside of the General Fund in a Special Revenue Fund. The funds are voted to be transferred in via the Town's annual budget article. In effect, there are no direct tax dollars used to support the department.

It should be noted that in prior years, the budgets and expenditures displayed in the table above were intended to be informational, because the department's expenses and revenues were carried within a Special Revenue Fund. However beginning in FY2017, state law¹ requires the expenses be brought explicitly into the General Fund, while the revenues continued to be received in the Special Revenue Fund. As in the current year, no tax dollars were used to support the department.

¹ Massachusetts General Law Chapter 44 §53F ¾



Veterans' Services Department

The Department of Veterans' Services program is established in accordance with Massachusetts General Law, Chapter 115. The purpose of the program is to provide information, advice and assistance regarding benefits to veterans, as well as their spouses and dependents.

On July 1, 2013, the Town of Northborough entered into an agreement with the Towns of Grafton, Shrewsbury and Westborough to form the Central Massachusetts Veterans' Services District. Oversight of the District is provided by the Secretary of the Commonwealth of Massachusetts Department of Veterans' Services and the District's Veteran's Advisory Board. The locally-appointed Veterans' Agent works with veterans to obtain benefits including employment, vocational or other educational opportunities, hospitalization, medical care, burial and other veterans' benefits. The approved benefits paid to Northborough veterans are subject to a 75% reimbursement from the Commonwealth's Department of Veterans' Services. Administrative costs, including salary are not reimbursable and the reimbursement is received as State Aid revenue approximately twelve to fifteen months after the expenditure.

Veterans' Services FY2021 Accomplishments

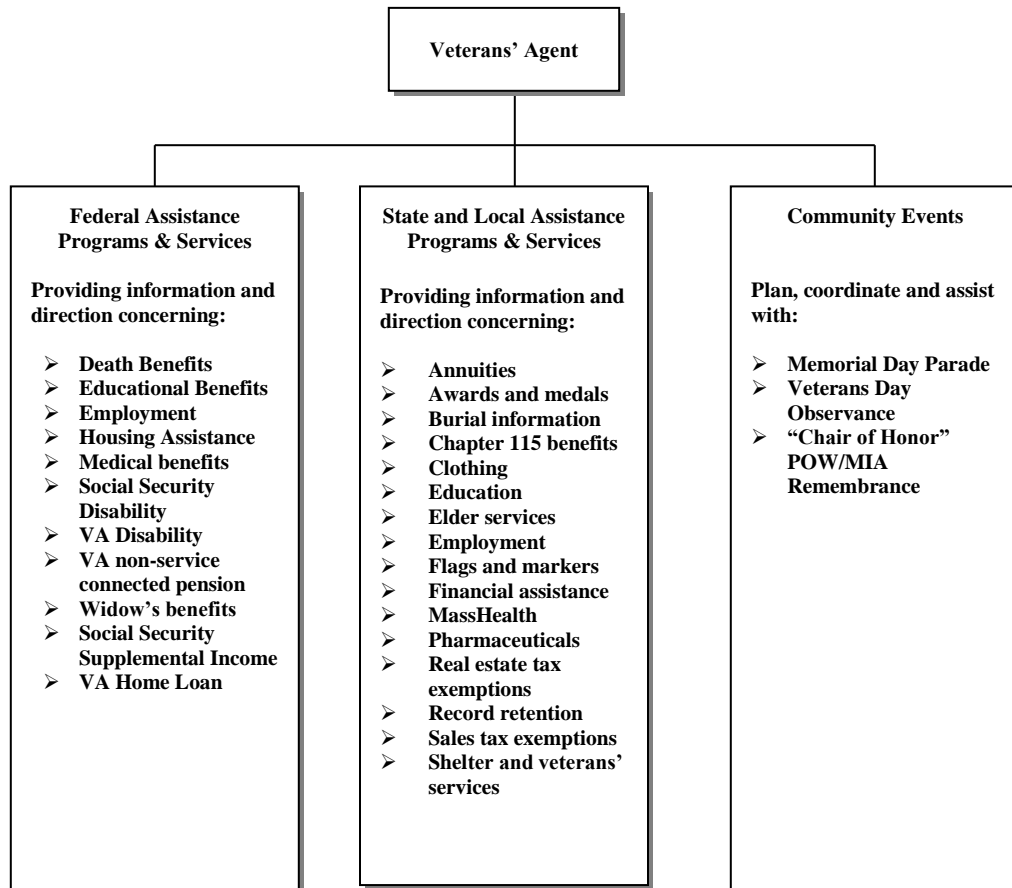
1. COVID-19 provided significant challenges to our staff this year in keeping services up to standard. We continued to provide supportive services to active-duty military, veterans, and their families in partnership with local public and private organizations. The District coordinated, hosted, and participated in events throughout the year, including various virtual services for Memorial Day and Veterans Day, county and state association meetings and training, and local board meetings.
2. Veterans' Services staff continued to host and participate in virtual community events designed to educate and inform Veterans, their families, and the community at large about the variety of programs and benefits that are available at the federal, state, and local levels.
3. Served as a resource for various local businesses regarding the veteran community, most especially regarding various forms of military paperwork, employee veteran status, employment practices and transition assistance.
4. Continued to work in partnership with Northborough Senior Center staff to expand outreach efforts to identify low-income individuals eligible for additional financial assistance based on their service or that of a family member.
5. Continue to support a high volume of claims to the Department of Veterans Affairs for medical care, disability, and survivor's pensions. Northborough residents received a combined total of \$1.7 million in annual VA benefits, up from \$1.6 million last year.



Significant Budget Changes or Initiatives

Since the formation of the Central Massachusetts Veterans' District in FY2014 with the Towns of Grafton, Shrewsbury and Westborough, Northborough's share of the District budget has remained stable at 16% (\$20,259) of the overall administrative expenses in FY2022.¹ Ordinary benefits for qualifying veterans and their families remain level funded at \$58,580 based upon historic needs. Although any approved benefits paid to Northborough veterans will eventually be subject to a 75% reimbursement from the Commonwealth's Department of Veterans' Services as part of the Town's state aid revenue, the Town is required to budget for the benefit payments in full in advance of the reimbursement. Overall, the FY2022 Veterans' Services budget is increasing by \$5,313, or 6.42%, primarily due to new costs associated with the hanging of banners for the "Home Town Heroes" program.

Veterans' Services Programs and Services



¹ Under the District Agreement, Northborough is responsible for 16% of the administrative expenses of the District. This is proportionally equivalent to Northborough's population relative to the total District population.



Veterans' Services

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VETERANS' SERVICES					
Personnel Summary					
Position	FY 2018 FTE	FY 2019 FTE	FY 2020 FTE	FY 2021 FTE	FY 2022 FTE
Veterans' Agent	District	District	District	District	District
Total Full-time Equivalent	0	0	0	0	0

***Personnel Explanation:**

Effective in FY2014 the Town of Northborough shares a full-time Director and two part-time Agents with the Towns of Grafton, Shrewsbury and Westborough. District personnel are technically employees of the Town of Grafton, which serves as the host community for the District. Northborough is billed quarterly for its 16% share of administrative expenses, including personnel.

Section 5-32

Veterans' Services



	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
VETERANS' SERVICES						
Personnel Services						
51130 Director Salary	0	0	0	0	0	0
SUBTOTAL	0	0	0	0	0	0
Expenses						
55030 Ordinary Benefits	47,120	43,860	47,236	58,580	23,793	58,580
55090 District Expenses	11,905	15,323	15,970	19,646	0	20,259
57810 Unclassified	2,824	2,354	1,465	4,500	0	9,200
SUBTOTAL	61,849	61,537	64,671	82,726	23,793	88,039
TOTAL: VETERANS' SERVICES	61,849	61,537	64,671	82,726	23,793	88,039



Cultural Council

The Cultural Council consists of seven members appointed by the Board of Selectmen for three-year terms. The Cultural Council plans, coordinates and monitors funding for community arts programs in the Town of Northborough. Funding, which is received on a limited basis from the State, is augmented through various fundraising events.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
CULTURAL COUNCIL						
Expenses						
57810 Unclassified	500	500	500	500	0	500
SUBTOTAL	500	500	500	500	0	500
TOTAL: CULTURAL COUNCIL	500	500	500	500	0	500



Historic District Commission

The Historic District Commission (MGL Ch. 40, Section 14) consists of seven members appointed by the Board of Selectmen for three-year terms. The Commission conducts research into places of historic value and seeks to coordinate the activities of unofficial bodies organized for similar purposes. The Commission may acquire by gift, purchase or otherwise, artifacts, books, paintings, and other materials of historic value and provide a proper place for the storage and display of any such materials. The Commission may recommend the certification of places of interest as historical landmarks to the Town Meeting for the purpose of protecting and preserving such places. The Commission may acquire in the name of the Town by gift, purchase, grant, bequest, devise, lease or otherwise the fee or lesser interest in real or personal property of significant historical value and may manage the same (MGL Ch. 40, Section 8D).

The Commission compiles and maintains an inventory of the Town's historic assets; initiates and encourages activities to educate and to broaden community awareness of Northborough's historical heritage; works with individuals, public and private groups to promote preservation; encourages and supports local historic districts; provides preservation information and guidance; maintains a close working relationship with the Northborough Historical Society; and solicits preservation funding from local, state and private agencies. Its mission is to identify, evaluate and preserve the historical heritage of the town of Northborough.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
HISTORIC DISTRICT COMMISSION						
Expenses						
52800 Contractual Services	0	0	0	0	0	0
53090 Advertising	0	0	0	0	0	0
53110 Printing	0	0	0	0	0	0
57340 Meetings	0	390	290	500	0	500
58690 New equipment	0	0	0	0	0	0
SUBTOTAL	0	390	290	500	0	500
TOTAL: HISTORICAL COMMISSION	0	390	290	500	0	500



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Undistributed Expenses

Section 6



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Undistributed Expenses

Section 6-1

Undistributed Expenses

In its operation the Town budgets certain overhead costs in the aggregate rather than distributing costs by department or program. These overhead costs include employee benefits of health insurance, life insurance, Worcester Regional Retirement contributions, unemployment compensation and workers' compensation insurance; comprehensive building and liability insurance; debt service; non-appropriated expenses such as State Assessments and reserves for abatements; stabilization fund contributions; a reserve fund for extraordinary and unforeseen expenses; and various Town Meeting special warrant articles. In the pages that follow each of these undistributed expenses are explained in more detail. A summary of these expenses is shown below.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
UNDISTRIBUTED EXPENSES SUMMARY						
EMPLOYEE BENEFITS& INSURANCE						
Health Insurance	5,395,882	5,375,136	5,465,418	5,997,041	2,709,088	6,122,824
Transfer to OPEB Trust	500,000	500,000	550,000	0	0	0
Life Insurance	6,502	6,271	6,496	8,930	3,096	8,930
Other Benefits/FICA	403,110	420,621	467,415	488,258	197,523	489,904
Worcester Regional Retirement	1,612,608	1,790,753	2,047,554	2,275,596	2,275,596	2,470,601
Workers Comp	116,817	132,278	118,943	141,330	118,984	134,702
SUBTOTAL EMPLOYEE BENEFITS	8,034,919	8,225,059	8,655,826	8,911,155	5,304,287	9,226,961
Building & Liability Insurance	239,753	236,438	241,455	269,862	185,471	283,557
Debt Service	2,842,319	2,796,193	2,666,160	2,202,532	295,717	2,130,726
State Assessments	235,976	244,460	251,463	273,418	131,834	255,768
Reserve for Abatements¹	280,000	335,593	587,104	650,299	650,299	404,661
Cherry Sheet Offset Items²	22,559	23,088	23,612	23,994	23,994	28,793
Stabilization Fund Contribution	200,000	200,000	200,000	0	0	0
Reserve Fund ³	0	0	0	375,000	0	175,000
Warrant Articles⁴	2,107,000	1,870,000	4,951,000	2,337,775	0	1,435,000
TOTAL: UNDISTRIBUTED EXPENSES	13,962,526	13,930,831	17,576,620	15,044,035	6,591,602	13,940,466

¹ Amounts displayed reflect an offset to revenue rather than actual expenditures and reflect what was provided for abatements and exemptions from the property tax levy as determined by the Assessors in each year.

² Amounts displayed reflect an offset to revenue rather than actual expenditures. The amounts are the portion of total budgeted state aid that is restricted to uses in other funds and will be received outside of the general fund. Beginning in FY2016 the only offset is for public library grants.

³ Amounts displayed will reflect the budget only for the Reserve Fund from which amounts may be transferred to other departments to cover extraordinary/unforeseen expenses, expenditures are not made directly from the fund.

⁴ Amounts displayed in this row reflect budgets rather than actual expenditures because articles are generally multi-year and reflect either transfers to Capital Project Funds or Borrowing Authorizations.



Employee Benefits and Insurance Statement

The employee benefits and insurance provided to the employees of the Town of Northborough (including those who work for the Northborough K-8 Public Schools) include both the required and contractually agreed upon benefits to protect their health, provide for their income security if they are injured on the job, and provide for their eventual retirement from the Town. Employee benefits represents the cost of providing health and life insurance for Town and K-8 School employees as well as for workers' compensation, unemployment, FICA/Medicare tax, and the Town's assessment from the Worcester Regional Retirement System.

Health Insurance

Pursuant to MGL Chapter 32B, as a benefit of employment, any active, permanent employee of the Town who works in excess of twenty hours per week is eligible for group health insurance coverage.

During FY2018, in an effort to control the escalating costs of health insurance, the Town issued a Request for Proposals to various health insurance providers. The result of that process was a move to consolidate carriers under the Fallon Community Health Plan for FY2019. Under Fallon, the Town offers a Select HMO plan with a broad network, a Direct HMO plan with a limited network, and continues to offer the Fallon Preferred Provider Plan (PPO). Due to favorable claims data, the renewal with Fallon will not result in any premium increase for FY2022. As a benefit of retirement, former Town employees are also eligible for group health insurance coverage. Retirees under the age of 65, or otherwise not Medicare eligible, are covered on the active employee plans with the same contribution as the Town employees. The Town offers four senior plans for Medicare eligible retirees: Fallon Senior, Tufts Complement, Tufts Preferred and MEDEX.

As of March 1, 2021, a total of 294 active employees (87 Town and 207 K-8 School), and 216 retirees (68 Town and 148 K-8 School, including covered dependents) were enrolled in one of the Town's health insurance plans. The following rate schedule was used in budgeting for FY2022, following a confirmed zero percent increase renewal on active plans from Fallon:

Health Insurance Plan	7/1/2021 Renewal Monthly Rates	Town Employees				School Employees			
		7/1/2021 Town Monthly Expense	7/1/2021 Employee Monthly Expense	7/1/2021 Town Monthly Expense	7/1/2021 Employee Monthly Expense				
Fallon Select HMO	Ind 835.95	70%	585.17	30%	250.78	75%	626.96	25%	208.99
	Fam 2,173.42	70%	1,521.39	30%	652.03	75%	1,630.07	25%	543.36
Fallon Direct HMO	Ind 726.91	70%	508.84	30%	218.07	75%	545.18	25%	181.73
	Fam 1,889.90	70%	1,322.93	30%	566.97	75%	1,417.43	25%	472.47
Fallon Pref Care PPO	Ind 1,003.14	50.0%	501.57	50.0%	501.57	50%	501.57	50%	501.57
	Fam 2,608.10	50.0%	1,304.05	50.00%	1,304.05	50%	1,304.05	50%	1,304.05



Undistributed Expenses

Section 6-3

In FY2022, the Town will contribute 70% of the monthly Fallon HMO premiums for Town employees and 75% for K-8 School Employees. Beginning in FY2012, the Town’s contribution for K-8 School employees decreased from 80% to 75% of the monthly HMO premiums. It is the goal of the administration to achieve parity between all employees at 70% during the next round of collective bargaining. In accordance with Chapter 32B, the Town pays 50% of the monthly premium for the Fallon PPO Plan for both K-8 School and Town employees. The employees pay the remaining premium through bi-weekly payroll deductions.

The FY2022 budget was prepared using an estimated 5% increase effective with the Senior plan renewal on January 1, 2022. The following rate schedule will be in place until the calendar year renewal.

Health Insurance Plan		1/1/2021 Renewal Monthly Rates	Medicare Eligible Ret Empl*			
				1/1/2021 Town Monthly Expense		1/1/2021 Retiree Monthly Expense
Fallon Senior	Ind	313.00	70%	219.10	30%	93.90
	Ind x2	626.00	70%	438.20	30%	187.80
Tufts Medicare	Ind	684.00	70%	478.80	30%	205.20
Complement	Ind x2	1,368.00	70%	957.60	30%	410.40
Tufts Medicare	Ind	339.00	70%	339.00	30%	101.70
Preferred	Ind x2	678.00	70%	678.00	30%	203.40
MEDEX 2	Ind	415.19	51%	211.75	49%	203.44
	Ind x2	830.38	51%	423.50	49%	406.88

* Enrollment in the Senior Plans require participation in Medicare Parts A & B

The Town pays 70% of the monthly Senior Plan HMO premiums for all retirees. In accordance with Chapter 32B, the Town pays 51% of the monthly premium for the MEDEX Plan. In 2017 the Town changed the MEDEX plan offered from MEDEX 3 to MEDEX 2. The retirees pay the remaining premium through monthly deductions from their retirement allowances.

In the past, the Town experienced significant increases in its Health Insurance premiums. The Town unanimously adopted MGL Chapter 32B, Section 18 at the Annual Town Meeting in April 2009. Adoption of Chapter 32B, Section 18 required Medicare eligible retirees to move out of the HMO active health plans and into Medicare supplement or “Senior Plans,” which are specifically designed for the medical needs of seniors and will effectively cost share health care expenses with the Federal Medicare program. By offering a variety of Senior Plans the Town continues to realize savings as Medicare-eligible retirees and their spouses are required to transition to these lower cost Senior Plans.



Section 6-4 Undistributed Expenses

In order to maintain sustainable health insurance budgets over the years the Town has periodically made changes to plan design, employee contributions, and most recently carrier consolidation. The overall affect has been an average health insurance budget increase of just 3% since FY2010.

- FY2010 Plan Design Changes and adoption of MGL c.32B, Section 18
- FY2012 Teacher contributions increased 5%
- FY2017 Plan Design Changes
- FY2018 Plan Design Changes but still experienced an 8.33% increase
- FY2019 Negotiated Carrier Consolidation resulted in a 3.8% budget increase

Health Insurance Budget Increases	
FY2010	0.72%
FY2011	2.99%
FY2012	4.49%
FY2013	3.34%
FY2014	2.00%
FY2015	1.00%
FY2016	3.00%
FY2017	3.00%
FY2018	8.33%
FY2019	3.80%
FY2020	2.00%
FY2021	2.60%
FY2022	2.10%
Average	3.03%

In FY2019, the Town faced initial renewal quotes in double digit percentages, so with the intent to control costs for that year and into the future, the Town issued a Request for Proposals (RFP) for a sole provider. With the results of the RFP, the recommendation was made to move to Fallon Community Health Plan. This change offered the traditional HMO plan as well as a limited network HMO plan at a lower cost as an option for employees. With the single provider, FY2019 saw a budget increase of 3.8% over the prior year to \$5.7 million. In FY2020, as a continuation of the plan consolidation with Fallon and having favorable claims data during FY2019, the Town signed a zero percent premium increase renewal for FY2020. In FY2021, the town received a 3.5% increase to both the Fallon Select and Fallon PPO Plans, a 0% increase to the Fallon Direct Plan, and an anticipated 5% increase to the Senior Plans. This resulted in an overall increase of 2.6% from FY2020 to FY2021.

For FY2022, the Town received a 0% premium increase. This will result in a 2.1% increase in the budget to \$6.1 million after accounting for potential employee migrations.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
HEALTH INSURANCE						
Expenses						
51750 Town Health Insurance	1,066,433	1,075,796	1,141,453	1,297,589	505,252	1,292,999
51755 Town Retiree Health Ins.	341,710	327,251	326,570	380,303	169,080	404,845
51800 School K-8 Health Insurance	3,324,449	3,261,912	3,324,354	3,513,436	1,698,754	3,602,222
51805 School K-8 Retiree Health Ins.	618,049	683,477	654,889	745,413	330,752	772,758
51850 Health Reimbursement Account	45,240	26,700	18,152	60,300	5,250	50,000
SUBTOTAL	5,395,882	5,375,136	5,465,418	5,997,041	2,709,088	6,122,824



Transfer to OPEB Trust

Other Post-Employment Benefits (OPEB) are the benefits, other than retiree pensions, offered to retirees and their dependents. These benefits mainly consist of medical insurance. The OPEB liability is defined as the present value of the benefit for retired and vested employees. The unfunded liability is the amount payable in the future, where the actuarial value of the benefits exceeds the value of funds previously set aside to pay the expense (in an irrevocable trust). The concept for recognizing OPEB was required by the Governmental Accounting Standards Board (GASB)⁵. Under the GASB's Statement #45, the Town was required to begin to be recognizing this liability in its financial statements starting FY2009.

The Town's first actuarial study calculated the liability to be \$90.4 million. However, following the adoption of MGL Chapter 32B, Section 18 in 2009, the Town's Unfunded Actuarial Accrued Liability (UAAL) for OPEB was greatly reduced to \$34.3 million. At the close of FY2011, an actuarial update was required and due to the implementation of Section 18, the Town's UAAL was further reduced to \$28.1 million. Without a funding source for this obligation, the UAAL increased to \$32.6 million based on the actuarial study received at the close of FY2013. The next actuarial study was completed at the close of FY2015 and the UAAL increased to \$34.9 million and as required, another actuarial update was conducted for the close of FY2017 which was calculated to be \$37.4 million (net of the trust fund balance). The GASB has since clarified and replaced Statement #45, with Statements #74 and #75, and under GASB #75 the Town's latest liability was calculated to be \$36.32 million (Net OPEB Liability) under the new standards at the end of FY2020.

The Town adopted the local option Meals Tax surcharge and an increase in a Room Occupancy tax in FY2015 in part to help provide the capacity for an initial \$500,000 funding for the OPEB Trust Fund. Over the subsequent four years from FY2016 through FY2019 another \$500,000 per year was transferred to the OPEB Trust fund. The funds have been invested with the state's Pension Reserves Investment Trust (PRIT) Fund. The PRIT Fund, which contains \$86.9 billion as of December 31, 2020, is the state retiree pension fund as well as the pension fund for 93 local Massachusetts Retirement Systems. These funds are professionally managed by the Pension Reserves Investment Management Board.

The Town continues to advocate for proposed legislative changes regarding the local obligation for retiree health insurance that would positively affect its OPEB liability. In FY2020, the Town made a \$550,000 contribution to the OPEB Trust Fund, which was a \$50,000 increase above the prior year's contribution. The increase was intended to recognize the growing liability, since the actuarial studies have involved medical cost trends growing faster than inflation, as well as longer life expectancies. Increased life expectancy, while positive, leads to a higher liability.

⁵ The Governmental Accounting Standards Board (GASB) is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. Established in 1984 by agreement of the Financial Accounting Foundation (FAF) and 10 national associations of state and local government officials, GASB is recognized by governments, the accounting industry, and the capital markets as the official source of generally accepted accounting principles (GAAP) for state and local governments.

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Undistributed Expenses



Unfortunately the Town's annual contributions, although significant, are not yet lowering the overall liability. In addition, recent fiscal constraints associated with the COVID-19 pandemic have required postponement of contributions to the OPEB Trust Fund in FY2021 and FY2022. The Town will need to revisit its funding plan in subsequent years to get back on track, resources permitting.

Ultimately, as the balance in the Trust Fund grows, the cumulative effect of positive investment returns will begin to be more substantial. In addition, when the unfunded pension liabilities are fulfilled by the Worcester Regional Retirement System's goal for full funding by 2036, the funds from the pension assessment should be redirected to address the unfunded OPEB liability.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
TRANSFER TO OPEB TRUST						
59992 Transfer to OPEB Trust	500,000	500,000	550,000	0	0	0
SUBTOTAL	500,000	500,000	550,000	0	0	0

Life Insurance

The Town provides a group life insurance program available to all employees and contracts with Boston Mutual Life. All Town and K-8 School employees who choose to enroll are insured for \$5,000. In addition, Town and School Retirees are insured for \$2,000. This budget covers the Town's 50% portion of the premium. Employee payroll deductions and retiree contributions fund the balance of the premium costs. This budget also covers a term life insurance policy for the Town Administrator pursuant to the employment contract.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
LIFE INSURANCE						
Expenses						
51740 Town Life insurance	1,647	1,723	1,669	4,108	757	4,108
51745 School K-8 Life Insurance	4,855	4,548	4,828	4,822	2,339	4,822
SUBTOTAL	6,502	6,271	6,496	8,930	3,096	8,930



Other Benefits / Federal Insurance Contributions Act (FICA) Tax

Federal Insurance Contributions Act (FICA) tax is a payroll (or employment) tax imposed by the Federal Government on both employees and employers. As a result of Federal legislation, all local government employees hired after March 31, 1986 are considered Medicare Qualified Government Employees (MQGE) and are required to be covered under the Medicare program. The Town is responsible for a matching Medicare payroll tax of 1.45% on these employees. Annual increases in this tax liability reflect a rise in the payroll subject to this tax.

Massachusetts is one of a handful of “non-Social Security” states. Most full-time employees, as members of contributory retirement systems, pay into defined-benefit public pension systems instead of Social Security. The Town is not subject to the 6.2% matching FICA tax and Town employees do not earn Social Security “credits” or “quarters” for their service.

Part-time and temporary employees who are not covered by the contributory retirement system are required to participate in an alternative as permitted by the federal Omnibus Budget Reconciliation Act of 1990. Such employees pay into a defined contribution plan at a rate of 7.5%. There is no employer cost for this program.

Unemployment Assistance

The Town does not pay unemployment insurance, but instead, is assessed by the State Division of Unemployment Assistance (DUA) on a pay-as-you-go basis for the cost of any and all benefits actually paid to former Town and K-8 School employees. In a typical year and situation, the maximum number of weeks an individual may receive benefits is 26 and the maximum weekly benefit amount is currently \$823/week, plus a dependency allowance of \$25 per week for each dependent child. The Town is responsible for reimbursing the State 100% of the benefits paid to former employees. There is an inherent complexity in tracking unemployment costs and estimating liability given that an employee’s “benefit year” may cross fiscal years, claimants may be subject to partial benefits if they have other earnings, and claimants who become unemployed more than once during a benefit year may reactivate a prior claim.

During FY2020 and FY2021, in response to the Covid-19 Pandemic, the federal government passed the Coronavirus Aid, Relief and Economic Security Act (CARES), which provided \$268 billion for expanded unemployment insurance benefits for workers impacted by the Pandemic. This Act both extended the amount of time employees could collect unemployment for Covid-19 related layoffs and increased the benefit amount. As a pay-as-you-go community, Northborough is required to provide the additional pandemic emergency unemployment compensation to qualifying employees. Under the CARES Act, reimbursable employers are only charged 50% of Covid-19 related claims and bill due dates have been extended to the end of FY2021.

Miscellaneous Benefits

Miscellaneous benefits include payment of a portion of sick leave for eligible retiring employees (capped at \$3,000 each), OBRA payments for the Senior Work Program, payment of the deferred compensation benefit for the Town Administrator pursuant to the employment contract, and the fee assessed by the deferred compensation program provider.

Section 6-8

Undistributed Expenses



	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
OTHER BENEFITS/FICA						
Expenses						
51730 FICA Town Share	115,068	127,793	120,181	122,793	54,305	122,793
51733 FICA School Share	261,684	267,215	278,171	284,664	135,080	285,777
51735 Unemployment Compensation	13,079	12,354	55,446	60,000	0	60,000
55090 Miscellaneous Benefits	13,279	13,258	13,617	20,801	8,139	21,334
SUBTOTAL	403,110	420,621	467,415	488,258	197,523	489,904

Worcester Regional Retirement Assessment

The Town participates in the Worcester Regional Retirement System which is a contributory retirement system composed of one hundred (100) member towns and districts from Worcester County. Subject to the provisions of Chapter 32B and 34B of the Massachusetts General Laws, the retirement system, as well as all public retirement systems in Massachusetts, is overseen by the Public Employee Retirement Administration Commission (PERAC).

PERAC, through an actuarial study, determines the appropriate funding schedule for the retirement system's total Unfunded Actuarial Accrued Liability (UAAL). The Municipal Relief Act of 2010 extended the requirement for full funding of the pension system's liability to the year 2040, while the system's actual funding schedule targets full funding by 2036. The total source of funding is the annual Town assessment together with employee contributions for each member unit.

The FY2022 assessment was prepared using the full actuarial method of assessment calculation. Previously, the Worcester Regional Retirement System based its assessment to each member unit upon its proportional amount of payroll. The actuarial method of assessment, now fully implemented, calculates the assessment on an actuarial determination using the employee age, service, and average salary data of each individual member unit. The Town of Northborough's total Unfunded Actuarial Accrued Liability is \$33,008,073 as of January 1, 2020. The Worcester Regional Retirement System regards the actuarial method as a "more fair and transparent way of assessing each unit's true liability" and noted that this is also consistent with the standards of the Government Accounting Standards Board (GASB).

In recent years there have been changes to Massachusetts pension benefits brought about by various Pension Reform legislation in an attempt to rein in pension liability costs. The liability had increased due to lack of performance in investments and the inability of the pay-as-you-go funding to keep pace with the defined benefits. It is important to note that a municipal employee hired after 1996 will contribute 9% of their total compensation plus another 2% of any regular compensation over \$30,000 to the retirement system. This non-public safety employee, if retired with 25 years of creditable service and the investment return assumption is met, will effectively pay for their entire pension.⁶ The Town's assessment together with the employee contributions are intended to meet the pension costs for all Town and Northborough K-8 School (non-teaching

⁶ Information from Actuary James R. Lamenza of the Public Employee Retirement Administration (PERAC).



Undistributed Expenses

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positions) retirees covered by this retirement system, as well as to amortize over time the previous unfunded pension liability created by insufficient contributions by member units over a number of years.

It should be noted that Northborough K-8 School teachers are not part of the Worcester Regional Retirement System, but are instead covered by the Massachusetts Teachers' Retirement System which is governed by MGL, Chapter 32. Teacher retirement costs are funded directly with an appropriation by the Commonwealth of Massachusetts and employee contributions. For the fiscal year ended June 30, 2020, the Town recognized pension expense and intergovernmental revenue of \$6,562,816 for the Commonwealth's support of the system on behalf of the Town in its financial statements.

The total FY2022 Worcester Regional Retirement Assessment is \$2,548,279. The \$2,470,601 portion included in the General Fund budget below does not include the retirement costs contained in the Water Enterprise Fund (\$34,940), the Sewer Enterprise Fund (\$23,293) or the Cable Access TV budget (\$19,445)⁷.

The FY2022 General Fund increase of \$195,005 represents a significant 8.6% rise in costs, primarily due to implementation of the funding schedule designed to eliminate the unfunded pension liability by 2036.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
WORCESTER REGIONAL RETIREMENT						
Expenses						
56220 Retirement Assessment	1,612,608	1,790,753	2,047,554	2,275,596	2,275,596	2,470,601
SUBTOTAL	1,612,608	1,790,753	2,047,554	2,275,596	2,275,596	2,470,601

⁷ The Water & Sewer Enterprise Funds are designed to capture all costs associated with the service and are fully explained in Section 8 of this budget document. The Cable Public Access TV Department is funded by fees added to the cable TV subscriber bills, which pay for the related retirement costs of the full-time Cable Access staff (see Section 5 of the budget for more information regarding Public Access TV).



Workers' Compensation Insurance

Workers' Compensation is available to those employees injured on the job. The Town is insured through the Massachusetts Interlocal Insurance Agency (MIIA) which is owned and operated by the municipalities of Massachusetts.⁸ Employees injured on the job receive 60% of their pay tax-free and the Town is responsible for 100% of associated medical bills.

Also included in this budget are medical payments to cover separated police and fire personnel. MGL, Chapter 41, Section 100B requires the Town to continue to pay for related medical payments and associated expenses for retired police and fire employees injured on duty. The actual Injured on Duty (IOD) insurance premium for police and fire personnel is contained in the Building and Liability Insurance budget.

The Town's Workers' Compensation insurance premiums reflect a 4.7% budgetary decrease for FY2022. There are two key factors that drive fluctuations in Workers' Compensation insurance premiums: claims experience and payroll costs (higher payroll costs associated with increases in wage rates and salaries and/or additional staffing generally result in higher premiums). The Town has participated in a wide variety of safety training programs offered by its insurer, MIIA, that are intended to reduce work-related injuries. These programs are specifically designed to address risks faced by municipal employees, are offered free of charge, and help the Town proactively manage its claims risk, thereby keeping costs down. These factors have resulted in the Town being able to reduce its Workers' Compensation budget slightly for FY2022.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
WORKERS' COMPENSATION INSURANCE						
Expenses						
51710 Workers' Compensation	116,432	128,682	118,803	136,330	118,984	129,702
53080 Police/Fire Injured on Duty (IOD) Medical Payments	385	3,596	140	5,000	0	5,000
SUBTOTAL	116,817	132,278	118,943	141,330	118,984	134,702

⁸ Massachusetts Interlocal Insurance Association (MIIA) was incorporated by the Massachusetts Municipal Association in 1982 as a nonprofit organization to provide insurance services to the cities, towns and other governmental entities in Massachusetts that are members of the MMA. MIIA insures approximately 300 cities and towns across Massachusetts.



Undistributed Expenses

Section 6-11

Building & Liability Insurance

This budget category includes property and liability coverage for all Town owned property, as well as liability coverage for all elected and appointed Town officials.

In addition, because fire and police personnel are not eligible under Massachusetts law for regular workers' compensation coverage, a separate insurance policy with premiums based largely on claims experience is purchased to cover these personnel for injuries sustained in the line of duty. The police and fire MGL Chapter 41 Section 111F Injured on Duty (IOD) premium is also included here. Under this statute, public safety employees injured on duty receive 100% of their regular earnings. These IOD earnings are considered non-taxable wages by both the Department of Revenue and the Internal Revenue Service.

The Town's Building and Liability insurance premiums reflect a 5.1% budgetary increase for FY2022.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
BUILDING & LIABILITY INSURANCE						
Expenses						
57410 Building & Liability Ins.	239,753	236,438	241,455	269,862	185,471	283,557
SUBTOTAL	239,753	236,438	241,455	269,862	185,471	283,557



Debt Service

Debt Service appropriations provide for the payment of principal and interest costs for long-term bonds and short-term notes issued by the Town for capital projects for General Fund purposes in addition to the cost of issuing debt. The debt service appropriations for the Water & Sewer Enterprise Funds will appear in their respective budgets (Section 8 of this budget document). The following table shows the total amount of debt being considered for FY2022 and the various sources from which the debt will be paid.

	OUTSTANDING PRINCIPAL START OF YEAR	PRINCIPAL & PAYDOWNS PAYABLE	INTEREST & ISS COSTS PAYABLE	TOTAL DEBT SERVICE FY2022
General Fund	1,399,000	221,000	57,714	278,714
General Fund (Debt Excluded)	16,584,000	1,322,000	530,013	1,852,013
Subtotal General Fund	17,983,000	1,543,000	587,726	2,130,726
Water Enterprise	2,104,884	218,814	64,951	283,765
Sewer Enterprise	3,838,748	590,791	131,531	722,323
Community Preservation Act	1,084,000	155,000	48,780	203,780
Revolving Funds	210,000	105,000	5,250	110,250
Subtotal (Non General Fund)	7,237,632	1,069,605	250,513	1,320,118
TOTAL LONG & SHORT TERM DEBT	25,220,632	2,612,605	838,239	3,450,844

Typically, larger projects such as the Lincoln Street School are bonded for twenty years, while the financing for other General Fund projects and equipment is retired within five to ten years. The Town's goal is to finance capital projects for the shortest feasible term over the useful life of the project in accordance with the terms outlined in Massachusetts General Laws. This ensures that the debt burden remains manageable.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
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DEBT SERVICE

Expenses

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
59100 Principal/Long-term Debt	2,024,382	2,048,532	1,996,500	1,600,548	0	1,543,000
59150 Interest/Long-term Debt	782,757	747,661	669,660	591,434	295,717	534,976
59270 Interest/Temporary Loans	18,489	0	0	0	0	42,200
59280 Issuance Costs	16,691	0	0	10,550	0	10,550
SUBTOTAL	2,842,319	2,796,193	2,666,160	2,202,532	295,717	2,130,726

For FY2022, the total Debt Service budget for the General Fund is \$2.13 million, a decrease of \$71,806. The largest component of the debt service budget in FY2022 is for the Lincoln Street School, which is \$1,045,275. This is a slight decrease from the FY2017 peak of \$1,144,882. Since that project was finalized, being completed on time and approximately \$1.38 million under budget, the surplus bond proceeds from this project were used to fund the next phase of the Fire Station building project approved at 2019 Town Meeting. In preparation for the Fire Station project, and other more significant building projects, issuance of debt for smaller capital projects has been curtailed to minimize the tax impact. This practice is in accordance with the Town's



Undistributed Expenses

Section 6-13

2010 Free Cash Policy, as these smaller capital items have been purchased using available funds. Please see Section 9 of this budget document for a more detailed explanation of the Free Cash Policy and the successful efforts to fund more pay-as-you-go capital projects. Following is a table showing the detail of all the Town's outstanding Long-Term Debt which will be coming due during FY2022:

DATE ISSUED	PAR AMOUNT	NET INTEREST COST	PURPOSE	FUND DEBT PAID FROM	TERM (YEARS)	TOTAL DUE PRINCIPAL & INTEREST
2/15/2003	\$ 2,964,000	3.8340%	Various Projects		19	\$ 104,500
	\$ 265,000	4.0481%	2001 Art 19 - Water Mains	Water Enterprise	19	\$ 15,675
	\$ 675,000	3.9970%	2002 Art 20 - Sewer Project	Sewer Enterprise	19	\$ 31,350
	\$ 1,055,000	4.0527%	2002 Art 39 - Colburn St Land Acq (DE)	Gen Fund (DE)	19	\$ 57,475
5/15/2005	\$ 2,100,000	3.9225%	Various Projects		20	\$ 70,170
	\$ 1,154,000	3.8864%	2002 & 2003 Water Articles	Water Enterprise	20	\$ 35,085
	\$ 675,000	4.0202%	2002 & 2003 Sewer Articles	Sewer Enterprise	20	\$ 35,085
10/15/2006	\$ 1,700,000	4.0253%	Various Projects		15	\$ 51,031
	\$ 180,000	4.0738%	2004 Art 26 - Sewer Project	Sewer Enterprise	15	\$ 10,206
	\$ 627,000	4.0915%	2004 STM Art 1 - Sewer Land Acq	Sewer Enterprise	15	\$ 40,825
10/15/2009	\$ 1,550,000	5.9191%	2004 STM Art 1 - Sewer Land Acq (Taxable)	Sewer Enterprise	15	\$ 122,125
5/1/2009	\$ 9,743,000	3.6160%	Various Projects		20	\$ 557,388
	\$ 330,000	3.5127%	2006 Art 56 - School Roof	Gen Fund	18	\$ 18,694
	\$ 3,448,051	3.6903%	2000 Art 37 - Library Const (DE)	Gen Fund (DE)	19	\$ 233,490
	\$ 175,733	3.4969%	2005 Art 23 - Library Const (DE)	Gen Fund (DE)	17	\$ 12,038
	\$ 1,450,000	3.6894%	2007 Art 20 - Library Const (DE)	Gen Fund (DE)	19	\$ 98,040
	\$ 47,200	3.4097%	2004 Art 23 - DPW Garage	Gen Fund	17	\$ 3,448
	\$ 50,000	3.5063%	2006 Art 30 - Police Station Repairs	Gen Fund	18	\$ 3,573
	\$ 50,000	3.4384%	2006 Art 31 - DPW Garage	Gen Fund	18	\$ 3,573
	\$ 50,000	3.0970%	2006 Art 33 - Park Improvements	Gen Fund	14	\$ 3,240
	\$ 750,000	3.7556%	2006 Art 24 - Water Wells	Water Enterprise	20	\$ 50,586
	\$ 225,000	3.7548%	2006 Art 25 - Water Mains	Water Enterprise	20	\$ 14,671
	\$ 230,000	3.7403%	2007 Art 23 - Water Tanks	Water Enterprise	20	\$ 14,671
	\$ 1,290,000	3.7629%	2006 Art 27 - Sewer Const	Sewer Enterprise	20	\$ 85,360
	\$ 250,000	3.7426%	2007 Art 24 - Sewer Const	Sewer Enterprise	20	\$ 16,005
4/1/2011	\$ 8,612,000	3.1992%	Various Projects		18	\$ 511,520
	\$ 5,200,000	3.2876%	2008 Art 20 - Senior Center (DE)	Gen Fund (DE)	18	\$ 371,445
	\$ 1,500,000	3.2757%	2008 Art 21 - Environmental Remediation	Gen Fund	18	\$ 107,988
	\$ 500,000	3.2451%	2008 Art 24 - Sewer Wells	Water Enterprise	18	\$ 32,088
4/15/2013	\$ 1,819,000	1.2393%	Various Projects		10	\$ 46,800
	\$ 267,750	1.5594%	2010 Art 21 - Middle School Roof	Gen Fund	10	\$ 26,000
	\$ 223,370	1.5438%	2009 Art 22 - Water Plant	Water Enterprise	10	\$ 20,800
6/17/2015	\$ 7,390,000	2.5504%	2014 Art 19 - Lincoln Street School (DE)	Gen Fund (DE)	20	\$ 516,775
1/21/2016	\$ 6,800,000	2.3927%	2014 Art 19 - Lincoln Street School (DE)	Gen Fund (DE)	20	\$ 510,000
5/18/2017	\$ 986,053	0.0000%	2014 Art 31 - Water Meters (MWRA Loan)	W/S Enterprise*	10	\$ 98,605
6/14/2018	\$ 2,275,000	2.7338%	Various Projects		15	\$ 271,650
	\$ 93,000	2.2455%	2014 Art 30 - Sewer Pump Station Design	Sewer Enterprise	5	\$ 19,650
	\$ 1,363,000	2.8223%	2015 Art 32 - Sewer Pump Station Const	Sewer Enterprise	15	\$ 139,800
	\$ 819,000	2.5482%	2014 Art 28 - Church Street Culvert	Gen Fund	10	\$ 112,200
SUBTOTAL EXISTING LONG TERM DEBT						\$ 2,860,564
*0% Loan from MWRA - to be split 60%/40% between Water & Sewer Enterprise Funds for life of debt (Split \$7,813.95 / \$90,791.35 in FY2022)						

While the previous table reflects the existing Long-Term debt obligations, the Town also has Short-term debt obligations to consider, and the following table reflects those:

ESTIMATED BAN & ISS %*	PURPOSE	ESTIMATED TERM	PRINCIPAL & INTEREST
2.5%	2019 Art 20 - Fire Station Land/Design (Paydown FY21)	10	\$ 52,750
4.5%**	2016 Art 42 - White Cliffs BAN (Paydowns FY18-21)	10	\$ 203,780
2.5%	2016 Art 27 - I&I BAN (Paydowns FY20-21)	10	\$ 60,625
2.5%	2017 Art 31 - W Main St Pump Station BAN (Paydowns FY20-21)	10	\$ 45,250
2.5%	2019 Art 12 - Ambulance \$315,000 (Paydown FY21)	3	\$ 110,250
2.5%	2020 Art 22 - Water/Sewer Garage	20	\$ 60,000
2.5%	2020 Art 23 - Assabet Water Tank Rehabilitation	20	\$ 55,125
SUBTOTAL EXISTING SHORT TERM DEBT			\$ 587,780



Section 6-14 Undistributed Expenses

Therefore, the total long and short-term debt service to be payable in FY2022 equals the \$3,450,844 shown in the first table of this section.

Statutory Debt Limit

The aggregate level of the Town of Northborough’s outstanding debt obligation is limited by State law. The statutory debt limit is established by Massachusetts General Laws, Chapter 44, Section 10 at 5% of our total Equalized Valuation (EQV). The EQV is determined every other year by the State Department of Revenue.

Northborough’s 2020 EQV	\$3,297,006,900
Debt Limit (5% of EQV)	\$ 164,850,345

Northborough’s total issued short and long-term debt principal, both inside and outside the debt limit as of June 30, 2021, is \$25,220,632, significantly below the statutory debt limit.

Debt Policy Limits

There is an additional local limit placed on Northborough’s total debt obligation through the Debt Policy adopted by the Board of Selectmen in September 2000. The Debt Policy provides for specifically defined Gross and Net debt limits for the annual General Fund debt service expressed as a percentage of the proposed budget.

Gross General Fund Debt Limit	Not to Exceed	15%
Net General Fund Debt Limit	Not to Exceed	8% – 10%

The estimated FY2022 General Fund debt service budget is well under the local debt policy limits, as Gross General Fund Debt is 4.3% of the proposed budget, which is well within the Town’s policy limits: \$2,130,726 plus \$781,678 in overlapping debt from the regional school districts divided by an expense budget of \$67,726,437. The Net General Fund debt represents the same amount, 4.3% of FY2022 expenditures, since the Town has no remaining State School Building Authority payments to subtract. So, again the debt budget is well within the policy limit. See Appendix A, page 4 for more information on the Town’s specific debt policy.

Bond Rating

In order to comply with complex tax regulations, secure access to the municipal bond market, and assure a competitive climate for bids, the Town uses the services of Bond Counsel, a Financial Advisor and a private credit rating agency to prepare for the issuance of bonds.

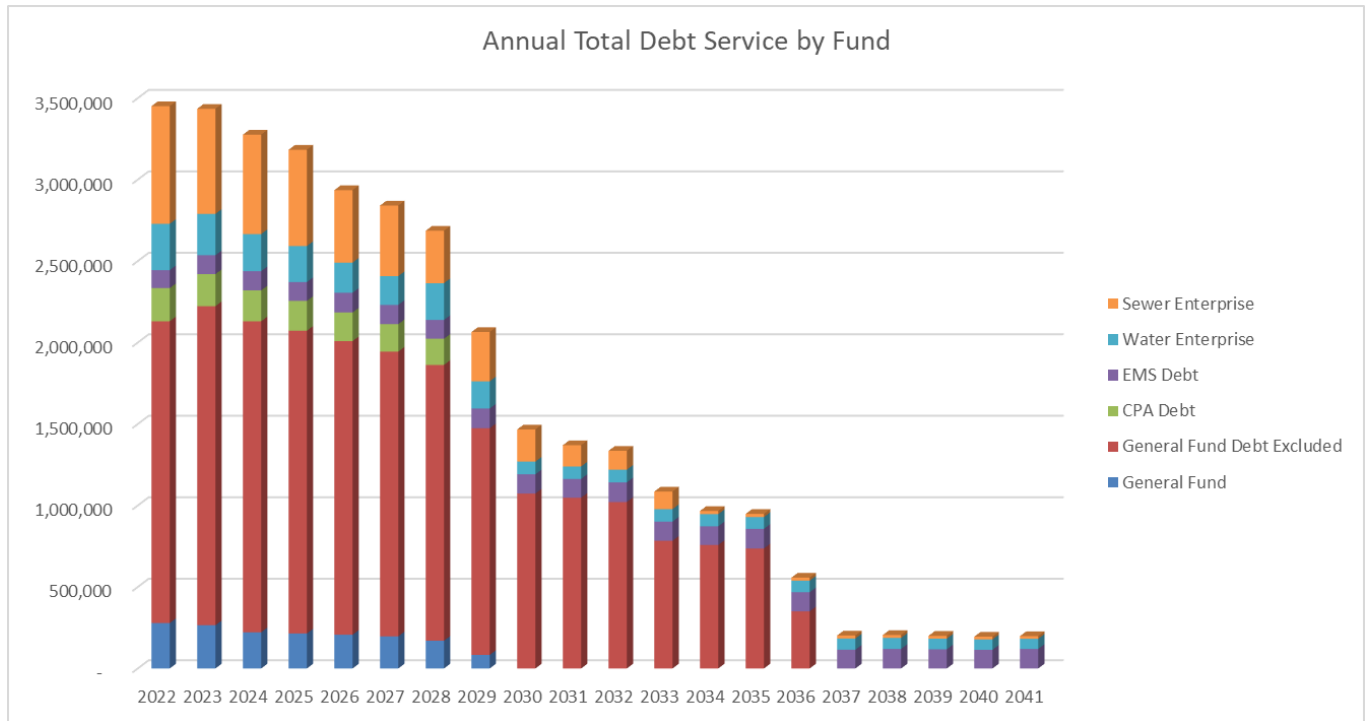
In May 2015, in conjunction with the first bond issuance for the Lincoln Street School project, Moody’s Investors Service upgraded the Town’s bond rating from Aa2 to Aa1, which is Northborough’s highest rating ever. During the review Moody’s cited the Town’s manageable debt levels, strong reserves, below average pension liabilities and its ongoing funding of OPEB liabilities as positive factors. With regard to management they commented that *“the Town has a strong management team evidenced by a multi-year trend of conservative budgeting guided by formal fiscal policies.”* The independent assessment illustrates how our planning efforts and fiscal discipline produce very real and tangible results—lower rates on bonds resulting in less tax dollars going to pay for interest.

<u>Moody’s Investor Service Bond Rating</u>
Aaa
➔ Aa1
Aa2
Aa3
A1
A2
A3
Baa1
Baa2
Baa3
Ba1
Ba2
Ba3
B1
B2



Total Long-Term Debt Service - All Funds

The total long-term annual debt service from FY2022 through FY2036, including both principal and interest, is shown on the following page. The chart indicates the amount of long term debt service for the General Fund (both Debt Excluded and Non-Excluded), as well as the long term debt service for the Community Preservation Act (CPA) Fund, Emergency Medical Services Revolving Fund and the Water and Sewer Enterprise Funds. The figures include all existing debt, including projections for items currently in short-term debt. In addition, this table reflects the replacement plan whereby ambulances are replaced every three years, and those amounts are reflected in “EMS Debt” however no further Capital Plan purchases are included in the projections.



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Undistributed Expenses



Annual Total Debt Service By Fund							
Fiscal Year	General	General Fund	CPA	EMS	Water	Sewer	Total
Due	Fund	Debt Excluded	Debt	Debt	Enterprise	Enterprise	Debt Service
2022	278,714	1,852,013	203,780	110,250	283,765	722,323	3,450,844
2023	265,384	1,958,058	196,805	115,750	253,691	644,955	3,434,643
2024	222,166	1,908,268	189,830	118,125	227,264	610,165	3,275,818
2025	214,686	1,858,043	182,855	115,375	221,199	590,975	3,183,133
2026	207,020	1,801,904	175,880	120,750	185,008	444,840	2,935,402
2027	197,168	1,747,159	168,905	118,000	176,428	433,135	2,840,794
2028	170,400	1,692,294	160,930	115,250	225,675	321,825	2,686,374
2029	83,200	1,391,325		120,625	167,081	302,475	2,064,706
2030		1,073,600		117,875	78,000	197,275	1,466,750
2031		1,047,950		115,125	76,500	130,750	1,370,325
2032		1,021,375		120,500	78,000	116,050	1,335,925
2033		783,800		117,750	76,200	107,870	1,085,620
2034		757,500		115,000	74,400	19,840	966,740
2035		736,350		120,375	72,600	19,360	948,685
2036		350,200		117,625	70,800	18,880	557,505
2037				114,875	69,000	18,400	202,275
2038				120,250	67,200	17,920	205,370
2039				117,500	65,400	17,440	200,340
2040				114,750	63,600	16,960	195,310
2041				120,125	61,800	16,480	198,405
	1,638,738	19,979,836	1,278,985	2,345,875	2,593,610	4,767,919	32,604,963



Undistributed Expenses

Section 6-17

Non-Appropriated Expenses

Beyond the specific appropriations contained within the Budget Article and other Town Meeting articles, the Town must account for those expenses which do not require votes for appropriations. This category of mandated expenditures and assessments are automatically added to the tax rate without appropriation. Such costs include various state assessments for services such as: charter schools, county services, prior year budget overdrafts in snow and ice removal, court judgments, and an amount estimated for tax abatements and exemptions or the overlay.

State Assessments

The FY2022 Assessments represented below are from the Governor’s Budget. Historically, the Town does not receive its final State Assessments until well after Town Meeting in April. Three categories of State assessments account for approximately 72% of the expenses—Mosquito Control, MBTA and Charter School Assessments.

1. Mosquito Control Assessment: Pursuant to MGL Chapter 252, Section 5A (Chapter 2, Section 41, Acts of 1986) there are eight mosquito control districts whose costs are apportioned to member municipalities on the Cherry Sheet. Each district is also allocated a proportional share of expenses for the State Reclamation Board that administers these programs.
2. Massachusetts Bay Transportation Authority (MBTA): For services rendered to those cities and towns within the Authority, an assessment is administered in order to maintain and operate regional public transportation.
3. Charter School Assessment: To assess the sending municipality or regional school district for pupils attending charter schools. Charter school tuition charges are assessed against the sending district and paid to the charter school district. Charter Schools shall receive per-pupil payments from sending districts equal to the average cost per student in that district, plus a capital funding share equal to the state average of what districts pay per pupil in principal and interest for land and buildings.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
STATE ASSESSMENTS						
Expenses						
56390 Mosquito Control Assessment	60,159	59,379	64,273	64,306	32,148	65,994
56400 Air Pollution Assessment	5,229	5,367	5,418	5,522	2,752	5,585
56420 MBTA	72,019	74,866	77,530	79,010	39,358	82,996
56430 Regional transportation Ch 161 B	26,271	25,601	26,104	23,374	11,896	20,552
56450 Parking Surcharge Ch 90	7,960	157	7,296	10,380	5,322	10,380
56440 Special Education	0	7,960	0	0	0	194
56455 School Choice Sending Tuition	18,180	28,595	30,369	29,359	15,408	33,741
56460 Charter School Sending Tuition	46,158	42,535	40,473	61,467	24,950	36,326
SUBTOTAL	235,976	244,460	251,463	273,418	131,834	255,768



Reserve for Abatements

The Reserve or Allowance for Abatements and Exemptions or Overlay is an account established annually to fund anticipated property tax abatements, exemptions and uncollected taxes in that year. The overlay reserve need not be funded by the normal appropriation process, but rather is raised on the tax rate recapitulation sheet.

The Board of Assessors process a variety of statutory exemption applications for elderly, veteran, blind and hardship taxpayers. If approved, the exemptions are funded by the Overlay Reserve for Abatements and Exemptions. Additionally, taxpayers may file for an abatement of their property taxes. If approved, the exemptions are funded by the Overlay Reserve for Abatements and Exemptions.

Massachusetts Municipal Modernization Act passed and went into effect in November 2016. The new law created a single overlay reserve to cover the costs of potential abatements or exemptions granted by the assessors or ordered by the Appellate Tax Board for any fiscal year. Now all balances in all overlay accounts for prior years will be merged into a single overlay account. An amount will still need to be raised each year to be sure there are sufficient funds to cover all the abatements and exemptions, however the amount raised in the current year may be reduced at the time the tax rate is set in November if sufficient surplus remains in the reserve.

In FY2022, the proposed funding for the Overlay Reserve for Abatements and Exemptions is \$404,661, which represents approximately 0.9% of the estimated tax levy.

Cherry Sheet Offset Items

Cherry Sheet Offset Items represent State Aid revenue that is included with the Town's revenue estimates that are provided by the State called the "Cherry Sheet." The estimates include specific revenue items dedicated to be used for certain purposes, and are received and expended outside the General Fund. Therefore, the General Fund expenditure budget must reflect an "offset" for this anticipated revenue.

The only offset item for FY2022 is \$28,793 estimated for public library grants.



Stabilization Fund Contribution

The Stabilization fund is designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (MGL Chapter 40, Section 5B). Communities may establish one or more stabilization funds for different purposes and may appropriate into them in any year an amount not to exceed ten percent of the prior year's tax levy. The total of all stabilization fund balances shall not exceed ten percent of the community's equalized value, and any interest shall be added to and become a part of the funds. A two-thirds vote of town meeting is required to establish, amend the purpose of, or appropriate money from the stabilization fund. However, funds may be appropriated into the fund by a simple majority vote.

As of June 30, 2020, the balance in the Stabilization Fund is \$5.06 million. Historically the budget had provided for an annual appropriation of \$100,000 to be added to the Stabilization Fund. However, for several years the appropriation was not possible due to financial constraints. Beginning in FY2016, the contribution to the Stabilization Fund was restored and augmented with additional funding for a total contribution of \$200,000 with Free Cash as the source. The FY2022 budget does not include a contribution to the Stabilization Fund from Free Cash due to the fiscal impacts of COVID-19. However, given the lower overall budget increases and the extra Free Cash being held in reserve, financial reserves as a percentage of the budget are estimated at 9%. Future contributions to the Stabilization Account will require a yearly review of the Town's financial position.

Overall, the Town's reserves remain within the acceptable levels prescribed by its financial policies, which is 5-10% of operating revenues. Detailed information regarding the level of reserves can be found in Appendix B, pages 9 and 10.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
STABILIZATION FUND CONTRIBUTION						
Expenses						
59950 Stabilization Fund	200,000	200,000	200,000	0	0	0
SUBTOTAL	200,000	200,000	200,000	0	0	0
TOTAL: STABILIZATION FUND CONTR.	200,000	200,000	200,000	0	0	0

***The transfer to the Stabilization Fund is voted as a separate warrant article and is not included in the warrant article for the Town Budget. ***



Reserve Fund

Authorized by state statute, the Reserve Fund provides the Town operations with an option for the funding of extraordinary or unforeseen expenditures during the year. Transfers from this account require approval of the Appropriations Committee. Beginning in FY2012 the Reserve Fund was appropriated from Free Cash as a separate Warrant Article at Town Meeting. The Reserve Fund was level funded from FY2012 through FY2015 at \$150,000 annually. In FY2016, to meet the increasing need, the budget provided for an appropriation in the Reserve Fund of \$175,000. The appropriation to the Reserve Fund remained funded at \$175,000 from FY2017 through FY2020. In FY2021, the Reserve was funded at \$375,000 to mitigate the unknown potential impacts of Covid-19. However, given the significant federal support through both the CARES Act and the American Rescue Plan, it is unlikely there will be a need to utilize the additional Reserve Fund dollars, and as a result, the appropriation for FY2022 will be reduced to pre-pandemic levels at \$175,000.

Most commonly, the Reserve Fund account has been used to make up for any snow and ice budget overdrafts. The table below shows past year “actuals” as zero because budgeted funds are transferred into other accounts when approved by the Committee, rather than expenses being charged directly to the Reserve Fund.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
RESERVE FUND						
Expenses						
59810 Reserve Fund	0	0	0	375,000	0	175,000
SUBTOTAL	0	0	0	375,000	0	175,000
TOTAL: RESERVE FUND	0	0	0	375,000	0	175,000

The transfer to the Reserve Fund is voted as a separate warrant article, and is not included in the warrant article for the Town Budget.



Warrant Articles

In addition to the individual departmental appropriations, the Town's overall annual financial plan includes warrant articles which draw upon the funds available to the Town. The warrant articles contain proposed funding using a combination of Free Cash, bond proceeds, and/or other available funds. In FY2022, these warrant articles include \$175,000 for the Reserve Fund from Free Cash, and the FY2022 Capital Improvement Plan (CIP) which in total amounts to \$1,877,250. The funding sources for the CIP are \$805,000 from Free Cash, \$292,250 from Community Preservation Funds, \$150,000 in grant funding, \$80,000 from Water Enterprise Free Cash, \$50,000 in Water Enterprise Fund bonds, and \$500,000 from Sewer Enterprise Fund bonds. The CIP totals \$1,877,250, and together with the other warrant articles the total expenditures come to \$2,052,250.

Effective in FY2012 the Board of Selectmen adopted a Free Cash Policy, which provides a funding source for projects other than municipal bonds. The Free Cash Policy is on page 2 in Appendix A of this budget document, which contains the Town's comprehensive financial policies. The Free Cash Policy and plan are discussed at length in the transmittal letter of the Capital Improvement Plan contained in Section 9-1 through 9-6 of this document.

In summary, the FY2022 Town Meeting Warrant Articles include the following:

- \$175,000 for the Appropriation Committee's Reserve Fund—Authorized by state statute, the Reserve Fund provides the Town operations with an option for the funding of extraordinary or unforeseen expenditures during the year (see page 6-18 for more detail). This article is funded from Free Cash.
- \$150,000 for Police Cruiser Replacements (CIP) — This request provides for the replacement of three patrol vehicles for the use of the Police Department. Included in the funding request is the cost of outfitting the vehicles with ancillary equipment, including radars and emergency warning equipment. This article is funded from Free Cash.
- \$80,000 for Fire Car 3 Pickup Replacement (CIP) – This request provides for the replacement of a 2012, one-ton pickup truck. This vehicle is used to carry personnel, equipment, and bulk supplies for emergency responses, inspections, and investigations.
- \$76,000 for Fire Car-1 SUV Replacement (CIP)—This request provides funds to replace the 2015 command vehicle used by the Fire Chief.
- \$115,000 for One-Ton Dump Truck w/ Plow (CIP) — This request provides funds to replace a public works truck and related equipment. This article is funded from Free Cash.
- \$74,000 for One-Ton Pickup w/ Plow (CIP) — This request provides funds to replace a public works truck and related equipment. This article is funded from Free Cash.
- \$310,000 for Roadway Maintenance and Improvements (CIP)—This request provides funds in addition to the State's Chapter 90 Transportation Bill allocation in order to maintain current road conditions in accordance with the Pavement Management Plan. This article is funded from Free Cash.
- \$500,000 for Water/Sewer SCADA System (CIP) —This request provides funds for a Supervisory Control and Data Acquisition (SCADA) system which is needed to monitor and



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Undistributed Expenses

efficiently manage the Town's Water/Sewer utility infrastructure. This request is Phase 2 of the project provides for installation and implementation of the system, which follows completion of an assessment conducted under Phase I in FY2015. Funding is intended to be provided by borrowing, with debt service intended to be paid by the Water and Sewer Enterprise Funds, to be divided 44% Water and 56% Sewer.

- \$50,000 for Water Reservoir Dam Compliance (CIP) —This request provides funds for design and permitting to breach the Reservoir Dam which is currently in poor condition. \$150,000 of this project will be funded by grants and the last \$50,000 will be funded with debt service to be paid for by the Water Enterprise Fund.
- \$80,000 Utility Tractor – Water/Sewer (CIP)— This request is to replace a 2003 utility tractor with a trailer used by the water and sewer divisions. The cost of this equipment will be divided 40% Water Enterprise Free Cash and 60% Sewer Enterprise Free Cash.



Undistributed Expenses

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		FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
		BUDGETED ⁹	BUDGETED	BUDGETED	BUDGETED	SIX MONTHS	PROPOSED
TOWN MEETING							
SPECIAL WARRANT ARTICLES							
Expenses							
51821	Fire Forestry Truck	65,000					
51823	DPW Six-Wheel Dump Truck	240,000					
51824	DPW One Ton Dump Truck	95,000					
51825	DPW Dump Truck w/ Chip Body	95,000					
51826	DPW Chipper	65,000					
51827	DPW Fisher Street Culvert Plans	50,000					
51828	DPW Crawford St Retaining Wall	200,000					
51830	Sewer Inspection Camera	110,000					
51831	Sewer W Main Pump Station	400,000					
51832	Water Service Truck Replacement	100,000					
51833*	Proctor School Roof Repairs	300,000					
51916	GIS Aerial Photography		140,000				
51917	DPW One-Ton Dump Truck		140,000				
51918	DPW Street Sweeper		231,000				
51919	DPW Skid Steer		105,000				
51921	Water Dept. Excavator		160,000				
51922	Water Main Repairs		350,000				
51923	Zeh School Boiler Replacement		357,000				
52012	Fire Ambulance Replacement			315,000			
52020	Fire Station Phase I			3,500,00			
52014	DPW One-Ton Dump Truck			90,000			
52015	DPW 20-Ton Dump Truck			271,000			
52017	Water/Sewer Garage Design			75,000			
52018	Assabet Water Tank Rehab.			70,000			
52019	School K-8 Security Upgrades			185,000			
52113	Town Offices Feasibility				100,000		
52114	DPW Wing Mower				75,000		
52116	DPW Generator				35,000		
52117	Assabet Park Improvements				102,775		
52122	Water/Sewer Garage Const				900,000		

⁹ Amounts in the table reflect the total budget for the article in the column of the year proposed. Warrant articles are generally multi-year and reflect transfers from the General Fund to Capital Project Funds or Borrowing Authorizations rather than actual expenditures, which may cross fiscal years, therefore the depiction of budget rather than actual expenditures is used in this case.

Section 6-24

Undistributed Expenses



(Continued)

FY2018 FY2019 FY2020 FY2021 FY2021 FY2022
 BUDGETED¹⁰ BUDGETED BUDGETED BUDGETED SIX MONTHS PROPOSED

**TOWN MEETING
 SPECIAL WARRANT ARTICLES**

Expenses							
52123	Assabet Water Tank Rehab				725,000		
52124	MMS Accessibility & Parking Lot				50,000		
52211*	Police Cruiser Replacements	87,000	87,000	145,000	50,000		150,000
52212	Fire Dept Pickup Truck						80,000
52213	Fire Command Vehicle						76,000
52214*	DPW Road Improvements	300,000	300,000	300,000	300,000		310,000
52215	DPW One-ton Dump Truck						115,000
52216	DPW One-ton Pickup Truck						74,000
52217	Water/Sewer SCADA System						500,000
52218	Water Reservoir Dam Compliance						50,000
52219	Water/Sewer Utility Tractor						80,000
	SUBTOTAL	2,107,000	1,870,000	4,951,000	2,337,775		1,435,000
59810	Reserve Fund	175,000	175,000	175,000	375,000		175,000
59950	Stabilization Fund	200,000	200,000	200,000	0		0
	TOTAL	2,482,000	2,245,000	5,326,000	2,712,775		1,610,000

*Multiple account numbers combined for display purposes

¹⁰ Amounts in the table reflect the total budget for the article in the column of the year proposed. Warrant articles are generally multi-year and reflect transfers from the General Fund to Capital Project Funds or Borrowing Authorizations rather than actual expenditures, which may cross fiscal years, therefore the depiction of budget rather than actual expenditures is used in this case.

Public Education

Section 7



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Northborough K-8 Public Schools

It is the mission of the Public Schools of Northborough to maximize academic achievement, social responsibility and lifelong learning by attending to the intellectual and developmental needs of individual students in supportive classroom environments.

The Northborough School Committee consists of five (5) members elected by the voters of the Town of Northborough. The Northborough Public School System serves children in grades Kindergarten through eighth. There are four elementary schools: the Fannie E. Proctor School, the Lincoln Street School, the Marion E. Zeh School, and the Marguerite E. Peaslee School. These four schools serve children from Kindergarten through grade five. There is also one middle school, the Robert E. Melican Middle School, which serves grades six through eight.

In FY2022, the proposed K-8 School budget is an increase of \$621,834 or 2.47%.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
NORTHBOROUGH K-8 SCHOOLS						
K-8 School Department	23,297,829	24,263,961	24,492,750	25,177,844	8,974,557	25,799,678
TOTAL	23,297,829	24,263,961	24,492,750	25,177,844	8,974,557	25,799,678

School	Grade	K	1	2	3	4	5	6	7	8	Totals
Lincoln		38	39	40	53	44	45				259
Peaslee		37	41	43	35	57	62				275
Proctor		35	49	36	38	39	41				238
Zeh		36	39	39	38	40	43				235
Melican								176	160	183	519
		146	168	158	164	180	191	176	160	183	1526

*Approximately 47 Northborough Pre-K students attend school in Southborough

****For detailed information regarding the Northborough K-8 Public School budget, initiatives and goals, please see the School Superintendent's FY2022 budget.****



Northborough-Southborough Regional High School

The Northborough-Southborough Regional School Committee consists of five (5) members from Northborough and five (5) members from Southborough. The Northborough-Southborough Regional School District houses students from grades nine through twelve in Algonquin Regional High School. Algonquin is a comprehensive high school; that is, a school designed to meet the needs of a variety of students, including students preparing to enter a four-year college or university, students who will continue their education for a shorter period of time in a junior college, vocational or technical school, and students preparing to enter the workforce. Approximately 90% of Algonquin graduates enter post-secondary education institutions.

The Northborough-Southborough Regional High School budget is composed of an operating assessment and a debt assessment related to the completed renovation/addition project. The FY2022 operating assessment is \$13,004,868 which is a \$417,693 increase, or 3.32%. The debt for ARHS increases by \$15,617, or 2.47%, to \$647,846. Additionally, the debt exclusion will be reduced by approximately \$220,000 which is the amount of the estimated FY2022 settlement payment from the Town of Southborough as a result of the declaratory judgement for the renovation/addition project. The net effect of the combined operating and debt assessment is an overall budget increase of \$433,310, or 3.28%, to \$13,652,714.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
ALGONQUIN REGIONAL HIGH SCHOOL						
19981 Algonquin Regional Assessment	10,406,325	11,304,714	12,252,514	12,587,175	6,293,588	13,004,868
19981 Debt- Exclusion – Prop 2 1/2	660,574	610,774	621,442	632,229	316,115	647,846
19981 Debt – Not Excluded	0	0	0	0	0	0
TOTAL	11,066,899	11,915,488	12,873,955	13,219,404	6,609,702	13,652,714

	Grade				
Town	9	10	11	12	Totals
Northborough	194	204	194	269	861
Southborough	118	116	125	133	492
Other	2	2	2	2	8
	314	322	321	404	1361

****For detailed information regarding the Northborough/Southborough Regional High School budget, initiatives and goals, please see the School Superintendent’s FY2022 budget.****



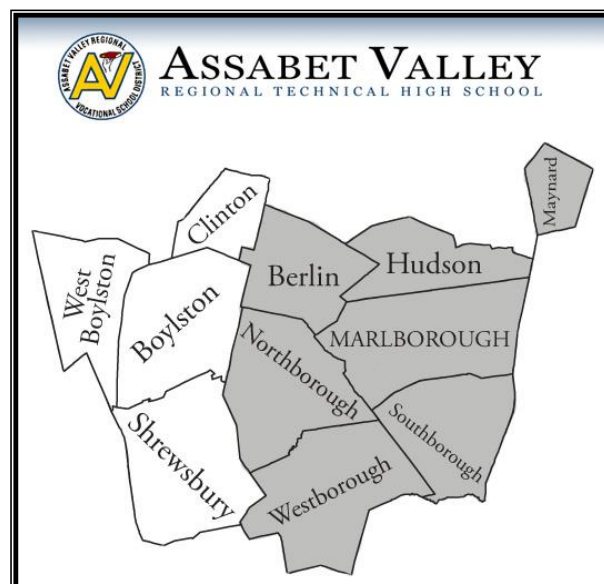
Assabet Valley Regional Technical High School

Assabet Valley Regional Technical High School is a vocational school composed of the member communities of Berlin, Hudson, Marlborough, Maynard, Northborough, Southborough and Westborough. Northborough’s assessment is based upon the number of students from Town attending the school. The total FY2022 budget is \$23,104,000 which is an increase of \$667,000, or 2.97%.

As of October 1, 2020, 59 Northborough students attend Assabet Valley, which results in an operating assessment of \$934,658. This is an enrollment increase of 6 students from the 53 Northborough students that attended Assabet Valley last year. Northborough’s FY2022 share of the debt assessment from the completed building renovation project is \$133,832, which will continue to decline in subsequent years. The net effect of the combined operating assessment and new debt service is \$1,068,490 which is an increase of \$65,644, or 6.55%.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
ASSABET VALLEY REG TECH HIGH SCH						
53260 Assabet Regional Assessment	741,661	612,406	694,822	865,186	432,593	934,658
53265 Assabet Non-Excluded Debt	151,232	145,316	141,488	137,660	137,660	133,832
TOTAL	892,893	757,722	836,310	1,002,846	570,253	1,068,490

****For more information regarding the Assabet Valley Regional Technical High School budget, initiatives and goals, please see the Assabet Valley’s School Superintendent’s FY2022 budget.****





Norfolk County Agricultural High School

Norfolk County Agricultural High School (NCAHS) is a public high school located in Walpole that currently enrolls over 500 students from the 28 towns of Norfolk County as well as more than 40 out-of-county (tuition) towns.

In prior years Northborough has borne the expense of tuition and transportation to the NCAHS in the Town’s portion of the budget. This expense is borne by the Town because students have the freedom to seek admission to schools with state-approved vocational technical education programs pursuant to M.G.L. c. 74 603 CMR 4.00 and are known as Chapter 74 approved programs. Since the Town of Northborough did not offer the particular vocational technical education program in which the student was interested, either at the high school or the regional vocational technical high school to which the town belongs, the student then had the option to apply to any school which offered such a program.

Following several years of no NCAHS expenses, the Town was notified that a student applied for admission and was accepted, under the Chapter 74 non-resident option, to the NCAHS program. Once accepted the Town is required to bear the full cost of both tuition and transportation. The FY2022 cost for one student’s tuition and transportation costs is \$38,500.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
NORFOLK AGRICULTURAL HIGH SCHOOL						
56470 Norfolk Agricultural Assessment	27,042	0	0	0	0	38,500
TOTAL	27,042	0	0	0	0	38,500

Enterprise Funds

Section 8



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Solid Waste Enterprise Fund Statement

On January 1, 2003 the Town began a fee-based solid waste program commonly referred to as “Pay-As-You-Throw” (PAYT). The PAYT program is overseen by the Town Engineer and requires residents to use Town of Northborough designated trash bags in order to have their trash and recycling collected at curbside by the Town’s contractor. The PAYT program is operated as an enterprise fund intended to generate fee revenue to cover a portion of the solid waste and recycling collection and disposal costs previously provided within the tax base.

An enterprise fund, authorized by MGL Ch. 44 §53F½, is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery—direct, indirect, and capital costs—are identified. This allows the community the option to recover total service costs through user fees. Enterprise accounting also enables communities to reserve as unrestricted the "surplus" or net assets generated by the operation of the enterprise rather than closing it out to the General Fund at year-end. Services that may be treated as enterprises include, but are not limited to, solid waste, water and sewer services.

Significant FY2022 Budget Changes or Initiatives

Recycling markets throughout the United States are going through a difficult and complicated transition. For many years China had been the primary market for our country’s recyclable materials. They offered the unique benefit of available shipping containers here in the United States that needed to go back to China, which had been loaded with recyclable materials. In early 2018 China revised their specifications for acceptance of recyclable materials to an unachievably low contamination standard, which eliminated the option of exporting these commodities to China. This has resulted in the need for a fast and drastic change to the market for recyclable materials here in the United States.

The impact to central Massachusetts is similar to that of the rest of our nation. In years past, the value of recyclable materials would offset the cost of collecting and sorting them, which is no longer the case. As an example, certain materials which are heavy and costly to process for recycling, such as glass, have no market value, while others have very limited value due to an overabundance of availability. It can be summarized simply that there is far too much supply with very little demand. Market instability is projected to continue until new material recovery facilities can be brought on-line here in the United States and in emerging countries around the world. The cost of this transition unfortunately is being borne by communities such as ours. MassDEP regulations prohibit recyclable materials from entering the solid waste stream; therefore, collection and processing is mandated.

In 2019, the Engineering Department issued an Invitation for Bids (IFB) for solid waste collection and recyclable materials collection and disposal. As part of this IFB, alternate prices were also sought for a collection contract which included the requirement for the contractor to deliver the recyclable materials to a recycling facility of the Town’s choice. Under this option, the Town would be responsible for all costs associated with the processing and marketing



Section 8-2 Solid Waste Enterprise Fund

materials as part of a separate contract between the Town and a recycling facility. This option was an attempt to control the future recycling costs being passed on to the Town. After significant review of the recycling market and the bids received, the Town decided not to exercise that option, but rather to enter into a new three (3) year contract with two (2) one-year extensions at the Town's option with our previous contractor, Republic Services. This new contract includes significant increases in the collection of both solid waste and recycling materials along with the disposal and marketing of the recyclable materials, as the previous contract had increased by only 4% over the previous 8 years. This new contract also includes an annual Recycling Net Processing Cost Adjustment, which will allow the Town to maintain costs associated with current recycling market trends and to minimize future significant increases. The options in years four and five also afford the Town the ability to go back out to bid for another collection contract should new opportunities for savings become available.

Overall, the Solid Waste and Recycling budget is increasing \$45,594, or 5.22%. The FY2022 fee revenues are projected to be \$488,000 and the FY2022 expenses are estimated at \$919,144 leaving a projected general fund subsidy of \$337,160 in addition to a transfer from the Solid Waste Fund Free Cash of \$93,984. In FY2022, the appropriation will again contain a \$10,000 Contingency Reserve account within the Solid Waste Fund to ensure adequate funding for the potential of an unforeseen event in the coming year.

As a result of the fees projected to be collected and the FY2022 expenses of \$919,144 a General Fund subsidy of \$337,160 is recommended in order to balance the Enterprise Fund. The following is a detailed explanation regarding projected revenues, overhead costs, disposal costs, projected tonnage for disposal and collection costs.

PAYT Revenues and Overhead Costs:

The Town continues to offer two sizes of bags and the bag fee was last revised in January of 2007 and remains set at \$3.00/large bag and \$1.50/small bag. Additional fees were also created to help reduce the shortfall between revenues and expenditures. A fee of \$10 per box was instituted for the disposal of hazardous waste at the annual Household Hazardous Waste Day event in September of 2005. In addition, a sticker fee of \$10 per item for the disposal of large/bulky items set out at the curb was instituted in March of 2006.

As can be seen in the Trash and Recycling Comparison Chart on page 8-5, trash and recycling disposal tonnage has been fairly constant for the last several years. Consistent trash tonnage and consistent bag prices have resulted in a stable revenue stream of approximately \$488,000 each of the last few years.

During FY2022, the Town received \$7,800 as part of the Department of Environmental Protection's Recycling Dividends Fund program which provides payments to municipalities that have implemented specific programs and policies proven to maximize reuse, recycling and waste reduction. This money will be used to offset the cost of purchasing recycling bins and to offset the cost of producing and mailing the recycling calendar to each household in June. Due to the possibility of future state budget cuts, the Solid Waste budget also includes \$5,000 to cover these costs in FY2022.



In an effort to minimize additional staff workload the Town now works W.B. Mason to warehouse and distribute trash bags and bulk item labels to the authorized retailers at a cost of \$.02 per bag or label. The total projected FY2022 overhead costs for the Pay-As-You-Throw program (purchase of bags, stickers, labels and their distribution) is estimated at \$60,000.

The Solid Waste budget also includes the cost of removing and disposing of the yard waste material (brush, leaves and grass) residents dispose of at the Highway Garage. The State Department of Environmental Protection banned yard waste, which includes grass and leaves, from the list of acceptable items that can be disposed of in landfills and incinerators/resource recovery facilities in 1991. The total cost for disposal of all yard waste is estimated to be \$90,000 for FY2022.

Disposal Costs and Projected Tip Fee:

In accordance with the Waste Disposal Agreement with Wheelabrator Millbury, Inc. as revised in 2014, the tip fee is to be adjusted each year on July 1st based upon the amount of change in the Consumer Price Index (CPI) for urban wage earners and clerical workers-Northeast Urban beginning on July 1, 2017. As outlined in the agreement, the current tip fee is \$69.82/ton and based upon the most recent information from the Bureau of Labor and Statistics and the formula in the agreement, the tip fee for FY2022 has been estimated at \$72.00/ton, which will apply to the amount of trash disposed of between 7/1/21 and 6/30/22.

Under the terms of the new contract for solid waste/recyclable materials collection and disposal, the Town is also responsible for an annual Recycling Net Processing Cost Adjustment. In accordance with the terms of the contract and due to the improved quality of the recycling material being processed at the facility, the Recycling Net Processing Cost Adjustment has been set as a credit of \$8.15 per ton for the actual amount of recycling materials collected in calendar year 2020 (1100 tons), resulting in a disposal cost credit of \$8,965 for FY22.

Projected Solid Waste Tonnage for FY2022:

Actual tonnage for the last 12 months (calendar year 2020) was 2,097 tons, which reflects a 9.0% increase from the previous 12 months. Based on the number of new building permits for single family homes (8) during the last 12 months, the growth rate was 0.1%. The projected tonnage for FY2022 is approximately 2288 tons (2,097 X 1.09 X 1.001). Therefore, using 2,300 tons of solid waste to be disposed of, results in a FY2022 budget of \$165,600 based upon the projected tipping fee of \$72.00/ton.

Collection Costs:

On July 1, 2019 the Town entered into a new three-year agreement with Republic Services, Inc. for solid waste/recyclable materials collection and disposal, which will continue service to the Town through FY2022 at which time the Town may either continue under this agreement for an additional year, or issue another Invitation for Bids. Under this contract, collection costs will increase by 3% in FY2022. The total FY2022 collection costs are \$585,159, which consists of \$272,970 for Trash Collection and \$312,189 for Recycling Collection and Disposal.

Section 8-4

Solid Waste Enterprise Fund



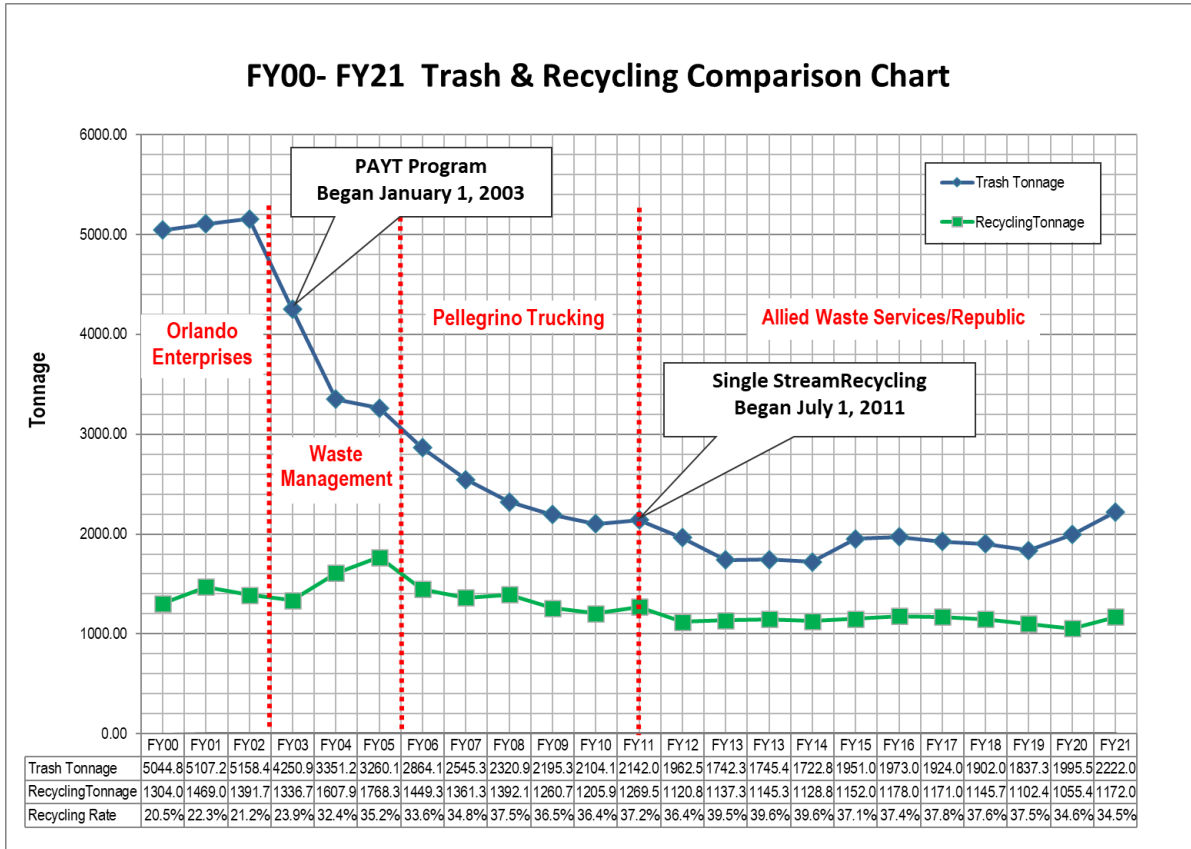
		FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
		ACTUAL	ACTUAL	ACTUAL	BUDGETED	6 MONTHS	PROPOSED
SOLID WASTE ENTERPRISE FUND							
Expenses	Services						
52810	Unclassified	127,467	100,993	133,434	137,350	125,332	167,350
52910	Collection	481,955	494,190	551,568	568,115	284,057	585,159
57810	Disposal	129,675	136,795	139,973	158,085	68,392	156,635
59810	Extra Ordinary & Unforeseen Exp.	0	0	0	10,000	0	10,000
	SUBTOTAL	739,097	731,978	824,976	873,550	477,782	919,144
TOTAL:	SOLID WASTE	739,097	731,978	824,976	873,550	477,782	919,144

Additional Solid Waste Budget Detail

Unclassified:	
Newsletter, training, bins and misc. supplies:	\$5,000
Disposal of illegal dumping:	\$2,000
Household Hazardous Waste Day:	\$10,000
Pay-As-You-Throw costs:	\$60,000
Disposal of Yard Waste	\$90,000
SWANA Membership	\$225
SWANA Meetings	\$125
Sub-total	\$167,350
Solid Waste & Recycling Collection:	
Trash Collection:	\$272,970
Recycling Collection:	\$312,189
Sub-total	\$585,159
Solid Waste & Recycling Disposal Adjustment:	
7/1/21 - 6/30/22: 2,300 tons x \$72.00/ton	\$165,600
7/1/21 - 6/30/22: 1,100 tons x (\$8.15) /ton	(\$8,965)
Sub-total	\$156,635
Contingency Reserve	
Sub-total	\$10,000
Grand Total	\$919,144



Waste & Recycling Trends from FY2000 to FY2021



Since its inception on January 1, 2003 the PAYT program has provided significant incentive to participants to reduce waste and increase recycling. Trash went from a high of 5,158 tons in FY2002 steadily downward to 1,722 tons in FY2014 and has only recently started to increase. In addition, recycling rates have risen from 21% in FY2002 to approximately 39% in FY2014 and are holding steady. The difference between the 5,158 tons of trash in FY2002 and the 2,300 tons of trash projected to be disposed in FY2022 is 2,858. In FY2022 that difference, multiplied by the projected disposal rate of \$72.00/ton, represents approximately \$205,776 in cost avoidance.



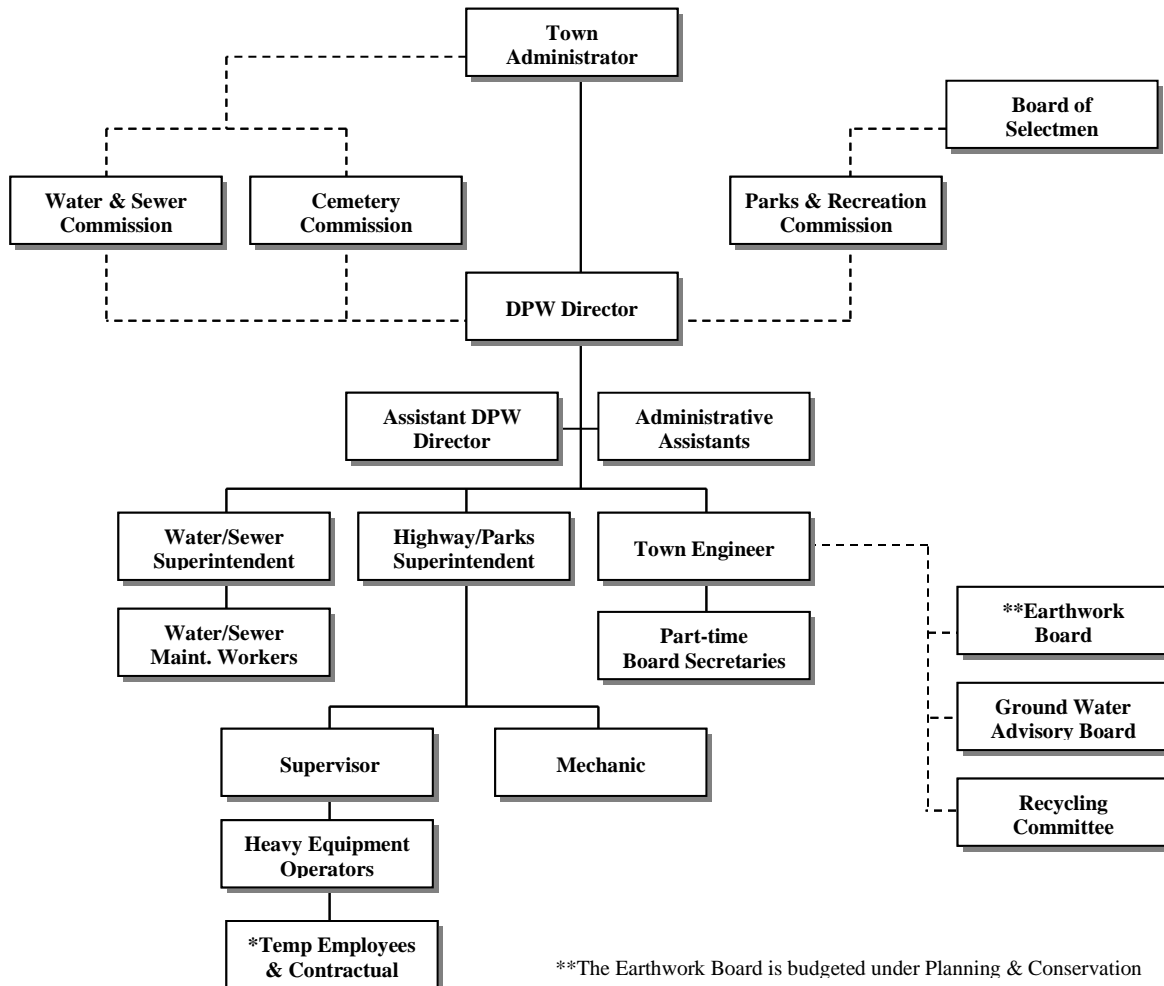
Water & Sewer Enterprise Funds

The Water and Sewer Divisions operate and maintain the Town’s public water and sewer systems and related facilities. The Water and Sewer Divisions are operated as enterprise funds. Briefly, an enterprise fund as authorized under MGL Ch. 44 §53F½ is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery—direct, indirect, and capital costs—are identified. This allows the community to recover total service costs through user fees if it chooses. For purposes of providing a departmental overview, personnel summary and goals/objectives, the Water & Sewer Divisions are included within Department of Public Works (DPW) Section 4 of the budget. The actual line item budgets associated with the Water and Sewer enterprise funds are contained here in Section 8 of this budget document.

Water & Sewer Commission

In addition to the DPW staff, the Water & Sewer Commission provides advisory oversight to the enterprise funds. The Water & Sewer Commission consists of three members appointed by the Town Administrator for three-year terms. The Commission is responsible for the development of policies, fees, rules and regulations pertaining to the care, superintendence, development and management of the Town's water supply and facilities and the Town's sewerage system. The DPW Director serves as the staff liaison to the Water & Sewer Commission.

DPW Organizational Chart



**The Earthwork Board is budgeted under Planning & Conservation



Background on the Northborough Water System

Northborough's Water System was first authorized by the State Legislature in 1882. A small portion of Town was originally served from the Northborough Reservoir located in Shrewsbury and Boylston before it was taken out of service in 1955. The connection to what is now called the Massachusetts Water Resources Authority (MWRA)¹ was initiated in 1954. The Town's four wells came online later. The Brigham Street well was brought online in 1956; the Lyman Street well was brought online in 1964; the Crawford Street well was brought online in 1969; and the Howard Street well was brought online in 1994.

In the past, the Town operated its own wells and supplemented production from the wells with water purchased from the MWRA. The MWRA water was originally provided directly from the Wachusett Aqueduct. When the Wachusett Aqueduct was shut down for repair in 2000, the water provided by the MWRA to the Town came through a connection in Bartlett Street. This is connected to the new MWRA Carroll Water Treatment facility in Marlborough.

From 2000 to 2009, all the Town's water was being purchased from the MWRA because the well water was chemically incompatible with the water being provided by the MWRA. The Town well water has a pH of 6.5, and the new MWRA water source has a pH of 9. The higher pH in the MWRA water causes the Town's well water to drop the naturally occurring iron and manganese out of solution and turn the water red.

To address requirements of the Safe Drinking Water Act and to make the Town's water compatible, treatment alternatives were evaluated. The Town's consultant designed a new chemical addition facility at the Lyman Street well which the Town subsequently built. The Lyman Street well was reactivated in 2009 and produced approximately 225,000 gallons per day of the necessary 1 million gallons per day of average daily water usage in Northborough. Unfortunately, in June 2011, routine testing of the Lyman Street well indicated the presence of bacteria and the well was taken offline.

The Town then contracted with an engineering consultant to evaluate the Town's long-term water supply and distribution needs. The evaluation used historical population data and regional studies to project future water system demands for a 20-year period. Raw and finished water quality data will be reviewed to determine required improvements for treatment facilities to comply with current and future drinking water standards. The local well supplies were then contrasted with MWRA interconnections and a cost-benefit analysis performed to see if the Town should:

- Utilize the Town's existing wells (and possibly additional subsurface supplies through exploration) with added treatment facilities to meet the water consumption demands,
- Utilize the Town's existing wells along with MWRA interconnection for summer peak demands, or
- Utilize MWRA interconnection for all water supply needs.

¹ The MWRA is a public authority established under Chapter 372 of the Acts of 1984. The MWRA is an independent authority that provides wholesale water and sewer services to its customer communities and funds its operations primarily through user assessments and charges.

Section 8-8 Water & Sewer Enterprise Funds

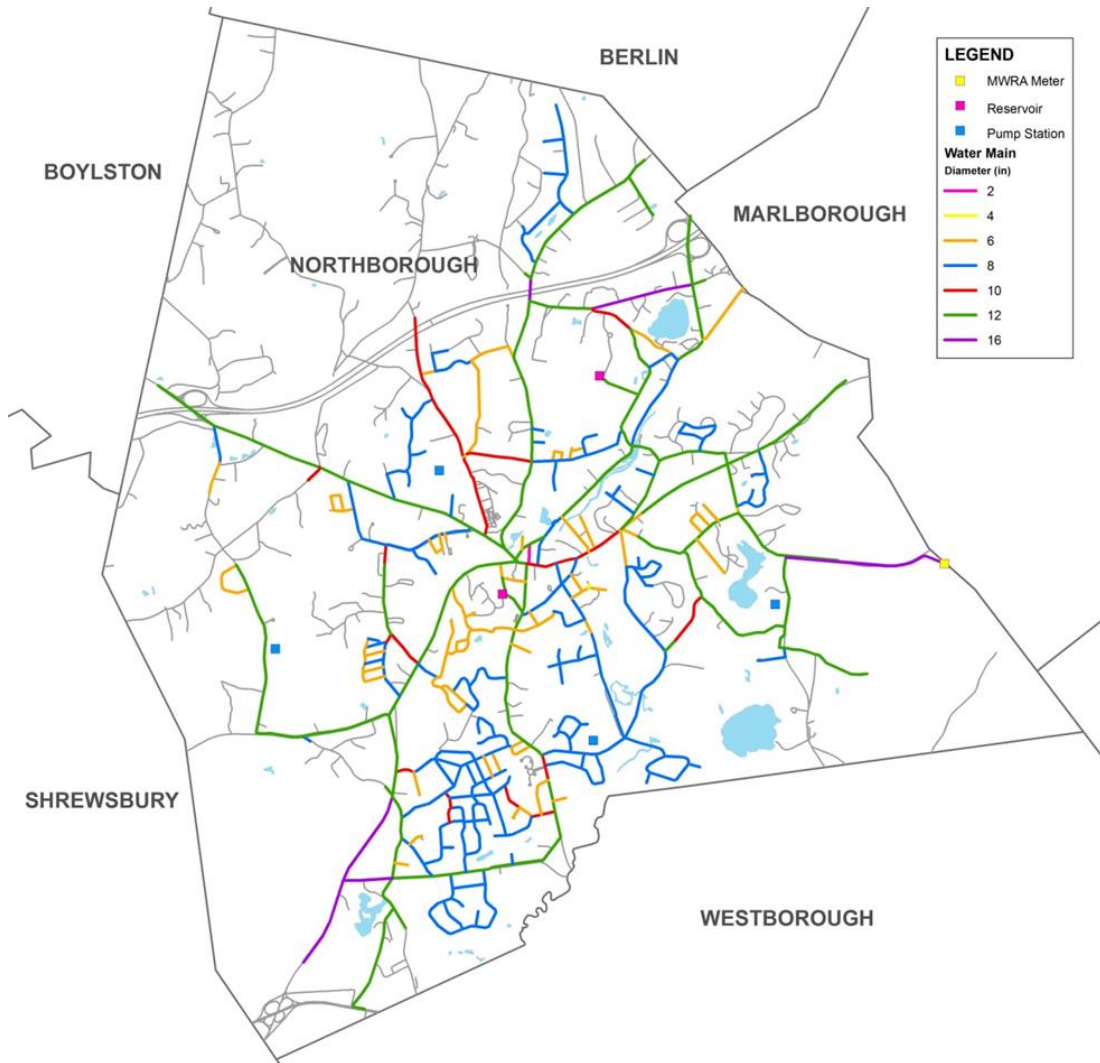


In order to fully determine which of the three options outlined above would be the best option for the Town, a water system master plan was prepared. The master plan focused on the entire potable water system and its ability to provide the Town with the most cost-effective method of delivering safe, clean potable water to the residents. The study included reviewing sustainable sources of water supply as well as evaluating the current distribution model, calibrating the model and calculating storage and system operating pressures.

The evaluation determined that while our distribution system is basically sound, the town-owned wells cannot supply the current water demand of an average of 0.87 million gallons per day (MGD) and a maximum or peak demand of 1.73 MGD. The Town is capable of pumping 1.02 MGD but it is limited by the Department of Environmental Protection to withdrawal of only 0.74 MGD from the aquifer. At present, the Town receives 100% of its water from the MWRA and the four wells remain off-line in an emergency only capacity.

Approximately 80% of the Town receives water from the public water supply system. The map below shows the water system service area.

Northborough Water System Map





Significant FY2022 Budget Changes or Initiatives

The FY2022 Water Enterprise Fund is budgeted at \$2,961,675 which is an increase of \$360,705 or 13.9%. This increase is due to one major factor which is the projected MWRA annual assessment increase of \$345,583 (24.3%) that accounts for nearly 96% of the total budget increase. Also included are contractual labor increases and mandated semiannual systemwide leak detection. The reason for the substantial increase to the MWRA assessment is a shift in water use among the MWRA communities. The City of Boston and other large metropolitan members used less water during the pandemic. The result was a shift in Northborough's share of the total MWRA budget, disproportionately driving up our FY2022 assessment.

In the second quarter of FY2014, a base charge was added to each water account to recover a portion of fixed costs paid from the enterprise funds such as debt, meter reading, billing and collection, regardless of the amount of water usage. Based upon formal rate studies, the water utility user rates are expected to increase approximately 4%-5% per year due to a combination of inflationary pressures (2-3% annually), annual water use fluctuations which trend downward between 0.5% and 1.0% due to mandated conservation measures, and the need to make regular infrastructure investments. The FY2022 rates will be adjusted based upon a detailed rate study but are projected to increase between 5% and 6%. The remainder of this year's expected one-time budget increase will be paid for by allocating \$316,548 from available fund balance toward the operating budget. It is expected that the Town's percentage of MWRA water use will return to pre-pandemic levels when the economy fully opens.

The FY2022 proposed Capital Budget also includes the purchase of a replacement utility tractor to be paid for out of enterprise fund balance in the amount of \$32,000. The remaining funds after the operational budget allocation and capital equipment purchase will be \$284,599 or 10% of the operating budget, within the recommended industry standard fund balance of 10-25%.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
WATER ENTERPRISE FUND						
Personnel Services						
² 51010 Full-time Wages	161,646	164,014	173,925	164,850	77,625	172,481
³ 51100 Full-time Salary	34,306	35,689	37,130	38,252	17,971	39,797
⁴ 51120 Full-time Permanent wages	35,081	35,780	36,772	37,359	17,612	38,106
⁵ 51130 W&S Commissioner Stipends	1,080	1,080	1,080	1,080	0	1,080
⁶ 51135 GIS Salary	13,912	14,329	14,760	15,400	15,400	15,708
51300 Overtime	37,865	44,117	41,915	44,803	25,600	46,877
51410 Longevity Pay	1,230	1,320	1,410	1,620	1,620	1,725
51970 Stipends	1,080	900	950	950	0	950
51920 Uniforms	1,800	1,800	2,280	2,280	1,140	2,280
SUBTOTAL	288,000	299,029	310,223	306,594	156,968	319,004

² Line 51010 represents 60% of the Water/Sewer Supervisor salary and Water/Sewer Maintenance Workers' wages. The other 40% of these personnel expenses are included in the Sewer Enterprise Fund budget.

³ Line 51100 represents 30% (12 hrs/ week) of the DPW Director's salary. 20% is reflected in the Sewer Enterprise Fund Budget and the balance (50%) is included in the DPW budget Section 4 of this document.

⁴ Line 51120 represents 24 hours per week of an Administrative Assistant

⁵ Line 51130 represents the three Water & Sewer Commissioners who receive \$600 each per year, split 40% (\$720) Sewer Fund Budget and 60% (\$1,080) Water Fund Budget

⁶ Line 51135 represents 15% (6 hours per week) of the GIS Director's time supporting the Water Enterprise fund.

Section 8-10

Water & Sewer Enterprise Funds



	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
WATER ENTERPRISE FUND						
Expenses						
51710 Workers' Compensation	12,495	13,174	13,438	12,180	12,180	12,180
51730 F.I.C.A.	4,587	3,785	4,806	5,037	5,037	5,037
51740 Life Insurance	88	88	88	88	88	88
51750 Health Insurance	55,488	53,307	49,481	48,751	48,751	49,124
52110 Utilities	16,240	15,722	16,101	16,500	5,149	17,300
52610 Building Maintenance	6,958	18,054	3,564	13,300	1,993	13,300
52620 Equipment Maintenance	4,190	9,317	6,160	18,000	4,507	18,000
52800 Contractual Services	138,556	71,117	162,498	170,494	29,719	170,974
52850 Audit	1,911	1,949	2,008	2,899	0	2,961
53020 Legal Services	833	0	833	5,000	168	5,000
53110 Printing	8,549	7,838	5,856	9,072	2,726	9,072
53170 Water Analysis	7,359	2,074	563	5,500	0	5,500
53190 Training	5,232	7,061	6,997	8,325	4,206	8,825
54290 Office Supplies	1,389	800	653	1,500	254	1,500
54350 Howard Street Well	0	0	0	0	0	0
54370 Private Work	0	0	0	0	0	0
54380 Brigham Street Well	0	0	0	0	0	0
54390 MWRA Assessment	1,240,294	1,271,058	1,312,356	1,422,346	711,173	1,767,929
54400 Lyman Street Well	0	0	0	0	0	0
54410 Crawford Street Well	0	0	0	0	0	0
54420 Materials & Supplies	41,617	103,158	95,040	132,900	36,972	132,900
54820 Gasoline	10,545	10,545	10,545	10,545	10,545	10,545
55990 Chemicals	0	0		0	0	0
56220 Worcester Regional Retirement	42,527	47,225	33,340	37,993	37,993	34,940
57110 Travel/Mileage	520	403	404	600	93	600
57410 Liability/Building Insurance	16,798	17,639	17,639.00	18,131	18,130	18,131
58530 Capital Outlay	0	0	0	0	0	0
59810 Extraordinary and Unforeseen	0	0	0	75,000	0	75,000
SUBTOTAL	1,616,175	1,654,314	1,742,370	2,014,161	929,683	2,358,906



Water & Sewer Enterprise Funds

Section 8-11

FY2018 FY2019 FY2020 FY2021 FY2021 FY2022
ACTUAL ACTUAL ACTUAL BUDGETED SIX MONTHS PROPOSED

WATER ENTERPRISE FUND

Expenses (Debt Service)

59100 Principal / Long Term Debt	280,755	281,605	272,855	234,858	0	218,814
59150 Interest / Long Term Debt	59,659	52,924	46,117	39,182	19,591	33,576
59270 Interest / Temporary Loans	0	0	0	0	0	24,100
59280 Issuance Costs	0	0	0	6,175	0	7,275
SUBTOTAL	340,415	334,529	318,973	280,215	19,591	283,765

TOTAL: WATER ENTERPRISE FUND	2,244,589	2,287,872	2,371,565	2,600,970	1,106,242	2,961,675
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Section 8-12 Water & Sewer Enterprise Funds



Background on the Northborough Sewer System

The Town operates a collection system of sewer pipes that bring sewerage to the City of Marlborough's Westerly Wastewater Treatment Plant where it is treated and discharged into the Assabet River. When the sewer system was started in the mid 1960's it was designed to service only the central portion of Town. While sewer pipe installation did not start until the 1970's, in 1964 land was purchased for a Northborough sewage treatment plant on Boundary Street.

In the late 1960's when the Town of Northborough attempted to obtain approvals for a sewerage treatment plant from the Massachusetts Department of Public Health, the regulators told the Town that since Marlborough was building a plant across the roadway on Boundary Street, that they would not allow two plants across the street and side-by-side with each other on the river. As a result, the Town of Northborough was required to become a partner in the Marlborough Westerly Wastewater Treatment Plant by entering into an Intermunicipal Agreement with the City of Marlborough for sewerage treatment.

In 1970, the Town of Northborough entered into the first of two twenty-year agreements with Marlborough for 800,000 gallons per day. The Marlborough Westerly Plant has a design capacity of 2.89 million gallons per day (MGD). Therefore, Marlborough's portion is 2.09 MGD and Northborough's is 0.80 MGD. While our sewer pipe installation has continued into the present in accordance with a Master Plan initially generated in the early 1980's, the Town's sewer capacity at the Westerly Plant has not changed since the original 1970 agreement. It has remained at 0.80 MGD.

Sewer service area and future capacity needs

In the late 1970's the Town hired the engineering firm of Camp Dresser & McKee (CDM) to begin developing the sewer system and mapping out the sewer service area for the Town. It was estimated that the sewerage to be contributed by the users in the original sewer service area would use the full 0.80 MGD of sewer capacity. Therefore, as long as the Town's capacity at the treatment plant remains at 0.80 MGD, it cannot provide sewer to any other parts of Town currently outside of the sewer service area.

During 2000, CDM updated the sewer service area and determined that there was only 50,000 gallons per day of sewer capacity for development of the southeast and southwest industrial areas. The Avalon Bay/Northborough Crossing development is now complete and discharges approximately 80,000 gallons per day. Not only does this use up the 50,000 gallons per day allocated for industrial development, but it also uses 30,000 gallons per day more of capacity previously targeted for existing residential areas in Town. Therefore, it is critical for the Town to pursue additional capacity at the Marlborough Westerly Wastewater Treatment Plant. Should the Town not be successful in getting additional capacity, the amount of capacity previously designated for users within the sewer service area will need to be reduced by 30,000 gallons per day to stay within our 0.80 MGD.

Assabet Consortium Study

In 2000, Town Meeting authorized \$500,000 to study the Town's current sewer needs through the Assabet River Consortium Study. The Assabet Consortium Study is a collaboration of the six towns whose sewerage treatment plants discharge to the Assabet River; these include Northborough, Marlborough, Westborough, Shrewsbury, Hudson and Maynard. As part of the discharge permit for each sewerage treatment plant (there are four) each Town must produce a study that evaluates the effect of the treatment plant's discharge on the Assabet River. The



engineering firm of Fay, Spofford & Thorndike (FST), was hired to do the study for the Town of Northborough. FST inventoried the Board of Health records for septic system failures, excessive pumping, Building Department records for building construction, soils maps, zoning and other applicable files and information to calculate the sewer capacity necessary to service the entire Town of Northborough. They determined that the Town, including existing users, would need 1.25 MGD. This means that there is not enough capacity in the existing sewage treatment plant for the Town to provide sewer to every area that needs it. Marlborough's consultant determined that Marlborough also needed additional capacity. Between Northborough & Marlborough the total sewage treatment capacity needed is 4.15 MGD. With the plant capacity permitted for 2.89 MGD, the deficit is 1.26 MGD.

Through the Assabet Consortium Study process, the Department of Environmental Protection (DEP) and the Federal Environmental Protection Agency (EPA) originally informed the Town that no additional flows would be permitted into the Assabet River. Therefore, the additional 4.15 MGD of capacity necessary for Northborough and Marlborough must be handled by infiltrating it into the ground through subsurface discharge. Even though the effluent water is treated to just about drinkable standards, the DEP and EPA goal is to replenish the ground water rather than let it flow away down the river.

Haitsma Property Acquisition

At the August 10, 2004 Special Town Meeting the Town opted to purchase, through the Chapter 61A tax relief statute, the Haitsma farm at 455 Main Street. The primary purpose of this land was to serve future sewer utility expansion, thus allowing proper build-out and economic development of the Town. According to the Town's consultants, an additional 1.5 MGD of sewer capacity could be achieved through subsurface disposal on the Haitsma property, if needed. However, the cost would be significantly higher than discharging to the river. Consultants for Marlborough and Northborough proposed putting all the additional flows into the river because of the negative environmental impact of clearing all the land necessary to put the additional flows into the ground as well as the additional energy costs of the subsurface disposal. Further evaluation by the Town's consultant in 2018 determined that subsurface disposal of effluent at the Haitsma property would likely result in the discharge entering the Assabet River due to the local hydrogeologic conditions, calling into question the viability of subsurface disposal at that location.

Status of the Marlborough Westerly plant expansion

On November 16, 2009, after spending more than 8 years working with both the State DEP and Federal EPA, the National Pollutant Discharge Elimination System (NPDES) Permit modification for the Marlborough Westerly Treatment Plant was finally granted. This is the permit that allows the Westerly Treatment Plant additional flow into the Assabet River, instead of more expensive alternatives such as subsurface disposal on the Haitsma property. The NPDES permit modification also included significant and expensive upgrades to water treatment, particularly with regard to phosphorus discharge limits.

Unfortunately, after granting the increase in flow, the EPA abruptly and unexpectedly decided to rescind the NPDES permit on February 23, 2010. However, since the granting of the permit, Marlborough has completed the \$30 million expansion and upgrades to the plant and although the plant is seeing great results on the quality of the effluent, it is coming at a significant increase in operational costs. Under the proposed Intermunicipal Agreement, the Town of Northborough will owe 30% of the cost of construction. It remains to be seen how the issue of additional capacity will be resolved, but the EPA has indicated that it intends to take up the matter as part of

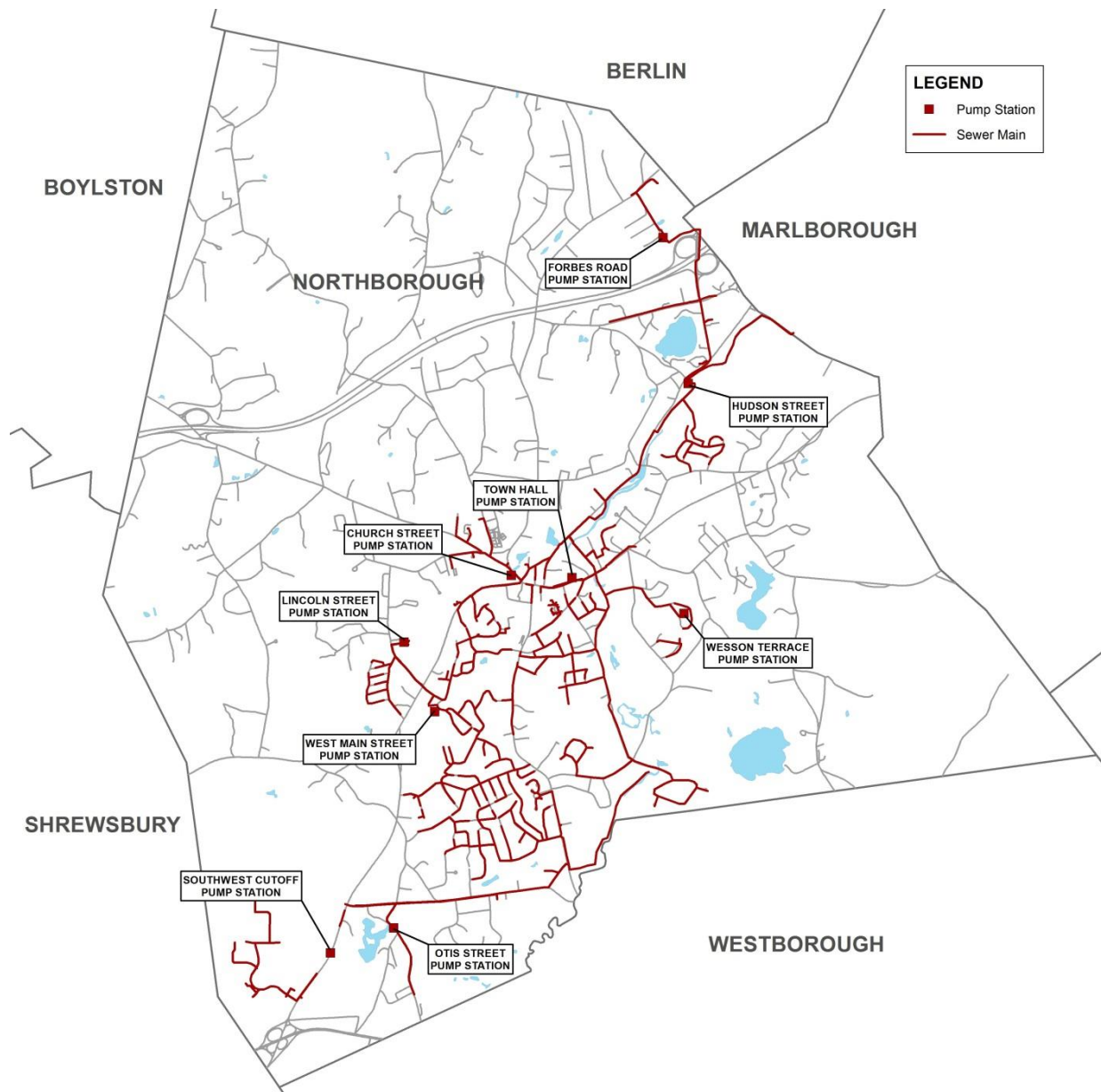
Section 8-14 Water & Sewer Enterprise Funds



the renewal process for the existing NPDES permit for the Marlborough Westerly Plant. Unfortunately, given the EPA's delays and the expiration of the Intermunicipal Agreement, ongoing uncertainty regarding capacity allocation, ownership rights and fee structures has resulted in litigation between Northborough and the City of Marlborough. The case is scheduled to be heard in Worcester Superior Court in 2021.

Approximately 30% of the Town has access to the sewer wastewater system. The map below shows the sewer system service area.

Northborough Sewer System Map





Significant FY2022 Budget Changes or Initiatives

The FY2022 Sewer Enterprise Fund is budgeted at \$2,373,460, which is an overall increase of \$77,165 or 3.36%. The budget reflects an estimated 5% increase in the Marlborough use charge of \$38,726 and an increase in debt service of \$27,978. These two items account for over 86% of the overall budget increase. Several smaller initiatives account for the remainder of the increase including an escalation to the cost of state-mandated inflow and infiltration investigation.

The critical issue facing the DPW Sewer Enterprise Fund continues to be negotiations for a new Intermunicipal Agreement with the City of Marlborough. The matter is currently in litigation, the outcome of which will establish our contribution to the operational expenses of the Westerly Wastewater Treatment Plant as well as Northborough's share of the \$30 million plant improvement project. Sewer rates were increased significantly in the second quarters of FY2014, FY2016, FY2017, and FY2018 in anticipation of a large plant improvement payment to Marlborough. The sewer use charges for FY2019 and FY2021 increased by 5% but were maintained with no increase for FY2020. While final rate adjustments will be based upon an updated rate study, no increase is projected at this time for FY2022.

A primary focus for the DPW Sewer Division Enterprise Fund is the successful implementation of the Capital Improvement Plan. The plan is the result of a multi-disciplinary approach to infrastructure management. It includes elimination of inflow and infiltration, improvements to pump stations and communications, and systematic equipment replacement. The FY2022 proposed Capital Budget includes the purchase of a replacement utility tractor to be paid for out of enterprise fund balance in the amount of \$48,000. The remaining funds after this purchase will be adequate to support the expected settlement with the City of Marlborough.

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
SEWER ENTERPRISE FUND						
Personnel Services						
51010 Full-time Wages	107,764	109,343	115,950	109,898	51,750	114,987
51100 Full-time Salary	22,870	23,793	24,754	25,501	11,981	26,532
51120 Full-time Permanent wages	23,388	23,853	24,515	24,906	11,741	25,404
⁷ 51130 W&S Commissioner Stipends	720	720	720	720	0	720
⁸ 51135 GIS Salary	9,275	9,553	9,840	10,266	10,266	10,472
51300 Overtime	25,243	29,412	27,943	29,869	17,067	31,252
51410 Longevity Pay	820	880	940	1,000	1,080	1,070
51970 Stipends	720	1,000	1,000	1,000	0	1,000
51920 Uniforms	1,200	1,200	1,520	1,520	760	1,520
SUBTOTAL	192,000	199,753	207,182	204,680	104,645	212,957

⁷ Line 51130 represents the three Water & Sewer Commissioners receive \$600 each per year, split 40% (\$720) Sewer Fund Budget and 60% (\$1,080) Water Fund Budget

⁸ Line 51135 represents 10% (4 hours per week) of the GIS Director's time supporting the Sewer Enterprise fund.

Section 8-16 Water & Sewer Enterprise Funds



	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
SEWER ENTERPRISE FUND						
Expenses						
51710 Workers' Compensation Ins.	7,810	8,234	8,399	8,120	8,120	8,120
51730 F.I.C.A.	3,068	2,523	3,210	3,364	3,364	3,364
51740 Life Insurance	59	59	59	59	59	59
51750 Health Insurance	36,992	35,538	32,988	32,501	32,501	32,749
52110 Utilities	56,810	52,910	51,165	57,518	16,359	57,518
52310 Marlborough Use Charge	400,000	400,000	400,000	774,507	200,000	813,232
52600 Building Maintenance	20,098	78,409	50,879	96,000	1,748	96,000
52620 Equipment Maintenance	22,391	10,685	6,795	35,000	16,205	35,000
52800 Contractual Services	37,208	78,205	156,605	160,632	24,588	162,064
52850 Audit	1,274	1,300	1,338	2,211	0	2,252
53020 Legal Services	47,644	18,351	37,362	50,000	9,917	50,000
53110 Printing	5,670	5,226	3,904	5,872	1,817	5,872
53170 Testing	1,055	1,935	8,151	4,900	822	4,900
53190 Training, Dues and Licenses	2,954	1,132	1,782	3,240	206	3,240
54290 Office Supplies	1,050	270	450	1,500	352	1,500
54420 Materials & Supplies	34,056	29,960	14,380	42,000	21,345	44,500
54820 Gasoline	7,030	7,030	7,030	7,030	7,030	7,030
55990 Chemicals	0	0	0	0	0	0
56220 Worcester Regional Retirement	28,354	31,486	22,227	25,329	25,329	23,293
57110 Mileage	320	269	269	400	62	400
57410 Liability/Building Insurance	11,199	11,759	11,759	12,088	12,087	12,088
58730 Capital Outlay	0	0	0	0	0	0
59810 Extraordinary and Unforeseen	0	0	0	75,000	0	75,000
SUBTOTAL	725,041	775,279	818,752	1,397,271	381,912	1,438,181



Water & Sewer Enterprise Funds

Section 8-17

FY2018 FY2019 FY2020 FY2021 FY2021 FY2022
ACTUAL ACTUAL ACTUAL BUDGETED SIX MONTHS PROPOSED

SEWER ENTERPRISE FUND

Expenses (Debt Service)

59100 Principal / Long Term Debt	413,999	473,516	514,370	530,784	160,562	590,791
59150 Interest /Long Term Debt	115,972	163,415	144,672	123,090	63,643	103,406
59270 Interest / Temporary Loans	35,302	24,681	19,377	34,640	0	20,250
59280 Issuance Costs	28,077	0	0	5,830	0	7,875
SUBTOTAL	593,349	661,612	678,419	694,344	224,205	722,322

TOTAL: SEWER ENTERPRISE FUND

1,574,390	1,666,645	1,704,353	2,296,295	750,761.18	2,373,460
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*Proposed
Capital Improvement Program*



2022 - 2027

Town of Northborough, Massachusetts

CAPITAL IMPROVEMENT PROGRAM

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John W. Coderre
Town Administrator

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March 22, 2021

To: Board of Selectmen, Financial Planning Committee,
Appropriations Committee

It is my pleasure to submit herewith the Proposed FY2022-2027 Capital Improvement Program (CIP), the first year of which constitutes the requested FY2022 Capital Budget. Each year, Town Meeting reviews the Proposed Capital Budget and adopts it by voting to appropriate funds for each recommended capital project. The planned acquisition of capital associated with the annual appropriation is an important component of the Town's capital plan.

As in previous years, the CIP is incorporated in its entirety as Section 9 of the annual Operating Budget document. While the physical document continues to be refined, the main focus again in FY2022 is on the financing of the projects themselves, as the Town seeks to fund more projects using available funds such as Free Cash, without incurring debt.

The Free Cash Policy

The process of preparing the CIP and the FY2022 Capital Budget has remained essentially the same in recent years. However, the Board of Selectmen adopted a Free Cash Policy in November of 2010, which provides a recurring funding

source for projects, other than municipal bonds. Interested readers are encouraged to refer to the complete Free Cash Policy on page 2 of Appendix A of this budget document, which contains the Town's comprehensive financial policies.

In its most basic definition, Free Cash is the fiscal year-end combination of revenues that come in higher than estimated and expenditures that come in lower than budgeted. After the June 30th close of the fiscal year, the Town's Free Cash is certified by the State Department of Revenue and available for appropriation. Free Cash that was certified at the close of FY2020 (June 30, 2020) is available for use in the FY2022 (July 1, 2021) Capital Budget.

The adopted Free Cash Policy attempts to align one-time revenues with appropriate one-time expenditures, thereby minimizing the level at which recurring expenses, such as personnel, are dependent upon this unpredictable revenue source. To that end, the following are explicitly authorized uses of Free Cash under the adopted policy:

1. Appropriation Committee’s Reserve Fund
2. Limited (\$500,000) Subsidy of the Operating Budget
3. Contribution to the Town’s Stabilization Fund
4. Fund Projects in the Capital Improvement Program
5. Extraordinary Deficits & Emergency Appropriations

Under the policy, one appropriate use of Free Cash is to fund capital projects that would otherwise incur borrowing costs associated with the issuance of debt. The financing of small capital projects or equipment is not considered a best practice for a community our size. Although perfectly legal, the Town has moved away from incurring debt for vehicles and small equipment purchases.

Bond rating agencies prefer to see Towns use a pay-as-you-go approach for smaller capital projects. The one-time nature of Free Cash makes it an excellent match for one-time capital expenditures. If for some reason sufficient Free Cash does not materialize in a given year, the Town may borrow for capital projects, or delay them, without causing immediate impact to the operating budget and related services.

The FY2022 Free Cash Plan

The Free Cash Policy represents the Town’s agreed upon and principled approach to how this unpredictable revenue source will be used. The policy guides our decision-making process based upon sound financial planning practices and sets realistic and sustainable goals. The Free Cash Plan is the annual implementation of how actual Free Cash will be used during the budget process in the context of our policy guidelines, including funding of any capital projects. As always, any use of Free Cash remains subject to Town Meeting approval and appropriation.

At the conclusion of FY2020, Free Cash was certified at approximately \$1.98 million. Of the total Free Cash, \$805,000 will be used to finance the FY2022 Capital Budget. Projects financed using Free Cash will not increase taxes or result in the payment of finance charges. The use of Free Cash is a significant funding source for FY2022 capital projects and will continue playing a significant role in funding future capital projects as well.

PROPOSED FY2022 FREE CASH PLAN			
Free Cash Certifications as of 7/1/2020		\$ 1,980,662	100%
FY2022	Appropriated Reserve	\$ (175,000)	9%
FY2022	Operating Budget	\$ (500,000)	25%
FY2022	Stabilization Fund	\$ -	
FY2022	Capital Projects	\$ (805,000)	41%
Available Free Cash After FY2022 Plan		\$ 500,662	25%

Based upon the \$1.98 million in available Free Cash, the Town will be able to maintain an appropriation to the Reserve Account, continue to contribute the policy-targeted amount into the FY2022 Operating Budget, and once again pay cash for a portion of our upcoming capital needs.

Due to the budgeting challenges in FY2021, and the departure from our typical free cash plan in FY2021, the FY2022 Free Cash Plan does not propose to transfer any funds to the Stabilization Account. The Stabilization Fund is designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose in accordance with MGL Chapter 40, Section 5B. Communities may establish one or more stabilization funds for different purposes. Any interest shall be added to and become a part of the funds. A two-thirds vote of Town

Meeting is required to appropriate money from a stabilization fund.

The Town currently maintains a Stabilization Fund for emergencies and unforeseen circumstances. As of June 30, 2020, the balance in the Town's Stabilization Fund is \$5.06 million. Historically the budget had provided for an annual appropriation of \$100,000 to be added to the Stabilization Fund. However, for several years during the recession the appropriation was not possible due to financial constraints. During FY2016, the Stabilization Fund contribution was restored at \$200,000. However, due to economic concerns posed by the threat of COVID-19 in FY2021, a decision was made to increase the Appropriations Reserve Account by \$200,000, rather than transfer funds to the Stabilization Account. The Town also delayed several FY2021 capital projects to free up resources in case they were needed to manage the state of emergency. At the time, there were concerns that there would be an immediate need for funds for the Town or Schools to manage the pandemic. Support received from the State and Federal Governments in FY2021 allowed for the Town to keep the Appropriations Reserve Account whole. Those funds will close out to free cash at the close of the year and become available during the FY2023 budgeting process. Moving forward, the Town will need to continue updating the CIP and associated funding sources to address the temporary backlog of postponed projects from FY2021.

Northborough's financial policy provides for reserves to average between 5% and 10% of the Town's operating budget. This Free Cash Plan maintains the Town's financial reserves within the policy limits of 5-10% of the operating budget. Prior to the close of FY2020, the Town's reserves were at 8.9%, or \$5.9 million. After the close of FY2020 our July 1, 2020 reserves increased to approximately 10.3%.

Based on the proposed FY2022 Operating and Capital Budgets, reserves are projected to remain at 8%, well within the policy guidelines.

It is important to note that Northborough's Free Cash Policy has been a major success story for the Town. Since FY2012 the Town has invested \$16 million in pay-as-you-go capital investments with no additional tax impact. That includes \$12 million in Free Cash and approximately \$4 million in other funding sources, exclusive of the \$805,000 in Free Cash expenditures planned for FY2022. The clear result has been fewer tax dollars going to pay for interest on loans and a declining debt burden that has made room for debt associated with significant capital projects.

FY2022 Proposed Capital Budget

The table on the following page represents the FY2022 proposed capital requests of the General Government Department and the Northborough K-8 Schools. The table also provides a matrix of the various sources of funding for the proposed projects.

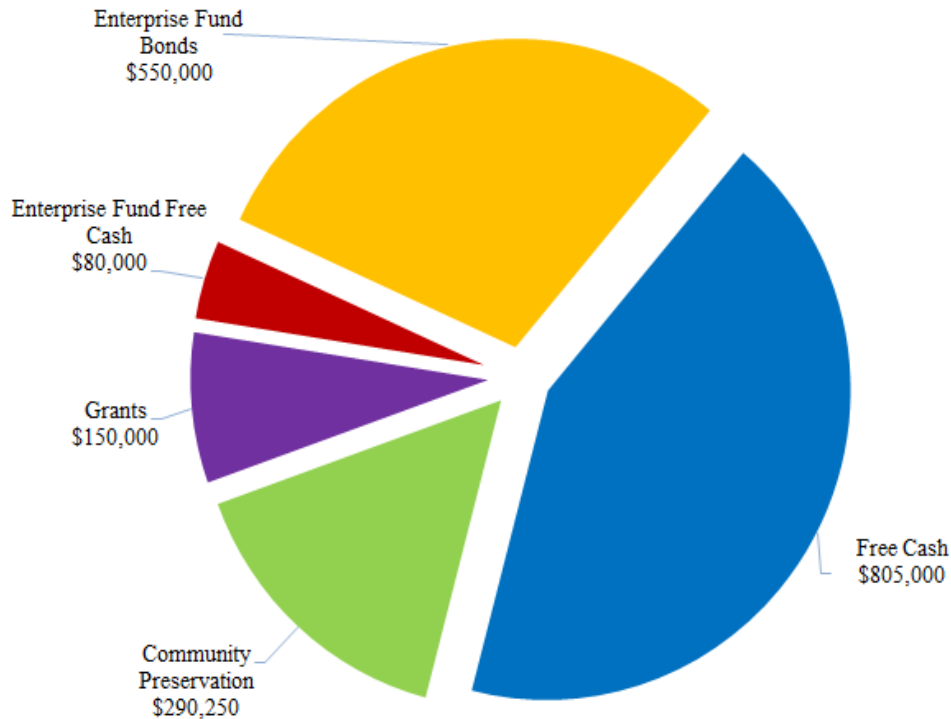
Although the detail for these proposed projects has been incorporated as Section 9 of the annual Operating Budget document, funding for all recommended FY2022 projects requires Town Meeting approval of specific Articles contained in the April 2021 Annual Warrant. The adoption of the Capital Budget and any associated borrowing is done strictly in accordance with the Town Charter and Massachusetts General Laws.

The proposed FY2022 Capital Budget totals \$1,875,250 with \$805,000 from Free Cash, and a combination of other sources including, Community Preservation Funds, Grants, and Enterprise Funds. A breakdown of the proposed funding sources can be found on the subsequent pages.

FY2022 Proposed Capital Budget & Funding Sources

PROJECTS BY DEPARTMENT	EXPENDITURE	FUNDING SOURCES				
		Free Cash	Community Preservation	Grants	Enterprise Fund Free Cash	Enterprise Fund Bonds
Police						
Police Cruiser Replacements (3)	150,000	150,000				
Police Subtotal		\$150,000				
Fire						
Car 3 Pick-Up Truck Replacement	80,000	80,000				
Car 1 SUV Replacement	76,000	76,000				
Fire Subtotal		\$156,000				
Recreation						
Pickleball Courts at Ellsworth/McAfee Park	290,250		290,250			
Recreation Subtotal		\$290,250				
DPW: Highway Division						
Roadway Improvements/Maintenance	310,000	310,000				
One-Ton Dump Truck w/Plow Replacement	115,000	115,000				
One-Ton Pickup Truck w/Plow Replacement	74,000	74,000				
Highway Subtotal		\$499,000				
DPW: Sewer Enterprise Funds						
Supervisory Control & Data Acquisition (SCADA) System (split water 44%/sewer 56%)	500,000					500,000
Sewer Enterprise Fund Subtotal		\$500,000				
DPW: Water Enterprise Fund						
Reservoir Dam Compliance (Design & Permitting for removal)	200,000			150,000		50,000
Utility Tractor Replacement (split water 40%/sewer 60%)	80,000				80,000	
Water Enterprise Fund Subtotal		\$280,000				
TOTAL FY2022 CAPITAL BUDGET		\$1,875,250	\$805,000	\$290,250	\$150,000	\$80,000
			\$550,000			

FY2022 Capital Funding Sources



Fire Station Building Project Update

- A warrant article at the April 2019 Town Meeting appropriated \$3.5 million for design and land acquisition to move forward with the project; of which \$1.38 million will be repurposed bond proceeds remaining from the completed Lincoln Street Building Project (no additional tax impact).
- Funding for the land acquisition and design were approved at the April 2019 Town Meeting. Land acquisition is currently underway with site remediation taking place in the Winter/Spring of 2021.
- The Town anticipates beginning the design process in the Spring of 2021 and expects to be before Town Meeting in April of 2022 with a request for funding construction of the new fire station.

Town Offices Feasibility Study Project Update

- In April of 2020, the Town allocated funding to conduct a feasibility study to determine the future location of the Town Administrative Offices.
- The feasibility study process is set to begin in the Spring of 2021 and last through the Summer and early Fall.
- Once a determination is made on a path forward for the future of the Town Administrative Offices, the Town will put forth a request for design funding in the Spring of 2022, with a request for construction the following year in 2023.

For additional information regarding each of the proposed FY2022 Capital Budget projects, please refer to the Project Detail Sheets in Part II of this document. Project Detail Sheets are also included for each project contained in the six-year CIP.

It should be clearly noted that projects listed in the Capital Improvement Program for years other than FY2022 will not be authorized at the 2021 Annual Town Meeting. Projects in these “out years” serve mainly as a guide for future planning and are subject to further review before incorporation into a future capital budget.

Both the Capital Improvement Program (CIP) and the Capital Budget are developed annually in accordance with Section 6-4 of the Northborough Home Rule Charter. One of the primary goals of the Financial Planning Committee is to continue funding small capital items with available funds, such as Free Cash, and avoid the expenses associated with incurring debt for smaller capital items. FY2022 is the eleventh year such an approach is being followed since adoption of the Free Cash Policy in 2010.

As a reminder, Part III of this CIP document contains the Financial Planning Committee’s evaluation and recommendation of the proposed capital projects. The report is an excellent reference for citizens reviewing the CIP and provides additional detail regarding how projects are prioritized. Interested readers are strongly encouraged to review the report.

Closing Comments

In closing, it is obvious that the Town continues to make positive strides towards maintaining its physical assets through the Capital Improvement Program. The attached Capital Budget continues to recognize the Town’s ongoing

responsibility to maintain its capital facilities, equipment and infrastructure, and to make the capital investments necessary to meet the evolving service demands of our community. The Capital Improvement Program also recognizes the Town’s responsibility to limit such undertakings to a sustainable level that will preserve the fiscal integrity of the Town.

I wish to extend my sincere thanks to the Financial Planning Committee, School Superintendent, Department Heads and staff for their assistance in the preparation of this document.

Respectfully submitted,

John W. Coderre
Town Administrator

CAPITAL IMPROVEMENT PROGRAM

INTRODUCTION

In a continuing effort to provide “user friendly” documents to our citizens, the Town has endeavored to provide a straight forward introductory section that answers the most commonly asked questions regarding capital planning in Northborough. The following questions and answers define terms, describe processes, and detail the needs and benefits of Northborough’s capital planning activities.

I. What is the Capital Improvement Program?

The Capital Improvement Program (CIP) is a multi-year plan used to coordinate the financing and timing of major public improvements for the Town of Northborough. It contains a list of capital projects proposed for the Town within the next six years and reflects the recommendations of citizens, boards, commissions, and staff from each of the Town departments. The CIP identifies each proposed project and presents a summary description, estimate of cost, method of financing, and a schedule of implementation. The Capital Improvement Program constitutes a rational plan for preserving, as well as adding to the capital assets of the Town.

II. What are Capital Assets and Capital Projects?

A capital asset is a new or rehabilitated physical asset that is of a non-recurring nature, has a useful life of at least five years, and is of significant value. Capital projects are undertaken to acquire capital assets and are differentiated from ordinary repairs or maintenance of a recurring nature. Examples of capital projects include land acquisitions, construction or major improvements to public buildings, road construction, and the acquisition of large equipment. For our purposes, projects submitted must exceed \$25,000 in value for FY2022 to qualify for inclusion in the *Town of Northborough’s Capital Improvement Program*.

III. What is the difference between the Capital Improvement Program and the Capital Budget?

The first year of the CIP is the proposed Capital Budget. The Capital Budget consists of those capital projects which, through the Town Meeting process and in accordance with the Town Charter, are annually approved and funded. However, projects slated for subsequent years in the CIP serve on a planning basis only, and do not receive ultimate spending authority until they are incorporated into a capital budget and approved by Town Meeting.

CAPITAL IMPROVEMENT PROGRAM

IV. How is the Operating Budget Related to the Capital Budget?

The Town of Northborough prepares a Capital Budget separate from the Operating Budget, yet the two are closely linked. The annual Operating Budget provides for general municipal service delivery, including personnel service costs, supplies and other contractual services, and certain capital equipment. Revenues for the Operating Budget are derived primarily from recurring taxes, intergovernmental sources, and user fees. Appropriations to the annual Operating Budget are for a single fiscal year.

In contrast, the Capital Budget is a multi-year budget designed to expend monies which add to the physical assets of the Town. Capital projects typically require expenditures which take place beyond a single fiscal year; funding with debt because of significant costs to be shared by current and future beneficiaries; systematic acquisition over an extended period of time in order to implement major operating systems or programs; and scheduled replacement or maintenance of specific elements of physical assets. Revenues for capital projects are most often derived from the sale of municipal bonds (borrowing), State & Federal Grants (when available) or can be supported by one-time funding sources, such as donations and free cash.

Notwithstanding the differences between the two, the Operating and Capital Budgets are closely interwoven inasmuch as operating costs related to capital projects need to be estimated and provided for in the Operating Budget. Many capital projects, such as the Library Renovation/Expansion Project or new Senior Center, have an impact on the operating costs of those facilities once reopened. Town practice is to attempt to project the net effect a capital project will have on the operating budget. Maintenance and repair costs may be lower in a new facility, but it may cost more to run the larger facility as well. In addition, since most large capital projects are financed through municipal debt, repayment of that debt becomes part of the operating budget as well as the Town's fiscal forecasting models. The necessity to incur some degree of debt in order to finance the Capital Improvement Program carries with it the burden to effectively manage that debt within the Town's financial resources.

V. Why do we need a CIP?

The CIP provides a means of coordinating and centralizing the capital project requests of various departments and agencies, thus eliminating wasteful overlap, duplication, and delay. It focuses attention on Northborough's goals and financial capability by comprehensively considering not only what capital projects Northborough needs, but equally as important, what it can afford. Additionally, the formalized process allows more time for the study of projects, encourages public discussion of proposed undertakings, and allows Town citizens the opportunity to provide input, advice and recommendations with respect to proposed projects and expenditures.

CAPITAL IMPROVEMENT PROGRAM

VI. How does Capital Programming save the Town money?

Investors and bond rating agencies stress the value of a CIP for a municipality seeking to borrow funds. In fact, the six-year capital plan is referenced in every Offering Statement for Town of Northborough bonds. The absence of a rational, long-term planning instrument would weigh against the bond rating assigned to Northborough by rating agencies and the result would be higher interest rates on bond issues and more tax dollars going to pay for the interest on loans. Northborough currently enjoys a superior credit rating of Aa1 by Moody's Investor Service. This places Northborough within the same rating tier and just slightly below obligations of the United States Government. Thus, very real and tangible cost savings result from the use of our Capital Improvement Program.

Another financial benefit from the capital programming process is the avoidance of poorly timed projects. Good planning can ensure that capital improvement efforts are coordinated and costly duplication is avoided. In addition, significant savings can accrue to taxpayers when major capital financing is coordinated so that bond issues are sold infrequently, but at good times during the economic cycle to take advantage of low interest rates. The development of a Capital Improvement Program ensures sound fiscal and capital planning.

VII. How are Capital Projects financed?

An annual appropriation is typically included in the Operating Budget for capital expenditures as one of several funding sources to finance select capital projects. Other financing sources for Northborough's capital projects include state and federal grants, corporate donations, free cash, and debt. The single largest source of financing for capital projects is borrowing through the issuance of general obligation bonds. Much like mortgaging a house, borrowing allows the Town of Northborough to purchase expensive capital assets and spread the costs over the useful life of the asset, thus eliminating the need to temporarily raise taxes every time a large capital asset is acquired. In addition, debt allows current and future beneficiaries to share the cost of long-term capital improvements such as new schools, libraries or roads. All borrowing is done strictly in accordance with the Town Charter and Massachusetts General Laws (MGLs).

CAPITAL IMPROVEMENT PROGRAM

VIII. How is the CIP developed?

The process for preparing the FY2022-2027 Capital Improvement Program and its associated FY2022 Capital Budget is essentially the same as in past years. It involves active participation by Department Heads working in conjunction with the Financial (Capital) Planning Committee. The Capital Budget is prepared in the context of a six-year determination of need by Departments, in conjunction with the Town's overall financial capacity to affordably accommodate the required debt service payments. Projected debt service payments and budgetary impacts are forecast annually to help ensure affordability and sustainability of the Capital Improvement Program. Preparation for the FY2022 Capital and Operating Budget was slightly delayed this year due to setbacks originating at the state level, as the state continues to manage the ongoing Coronavirus Pandemic and its effect on the state and local economy. Despite these delays, we were still able to collaboratively assemble this CIP for consideration at the Spring Town Meeting.

Proposed projects are reviewed and prioritized based upon commonly used criteria such as health and safety factors, legal obligations and mandates, fiscal impact, environmental impact, community economic effects, and aesthetic and social effects on the quality of life experienced by Northborough residents. Projects are also examined in terms of their relationship to other projects, the Master Plan of Development, and their compatibility with Town-wide goals and objectives.

The process can be described as an iterative cycle with several distinct procedural steps. These steps and the approximate time frame in which they typically occur are described below. The process is also graphically illustrated in the Capital Projects Flow Chart following this introduction.

- *Autumn*—Following Town Meeting after the approval of that year's Capital Budget, Departments are provided with their previously submitted six-year requests for review, update and the addition of the next sixth year. While requests generally remain the same as in the initial request, there are occasionally changed circumstances which necessitate alterations to the requests. This information is returned to the Town Administrator for General Government projects and to the School Superintendent for initial review.
- *Early Winter* —The Financial Planning Committee meets to receive the compiled information and begin scheduling meetings with the various Departments to evaluate the projects. The Financial Planning Committee and the Town Administrator meet to review the requests of specific Departments and the needs of the overall Town organization. The preliminary debt schedules are updated and various financial forecasts completed in order to provide context to the Capital Budget as well as the six-year Capital Improvement Program.
- *February/March*—The Capital Budget is finalized within the parameters of the established funding target plus any available funds such as free cash or previously approved but unexpended bond proceeds. In making final decisions, the

CAPITAL IMPROVEMENT PROGRAM

process includes a determination of actual needs and the prioritization of need based upon legal mandate, public safety, and the effect of deferral. Projects not approved for funding are typically deferred into the next budget year.

- *March/April*—The Proposed Capital Budget is presented to the Board of Selectmen and Appropriations Committee.
- *April*—The Capital Budget is presented to Town Meeting for approval; and the process begins again. This year, Town Meeting is scheduled for the first weekend in May in order to accommodate the need for an outdoor Town Meeting to comply with health and safety measures around COVID-19.

Throughout the ensuing fiscal year, Town staff monitors all the approved projects and the following fall the Financial Planning Committee reconvenes to update the CIP all over again.

IX. Why must the CIP be continually updated?

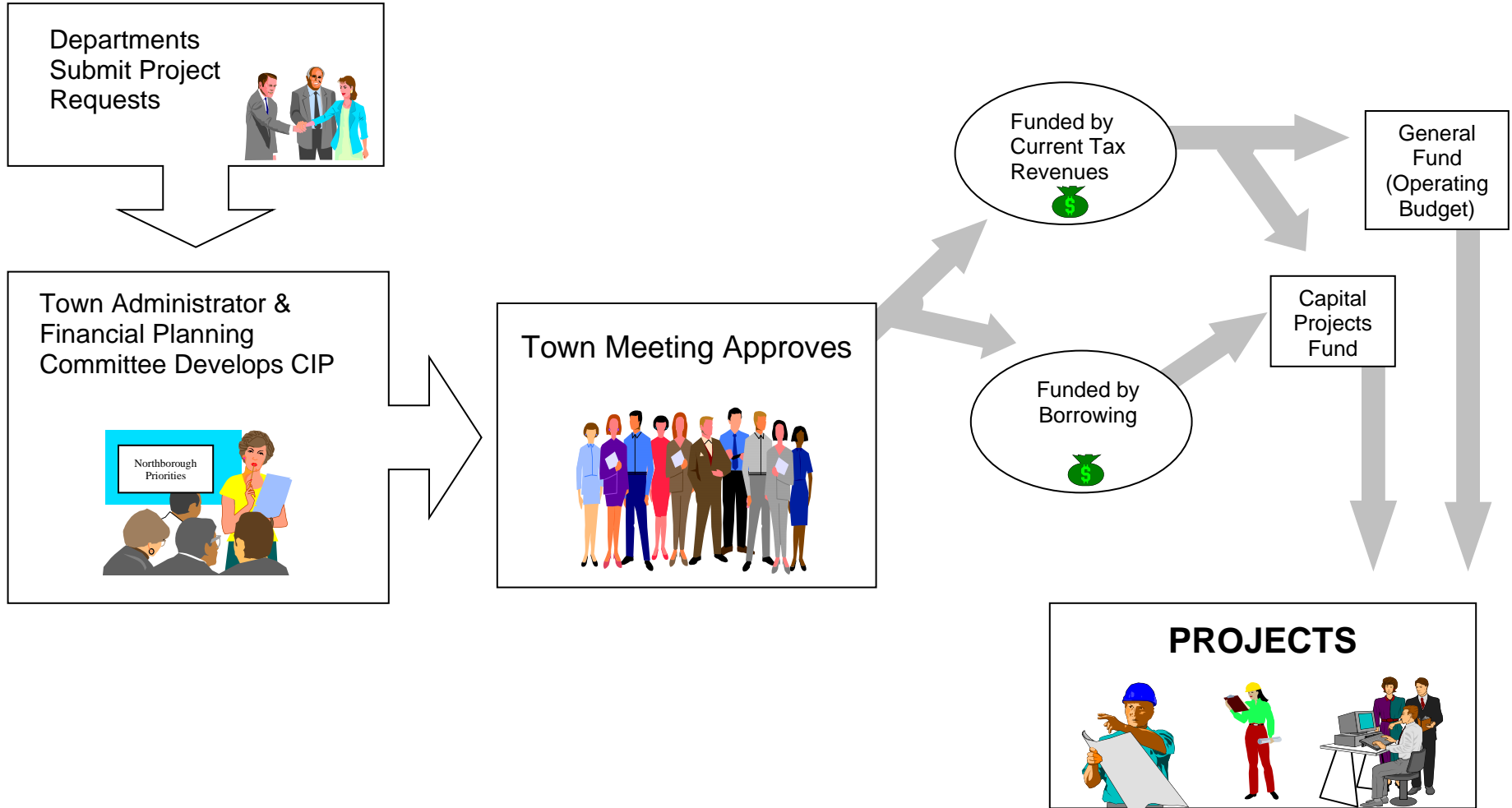
The CIP must be reviewed annually by Town departments and citizens to insure its effectiveness as a flexible, mid-range strategic plan that links the annual budget with our multi-year financial forecasts and the more static long-range Master Plan of Development. Each year, Town Meeting reviews the capital projects recommended by the Financial Planning Committee and the Town Administrator through the CIP development process and approves a Capital Budget. Unfunded projects and those slated for subsequent years in the plan are acknowledged on a planning basis only and do not receive ultimate expenditure authority until they are incorporated into a Capital Budget and approved by Town Meeting. In this respect, the CIP can be thought of as a “rolling” process because unfunded projects and those farther out in years typically move up after each year of review. However, it is important to note that each project contained in the CIP must be recommended every subsequent year and as priorities and monetary constraints change, projects may be moved up, moved back, or even eliminated from the plan. This comprehensive annual review is critical to maintaining fiscal responsibility as well as ensuring the future education, safety, and welfare of Northborough residents.

CAPITAL PROJECTS FLOW CHART

DEVELOPMENT

REVIEW & APPROVAL

IMPLEMENTATION



Part I

Capital Improvement Program Summary Fiscal Years 2022-2027

CAPITAL IMPROVEMENT PROGRAM



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**Town of Northborough
Capital Improvement Program Summary
Fiscal Years 2022-2027**

PROJECTS BY DEPARTMENT	Page #	Source of Funds	Six-Year Total	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Fire									
Car 3 Pick-Up Truck Replacement	23	6	80,000	80,000					
Car 1 SUV Replacement	24	6	76,000	76,000					
Fire Station Addition/Renovation	25	2	16,000,000		16,000,000				
Ambulance Replacement	26	5	815,000		400,000			415,000	
Rescue One Replacement	27	2/6	800,000			800,000			
Portable Radio Replacement	28	6	350,000				350,000		
Engine 1 Replacement	29	2/6	800,000				800,000		
Fire Subtotal			\$18,921,000	\$156,000	\$16,400,000	\$800,000	\$1,150,000	\$415,000	\$0
Police									
Police Cruiser Replacements	30	6	885,000	150,000	155,000	155,000	155,000	160,000	110,000
Emergency Generator Replacement	31	6	60,000				60,000		
Communications Center Upgrades	32	6	60,000				60,000		
Multi-Band Portable Radio Replacement	33	6	145,000					145,000	
Police Subtotal			\$1,150,000	\$150,000	\$155,000	\$155,000	\$275,000	\$305,000	\$110,000
Town Administration									
Town Offices Building Project	34	2/6	0		TBD	TBD			
Master Plan Implementation Project(s)	35	2/6	0		TBD	TBD			
Town Administration Subtotal			\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Town of Northborough
Capital Improvement Program Summary
Fiscal Years 2022-2027**

PROJECTS BY DEPARTMENT	Page #	Source of Funds	Six-Year Total	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
DPW: Highway/Parks/Cemetery Division									
Roadway Improvements/Maintenance	36	6	2,060,000	310,000	300,000	325,000	350,000	375,000	400,000
One-Ton Dump Truck w/Plow	37	6	512,000	115,000	121,000		132,000		144,000
One-Ton Pick Up Truck w/Plow	38	6	252,000	74,000			85,000		93,000
Culvert & Drainage Replacement Program	39	2/6	750,000		250,000	250,000		250,000	
Loader	40	2/6	251,000		251,000				
20-Ton Dump Truck w/ Spreader & Plow	41	2/6	1,033,000		343,000	390,000		300,000	
Highway Garage Tight Tank Installation	42	2/6	300,000		300,000				
Bucket Truck	43	2/6	250,000		250,000				
Street Sweeper	44	2/6	275,000			275,000			
Backhoe	45	2/6	235,000			235,000			
Stump Grinder	46	6	65,000				65,000		
Cemetery Niches	47	6	100,000				100,000		
Brush Disposal Area	48	6	100,000						100,000
Memorial Field Pedestrian & Parking Improvemer	49	6	TBD				TBD		
Dog Park Feasibility & Construction	50	6	TBD					TBD	TBD
Sidewalk Plow	51	2/6	200,000					200,000	
Utility Tractor	52	6	100,000					100,000	
Roadside Mower	53	6	125,000						125,000
Highway/Parks/Cemetery Subtotal			\$6,608,000	\$499,000	\$1,815,000	\$1,475,000	\$732,000	\$1,225,000	\$862,000

**Town of Northborough
Capital Improvement Program Summary
Fiscal Years 2022-2027**

PROJECTS BY DEPARTMENT	Page #	Source of Funds	Six-Year Total	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
DPW: Sewer Enterprise Fund									
SCADA System	54	7/8	500,000	500,000					
Inflow & Infiltration (I&I) Mitigation	55	7	1,080,000		360,000		360,000		360,000
One-ton Utility Body Truck w/Plow	56	7/8	120,000						120,000
Sewer Enterprise Fund Subtotal			\$1,700,000	\$500,000	\$360,000	\$0	\$360,000	\$0	\$480,000
DPW: Water Enterprise Fund									
Reservoir Dam Compliance	57	6/8	1,000,000	200,000		800,000			
Utility Tractor	58	7/8	80,000	80,000					
15-Ton Dump Truck	60	7/8	150,000			150,000			
One Ton Pickup Truck w/Plow	61	7/8	157,000				75,000		82,000
Repair/Replace Water Mains and Services	59	8	450,000				50,000	400,000	
Water Enterprise Fund Subtotal			\$1,837,000	\$280,000	\$0	\$950,000	\$125,000	\$400,000	\$82,000
TOTAL GENERAL GOVERNMENT (NON-SCHOOL)									
Fire Subtotal			\$18,921,000	\$156,000	\$16,400,000	\$800,000	\$1,150,000	\$415,000	\$0
Police Subtotal			\$1,150,000	\$150,000	\$155,000	\$155,000	\$275,000	\$305,000	\$110,000
Town Offices Subtotal			\$0	\$0	\$0	\$0	\$0	\$0	\$0
DPW: Highway/Parks/Cemetery Subtotal			\$6,608,000	\$499,000	\$1,815,000	\$1,475,000	\$732,000	\$1,225,000	\$862,000
DPW: Sewer Enterprise Fund Subtotal			\$1,700,000	\$500,000	\$360,000	\$0	\$360,000	\$0	\$480,000
DPW: Water Enterprise Fund Subtotal			\$1,837,000	\$280,000	\$0	\$950,000	\$125,000	\$400,000	\$82,000
TOTAL GENERAL GOVERNMENT			\$30,216,000	\$1,585,000	\$18,730,000	\$3,380,000	\$2,642,000	\$2,345,000	\$1,534,000

**Town of Northborough
Capital Improvement Program Summary
Fiscal Years 2022-2027**

PROJECTS BY DEPARTMENT	Page #	Source of Funds	Six-Year Total	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Northborough K-8 Public Schools Summary of School projects									
Peaslee Elementary									
**Parking Lot/Walkway Paving	60	2/6	245,000		245,000				
**Floor Tile Replacement	61	6	50,000			50,000			
**Design / Fire & Sprinkler Systems Feasibility Study	62	2/3	480,000			480,000			
Architectural Fees & Construction	63	2/3	500,000				500,000		
Architectural Fees & Construction	64	2/3	28,700,000					28,700,000	
Zeh Elementary	65		0						
Pitched Roof Area Replacement	66	2/3/6	600,000		600,000				
Melican Middle School	67		0						
Tennis Court Resurfacing/Fencing Feasibility Study	71	2/6	100,000			100,000			
Architect Fees/Renovation (TBD)	69	2/3	500,000						500,000
Architect Fees/Renovation (TBD)	70	2/3	0						
Northborough K-8 Public Schools Subtotal			\$31,175,000	\$0	\$845,000	\$630,000	\$500,000	\$28,700,000	\$500,000

**If Peaslee School renovation projects does not move forward, these projects will need to be included in the capital plan for funding.

<u>Source of Funds Legend</u>			
(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund	(7) Sewer Enterprise Fund
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund

Part II

Projects Detail Sheets by Department
FY2022-2027

CAPITAL IMPROVEMENT PROGRAM



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PROJECT DETAIL SHEET

Project Title: FIRE STATION ADDITION/RENOVATION PROJECT - PHASE II	
Department: Fire	Category: Facility Improvements
Description and Justification: This project provides for the relocation of the existing fire station located at 11 Pierce Street. Built in 1974, the station's main systems are all in need of replacement and updating, including HVAC, roof, electrical and plumbing. More importantly, the operational areas lack the appropriate space and accommodations needed for today's staff and equipment. The Town engaged an architect and a Feasibility Study was completed to better define the proposed project location, design and cost estimates. In FY2020 \$3.5 million in funding was approved for land acquisition, Owner's Project Manager services and design development. The Town entered into a Purchase & Sale agreement for property located at 61&65 West Main Street that required the seller to remove all structures and perform any requisite remediation work on the former gas station. That work is ongoing and it is anticipated that the project will move forward during 2021 with a building project anticipated for Town Meeting approval in April 2022, followed by a debt exclusion ballot vote in May 2022.	




RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	2	16,000,000		16,000,000				
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$16,000,000		\$16,000,000				

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET


Project Title: AMBULANCE REPLACEMENT	
Department: Fire	Category: Equipment Replacement
Description and Justification:	
<p>The Town operates an Advanced Life Support (ALS) ambulance service, which is physically housed at the Fire Station at 11 Pierce Street. There are three ambulances associated with this service, a front line ambulance, a second due ambulance and a back-up ambulance. Current call volume necessitates having two ambulances available for response whenever possible. The newest ambulance operates as the front-line unit and the older ambulance serves as the second due. The oldest ambulance serves as a back-up for when one of the two primary units are out of service. This request seeks to replace the 2013 ambulance in FY2023, at which time the 2019 ambulance would become the second due and the 2016 would become the back-up. In 2026, the 2023 will be placed as second due, the 2019 becomes the backup and the 2016 will be replaced. Purchase of new ambulances are funded entirely by EMS user fees. The planned, regularly scheduled replacement of emergency ambulances is critical to ensuring public safety.</p>	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	5	815,000		400,000			415,000	
G. Contingency								
H. Other								
TOTAL		\$815,000		\$400,000			\$415,000	

- Source of Funds Legend
- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET


Project Title: PICK-UP TRUCK REPLACEMENT	
Department: Fire	Category: Equipment Replacement
Description and Justification: <p>This request seeks to replace a 2012, one-ton, four-wheel-drive crew cab pick-up truck. This vehicle is used to carry personnel, equipment and bulk supplies. This vehicle is used for emergency responses, inspections, investigations and fire alarm service. This vehicle also serves as the department’s primary tow vehicle for its various trailered equipment. Funding for the annual operating/maintenance costs associated with this vehicle is included in the Department’s vehicle maintenance budget. The Current pick-up will be traded-in. The designation for the New Pick-up will be Car-3.</p>	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	80,000	80,000					
G. Contingency								
H. Other								
TOTAL		\$80,000	\$80,000					

- Source of Funds Legend
- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET


Project Title: CAR-1 SUV REPLACEMENT	
Department: Fire	Category: Equipment Replacement
<p><u>Description and Justification:</u></p> <p>This request will replace the 2015 Chevy Tahoe command vehicle used by the Fire Chief, which is a critical component of the Incident Command System. The vehicle carries communications equipment, emergency plans for facilities, chemical, terrorism, and firefighting references, the tactical command board; and command vests. The current Car-1 will be repurposed to replace the existing Car-4, a 2008 Chevy SUV, which will be traded-in. The new designation for this vehicle will be Car 2. Cost includes emergency warning devices, radios, command console, and related installation charges. The command/ communications vehicle provides vital communications and reference resources necessary to effective incident command.</p>	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	76,000	76,000					
G. Contingency								
H. Other								
TOTAL		\$76,000	\$76,000					

- Source of Funds Legend
- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET


Project Title: RESCUE 1 REPLACEMENT	
Department: Fire	Category: Equipment Replacement
<p><u>Description and Justification:</u> This request seeks to replace a 2004 Rescue Pumper. This is a multi-purpose vehicle, designed and equipped to respond to motor vehicle accidents, hazardous materials calls, building fires, water rescues, technical rescues and other service calls. At the time of replacement this vehicle will be 20 years old and beyond its expected useful life for front-line service.</p>	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	800,000			800,000			
G. Contingency								
H. Other								
TOTAL		\$800,000			\$800,000			

- Source of Funds Legend
- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: PORTABLE RADIO REPLACEMENT	
Department: Fire	Category: Equipment Replacement
<u>Description and Justification:</u> This request will replace approximately 43 of the department's aging and outdated portable radios. The new portable radios are capable of communicating on multiple bands and will allow for clear and concise communications with all mutual aid partners as well as other town and school radio systems. This project includes the radios, microphones, chargers, and carrying cases and straps. We will continue to pursue other avenues for funding this project, including all applicable grants available.	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	\$350,000				\$350,000		
G. Contingency								
H. Other								
TOTAL		\$350,000				\$350,000		

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: ENGINE 1 REPLACEMENT	
Department: Fire	Category: Equipment Replacement
<u>Description and Justification:</u> <p>This request seeks to replace a 2005 Engine 1. In 2025 the vehicle will be 20 years old which is the expected useful life of this type of apparatus, including approximately 10 years of front-line service, 5 years back up service and 5 years reserve. The Insurance Services Office requires Northborough to maintain 3 pumping apparatus in order to sustain its current ISO rating, which residential and commercial fire insurance rates are based upon. Engine 1 is currently the back-up reserve pumper. The 2016 Engine 2 will become the reserve back-up pumper once the new replacement is purchased and takes over as the new front-line pumper.</p>	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	\$800,000				\$800,000		
G. Contingency								
H. Other								
TOTAL		\$800,000				\$800,000		

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: POLICE CRUISER REPLACEMENTS	
Department: Police	Category: Equipment Replacement
<p><u>Description and Justification:</u></p> <p>This request seeks to replace police vehicles on the following schedule: 3 patrol vehicles in FY2022; 2 patrol vehicles and 1 detective vehicle in FY2023; 2 patrol vehicles and 1 detective vehicle in FY2024; 2 patrol vehicles and 1 detective vehicle in FY2025; 3 patrol vehicles in FY2026; and 2 patrol vehicles in FY2027. Patrol vehicles are typically used for four years/100,000 miles, while detective and administrative vehicles have about a six to eight year/ 100,000 expected useful life. Included in the funding request is the cost of outfitting the vehicles with equipment, including radar, emergency warning lights, prisoner transport cages and radio consoles. Whenever possible, emergency equipment is moved from the old vehicles to the new ones.</p>	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	885,000	150,000	155,000	155,000	155,000	160,000	110,000
G. Contingency								
H. Other								
TOTAL		\$885,000	\$150,000	\$155,000	\$155,000	\$155,000	\$160,000	\$110,000

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: EMERGENCY GENERATOR REPLACEMENT	
Department: Police	Category: Equipment Replacement
Description and Justification:	
<p>This request seeks funding for a replacement emergency back-up generator for the police station and the Town's emergency 911 communications center. The current generator is thirty-two years old. Recent repairs to its water pump and block heater were completed and it is anticipated that ongoing maintenance costs will soon outweigh its value as the generator reaches the end of its useful life. The existing generator pictured to the right is located inside the building and current building codes require it be relocated outside of the building upon replacement.</p>	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	60,000				60,000		
G. Contingency								
H. Other								
TOTAL		\$60,000				\$60,000		

- Source of Funds Legend
- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: **COMMUNICATIONS CENTER UPGRADES**

Department: **Police**

Category: **Equipment Replacement**

Description and Justification:
 The previously approved communication center radio upgrade was completed in 2016. This project seeks to replace the original 1980s vintage console and cabinets with streamlined, ergonomic modern consoles. This includes replacement of the thirty years worth of add-on equipment and computers necessary for handling next generation 911 technologies and equipment. The current console is a patchwork of old and new technology. Dispatchers must manage and monitor six computer screens, the communications screen and 911 monitors, which are scattered over the length of the console. This project will reduce inefficiencies and enhance the ability of staff to effectively manage the multitasking required of today's modern dispatch center.




RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	60,000				60,000		
G. Contingency								
H. Other								
TOTAL		\$60,000				\$60,000		

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: MULTI-BAND PORTABLE RADIO REPLACEMENT								
Department: Police			Category: Equipment Replacement					
<u>Description and Justification:</u> This project proposes to replace 23 existing single band radios with multi-band APX 8000 radio capabilities. Currently officers are restricted to portable radio communication with Northborough and Shrewsbury as both agencies are on the VHF High band. Area communities and the State Police operate on UHF and 800 MHz bands. The new portable radios will allow our officers to communicate with surrounding communities, the State Police and will provide for statewide interoperability wherever our officers go. It will also facilitate communications with area mutual aid departments that respond to Northborough to assist us. This project greatly enhances our communications capabilities as well as officer safety as they are also capable of GPS location and officer down alarms.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	145,000					145,000	
G. Contingency								
H. Other								
TOTAL		\$145,000					\$145,000	
<u>Source of Funds Legend</u>								
(1) Operating Revenues		(3) State Aid		(5) EMS Revolving Fund Fees		(7) Sewer Enterprise Fund Fees		
(2) Municipal GO Bonds		(4) Trust Funds		(6) Free Cash / Other		(8) Water Enterprise Fund Fees		

PROJECT DETAIL SHEET

Project Title: TOWN OFFICES BUILDING FEASIBILITY STUDY

Department: Town Administrator **Category: Facility Improvements**

Description and Justification:
 Previous architectural and engineering studies of the Town Offices building noted many deficiencies, some of which have been addressed over the years. At this point in time, it is appropriate to determine if significant resources should be invested into the existing building at 63 Main Street, or if it would be more advantageous to relocate or build new. Options include moving back to the old Town Offices building at 4 West Main Street, which returns to the Town in 2022, or building a new facility at the recently acquired White Cliffs site. In addition, the existing Fire Station located at 11 Pierce Street will become available upon construction of a new station. This request is for a feasibility study that will evaluate the programmatic space needs of the Town Offices operation and assess the pros and cons of the various options, including the possible sale or reuse of existing facilities.



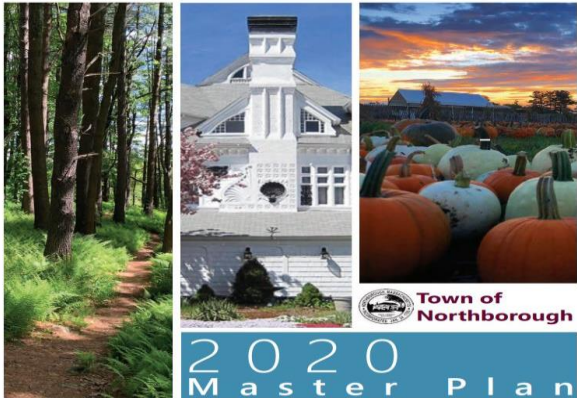
RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design	2/6			TBD				
C. Land Acquisition								
D. Construction	2/6				TBD			
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL								

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET


Project Title: VARIOUS MASTER PLAN IMPLEMENTATION PROJECTS	
Department: Town Administrator	Category: Various
<p><u>Description and Justification:</u></p> <p>The Town finalized its Master Plan Update in 2020 after nearly a year long process which included extensive public participation and review. The Master Plan includes a comprehensive baseline assessment describing the Town's existing resources and conditions, and projects future needs and goals of the community. In the Fall of 2020, the Board of Selectmen established a Master Plan Implementation Committee who is charged with the evaluation and implementation of the varying goals and tasks set forth in the Master Plan. We expect that as a result of the work of the Implementation Committee, there may be requests for funding to undertake various projects needed to reach the goals set forth in the Master Plan.</p>	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design	2/6	TBD		TBD				
C. Land Acquisition	2/6	TBD		TBD	TBD			
D. Construction	2/6	TBD			TBD			
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		TBD		TBD	TBD			

- Source of Funds Legend
- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: ROADWAY IMPROVEMENTS/MAINTENANCE	
Department: DPW - Highway	Category: Infrastructure Improvement
<p><u>Description and Justification:</u></p> <p>The Town’s initial pavement management plan inventory and assessment was first completed in 2013 which measured an average Town-wide Roadway Surface Rating (RSR) of 71. In FY2015 the Legislature authorized a \$300 million Chapter 90 program; however, subsequent years’ funding levels have been reduced to \$200 million. Annual spending of \$1.1 million is necessary to maintain or slightly improve our current pavement conditions. Under that standard, the Town’s Annual Chapter 90 allocation of approximately \$500,000 plus a local appropriation of \$300,000 results in a \$300,000 funding gap, which would be filled if the statewide Chapter 90 funding were released at \$300 million. Our recent update to the pavement management assessment completed in 2020 found that, through implementation of our pavement management plan, the Town-wide RSR remained relatively level at 73.5.</p>	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	6	2,060,000	310,000	300,000	325,000	350,000	375,000	400,000
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$2,060,000	\$310,000	\$300,000	\$325,000	\$350,000	\$375,000	\$400,000

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: **ONE-TON DUMP TRUCK WITH PLOW**

Department: **DPW - Highway** Category: **Equipment Replacement**

Description and Justification:
 This request seeks to replace a 2006 F450 in FY2022, a 2012 F550 in FY2023 and 2012 F350 in FY2025, and one 2016 F550 in FY2027 with similar model trucks. As part of each capital item an existing vehicle will be repurposed to extend its useful life. The FY2022 item allocates approximately \$12,000 toward vehicle repurposing. The one-ton dumps are one of the most used pieces of equipment in the DPW fleet. The Public Works employees use these vehicles to perform their everyday tasks including moving materials and equipment that is carried and towed by these vehicles. These trucks are also paired with 20-ton trucks to perform snow removal operations in the winter months. The useful life of these vehicles is 10 to 12 years. At the time of replacement, the existing trucks will have reached the end of their useful lives. The Town currently has 7 one-ton dump body trucks in service and has a program to replace one every other year, resulting in a 14-year replacement cycle. The picture to the right represents a similar model pickup truck to be replaced.




RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	512,000	115,000	121,000		132,000		144,000
G. Contingency								
H. Other								
TOTAL		\$512,000	\$115,000	\$121,000		\$132,000		\$144,000

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: ONE TON PICKUP TRUCK WITH PLOW	
Department: DPW - Highway	Category: Equipment Replacement
Description and Justification:	
<p>This request replaces an existing 2003 Chevy2500 in FY2022, a 2012 F350 in FY2025 and a 2016 F350 in FY2027 with similar models. As part of each capital item an existing pickup truck will be repurposed to further its useful life. The FY2022 item allocates approximately \$16,000 toward vehicle repurposing. Pickup trucks are the most used equipment in the fleet. The Public Works employees use these vehicles to perform their everyday tasks including moving materials and equipment that is carried and towed by these vehicles. These trucks are also responsible for snow removal at the municipal buildings during the winter months. The useful life of these vehicles is 10 to 12 years. The picture to the right represents a similar model pickup truck.</p>	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	252,000	74,000			85,000		93,000
G. Contingency								
H. Other								
TOTAL		\$252,000	\$74,000			\$85,000		\$93,000

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: CULVERT REPLACEMENT PROGRAM

Department: DPW - Highway

Category: Infrastructure Improvement

Description and Justification:
 In 2019, the Town completed a culvert inventory and condition assessment including approximately 75 culverts town-wide. Several culverts have been found in need of replacement due to deteriorated pipes and end treatments. Drainage systems in town are aging and many have surpassed their functional life. The Town video inspects those systems where repeated repairs have been needed to identify and prioritize the replacement projects. This request seeks funds to systematically replace/rehabilitate culverts and failing drainage systems. The Town actively seeks appropriate grant funding through a variety of programs to assist with funding this critical infrastructure work. The picture to the right depicts a typical failed culvert.




RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	6			250,000	250,000		250,000	
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL				\$250,000	\$250,000		\$250,000	

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: LOADER	
Department: DPW - Highway	Category: Equipment Replacement
<p><u>Description and Justification:</u></p> <p>The Town has two front end loaders, a 2006 model and a 2014 model. This request is to replace the 2006 John Deere loader. The loader is regularly used to transfer materials, rotate the compost piles and load the spreaders with salt for snow removal operations. Off-site, it is used throughout town on various construction projects as well as during snow removal operations. The loader is exposed to many different environments including corrosive materials which cause disintegration of the equipment. As the equipment ages, it requires additional mechanical and body work to keep it operational. The project costs are net of trade-in and include approximately \$14,000 to refurbish the 2014 model year loader to extend its useful life. The picture to the right represents an example of a new replacement loader.</p>	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	251,000		251,000				
G. Contingency								
H. Other								
TOTAL		\$251,000		\$251,000				

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: 20-TON DUMP TRUCK WITH SPREADER & PLOW

Department: DPW - Highway **Category: Equipment Replacement**

Description and Justification:
 This request will replace a 2002 truck in FY2023 with a wing plow truck, a 1999 in FY2024 with one that includes a catch basin attachment, and a 2007 in FY2026. All new trucks will come with plows and spreaders. As part of each capital item an existing vehicle will be repurposed to extend its useful life. These trucks have a useful life expectancy of between 15 and 20 years. Due to the caustic nature of the salt and chemical additives used in snow removal operations, the metal bodies of these vehicles disintegrate much sooner than the total number of hours or miles would typically indicate, in spite of being washed after every salting event. Not only are these trucks used for snow removal operations but also for hauling materials during the construction season. The Town currently has ten 20-ton trucks in service and has a schedule to replace one every other year, resulting in a 20-year replacement cycle. The picture to the right represents an example of a similar 6-wheel dump truck.



RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	1,033,000		343,000	390,000		300,000	
G. Contingency								
H. Other								
TOTAL		\$1,033,000		\$343,000	\$390,000		\$300,000	

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: HIGHWAY GARAGE TIGHT TANK INSTALLATION	
Department: DPW - Highway	Category: Facility Improvements
<p><u>Description and Justification:</u></p> <p>This request seeks to fund installation of a tight tank system at the highway garage located at 190 Main Street. The existing garage was built in 1984 and no longer complies with State environmental regulations. The building is served by an onsite septic system which cannot accept discharge of truck wash water. In accordance with MassDEP requirements, an underground holding tank is required for this wastewater. The project requires interior plumbing changes as well as locating the tank in such a manner that it does preclude future building expansion/reconfiguration.</p>	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	2/6	300,000		300,000				
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$300,000		\$300,000				

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: **BUCKET TRUCK REPLACEMENT**

Department: **DPW - Highway**

Category: **Equipment Replacement**

Description and Justification:
 This request is to fund replacement of a 2010 model 30,000 pound GVW bucket truck that is used by the Highway Division. As part of this capital item the existing vehicle chassis will be repurposed to extend its useful life. This vehicle is used for trimming and removal of hazardous town trees, as well as a variety of other aerial tasks. The useful life of these vehicles is 10 to 12 years. The picture to the right is the existing vehicle when new.




RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	250,000		250,000				
G. Contingency								
H. Other								
TOTAL		\$250,000		\$250,000				

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: STREET SWEEPER	
Department: DPW - Highway	Category: Equipment Replacement
<u>Description and Justification:</u> This request is to replace the existing 2011 Elgin Pelican street sweeper. The useful life of a sweeper is approximately 10 to 12 years. As it ages the repairs become more costly. Using the department's two sweepers, it takes staff approximately 10 weeks to sweep the entire Town between early March and late June. If one sweeper were to go down, it would take the remaining sweeper into Fall to do it alone. Renting sweepers has not been feasible because every town needs to sweep at the same time. Additionally, the new National Pollutant Discharge Elimination Systems (NPDES) permit requires two town-wide sweeping cycles per year.	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment	2/6	275,000			275,000			
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$275,000			\$275,000			

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: BACKHOE REPLACEMENT	
Department: DPW - Highway	Category: Equipment Replacement
Description and Justification:	
<p>This request is to replace a 2005 model backhoe that is used by the Highway Division. As part of this capital request the 2015 backhoe will have body repair and paint work completed to extend its useful life. This backhoe is used for drainage and roadway repairs, plowing of streets throughout Town and digging graves in the cemeteries. The long reach of a backhoe is necessary to properly excavate (repair, maintain and install) drain pipes and structures (catch basins, manholes, culverts, swales, etc.) throughout Town. The useful life of these vehicles is 10 to 12 years, the existing backhoe is a 2005 model year and will be at least 19 years old when it is replaced. The picture to the right represents an example of new similar model backhoe.</p>	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	235,000			235,000			
G. Contingency								
H. Other								
TOTAL		\$235,000			\$235,000			

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: STUMP GRINDER	
Department: DPW - Highway	Category: Equipment Replacement
<p><u>Description and Justification:</u></p> <p>This request is to replace the Department's 1996 Vermeer stump grinder. This piece of equipment is used to grind the stumps flush after tree removal. The estimated cost to contract for these services is approximately \$200 per stump which represents an annual cost of approximately \$12,000, an equipment payback period of less than 6-years. The picture to the right represents an example of a new replacement stump grinder.</p>	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	65,000				65,000		
G. Contingency								
H. Other								
TOTAL		\$65,000				\$65,000		

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: **CEMETERY NICHES**

Department: **DPW - Cemetery**

Category: **Facility Improvement**

Description and Justification:

A cemetery (cremation) niche is an above-ground burial space, in which a decedent’s urn, containing their cremated remains, is placed and sealed. Similar to a mausoleum, this is a structure with recessed compartments for placing cremation urns permanently. This request is to fund design and construction of the Town's first cemetery niche. Municipal cemetery space is a limited supply and the addition of cemetery niches is an affordable way to extend the supply of accommodations without additional land acquisition.




RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design	6	20,000				20,000		
C. Land Acquisition								
D. Construction	6	80,000				80,000		
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$100,000				\$100,000		

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: SIDEWALK PLOW REPLACEMENT	
Department: DPW - Highway	Category: Equipment Replacement
Description and Justification:	
<p>This request is to replace an existing 2012 sidewalk machine. As part of this capital item the 2016 sidewalk machine will have body repair and paint work completed to extend its useful life. This vehicle will supplement the Town's other (2016) sidewalk machine. These vehicles are used to clear snow from various sidewalks throughout Town. This machine will be purchased with a flail mower attachment to assist with vegetation management. The sidewalk machine is exposed to many different environments including corrosive materials which cause disintegration of the equipment. As the equipment ages, it requires additional mechanical and body work to keep it operational. Sidewalk machines are expected to last approximately 10 years.</p>	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	200,000					200,000	
G. Contingency								
H. Other								
TOTAL		\$200,000					\$200,000	

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: UTILITY TRACTOR	
Department: DPW - Highway	Category: Equipment Replacement
<p><u>Description and Justification:</u></p> <p>This request is for a compact tractor to be used by the DPW at the cemetery for backfilling of graves and general clean-up that is inaccessible by the larger machines. It will also be used to mow the large areas in town that are only done 2 to 3 times per year (conservation areas, easements, etc.) The tractor will also be used by the Northborough K-8 schools. This tractor will replace the existing 2014 all purpose tractor that has exceeded its useful life. The picture to the right is an example of the new tractor to be purchased.</p>	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	100,000				100,000		
G. Contingency								
H. Other								
TOTAL		\$100,000				\$100,000		

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: ROADSIDE MOWER REPLACEMENT	
Department: DPW - Highway	Category: Equipment Replacement
Description and Justification:	
<p>This request will replace the existing 2015 John Deere tractor with a side boom mower and articulating arm. This mower is used to cut back brush along the edges of the roadway. The useful like of this equipment is 10 to 15 years. The existing tractor will be repurposed to extend its useful life. The picture to the right represents a simmlar new model.</p>	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	125,000						125,000
G. Contingency								
H. Other								
TOTAL		\$125,000						\$125,000

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: MEMORIAL FIELD PEDESTRIAN AND PARKING IMPROVEMENTS

Department: DPW - Parks

Category: Facility Improvement

Description and Justification:

This request seeks to fund the design and construction of improvements to the parking and pedestrian circulation for both upper and lower Memorial Field. Work will include new parking configuration, spectator viewing areas, and pedestrian circulation to both fields as well as the recently renovated snack shack building. The project is a good candidate for potential funding using Community Preservation Act Funds and will be submitted to the Community Preservation Committee for consideration once the project scope is better defined.



RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	6	TBD				TBD		
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		TBD				TBD		

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: DOG PARK

Department: DPW - Parks

Category: Facility Improvement

Description and Justification:
 The community has expressed interest through both the Master Plan and the Open Space Plan in development of a municipal dog park in Northborough. Planning and design for a facility such as a dog park is an extensive and thorough process. The request for FY2026 will fund siting, public outreach, and design of the dog park while the FY2027 request will support construction include applicable grant applications. The project is a good candidate for potential funding using Community Preservation Act Funds and will be submitted to the Community Preservation Committee for consideration at the appropriate time. The Town will also be pursuing grant funding for this project, which could impact its timing either way. The graphic to the right is a sample dog park with parking.




RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study		20,000					20,000	
B. Design		20,000					20,000	
C. Land Acquisition								
D. Construction	6							TBD
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$40,000					\$40,000	TBD

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: BRUSH DISPOSAL AREA	
Department: DPW - Highway	Category: Facility Improvement
<p><u>Description and Justification:</u></p> <p>The current brush and lawn debris area is located at the Highway Garage and is approximately 7,500 square feet in area. The small size requires the material to be trucked away no less than two times per year at an annual cost of between \$80,000 and \$100,000. The typical size for this type of facility in a similar size municipality is between 3 and 5 acres and allows for on-site processing. This request is to fund design, permitting, and preparation of a town brush and lawn debris disposal site adequately sized for on-site processing and available for use by the residents of Northborough.</p>	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design	6	100,000						100,000
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$100,000						\$100,000

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: SCADA SYSTEM	
Department: Sewer Enterprise	Category: Infrastructure Improvement
<p><u>Description and Justification:</u></p> <p>A fully encompassing SCADA (Supervisory Control And Data Acquisition) system is needed to monitor and efficiently manage the Town's utility infrastructure. Remote features to ensure adequate alarm response is critical to the health and well being of the residents. Currently, the water tank, MWRA connection, and sewer pump stations are not technologically connected to a main point of contact/computer. Alarms that are received are simply 'general' in nature and do not alert the on-call responder to the potential issue - creating a delay in adequate and proper mitigation. This project consists of two phases. Phase 1 entailed the completion of a radio study and assessment in FY2015. In FY2022 Phase 2 will consist of the construction and implementation of the system and costs will be split 44% Water and 56% Sewer. The picture to the right is an example of how a SCADA system communicates to a main point of contact.</p>	<p>The diagram, titled 'SCADA', shows a central computer monitor at the top. Below it is a central hub or router. Six radio towers are arranged around the hub, each connected to the central hub by a lightning bolt symbol representing a radio signal. Each radio tower is connected to a computer monitor, representing a remote field station or data acquisition point.</p>

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	7/8	500,000	500,000					
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$500,000	\$500,000					

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

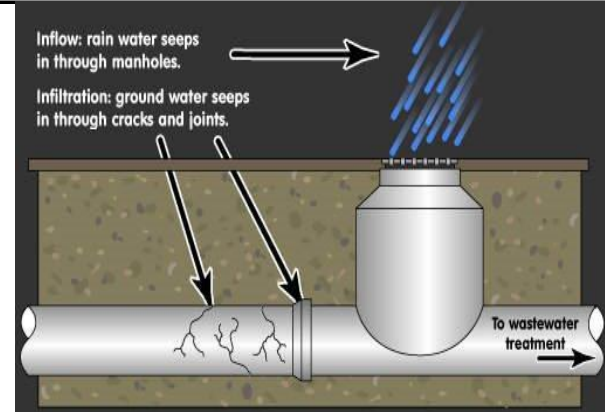
Project Title: **INFLOW AND INFILTRATION (I&I) MITIGATION**

Department: **Sewer Enterprise**

Category: **Infrastructure Improvement**

Description and Justification:

This request is to continue the implementation of our detailed Operations and Maintenance (O&M) Plan to mitigate inflow and infiltration into the Town's sanitary sewer system. This inflow is from flowing stormwater and runoff making its way into manhole covers and grates. Inflow is the seeping of groundwater into the system through pipe connections, cracks in the manholes or other small openings in the system. Mitigating I&I greatly reduces the volumes of 'clean' water sent to the waste water treatment plant for processing. As required by a State mandate (314 CMR 12.04) municipalities need to implement a detailed O&M Plan to address I&I.




RECOMMENDED FINANCING

	Source of Funds	Total Six - Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design	7	180,000		60,000		60,000		60,000
C. Land Acquisition								
D. Construction	7	900,000		300,000		300,000		300,000
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$1,080,000		\$360,000		\$360,000		\$360,000

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: ONE TON UTILITY BODY TRUCK WITH PLOW	
Department: WATER ENTERPRISE	Category: Equipment Replacement
Description and Justification:	
<p>This request is to replace a 2014 utility body truck. This vehicle is used daily to perform the regular inspections and general maintenance of the Town's water and sewer system. It is a general response vehicle to all calls throughout the water and sewer division. The new truck will also be used as a plow vehicle throughout Town. The useful life of these vehicles is 10 to 12 years. Cost for this vehicle will be divided 60% Water and 40% Sewer. The picture to the right represents an example of a replacement truck.</p>	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	7/8	120,000						120,000
G. Contingency								
H. Other								
TOTAL		\$120,000						\$120,000

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: RESERVOIR DAM COMPLIANCE	
Department: Water Enterprise	Category: Infrastructure Improvement
<p><u>Description and Justification:</u></p> <p>Reservoir Dam is owned by Northborough and located between Shrewsbury and Boylston. This structure is a significant hazard, poor condition dam. The Office of Dam Safety has ordered Northborough to either bring the dam into compliance or permanently breach the dam. This request is for design and permitting in FY2022 and construction in FY2024 to permanently breach the dam. The Town has submitted a grant application to fund 75% (\$150,000) of the design and permitting, therefore the FY2022 request for \$50,000 is to fund the remaining 25% match.</p>	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design	6/8	200,000	200,000					
C. Land Acquisition								
D. Construction	6/8	800,000			800,000			
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$1,000,000	\$200,000		\$800,000			

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: UTILITY TRACTOR	
Department: Water Enterprise	Category: Equipment Replacement
<u>Description and Justification:</u> This request is to replace a 2003 Kubota utility tractor with trailer. This tractor is a multi-purpose piece of equipment that is used throughout Town to clear the water and sewer cross-country easements in the summer growing months as well as spring & fall cleanups with the large blower attachment as well as clearing around hydrants during the winter months. As part of this capital item an existing piece of equipment will be repurposed to further its useful life. Cost for this equipment will be divided 40% Water and 60% Sewer.	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	7/8	80,000	80,000					
G. Contingency								
H. Other								
TOTAL		\$80,000	\$80,000					

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: ONE TON UTILITY BODY TRUCK WITH PLOW	
Department: WATER ENTERPRISE	Category: Equipment Replacement
<p><u>Description and Justification:</u></p> <p>This request replaces an existing 2015 model year in FY2025 and 2016 model year in FY2027. As part of the FY2025 capital item the existing pickup truck will be repurposed to further its useful life. Pickup trucks are the most used equipment in the fleet. The Water and Sewer employees use these vehicles to perform their everyday tasks including moving materials and equipment that is carried and towed by these vehicles including the replacement utility trailer. These trucks are also responsible for snow removal at the municipal pump stations and assist with the municipal buildings during the winter months. The useful life of these vehicles is 10 to 12 years. The cost for these vehicles will be divided 60% Water and 40% Sewer.</p>	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	7/8	157,000				75,000		82,000
G. Contingency								
H. Other								
TOTAL		\$157,000				\$75,000		\$82,000

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: 15-TON DUMP TRUCK	
Department: Water Enterprise	Category: Equipment Replacement
<u>Description and Justification:</u> <p>This request is to purchase a 30,000 pound GVW dump truck for use by the water and sewer divisions. The current fleet of vehicles are smaller daily task vehicles. This truck is large enough to tow the department excavator and will alleviate the need to use the highway department large dump truck when needed to move equipment and materials. Cost for this vehicle will be divided 60% Water and 40% Sewer.</p>	
	

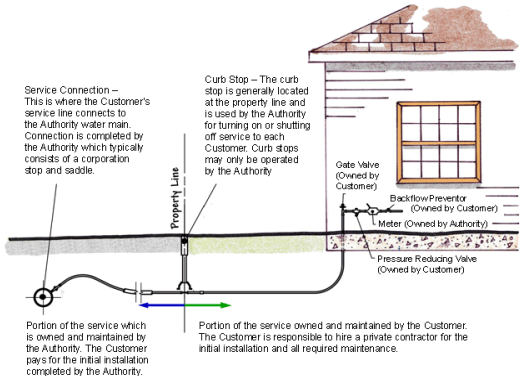
RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	7/8	150,000			150,000			
G. Contingency								
H. Other								
TOTAL		\$150,000			\$150,000			

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: WATER MAIN & SERVICE LINE REPAIR REPLACEMENT PROGRAM	
Department: Water Enterprise	Category: Infrastructure Improvement
<p>Description and Justification:</p> <p>This request is to fund a Water Main and Service Replacement Program as part of an ongoing commitment to provide quality water services to the residents of Northborough. This project focuses on replacing old undersized mains and services with reliable new materials which will significantly improve reliability, flow and fire protection while reducing the likelihood of breaks or leaks in the system. The 2025/2026 improvements are specifically to eliminate system restrictions and dead ends.</p>	
 <p>The diagram illustrates the components of a water service line and the ownership boundaries. On the left, the 'Service Connection' is shown where the customer's service line connects to the Authority's water main. The 'Property Line' is marked in the center. To the right of the property line, the 'Curb Stop' is located at the property line, used by the Authority for shutting off service. Further right, the 'Gate Valve' (Owned by Customer), 'Backflow Preventor' (Owned by Customer), 'Meter' (Owned by Authority), and 'Pressure Reducing Valve' (Owned by Customer) are shown. A note at the bottom indicates that the portion of the service to the left of the property line is owned and maintained by the Authority, while the portion to the right is owned and maintained by the Customer.</p>	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design	8	50,000				50,000		
C. Land Acquisition								
D. Construction	8	400,000					400,000	
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$450,000				\$50,000	\$400,000	


Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

Town of Northborough K-8 Schools

Project Detail Sheets

PROJECT DETAIL SHEET

Project Title: PARKING LOT/WALKWAY PAVING - PEASLEE SCHOOL	
Department: Northborough Public Schools	Category: Facility Improvements
Description and Justification:	
<p>This request seeks funding to repave the parking lot and asphalt walkways at the Peaslee Elementary School. The asphalt has been patched and crack sealed multiple times in recent years and is nearing the end of its useful life. The estimated cost is \$245,000. However, the decision to repave must be weighed against the likelihood that the Massachusetts School Building Authority (MSBA) may approve a cost-sharing grant for the comprehensive renovation/addition of the school in the coming years, similar to the Lincoln Street Elementary School project. If a comprehensive project is undertaken, it is inevitable that significant reconfiguration of the building parking lot and circulation would occur. The Town plans to request MSBA's assistance with this important project, but limited funding at the State level will impact how quickly grant funding is approved and the Town may need to take action if State assistance is delayed too long.</p>	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	2/6	245,000		245,000				
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$245,000		\$245,000				

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: FLOOR TILE REPLACEMENT - PEASLEE SCHOOL	
Department: Northborough Public Schools	Category: Facility Improvements
<p><u>Description and Justification:</u></p> <p>This project entails the replacement of classroom asbestos floor tiles that are lifting and causing uneven surfaces. The estimated cost to replace the tiles in three classrooms is \$50,000. However, the decision to replace the tiles must be weighed against the likelihood that the Massachusetts School Building Authority (MSBA) may approve a cost-sharing grant for the comprehensive renovation/addition of the school in the coming years, similar to the Lincoln Street Elementary School project. Ongoing monitoring occurs to ensure no safety issues are present while awaiting replacement.</p>	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	6	50,000			50,000			
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$50,000			\$50,000			

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET


Project Title: FIRE/SPRINKLER SYSTEM - PEASLEE SCHOOL	
Department: Northborough Public Schools	Category: Facility Improvements
<p><u>Description and Justification:</u></p> <p>In the event that the Peaslee School renovation project does not take place, the district should be proactive in building safety systems. This project would fund the design and installation of a new fire alarm and sprinkler system for the Peaslee School as recommended by the Fire Department. However, the decision to replace the systems must be weighed against the likelihood that the Massachusetts School Building Authority (MSBA) may approve a cost-sharing grant for the comprehensive renovation/addition of the school in the coming years, similar to the Lincoln Street Elementary School project.</p>	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design	2/3	TBD		TBD				
C. Land Acquisition								
D. Construction	2/3	480,000			480,000			
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$480,000			\$480,000			

- Source of Funds Legend
- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: ADDITION/RENOVATION PROJECT - PEASLEE SCHOOL	
Department: Northborough Public Schools	Category: Facility Improvements
<p><u>Description and Justification:</u></p> <p>This project entails the feasibility study, design and construction for an renovation/addition of the Peaslee Elementary School. The goal of the project is to modernize and expand Peaslee School to a condition that rectifies current deficiencies and satisfies projected future requirements for educational programs and student enrollment. A Statement of Interest (SOI) for this project will be submitted to the Massachusetts School Building Authority (MSBA) at the appropriate time. To qualify for funding, the district must follow MSBA statutes and regulations which require MSBA collaboration and approval at each step of the process.</p>	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study	2/3	500,000				500,000		
B. Design								
C. Land Acquisition								
D. Construction	2/3	28,700,000					28,700,000	
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$29,200,000				\$500,000	\$28,700,000	

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: ROOF REPAIRS - ZEH SCHOOL	
Department: Northborough Public Schools	Category: Facility Improvements
<p><u>Description and Justification:</u></p> <p>This project entails the replacement of the pitched asphalt shingled roof at the Zeh School. The existing roof is approximately 20 years old and has experienced multiple repairs over the past several years due to high wind events and quality of current shingles. The shingles are also beginning to display thermal cracking. This project is slated for FY2023 and represents the replacement of approximately 20,000 square feet of shingle pitched roof with a metal roofing system carrying a warranty of 30 years and a projected lifespan of 50 years.</p>	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	2/6	600,000		600,000				
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$600,000		\$600,000				

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: TENNIS COURT RESURFACING & FENCING - MELICAN MIDDLE SCHOOL	
Department: Northborough Public Schools	Category: Facility Improvements
Description and Justification:	
<p>This project seeks funding to resurface the tennis courts at the Melican Middle School, repair or replace the nets as needed and to install new fencing around the courts. The tennis courts were last milled and resurfaced in 1996 and are in need of a planned resurfacing to ensure continued safe usage.</p>	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	2/6	100,000			100,000			
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$100,000			\$100,000			

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: **ADDITION/RENOVATION PROJECT - MELICAN MIDDLE SCHOOL**

Department: **Northborough Public Schools** Category: **Facility Improvements**

Description and Justification:
 This project entails the feasibility study, design and construction for an addition/renovation of the Melican Middle School. The goal of the project is to modernize and expand Melican Middle School to a condition that rectifies current deficiencies and satisfies projected future requirements for educational programs and student enrollment. A Statement of Interest (SOI) for this project will be submitted to the Massachusetts School Building Authority (MSBA) at the appropriate time. To qualify for funding, the district must follow MSBA statutes and regulations which require MSBA collaboration and approval at each step of the process. While a placeholder for this project has been included in FY2027, were the MSBA to move forward with the Peaslee School addition/renovation feasibility study project proposed in FY2025, the Melican Middle School project would likely be pushed out.



RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					FY 2027
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	
A. Feasibility Study	2/3	500,000						500,000
B. Design								
C. Land Acquisition								
D. Construction	2/3	TBD						TBD
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$500,000						\$500,000

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

Part III

Report of the Financial Planning Committee
FY2022-2027

Report of the Financial Planning Committee

The Financial Planning Committee consists of six members. Three members are appointed by the Town Moderator, and one each by the Northborough School Committee, the Appropriations Committee and the Planning Board. The role of the Financial Planning Committee is to serve in a research, study and advisory capacity to the Board of Selectmen, the Appropriations Committee and the Annual Town Meeting on short and long-range financial planning matters, and to assist in the development of a Capital Improvement Program. During Fiscal Year 2021 the Committee was composed of the following members:

Member	Appointed By	Term Expires
David DeVries, Chair	Town Moderator	April 2023
Michael Hodge, Vice-Chair	Town Moderator	April 2022
John Rapa	Town Moderator	April 2023
William Peterson, Jr.	Northborough K-8 School Committee	April 2021
Thomas Spataro	Planning Board	April 2022
<i>*Scott Rogers</i>	Appropriations Committee	
<i>*Resigned June 2020</i>		

Committee Activities

Meeting Date	Meeting Topics
01/14/2021	Joint Meeting with Board of Selectmen, Financial Planning Committee, Appropriations Committee and K-8 School Committee; Financial Trend Monitoring System Presentation and Five-Year Financial Projections
02/04/2021	Election of Officers; CIP Instruction Manual; Preliminary Free Cash Plan; DPW Project Updates and Capital Requests; Review of Meeting Schedule and Town Meeting Calendar
02/16/2021	Review of FY2022 Preliminary Capital Budget; FY2022 Police Department Capital Requests; FY2022 Fire Department Capital Requests
02/24/2021	Review of FY2022 DPW, Water & Sewer Capital Requests; FY2022 K-8 School Department Capital Requests; Review of Town's Legislative Priorities Letter
03/02/2021	Review of FY2022 CPC Project Requests; Final Review of FY2022 Capital Budget; Public Comment regarding proposed FY2022 Capital Budget; Discussion of Recommendations and Draft Report
03/09/2021	Review and Approval of Committee Report to Town Meeting; Discussion of Town Meeting Warrant
03/22/2021	Joint Meeting with Board of Selectmen – Budget Hearing (Charter 6-5) (FPC Optional)

Preparation for FY2022 presented unique challenges as the Town continues to manage the COVID-19 pandemic. Budgetary delays originating at the state level caused minor delays in FY2022 planning. However, the Committee was able to fulfill its duties as required by the Charter and have made its recommendations on each of the capital projects presented for funding in FY2022. Town Meeting is the Legislative Body of the Town of Northborough; and the final decision of approval or disapproval of each warrant article is ultimately up to you, the voters.

The Committee extends its appreciation to Town Administrator John Coderre and his Financial Team -- Assistant Town Administrator Becca Meekins and Finance Director Jason Little -- for their input and assistance throughout the Committee's process. Special thanks to Diane Wackell and Lynda LePoer for their capable administrative support.

Committee General Comments

The major role of the Financial Planning Committee is to review all submitted projects included in the Capital Improvement Program, comment upon their viability and make its final recommendations, which includes consideration of the guidelines set forth under the Debt Policy adopted by the Board of Selectmen in September 2000. These guidelines were developed to assist the Town in determining how much debt can safely be incurred, and are consistent with those recommended by the Massachusetts Department of Revenue, namely:

- Determine debt that can be incurred without jeopardizing credit standing and causing financial hardship;
- Incorporate affordability guidelines for expenditures;
- Include review of the Capital Improvement Program; and
- Indicate appropriate uses for and acceptable amounts of debt.

The Committee has reviewed the projects included in the six-year Capital Improvement Program at meetings held with the various departments proposing these projects. At these meetings, department heads presented information and data to justify the need, cost, and implementation timeframe for the projects. It is the strong opinion of the Committee that in order for the Capital Improvement Program to be an effective tool for managing the Town's capital investment, department heads must have confidence that their submitted projects will be implemented within the timeframe planned in the Program. The Committee recognizes that the municipal and school administrations have worked hard to anticipate capital needs, submit projects into the Plan, and distribute those projects over the six-year planning period so as to comply with the constraints of the Town's Debt Policy.

At this writing, debt service projections and metrics were not yet finalized and available to the Committee, but conservative preliminary estimates prepared by the Town Administrator indicate that the program will be well within the guidelines set forth in the Debt Policy both for Credit Standing and Affordability. The FY2021 debt service budget is just 3.34% of the overall operating budget, which is actually below the Town's Debt Policy guidelines of 5-10%, and the proposed FY2022 budget will see debt levels reduced even further. The Town is well positioned to take on some of the large upcoming building projects contained in the Capital Improvement Program (CIP), including the Fire Station and Town Offices projects. Subject to comments and recommendations made herein for specific capital projects proposed for FY2022, the Committee is pleased to recommend this CIP as an effective tool for managing the Town's finances with respect to Capital Projects for the next six years.

Communication, Transparency, and Best Practices in Town Finance

The Government Finance Officers Association (GFOA) awarded Northborough its tenth, consecutive Distinguished Budget Award for its annual budget document for the fiscal year beginning July 1, 2019 (FY2020). To be recognized, the budget document must satisfy demanding criteria which evaluate it as a policy document, a financial plan, an operations guide, and a communications tool. Further, GFOA raises the bar by requiring past award winners to demonstrate ever greater clarity and completeness in their budget document. To repeat as a GFOA award winner reflects the continuing efforts of the Financial Team to improve communication and transparency in Town finance and apply best practices to municipal budgeting. Delays in the budget process in FY2021 due to the outbreak of the COVID-19 virus prevented the Town from applying for the GFOA award in FY2021. We anticipate applying for the award for the FY2022 budget cycle.

Free Cash Policy

The FY2022 budget year marks the eleventh implementation of the Town's Free Cash Policy. Under this policy, one defined use of available free cash is to pay for capital projects. Examples of suitable projects include DPW and Public Safety vehicles and equipment; building infrastructure components (heating, cooling, electrical, plumbing, etc.); office and technology equipment; and capital project design fees, feasibility studies, and needs analyses. In the past, the Town funded projects of this scale with debt, a practice discouraged by bond rating agencies. Under the Free Cash Policy, such capital items are now primarily funded from Free Cash and other available one-time revenues. Debt capacity is conserved for larger projects such as building construction and renovation, major roadway construction and repair, water/sewer infrastructure, and land acquisition for municipal use or to preserve open space. Following the constrained budget surpluses and decision to postpone capital expenditures during FY2021, the Town may need to contemplate issuing general obligation debt for some smaller projects as a means to manage the backlog of proposed projects seeking funding. This discussion will take place in more detail during the FY2023 budget cycle, after the full economic impact of the pandemic and any potential Federal Aid is realized.

From the \$1,980,662 certified free cash balance, \$805,000 is allocated under the Capital Budget to finance the FY2022 pay-as-you-go capital investments with no additional tax impact. Assuming this year's Capital Budget is approved, \$12.86 million of capital expenditures will have been accomplished with Free Cash over the eleven-year period FY2012-2022, which otherwise would have been financed with debt. Meanwhile, the Town's component of debt service attributable to small expenditures has been eliminated, reclaiming capacity within the Proposition 2 ½ levy limit to address upcoming capital projects of larger scale.

Capital Projects for FY2022

The Committee has reviewed and prioritized the projects in the Capital Improvement Program for Fiscal Year 2022 as follows:

Priority	Description
1	Projects that involve correcting a current Safety or Health issue, and/or to meet a Federal or State legal requirement.
2	Projects that are necessary to maintain the Town's current buildings, equipment and infrastructure: <i>Buildings</i> - Projects necessary to maintain existing Town buildings, not including projects to expand or modernize facilities. <i>Equipment</i> - Projects necessary to replace old existing equipment, which is no longer cost effective to repair with similar equipment.
3	Projects that are required to increase capacity of existing facilities in order to accommodate the increase in growth of the Town.
4	Projects that are designed to modernize and upgrade existing Town facilities.

The Committee considers all the proposed capital projects, which have been in the Capital Improvement Plan for many years. From those proposals, the Committee recommends the capital projects below be included in this year's FY2022 Capital Budget warrant articles. The Committee votes are shown in parentheses. Numerical votes are shown in Yes-No-Abstain order relative to a motion to recommend approval. Fewer than six total votes reflect the absence of one or more members at the time of the vote. Planned sources of funding are noted in the comments for each project.

Some of the FY2022 proposed capital expenditures consist of planned equipment replacements that were reduced from the FY2021 Capital Plan due to the financial impacts of the COVID-19 Pandemic. These projects have been placed back on the annual capital replacement scheduled in FY2022 with funding from Free Cash, which has no additional tax impact.

Municipal Departments

Article	Sponsor	Cost	Priority	Recommend Approval?
Article 11	Police	\$150,000	2	Unanimously Yes
<ul style="list-style-type: none"> ▪ Requested funding of \$150,000 for the purchase of three new police vehicles. This article is a return to the annual replacement schedule for Police Cruisers after the reduction from last fiscal year's capital plan due to COVID-19 budgetary constraints. ▪ Funded from Free Cash. No additional impact to tax rate. 				
Article 12	Fire	\$80,000	2	Unanimously Yes
<ul style="list-style-type: none"> ▪ This request seeks to replace a 2012, one-ton, four-wheel-drive crew cab pick-up truck. This vehicle is used to carry personnel, equipment, and bulk supplies. This vehicle is used for emergency responses, inspections, investigations, and fire alarm service. 				

This vehicle also serves as the department's primary tow vehicle for its various trailered equipment. The current pick-up will be traded in. The designation for the new pick-up will be Car-3.

- Funded from Free Cash. No additional impact to tax rate.

Article 13	Sponsor	Cost	Priority	Recommend Approval?
Car-1 SUV Replacement	Fire	\$76,000	2	Unanimously Yes
<ul style="list-style-type: none"> ▪ This request will replace the 2015 Chevrolet Tahoe command vehicle used by the Fire Chief, which is a critical component of the Incident Command System. The vehicle carries communications equipment, emergency plans for facilities, chemical, terrorism, and firefighting references, the tactical command board, and command vests. The current Car-1 will be repurposed to replace the existing Car-4, a 2008 Chevrolet SUV, which will be traded in. The new designation for this vehicle will be Car-2. ▪ Funded from Free Cash. No additional impact to tax rate. 				

Article 14	Sponsor	Cost	Priority	Recommend Approval?
Road Improvements & Maintenance	Public Works - Highway	\$310,000	2	Unanimously Yes
<ul style="list-style-type: none"> ▪ Funds needed to supplement the Pavement Management Plan due to limited State Chapter 90 Transportation Funding. The Town's Pavement Management Plan requires a minimum spending level of \$1.1 million annually to maintain pavement conditions. ▪ Funded from Free Cash. No additional impact to tax rate. 				

Article 15	Sponsor	Cost	Priority	Recommended Approval?
One-Ton Dump Truck with Plow	Public Works - Highway	\$115,000	2	Unanimously Yes
<ul style="list-style-type: none"> ▪ This project was initially proposed as part of the FY2021 Capital Plan but was postponed due to the financial impacts of COVID-19 in FY2021. This request proposes to replace a 2003 truck which has reached the end of its useful life. ▪ Funded from Free Cash. No additional impact to tax rate. 				

Article 16	Sponsor	Cost	Priority	Recommended Approval?
One-Ton Pickup Truck w/Plow	Public Works – Highway	\$74,000	2	Unanimously Yes
<ul style="list-style-type: none"> ▪ This project was initially proposed as part of the FY2021 Capital Plan but was postponed due to the financial impacts of COVID-19 in FY2021. This request proposes to replace a 2003 one-ton pickup truck. ▪ Funded from Free Cash. No additional impact to tax rate. 				

Article 17	Sponsor	Cost	Priority	Recommend Approval?
SCADA System	Public Works – Water & Sewer	\$500,000	4	Unanimously Yes
<ul style="list-style-type: none"> ▪ Request for a full encompassing SCADA (Supervisory Control and Data Acquisition) system needed to monitor and efficiently 				

manage the Town’s utility infrastructure. This is Phase II of a two-phase project that began in FY2015.

- Costs will be split 44% Water Enterprise Funds and 55% Sewer Enterprise Funds.

Article 18	Sponsor	Cost	Priority	Recommend Approval?
Reservoir Dam Compliance	Public Works – Water Enterprise	\$50,000	1	Unanimously Yes
<ul style="list-style-type: none"> ▪ Reservoir Dam is owned by Northborough and located between Shrewsbury and Boylston. Current structure is in poor condition and the Town has been ordered by the Office of Dam Safety to either bring the dam into compliance or permanently breach the dam. This request is just for design and permitting in FY2022 with construction occurring in FY2024 at an additional cost of approximately \$800,000. It is important to note that the Town will be seeking grants funds to off-set the removal cost as well. ▪ The Town has submitted a grant application to fund 75% of the design and permitting (\$150,000) and this request is for the 25% remaining match (\$50,000) to be funded from the Water Enterprise Fund. 				

Article 19	Sponsor	Cost	Priority	Recommend Approval?
Utility Tractor	Public Works – Water and Sewer Enterprise	\$80,000	2	Unanimously Yes
<ul style="list-style-type: none"> ▪ Request to replace a 2003 Kubota utility tractor with trailer. This multi-purpose piece of equipment is used throughout Town to clear the water and sewer cross-country easements in the summer growing months, as well as spring and fall cleanups. ▪ Cost for this equipment will be divided 40% from Water Enterprise Funds and 60% Sewer Enterprise Funds. 				

Community Preservation Act Projects

Certain projects to be funded with Community Preservation Act monies may be presented at Town Meeting. Although often capital in nature, these projects are not necessarily incorporated into the Capital Improvement Plan. Nevertheless, the Financial Planning Committee, in its financial advisory capacity, strives to review projects approved by the CPC and offer its recommendations at Town Meeting. Because CPA projects do not compete for funding with Capital Improvement Plan projects, no Priority is assigned. The Committee has decided not to review or make recommendations on projects not meeting the \$25,000 minimum definition of a Capital Project for purposes of the Capital Improvement Plan.

Article 23	Sponsor	Cost	Priority	Recommend Approval?
Pickleball Courts at Ellsworth/McAfee Park	Recreation/Public Works	\$290,250	N/A	Unanimously Yes
<ul style="list-style-type: none"> ▪ This project requests funding for the construction of six outdoor pickleball courts at the Ellsworth McAfee Park including site preparation and installation of drainage, landscaping, and fencing. 				

Article 27	Sponsor	Cost	Priority	Recommend Approval?
White Cliffs Debt	Community Preservation Committee	\$203,780	N/A	Unanimously Yes
<ul style="list-style-type: none"> ▪ Funds for the fourth debt service payment of ten associated with the purchase of the White Cliffs at 167 Main Street. 				

Respectfully submitted,

Northborough Financial Planning Committee
March 9, 2021

Financial Planning Committee Revised Recommendations for FY2022 Capital Project Warrant Articles
Northborough Annual Town Meeting May 1, 2021

Article	Project	Amount	Funding Source	Priority	Vote *	Recommend Approval?
11	Police: Cruiser Replacement	\$150,000	Free Cash	2	(5-0-0)	YES
12	Fire: Car 3 Pick-up Truck Replacement	\$80,000	Free Cash	2	(5-0-0)	YES
13	Fire: Car 1 SUV Replacement	\$76,000	Free Cash	2	(5-0-0)	YES
14	DPW: Road Improvements & Maintenance	\$310,000	Free Cash	2	(5-0-0)	YES
15	DPW: One-Ton Dump Truck with Plow	\$115,000	Free Cash	2	(5-0-0)	YES
16	DPW: One-Ton Pickup Truck with Plow	\$74,000	Free Cash	2	(5-0-0)	YES
17	DPW: Water & Sewer Supervisory Control & Data Acquisition System (SCADA)	\$500,000	Water/Sewer Enterprise Funds	4	(5-0-0)	YES
18	DPW: Water Enterprise – Reservoir Dam Compliance	\$50,000	Water Enterprise Funds with additional \$150K grant funds	1	(5-0-0)	YES
19	DPW: Water & Sewer Utility Tractor	\$80,000	Water/Sewer Enterprise Funds	2	(5-0-0)	YES
23	CPC: Pickleball Courts at Ellsworth McAfee Park	\$290,250	CPA Fund	**	(5-0-0)	YES
27	CPC: White Cliffs Debt	\$203,780	CPA Fund	**	(5-0-0)	YES

* Numerical votes shown in Yes-No-Abstain order relative to a motion to recommend approval. Fewer than six total votes reflects absence of one or more members.

** No capital project priority is assigned to CPA-funded projects.

APPENDIX A

FINANCIAL POLICIES AND OBJECTIVES

Originally adopted by Board of Selectmen on November 23, 2009
Revised November 8, 2010 (Free Cash Policy Added)

TOWN OF NORTHBOROUGH FINANCIAL MANAGEMENT POLICIES

I. OVERVIEW

It is the policy of the Town of Northborough that financial management is conducted with the objectives of providing municipal service in an efficient, effective and consistent manner that aligns with public policy goals as set forth by the Board of Selectmen.

To help ensure the Town's financial stewardship, an established program of managing the Town's finances is essential. To this end, the Board of Selectmen promulgates policies and procedures that are financially prudent and in the Town's best economic interest.

In adherence to this policy, the Town shall pursue the following objectives:

- To set forth operational principles that minimize the cost of government to the extent consistent with services desired by the public and that minimize financial risk;
- To continue effective financial management within the Town that conforms to generally accepted accounting principles;
- To simplify, clarify and modernize the financial systems of the Town as the need occurs;
- To provide increased public confidence in public financial management;
- To protect and enhance the Town's credit rating and prevent default on any municipal debts;
- And to provide safeguards to ensure the quality and integrity of the financial systems.

In order to attain the above objectives, the Board of Selectmen adopts the following policies.

II. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

- A. The Town will utilize accounting practices that conform to generally accepted accounting principles (GAAP) as set forth by the Government Accounting Standards Board (GASB), including compliance with GASB Statements 34, 40 and 45.
- B. An annual audit will be performed by an independent public accounting firm.
- C. A Management Letter shall be provided by the independent public accounting firm as a companion document to the annual audit.

III. GENERAL FUND

- A. Budget Goals and Objectives shall be determined annually by the Board of Selectmen in consultation with the Town Administrator. However, the annual operating budget as submitted to the Town must be balanced with the estimate of proposed expenditures for a given period less than or equal to the proposed means of financing these expenditures

(from various sources of funds or revenues). In short, for a budget to be balanced, proposed expenditures shall not exceed projected resources for the given period.

- B. The Town will carefully and routinely monitor all amounts due the Town. An aggressive policy of collection will be followed for all receivables, including property taxes. An average collection rate of at least 95% of current levy shall be maintained.
- C. Charges for services and other revenues shall be reviewed on a regular on-going basis at least every three years. Charges shall be adjusted as necessary to respond to changes in the cost of providing services. The Board of Selectmen may set specific cost recovery goals for individual departments or services as appropriate.
 - 1. Recreation Department—Recreational user charges and fees will be set to recover approximately 100% of the total direct costs associated with recreational programs.
- D. Reserves reflect a community's ability to react to unforeseen circumstances and to minimize or avoid borrowing for capital expenditures. Reserves should normally average between 5% and 10% of the Town's General Fund (operating budget) Expenditures. The Town will endeavor to continue its policy of maintaining reserves at 10% of General Fund Expenditures. Reserves are defined to include the Town's Stabilization Fund and Free Cash.

The Stabilization Fund is the Town's main reserve fund designed to provide financial stability for the Town while improving the Town's credit worthiness and flexibility. The provisions of this fund are dictated by Massachusetts General Law, Chapter 40, Section 5B. The Stabilization Fund may be appropriated for any lawful purpose. However, at no time can an appropriation placed into the fund exceed 10% of the previous year's real property tax levy, nor can the fund itself exceed 10% of the equalized value of the Town.

Free Cash reserves are the remaining, unrestricted funds from operations of the previous fiscal year; these include unexpended Free Cash from the previous year, actual receipts in excess of revenue estimates and unspent amounts in budget line-items. Once certified, monies held in this reserve may be appropriated during the current budget year and may also be used as a source of revenues for the ensuing budget year.

The Town has historically used some portion of its Free Cash to subsidize the ensuing year's annual operating budget. However, it is the Town's goal to limit the amount of Free Cash used in the operating budget to a sustainable level and to use these available funds for non-recurring one-time expenses, such as capital items.

For purposes of this policy, the following are deemed to be appropriate uses of Free Cash:

- Appropriated Reserve – an amount to provide for extraordinary or unforeseen expenditures as authorized by MGL Chapter 40, Section 6.

- Operating Budget – in order to pursue a gradual transition from using Free Cash to fund recurring operational expenses, the Town will reduce its annual appropriation by \$100,000 each year until such time as the annual appropriation from Free Cash for the operating budget is lowered to \$500,000.
- Stabilization Fund – to fund or replenish the Stabilization Fund.
- Capital Improvement Program – to fund capital projects that would otherwise incur borrowing costs associated with the issuance of debt.
- Special Use – to augment the trust funds related to fringe benefits and unfunded liabilities related to employee fringe benefits.
- Extraordinary Deficits – to fund any potential deficits that would otherwise be carried over to the following fiscal year.
- Emergency Appropriations – to allow for fiscal flexibility.

The overall level of Financial Reserves is critical to maintaining the Town’s Bond Rating and ensuring sufficient funds to manage unanticipated needs. Funds shall be allocated from Reserves only after an analysis has been prepared by the Town Administrator and presented to the Board of Selectmen. The analysis shall provide sufficient evidence to establish that the remaining balance is adequate to offset potential downturns in revenue sources and provide sufficient cash balance for daily financial needs.

IV. CAPITAL IMPROVEMENTS

- A. The Town shall continue to prepare a six-year Capital Improvement Program (CIP) updated on an annual basis.
- B. Definitions of Capital Improvement Program/Project:
 1. Capital Improvement Program: A comprehensive list of major public improvement projects that are proposed for the Town’s expenditure within the next six years. The CIP shall be reviewed annually.
 2. Capital Improvement Project: Items included within the Capital Improvement Program will involve the improvement or betterment of the physical plant of the Town of a non-recurring nature as differentiated from ordinary repairs or maintenance of a recurring nature. Projects include acquisition of land, improvement of facilities and the replacement/purchase of equipment with a useful life of at least five (5) years and a cost of \$25,000 or more.

V. DEBT MANAGEMENT

- A. A critical measure for bond rating agencies is the ratio of debt service payments to total expenditures. The Town recognizes that maintaining debt levels within industry standards allows the Town to more easily maintain its credit standing. Bond rating agencies consider individual community needs and circumstances (including emergencies) when evaluating the fiscal health of a community. Thus, while exceeding such limits could translate into a decrease in bond rating, such a decrease is not necessarily a totally negative factor in every case in a particular community. The Town’s consideration of doing so, however, should be reserved for extraordinary or unforeseeable circumstances.
- B. The Town will endeavor to manage debt so as not to exceed the following ratios, which are reflective of municipal bonding standards:
- | | |
|--|---------|
| 1. Gross General Fund debt service/General Fund expenditures | 15% |
| and | |
| 2. Net General Fund debt service/General Fund expenditures | 8 – 10% |
- C. Definitions of Gross/Net Debt Service:
1. General Fund Gross Debt Service: Annual debt payments (principal and interest) for which the Town is held accountable; inclusive of assessments from Regional School Districts, Town and K-8 School appropriations and debt exclusions. Excluded are Water and Sewer Utility Funds.
 2. General Fund Net Debt Service: After State reimbursement and State aid, the annual debt payments (principal and interest) for which the Town is held accountable; inclusive of assessments from Regional School Districts, Town and K-8 School appropriations and debt exclusions (i.e., Gross Debt Service less reimbursements/aid). Excluded are Water and Sewer Utility Funds.
- D. When considering the use of debt, the Town shall be guided by the following:
1. Borrowing versus Cash—The Town will endeavor to finance Capital Improvement Projects with a total cost of less than \$50,000 through cash appropriation rather than borrowing.
 2. Useful Life—When borrowing, the Town will ensure that the term of bonds issued will not exceed the useful life of the project.
 3. Capital Expenditure versus Capital Improvement Project—Capital expenditures not meeting the definition of “Capital Improvement Projects” should be financed through inclusion within operating budgets.
- E. When considering debt financing strategies, the Town shall be guided by the following:

Exclusions from Proposition 2-1/2 Limits

The maximum amount a community can collect in taxes in a given year is its levy limit. Proposition 2½ (Massachusetts General Laws, Chapter 59, Section 21C) restricts growth in the levy limit from one year to the next by limiting the growth to an increase of not more than 2½% over the prior fiscal year plus any increase in valuation due to new growth in the community.

There are provisions that allow a community to exceed the limits of Proposition 2½. The “debt exclusion” option is a temporary tax increase used to raise additional taxes to fund capital projects for which the community may borrow as defined in Massachusetts General Laws, Chapter 44, Sections 7 and 8. The additional amount is added to the levy limit only during the life of the debt.

A community may also temporarily exceed the levy limit by raising additional taxes for a capital improvement in order to finance the purchase with cash. Such a “capital outlay expenditure exclusion” is used for the year in which the capital item is acquired.

The Town will continue its policy to raise appropriations for large projects, such as school or municipal buildings, outside the limits of Proposition 2½, in order to retain budget capacity within the limits of Proposition 2½.

State, Federal and Other Sources of Funding

State, Federal and other sources of funding including grants and reimbursements, will be aggressively sought for eligible Town and School capital projects.

VI. ENTERPRISE FUND MANAGEMENT

Enterprise funds (Water, Sewer and Solid Waste) should be fully self-sufficient operationally with user charges and fees set to recover all costs associated with the activities of these funds including capital expenditures. Enterprise Funds are governed by Massachusetts General Law, Ch. 44 §53F½.

VII. GIFTS AND GRANTS

- A. All grants shall be managed to comply with the laws, regulations and guidance of the grantor, and all gifts and donations shall be managed and expended according to the wishes and instructions of the donor.
- B. All gifts and grants shall be evaluated for suitability and consistency with Town policies. They shall be formally accepted by the Board of Selectmen after review and recommendation by the Town Administrator. Gifts and grants of funds are governed by Massachusetts General Law Ch. 44 §53A. Gifts of tangible property are governed by Massachusetts General Law Ch. 44 §53A½.

VIII. TRUST FUND MANAGEMENT

Trust Fund management shall be consistent with the legal requirements and spirit of each respective trust document and, to the maximum extent possible, realize the purpose the trusts were intended to achieve. All Trust Funds shall be invested in accordance with Section X of these policies.

IX. INVESTMENT POLICY FOR GENERAL FUNDS, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS AND CAPITAL PROJECTS FUNDS

- A. **Scope**—Section IX of this policy applies only to short term operating funds such as general funds, special revenue funds, enterprise funds, bond proceeds and capital project funds. Section X will deal with trust funds and any other funds with special circumstances such as stabilization funds. Massachusetts Teachers Retirement Board and the Worcester Regional Retirement Board are responsible for the investment of the pension funds.
- B. **Objectives**—Massachusetts General Laws, Chapter 44, Section 55B requires the Treasurer to invest all public funds except those required to be kept uninvested for purposes of immediate distribution.

The state law further requires that invested funds are to be placed at the highest possible rate of interest reasonably available, taking account of safety, liquidity and yield. Therefore, these guidelines are intended to further the objective of securing the highest return that is consistent with safety of principal while meeting the daily cash requirements for the operation of the Town's business.

1. *Safety* of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital through the mitigation of credit risk and interest rate risk. These risks shall be mitigated by the diversification and prudent selection of investment instruments, and choice of depository.
 - i. *Credit risk* is the risk of loss due to the failure of the security issuer or backer.
 - ii. *Interest rate risk* is the risk that the market value of the security will fall due to changes in general interest rates.
2. *Liquidity* is the next most important objective. The overall investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Since all possible cash demands cannot be anticipated, the Treasurer shall carry out investment activities in a manner that provides for meeting unusual cash demands without the liquidation of investments that could result in forfeiture of accrued interest earnings, and loss of principal in some cases.

3. *Yield* is the third, and last, objective. Investments shall be undertaken so as to achieve a fair market average rate of return, taking into account safety and liquidity constraints as well as all legal requirements.

C. Investment Instruments—Public investments in Massachusetts are not protected through provisions in State law. Therefore, they are largely uncollateralized. Many banking institutions are willing to put up collateral, albeit at a cost to the entity of a lower interest rate. The Treasurer negotiates for the highest rates possible, consistent with safety principles. **The Treasurer may legally invest in the following instruments:**

1. *Massachusetts State Pooled Fund*: Unlimited amounts (Pool is liquid)—The Massachusetts Municipal Depository Trust (MMDT), an investment pool for state, local, county and other independent governmental authorities, is under the auspices of the State Treasurer and currently managed by Fidelity Investments. It invests in Bankers Acceptances, Commercial Paper of high quality, Bank Certificates of Deposit, Repurchase agreements (Repos) and U.S. Treasury Obligations. It has Federal Deposit Insurance Corporation (F.D.I.C.) pass-through insurance on the C.D.'s and takes delivery on the Repos and Treasuries.
2. *U. S. Treasuries* that will be held to maturity: Unlimited amounts (Up to one year maturity from date of purchase).
3. *U.S. Agency obligations* that will be held to maturity: Unlimited amounts (Up to one year maturity from date of purchase).
4. *Bank accounts or Certificates of Deposit*, hitherto termed C.D.'s. (Up to one year) which are fully collateralized through a third party agreement: Unlimited amounts.
5. *Bank accounts and C.D.'s* (Up to one year) insured by F.D.I.C. up to at present a \$250,000 limit. All bank accounts and C.D.'s in one institution are considered in the aggregate to receive the \$250,000 insurance coverage. In some cases banking institutions carry additional insurance, Depository Insurance Fund of Massachusetts (D.I.F.M).
6. *Unsecured bank deposits* of any kind such as other checking, savings, money market, or Certificates of Deposit accounts at banks that do not fit the above categories. These investments are subject to the following limitations: No more than 5% of an institution's assets and no more than 25% of a municipality's cash may be composed of unsecured bank deposits. This percentage may be increased for not more than 30 days during times of heavy collection or in anticipation of large payments that will be made by the Town in the near future. These payments may be for such items as debt service payment or regional school assessments. They will be diversified as much as possible.

- D. **Authorization**—The Treasurer has authority to invest municipal funds, subject to the statutes of the Commonwealth Massachusetts General Law Chapter 44 Section 55, 55A, & 55B.
- E. **Restrictions**—Chapter 44, Section 55 set forth the several restrictions that the Treasurer must be aware of when making investment selections for short term operating funds.
1. A Treasurer shall not at any one time have on deposit in a bank or trust company an amount exceeding 60% of the capital and surplus of such bank or trust company, or banking company, unless satisfactory security is given to it by such bank or trust company, or banking company for such excess.
 2. The Treasurer shall not make a deposit in any bank, trust company or banking company that he is associated with as an officer or employee or has been the same for any time during the three years immediately preceding the date of any such deposit.
 3. All securities shall have a maturity from date of purchase of one year or less.
 4. Purchases under an agreement with a trust company, national bank or banking company for repurchase at not less than original purchase price of said securities on a fixed date, for a term that shall not exceed ninety days.

X. INVESTMENT POLICY FOR TRUST FUNDS, STABILIZATION FUNDS AND COMMUNITY PRESERVATION ACT

- A. **Scope**—Section X of this policy applies to funds that could be invested long term and includes accounts that are designated as Trust Funds, Stabilization Funds, Conservation Fund and Community Preservation Funds. These funds include all accounts that are received as scholarships and perpetual care receipts.

All accounts will be maintained separately receiving their proportionate interest allocation and any realized and unrealized gains or losses. The account will be established as a pooled investment portfolio unless otherwise stated. Any additional amounts added to such accounts will be maintained in this same manner.

- B. **Authorization**—Massachusetts General Law Chapter 44, Section 54 pertains to the investment of Trust Funds. All trust funds shall fall under the control of the Treasurer unless otherwise provided or directed by the donor.
- C. **Objectives**—Massachusetts General Laws, Chapter 44, Section 55B requires the Treasurer to invest all public funds except those required to be kept uninvested for purposes of immediate distribution.

This section also requires that invested funds are to be placed at the highest possible rate of interest reasonably available, taking into account safety, liquidity and yield. Therefore, these guidelines are intended to further the objective of securing the highest return that is consistent with the safety of principal while meeting the daily cash requirements for the operation of the Town's business.

1. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital through the mitigation of credit risk and interest rate risk. These risks shall be mitigated by the diversification and prudent selection of investment instruments, and choice of depository.
 - i. Credit risk is the risk of loss due to the failure of the security issuer or backer.
 - ii. Interest rate risk is the risk that the market value of the security will fall due to changes in general interest rates.
2. Liquidity is the next most important objective. The overall investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Since all possible cash demands cannot be anticipated, the Treasurer shall carry out investment activities in a manner that provides for meeting unusual cash demands without the liquidation of investments that could result in forfeiture of accrued interest earnings, and loss of principal in some cases.
3. Yield is the third, and last, objective. Investments shall be undertaken so as to achieve a fair market average rate of return, taking into account safety and liquidity constraints as well as all legal requirements.

D. **Investment Instruments**—Massachusetts General Laws, Chapter 44 Section 54 states that money should be deposited into savings banks, trust companies incorporated under the laws of the commonwealth, banking companies incorporated under the laws of the commonwealth which are members of the Federal Deposit Insurance Corporation, or national banks, or invested in participation units in a combined investment fund under Chapter 29, Section 38A, or in a paid-up shares and accounts of and in co-operative banks, or in shares of savings and loan associations or in share or savings deposits of federal savings and loan associations doing business in the Commonwealth.

Additionally the Treasurer may invest such funds in securities, other than mortgages or collateralized loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth; provided, that not more than fifteen percent of any such trust funds shall be invested in bank stocks and insurance company stocks, nor shall more than one and one-half percent of such funds be invested in the stock of any one bank or insurance company. **The Treasurer may invest in the following instruments:**

1. U. S. Treasuries that may be sold prior to maturity: Unlimited amounts (With no limit to the length of maturity from date of purchase).

2. U.S. Agency obligations that may be sold prior to maturity: Unlimited amounts (With no limit to the length of maturity from date of purchase).
3. Bank accounts or Certificates of Deposit, hitherto termed C.D.'s: Unlimited amounts (With no limit to the length of maturity from date of purchase), which is fully collateralized through a third party agreement.
4. Bank accounts and C.D.'s (With no limit to the length of maturity from date of purchase), fully insured by F.D.I.C. and in some cases also Depository Insurance Fund of Massachusetts (D.I.F.M) presently with a \$250,000 limit. All bank accounts and C.D.'s in one institution are considered in the aggregate to receive the \$250,000 insurance coverage.
5. Unsecured bank deposits of any kind such as other checking, savings, money market, or Certificates of Deposit accounts at Banks that do not fit the above categories. These investments are subject to the following limitations: No more than 5% of an institution's assets and no more than 25% of a municipality's cash may be composed of unsecured bank deposits. This percentage may be increased for not more than 30 days during times of heavy collection or in anticipation of large payments that will be made by the Town in the near future. These payments may be for such items as debt service payment or regional school assessments. They will be diversified as much as possible.
6. Common and preferred stocks that are listed in the List of Legal Investments. Massachusetts General Law Chapter 44 Section 54 sets forth that Treasurers may invest in instruments that are legal for savings banks. This list of investments is included in the Commonwealth of Massachusetts List of Legal Investments, Massachusetts General Law, Chapter 167 Section 15A.
7. Investment Funds that are listed in the List of Legal Investments, Massachusetts General Law, Chapter 167 Section 15A.
8. List of Legal Investments—All other items not separately identified here that are listed in the List of Legal Investments, Massachusetts General Law, Chapter 167 Section 15A.

Trust Funds may be co-mingled and invested in any instruments allowed by the Commonwealth of Massachusetts List of Legal Investments issued by the Banking Commissioner each July. Each Trust Fund must be accounted for separately.

XI. INVESTMENT POLICY—OVERALL PROVISIONS

- A. **Diversification**—Diversification should be interpreted in two ways: 1) in terms of maturity, and 2) in terms of instrument type and issuer. The diversification concept should include prohibition against over concentration of maturities, as well as

concentration in a specific institution, with the exception of U.S. Treasury obligations and agencies or investments fully collateralized.

- B. **Ethics**—The Treasurer and Assistant Treasurer shall refrain from any personal activity that may conflict with the proper execution of the investment program or which could impair or appear to impair ability to make impartial investment decisions. Said individuals shall disclose to the Town Administrator any material financial interest they may have in financial institutions that do business with the Town. They shall also disclose any large personal financial investment positions or loans that they have which could be related to the performance of the Town's investments. All municipal employees shall comply with the State Conflict of Interest Law, Massachusetts General Laws, Chapter 268A.
- C. **Standards of Care**—The standard of prudence to be used by the Treasurer shall be the “prudent person” standard set forth in Massachusetts General Laws Chapter 203C and shall be applied in the context of managing an overall portfolio. The Treasurer acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided the purchases and sale of securities is carried out in accordance with the terms of this policy.

The “prudent person” standard states that, “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well the probable income to be derived.”

- D. **Reporting Requirements**—On an annual basis, a report containing the following information will be prepared by the Treasurer and distributed to the Town Administrator. The report will include as a minimum requirement, the following information:
1. A listing of the individual accounts and individual securities held at the end of the reporting period.
 2. A listing of the short-term investment portfolio by security type and maturity to ensure compliance with the diversification and maturity guidelines established in the "Diversification" section of this Investment Policy.
 3. A summary of the income earned on a monthly basis and on a year to date basis.
 4. The Treasurer shall include in the report a brief statement of general market and economic conditions and other factors that may affect the Town's cash position.
 5. The report should demonstrate the degree of compliance with the tenets set forth in the Investment Policy.

APPENDIX B

FUND DESCRIPTIONS & BALANCES

Fund Descriptions

The financial operations of the Town are organized into funds and account groups, each of which is a separate fiscal and accounting entity. All revenues received or expenditures made by the Town are accounted for through one of the funds or account groups listed below.

Governmental Funds

Most Town functions are financed through what are called Governmental Funds. These are the activities generally supported by “non-exchange” revenue, such as taxes. There are four types of governmental funds maintained by the Town: General Fund, Special Revenue Funds, Permanent Funds, and Capital Project Funds.

General Fund: The General Fund is the major operating fund of the Town government and it encompasses a majority of Town operations, and it is defined as covering all resources that are not required to be accounted for elsewhere. The General Fund is supported by revenues from real estate & personal property taxes, state aid, excise taxes, investment income, fines & forfeitures, and fees & charges. Most of the Town’s departments including the Schools are supported in whole or in part by the General Fund.

Special Revenue Funds: Special Revenue Funds are used to account for revenues that are legally restricted to specific purposes, with the exception of major capital projects and permanent funds. These revenues must be accounted for separately from the General Fund for a variety of reasons, and often span multiple fiscal years. The Town’s Special Revenue Funds are grouped into five categories:

1. **Revolving Funds:** Revolving Funds allow the Town to raise revenues from a specific program and use those revenues to support the program without appropriation. Revolving Funds are established by statute or by-law and may require reauthorization each year at Town Meeting. The Town maintains revolving funds for a number of purposes including Council on Aging, Family and Youth Services Department, Fire Department, Recreation Department, Library Lost Books, School Department Student Activities, and the School Lunch Program.
2. **Receipts Reserved for Appropriation:** The funds in this grouping are restricted to a specific use by statute and also require appropriation by Town Meeting. These funds include property insurance claims greater than \$100,000, monies from Cemetery sale of lots and graves, Net Premiums on Debt, Conservation Wetland Protection fees, and Cable Access Television.
3. **School Grants:** The School Grant Funds account for specially financed education programs using revenue from grants received from the Federal or State government. These include the State Special Education Revolving Fund (Circuit Breaker), and Federal Title I and Title IIA grants.

4. **Other Intergovernmental Funds:** These funds account for revenues received by the Town from the Federal or State government for specific purposes other than education. These include a variety of grants such as the Chapter 90 Highway Program, State Election Grants, State Library Aid, and the Elderly Formula Grant.
5. **Other Special Revenue Funds:** These funds account for any other miscellaneous special revenues not included in the previous categories. These include private donations for specific purposes, such as grants received from private or non-profit foundations, and gifts made to specific departments. This category also includes the Community Preservation Fund and the Conservation Fund.

Permanent Funds: Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used to support the government and its citizens. Many times such funds are referred to as ‘Trust’ funds, and the acceptance of such funds generally involves acceptance by Town Meeting for each fund’s individual requirements. There are two accounts associated with each permanent fund, the expendable income, and the non-expendable principal.

1. **Expendable Trust Funds:** This heading accounts for the expendable income portion of the permanent funds. This heading is also used to account for funds received by the Town in a trustee capacity where both the principal and earnings of the fund may be expended on a restricted basis for the benefit of the Town or its Citizens. This includes the Scholarship Tax Check-off Fund and the Elderly/Disabled Fund.
2. **Non-expendable Trust Funds:** are used to account for trusts where the principal must remain intact. Generally, income earned on the non-expendable trust principal may be expended in accordance with the conditions of a trust instrument or statute and is accounted for in the previous category. An example is the Cemetery Department’s Perpetual Care Trust.

Capital Project Funds: The Capital Project Funds are used to account for monies used for the acquisition or construction of major capital facilities (buildings, roads, etc.) other than those financed by other dedicated funds, such as the Community Preservation Act Fund or Chapter 90 Highway Funds. In addition to “projects,” the Town’s Capital Project Funds also account for capital outlay for items purchased pursuant to the town’s capital plan, such as Departmental Equipment. The source of funding for these funds are primarily proceeds from the Town’s issuance of bonds, but may also be derived from private sources, grants, or transfers from other Town funds.

Proprietary (Enterprise) Funds

Proprietary Funds cover the town's "business-type" activities and are referred to as such in the financial statements. These statements comprise the Water and Sewer Enterprise Funds of the Town. All direct and indirect costs including overhead of each service are intended to be captured by user fees and/or general fund subsidies. These funds account for their own fixed assets and long-term liabilities. Although the long-term debt of the funds is ultimately the legal obligation of the general fund, it is budgeted and paid for by the Enterprise Fund for which the project was approved. Town Meeting has approved the use of the Enterprise Fund accounting for the Water, Sewer, and Solid Waste utilities. However, for the purposes of the financial statements only the Water and Sewer Funds are considered "business-type" activities.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. The Town is the trustee, or fiduciary, and the government and its citizenry do not benefit directly from such funds. This means that the Town is responsible for assets in a purely custodial manner that can be used only for the trust beneficiaries and Agency Funds. Under this heading the Town maintains only Agency Funds, such funds for "special detail" for overtime labor billed to outside parties, collection of Deputy Fees payable to the Deputy Collector, firearms licenses payable to the Commonwealth, and fees derived from and expenses related to the use of school facilities by outside parties.

Account Groups

The last category of fund account entities maintained by the Town is the Account Groups. For which there are two, the General Long-term Debt Account Group and the General Fixed Assets Account Group.

The first of these groups is the General Long-term Debt Account Group which accounts for the balances due on long-term debt that the Town has approved. The liabilities accounted for in this fund extend to future years, versus those that affect the current year alone shown in other funds. When borrowing is approved the liability is increased in this fund, and when debt is paid down or rescinded the liability is reduced.

The second of these groups is the General Fixed Asset Account Group. As infrastructure is developed, construction completed, and capital outlays are made, the Town's inventory of Fixed Assets is increased. The value of these assets is then depreciated on a fixed schedule annually.

Basis of Accounting

By necessity the Town produces financial reports that have different bases of accounting. Since the goal of financial reporting is to provide useful information to its users, the measurement focuses of reporting must change with respect to the needs of the audience.

The day to day method of accounting used by the Town is UMAS, the Commonwealth of Massachusetts' Universal Municipal Accounting System. This accounting system is prescribed by the Commonwealth of Massachusetts Department of Revenue and is intended to demonstrate compliance with state statutes and local near-term decisions (e.g. budget). This system prescribes the use of the modified accrual basis of accounting, which is the basis used by all governmental fund types. Under the modified accrual basis, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers that property taxes are available if they are collected within 60 days after year-end. Expenditures are recorded when the liability is incurred. Principal and interest on general long-term debt are recorded as liabilities in the fiscal years that the payments are due.

The full accrual basis of accounting is used for the Town's financial statements, which are produced based on generally accepted accounting principles (GAAP). The statements report information about the Town with a broad overview. The statements use accounting methods most similar to those used by a private-sector business and are typically used to demonstrate the long-term financial position of the Town. The users of this information are often bond rating agencies and others seeking information consistent with entities in other states. The Government Accounting Standards Board (GASB) issues guidance for how GAAP based financial statements should be prepared for government entities. The accrual basis of accounting is utilized by the proprietary and agency funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgeting

An annual budget is adopted for the Town's General and Enterprise Funds. Although legislative approval is required for capital projects, borrowing authorizations, and other warrant articles, annual budgets are not prepared for any other fund. Note however that although there are informational budgets presented for capital spending with regard to the Capital Improvement Plan and also by the Community Preservation Committee for spending from the Community Preservation Act Fund, the related spending for such purposes is approved article by article versus the adoption of an annual consolidated budget.

The Town's annual budget is adopted on a statutory basis, specific to the Commonwealth of Massachusetts, and it differs in some respects from GAAP. The major differences between the budget and GAAP basis are that:

1. Budgeted revenues are recorded when cash is received, except for real estate and personal property taxes, which are recorded as revenue when levied (budget), as opposed to when susceptible to accrual (GAAP).
2. For the budget, encumbrances are treated as expenditures in the year the commitment is made. Also, certain appropriations, known as special articles, do not lapse and are treated as budgetary expenditures in the year they are authorized as opposed to when the liability is actually incurred (GAAP).
3. The depreciation of Fixed Assets is not recognized as a current expense on a budgetary basis, except to the extent that actual maintenance costs are included in departmental budgets.

Following are three tables which are excerpted from the Town's financial statements prepared on a GAAP basis. These tables display the results of operations for the fiscal year ending June 30, 2020. There's one table for Governmental Funds and one for Proprietary Funds. Since Fiduciary funds do not involve the measurement of operations, there is no corresponding table for that grouping. For reference, you may access a complete version of the Town's audited financial statements online at: http://www.town.northborough.ma.us/Pages/NorthboroughMA_Accounting Hardcopies of the financial statements from each year are filed with the Town Clerk's office.

Under GASB Statement 34, and further by Statement 54, "Major Funds" are defined as individual funds that have a reached a significant threshold with respect to total fund balance and have dedicated revenue sources. "Major Funds" must be shown separately from the general fund. The remaining individual funds are aggregated in the "Nonmajor" category for the purposes of the financial statements. The third and final table displayed is the statement for the "Nonmajor" Governmental Funds.

TOWN OF NORTHBOROUGH, MASSACHUSETTS

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2020

	General Fund	Nonmajor Governmental Funds	Total
Revenues:			
Property taxes	\$ 52,677,535	627,166	53,304,701
Excise and local option taxes	3,061,183	-	3,061,183
Payments in lieu of taxes	112,483	-	112,483
Departmental charges for services	232,607	2,106,958	2,339,565
Licenses and permits	371,648	-	371,648
Intergovernmental	12,781,440	2,980,089	15,761,529
Fines and forfeits	101,880	965	102,845
Investment income	365,423	183,283	548,706
Other	57,396	748,565	805,961
Total revenues	69,761,595	6,647,026	76,408,621
Expenditures:			
Current:			
General government	2,761,821	944,298	3,706,119
Public safety	5,137,766	1,045,756	6,183,522
Education	38,370,073	2,703,824	41,073,897
Public works	2,315,603	2,100,070	4,415,673
Human services	670,292	220,047	890,339
Recreation and culture	1,101,258	824,429	1,925,687
Intergovernmental	251,463	-	251,463
Employee benefits	15,222,860	-	15,222,860
Other	241,455	-	241,455
Debt service	2,666,160	33,384	2,699,544
Total expenditures	68,738,751	7,871,808	76,610,559
Excess (deficiency) of revenues over expenditures	1,022,844	(1,224,782)	(201,938)
Other financing sources (uses):			
Proceeds from bond issuance	-	-	-
Operating transfers in	807,200	476,160	1,283,360
Operating transfers out	(417,160)	(866,200)	(1,283,360)
Total other financing sources (uses)	390,040	(390,040)	-
Net changes in fund balances	1,412,884	(1,614,822)	(201,938)
Fund balance, beginning of year	10,644,499	11,239,995	21,884,494
Fund balance, end of year	\$ 12,057,383	9,625,173	21,682,556

TOWN OF NORTHBOROUGH, MASSACHUSETTS					
Statement of Revenues, Expenses and Changes in Fund Net Position					
Proprietary Funds					
For the Year Ended June 30, 2020					
			Water Enterprise Fund	Sewer Enterprise Fund	Total
Operating revenues:					
Charges for services	\$	2,526,459	2,532,181	\$	5,058,640
Special Assessments		30,083	78,816		108,899
Total operating revenues		2,556,542	2,610,997		5,167,539
Operating expenditures:					
Salaries, wages and employee benefits		380,893	260,057		640,950
Energy purchases		1,312,356	1,329,417		2,641,773
Other operating expenses		376,293	624,028		1,000,321
Depreciation		539,042	266,500		805,542
Total operating expenditures		2,608,584	2,480,002		5,088,586
Operating income		(52,042)	130,995		78,953
Nonoperating revenues (expenses):					
Interest income		23,466	76,895		100,361
Interest expense		(44,530)	(42,039)		(86,569)
Other		-	1,879		1,879
Total nonoperating revenues (expenses)		(21,064)	36,735		15,671
Income before transfers		(73,106)	167,730		94,624
Operating transfers in (out)		-	-		-
Changes in net position		(73,106)	167,730		94,624
Net position, beginning of year		8,170,111	8,206,808		16,376,919
Net position, end of year	\$	8,097,005	8,374,538	\$	16,471,543

TOWN OF NORTHBOROUGH, MASSACHUSETTS						
Combining Statement of Revenues, Expenditures and Changes in Fund Balances						
Nonmajor Governmental Funds						
For the Year Ended June 30, 2020						
			<u>Special Revenue</u>			
			School	Other	Capital Projects	Permanent
						Totals
Revenues:						
Property taxes	\$	-	627,166	-	-	627,166
Departmental charges for services		217,079	1,872,940	-	16,939	2,106,958
Licenses and permits		-	-	-	-	-
Intergovernmental		1,355,644	1,624,445	-	-	2,980,089
Fines and forfeits		-	965	-	-	965
Investment income		265	144,842	-	38,176	183,283
Other		-	707,977	-	40,588	748,565
Total revenues		<u>1,572,988</u>	<u>4,978,335</u>	<u>-</u>	<u>95,703</u>	<u>6,647,026</u>
Expenditures:						
Current:						
General government		-	877,201	67,097	-	944,298
Public safety		-	545,682	500,074	-	1,045,756
Education		1,566,346	966,820	170,658	-	2,703,824
Public works		-	1,732,776	367,294	-	2,100,070
Human services		-	220,047	-	-	220,047
Recreation and culture		-	765,651	-	58,778	824,429
Debt service		-	33,384	-	-	33,384
Total expenditures		<u>1,566,346</u>	<u>5,141,561</u>	<u>1,105,123</u>	<u>58,778</u>	<u>7,871,808</u>
Excess (deficiency) of revenues over expenditures		6,642	(163,226)	(1,105,123)	36,925	(1,224,782)
Other financing sources (uses):						
Proceeds from bond issuance		-	-	-	-	-
Operating transfers in		-	417,160	59,000	-	476,160
Operating transfers out		-	(853,936)	-	(12,264)	(866,200)
Net changes in fund balances		6,642	(600,002)	(1,046,123)	24,661	(1,614,822)
Fund balance, beginning of year		1,212,699	5,044,312	3,809,434	1,173,550	11,239,995
Fund balance, end of year	\$	<u>1,219,341</u>	<u>4,444,310</u>	<u>2,763,311</u>	<u>1,198,211</u>	<u>9,625,173</u>

Changes in Fund Balance

General Fund

It is important to note that while the General Fund’s fund balance shown on the preceding GAAP based statements is a measure of resources that are available to the Town on a long-term basis, the full amount is not available for appropriation in its entirety on a statutory basis. Under Massachusetts General Law, the Massachusetts Department of Revenue (DOR) certifies the amount available, which is referred to as “Free Cash.” This certified amount is available for appropriation by the legislative body. The amount certified by the DOR at the close of FY2020 is \$1,980,662 while the GAAP based Fund financial statements reflect an Unassigned Fund Balance of \$11,059,506, which also includes the Town’s Stabilization Fund Balance of \$5,061,660.

Within the Town’s Financial Policies (See Appendix A), is a reserve policy which defines reserves as being the combination of Free Cash & Stabilization Fund Balances. This reserve policy requires that the Town maintain reserves at a level of between 5 to 10% of the Town’s General Fund expenditures. Under the Free Cash plan for the proposed FY2022 budget, the amount of \$500,000 will be used for the operating budget, \$175,000 will be used to fund the Appropriations Committee Reserve Fund, and \$805,000 will be used to fund capital expenditures. With respect to the proposed FY2022 budget, no transfers from Stabilization are contemplated, while use of Free Cash in the total amount of \$1,480,000 is proposed.

The following schedule demonstrates the Town’s compliance with its fiscal policies, and that the proposed use of Free Cash for the current year will not yield a significant change in Fund Balance from the budget proposed in the prior year. The figures shown below reflect the amounts that are contemplated at the time of Town Meeting:

PROPOSED BUDGET	FY2021	FY2022
Certified Free Cash as of June 30 prior year	\$2,854,397	\$1,980,662
Proposed* use for budget	(\$1,965,775)	(\$1,480,000)
Unappropriated Free Cash	\$888,622	\$500,662
Stabilization Fund Balance as of June 30	\$4,900,853	\$5,061,660
Investment Income/(Loss) as of December 31	\$64,581	\$40,361
Proposed transfer into Stabilization	\$0	\$0
Stabilization Fund Balance	\$4,965,435	\$5,102,021
Total Reserves	\$5,854,057	\$5,602,683
Proposed Expenditure Budget	\$66,020,342	\$67,726,437
Reserves as Percentage of Budget	8.87%	8.27%

Free Cash will be recalculated for June 30, 2021 once FY2021 is closed and the Town has submitted its balance sheet to the DOR. While the amount voted for use in FY2022 will reduce the amount shown in the preceding calculation, positive results from unspent appropriations and revenues above budget in FY2021 will add to the balance. Note that the figure for the adopted budget is determined when the Town’s tax rate is set later during the current fiscal year (Tax Recapitulation). The adopted budget changes from the proposed due to a number of factors, primarily assessments that are estimated at the time of Town Meeting, and finalized when the property tax rate is set and approved by the DOR. The following table shows the Town’s

reserves as calculated following the adoption of the budget and most recent Free Cash certifications (at close of prior fiscal year):

ADOPTED BUDGET	FY2020	FY2021
Certified Free Cash as of June 30	\$2,854,397	\$1,980,662
Stabilization Fund Balance as of June 30	\$4,900,853	\$5,061,660
Total Reserves	\$6,804,001	\$6,804,001
Adopted Budget	\$65,970,867	\$66,240,522
Reserves as Percentage of Budget	10.31%	10.27%

The preceding two tables demonstrate the Town’s approach to maintain sufficient reserves through conservative fiscal policies, and they show the approach that is used to develop its Free Cash Plan. For FY2022 the amount of Free Cash certified at June 30, 2020 allows for amounts to be appropriated for capital in addition to the limited amount used for the operating budget. In the case of FY2021, \$712,775 in capital expenditures were approved, and for FY2022 \$805,000 is proposed for capital expenditures. This approach allows for sufficient reserves to be maintained, while at the same time reserves can be used to fund one-time expenses such as capital purchases.

Additionally, for the purposes of long term trend analysis, the level of the Town’s reserves are compared to “Operating Revenues” as an indicator in its Financial Trend Monitoring System (FTMS) rather than the expenditure budget (see Appendix C for further information). “Operating Revenues” reflect the actual cash received in the General Fund during the fiscal year and does not include the use of Free Cash or other “one-time revenues”, or accruals. The indicator compares the percentage of reserves remaining at the close of the year to actual revenue. The indicator also seeks to reflect allocations or reservations subsequently made, to reflect spending decisions made after balances are certified. The table below shows the data excerpted for the most recently closed two years included in the analysis:

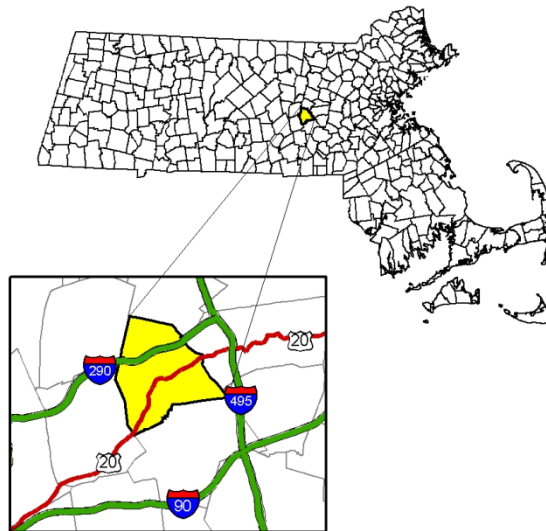
RESERVES VS. OPERATING REVENUES	FY2019	FY2020
Certified Free Cash as of June 30	\$2,854,397	\$1,980,662
Stabilization Fund Balance as of June 30	\$4,900,853	\$5,061,660
Total Reserves	\$7,755,250	\$7,042,322
Total Revenues	\$62,504,877	\$63,756,218
Reserves as % of Operating Revenues	12.41%	11.05%
Reserves Subsequently Used (Proposed)	(\$1,965,775)	(\$1,480,000)
Total Adjusted Reserves	\$5,789,475	\$5,562,322
Total Revenues	\$62,504,877	\$63,756,218
Reserves as % of Operating Revenues	9.26%	8.72%



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Town of Northborough, MA Financial Trend Monitoring Report Fiscal Year 2021



FTM Report covers the period July 1, 2010 (FY2011) through June 30, 2021 (FY2021)

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I. INTRODUCTION—THE FINANCIAL TREND MONITORING SYSTEM

Welcome to the Town of Northborough’s Financial Trend Monitoring System (FTMS) Report. The purpose of the FTMS is to analyze key financial indicators in order to assess the financial direction of the Town. The report is designed to bring issues and opportunities to the attention of decision-makers through a systematic method of trend analysis. If employed correctly, the FTMS will help Town officials:

- Gain a better understanding of the Town’s current financial condition.
- Identify hidden and emerging problems before they reach serious proportions.
- Present a straightforward picture of the Town’s financial strengths and weaknesses to elected and appointed officials, citizens, and credit rating firms.
- Reinforce the need for long-range considerations during the annual budget process.
- Provide a starting place for setting, reviewing and updating of financial policies that guide financial decision-making.

The ultimate goal of the FTMS is to help local officials better assess and protect the Town of Northborough’s overall financial condition.

What is Financial Condition?

Financial condition is broadly defined as the ability of a Town to maintain existing service levels, withstand local and regional economic disruptions, and meet the demands of natural growth, decline and change. It is often discussed from the perspectives of cash solvency, budgetary solvency, long-run solvency and service-level solvency.

In the narrowest sense, financial condition means the ability of the Town to pay its immediate obligations over the next 30 to 90 days in order to maintain operations. This is typically referred to as “cash solvency.”

Beyond meeting its monthly cash obligations, a Town must also be able to generate enough revenues during a fiscal year to meet all its expenditures, without incurring operational deficits. With few exceptions, such as snow and ice overdrafts, the Town is legally obligated to maintain “budgetary solvency,” or a balanced fiscal year budget, while providing services to residents.

In a broader sense, financial condition means the Town’s ability in the long-run to pay all the costs of doing business, including those which may not appear during the current fiscal year, such as pension costs and liabilities for other post-employment benefits. This long-run balance

Aspects of Financial Condition

- *Cash Solvency: A government's ability to pay immediate obligations,*
- *Budgetary Solvency: Its ability to pay financial obligations within the current fiscal period,*
- *Long-Run Solvency: Its ability to continue paying obligations in future fiscal periods, and*
- *Service-Level Solvency: The government's ability to continue providing the level of services expected by its constituents.*

between revenues and costs is referred to as “long-run solvency” and includes items such as debt commitments and investments designed to maintain capital facilities such as buildings and roads. As many municipalities know all too well, it is possible to defer such costs in the short-run, but failure to adequately invest in capital needs will cost more in the future and could even create issues of budgetary solvency if the needs go unmet for too long.

Lastly, financial condition must also be viewed from the perspective of the services that residents desire. “Service-level solvency” refers to the level and quality of the services that residents expect in order to maintain the health, safety and welfare of the community. A Town lacking service-level solvency might in all other respects be in sound financial condition, but be unable to support critical services at an adequate level. In a financial crisis situation, trying to maintain service-level solvency might result in a municipality experiencing cash, budgetary, or long-run solvency problems. That is why it is important to view the issue of financial condition from all four perspectives. During a prolonged period of fiscal constraint, the goal is to prevent fiscal distress, which is a temporary imbalance, from becoming fiscal crisis where obligations can no longer be met.

Fiscal Distress vs. Fiscal Crisis

- *Fiscal Distress: imbalance between the level of financial resources the Town has committed and its potential available resources*
- *Fiscal Crisis: occurs when the local government can no longer pay its bills or provide existing levels of service*

Although unforeseen events can sometimes create a fiscal crisis, the signs of fiscal distress are often revealed in several recurring indicators. These include structural, economic, demographic and institutional factors. The indicators might manifest in an erosion of the economic base, a significant change in population size, or an interruption in the tax base. A loss of financial independence (through a greater reliance on intergovernmental revenues), a decline in productivity, or a large amount of immediate local government costs can also be indicative of the development of financial imbalances. For the Town of Northborough, which is in relatively good financial condition, the FTMS will help provide a systematic way to monitor changes and anticipate future problems.

What is a Financial Trend Monitoring System?

The Financial Trend Monitoring System (FTMS), as adapted from the system developed by the International City/County Management Association (ICMA), “identifies the factors that affect financial condition and arranges them in a rational order so that they can be more easily analyzed and measured.” It is a management tool that pulls together the pertinent information from the Town’s budgetary and financial reports, mixes it with the appropriate economic and demographic data, and creates a series of Town-specific financial indicators that, when plotted over a period of time, can be used to monitor changes in financial condition. The financial indicators include such things as revenue and expenditure trends, financial reserves, changes in the tax base, one-time revenue dependencies, debt, capital investments and external revenue dependencies.

What are Financial Indicators?

Financial indicators are the primary tools of the Financial Trend Monitoring System. They represent a way to quantify changes in the factors with which they are associated. Many aspects of financial condition cannot be measured explicitly; however, by quantifying indicators and plotting them over a period of time, decision-makers can begin to monitor and evaluate the Town's financial performance. The use of these indicators will not provide answers as to why a problem is occurring or what the appropriate solution is, but it may provide the opportunity to make an informed management response.

Expenditure Indicators

Expenditures are a rough measure of a local government's service output. Generally, the more a local government spends in constant dollars, the more services it is providing, although this axiom does not take into account how effective the services are or how efficiently they are delivered. To determine whether a government is living within its revenues, the first issue to consider is expenditure growth rate.

Because local governments are required to have a balanced budget, it would seem unlikely that expenditure growth would exceed revenue growth. Nevertheless, the annual budget can be balanced in a number of subtle ways that will create a long-run imbalance in which expenditure outlays and commitments grow faster than revenues. Some of the more common ways are to use non-recurring revenues (one-time monies), to borrow (pay for operating capital through a long-term capital improvement plan), or make use of reserve funds (Stabilization or Free Cash) to fund operational expenses. Other ways are to defer maintenance on capital items or to defer funding of a future liability, such as a pension obligation or other retiree benefits. In each case, the annual budget remains balanced, but the long-run budget develops a deficit. Although long-run deficits might, conceivably, be made up through windfalls such as additional State Aid, grants, or other revenue surges, allowing such deficits to develop is risky.

A second issue to consider is expenditure flexibility. Expenditure flexibility is a measure of a local government's freedom to adjust its service levels to changing conditions, and considers the level of mandatory or fixed costs. Ideally, a government's expenditure growth rate will not exceed its revenue growth rate, and the government will have maximum flexibility to adjust spending. An increase in mandatory costs, such as debt service, employee benefits, and property and other insurances, renders a government less able to adjust to change.

Objectives of the FTMS

- *Predict: so that the Town can be prepared to deal with fiscal distress before it becomes fiscal crisis,*
- *Avert: and take action to avoid fiscal crisis,*
- *Mitigate: through corrective action and/or policy changes regain sound financial footing, or at least contain the problem, and*
- *Prevent: a recurrence of fiscal distress after the Town addresses the current issue or crisis (i.e., reliance on one-time revenues or health insurance increases).*

Revenue Indicators

Revenues determine the capacity of a local government to provide service. Important issues to consider in revenue analysis are growth, flexibility, dependability, diversity, administration, and elasticity. Under ideal conditions, revenues would grow at a rate equal to or greater than the combined effects of inflation and expenditures. They would be sufficiently flexible (free from spending restrictions) to allow adjustments to changing conditions. They would be balanced between elastic and inelastic in relation to inflation and the economic base; that is, some would grow with inflation and the economic base and others would remain relatively constant. Revenue sources would be diversified—not overly dependent on residential, commercial, or industrial land uses, or on external funding sources, such as discretionary State Aid. User fees would be regularly evaluated to cover cost increases.

Analyzing revenue structure will help to identify the following types of problems:

- Deterioration of the revenue base
- Practices or policies that may adversely affect revenue yields
- Poor revenue-estimating practices
- Inefficiency in the collection and administration of revenues
- Overdependence on obsolete or intergovernmental revenue sources
- User fees that are not covering the cost of services

This analysis may be used to provide the framework for the development of new, and update of existing fiscal policies to guide budget development.

Which Fiscal Indicators are included in the report?

Although the comprehensive ICMA model contains dozens of potential indicators for measuring municipal financial condition, a relevant sample has been selected as part of Northborough's Financial Trend Monitoring Report (FTMR). Others were omitted because either they are not applicable to Northborough's situation or because we do not have the data to be able to consistently develop these indicators at this time. In FY2015 we added a new indicator, Capital Investment, to the report, and hope to further expand the indicators included in the report in the future. The fourteen indicators that have been selected for use in monitoring the Town of Northborough's financial condition are displayed graphically on the following pages and were chosen based upon the availability of data and their appropriateness for Northborough.

The selected indicators include:

1. Property Tax Revenues
2. Uncollected Property Taxes
3. Revenues & Expenditures per Capita
4. State Aid (Intergovernmental Revenues)
5. Economic Growth Revenues
6. Use of One-Time Revenues
7. Personnel Costs
8. Employee Benefits
9. Pension Liability
10. Other Post-Employment Benefits (OPEB) Liability
11. Debt Service Expenditures
12. Financial Reserves/Fund Balance
13. Capital Investment – Overall Fixed Assets
14. Capital Investment – Pavement Management

The FTMR is intended to assist the Town’s Administration, Board of Selectmen, Appropriations Committee and the Financial Planning Committee in setting long-range policy priorities, and can provide a logical way of introducing long-range considerations into the annual budget process. The following report has been developed using the ICMA manual entitled Evaluating Financial Condition, A Handbook for Local Government.

What Methodology was used to compile the data in the report?

The Financial Trend Monitoring System (FTMS) analysis covers the period of July 1, 2010 through June 30, 2021. Actual data has been presented for the Town’s General Fund for the Fiscal Years 2011 through 2020. The actual data is taken from the Audited Financial Statements, Budget Comparison Schedules and Department of Revenue (DOR) Tax Rate Recapitulation reports, as well as from various other reports. Adjustments and exceptions are noted in the report.

Constant dollars are nominal dollars adjusted for inflation using data from the U.S. Department of Labor, Bureau of Labor Statistics for the “Boston-Cambridge-Newton, MA-NH” statistical area. Six months of calendar year 2020 was used for FY2021. CPI-U data is the Consumer Price Index for all urban consumers in the New England region. For the purpose of this analysis, FY2011 is the base year beginning at 100.

Population data used in the per capita computations is taken from the Massachusetts DOR’s Databank.

Section II

Executive Summary

FTMR Executive Summary

- **Current Financial Condition**

Northborough is in relatively good financial condition. The Town's financial reserves are strong and the use of the \$5.1 million Stabilization Fund has been unnecessary. Debt is manageable and our bond rating was upgraded to Aa1 in May of 2015. The Town continues to have favorable economic growth, a strong diversified tax base and reliance on one-time revenues in the operating budget has been significantly curtailed. Further, the impact of rising health insurance costs has been mitigated by negotiation of plan design changes with our local bargaining units. From a service level solvency standpoint, the Town increased staffing levels in police, fire, and general administration following a comprehensive staffing study. The incremental staffing expansions were completed over several years.

- **Identify Emerging Problems**

Based on the analysis, it is apparent that long-run solvency surrounding unfunded pension liability, OPEB obligations and capital investment in Pavement Management are potential emerging problems. Uncertainty surrounding the level of State Aid and future health insurance premium increases remain significant areas of exposure for the annual operating budget. It appears the Town may be heading into another period of significant health insurance increases that have the potential to significantly impact the annual budget process.

- **Financial Strengths and Weaknesses**

The adoption of the Free Cash Policy in 2010 strengthened the Town's financial condition with less reliance on one-time revenues in the operating budget. In addition, the use of Free Cash for significant capital investment has ensured that one-time funds are only utilized for one-time expenditures. The growth in revenue from property taxes, which has kept pace with inflation, as well as excellent tax collections are financial strengths for the Town. While expenditures per capita have risen, indicating an increase in service needs, the Town's revenues per capita have increased at a comparable rate.

- **Long-Range Budget Considerations**

The Town must continue to make annual investments in its facilities, infrastructure and unfunded liabilities.

- **Policy Updates**

Moving forward it will be important for the Town to return to funding the OPEB liability, which was an action taken to provide tax relief relative to the COVID-19 crisis. The OPEB Trust Fund was established at the April 2011 Town Meeting for this purpose, and annual appropriations of \$500,000 from FY2015 through FY2019 were made increasing to \$550,000 in FY2020 prior to the postponement in FY2021. Identification of additional revenue sources like the Meals Tax or Room Occupancy surcharge (adopted in FY2014), should also be explored to alleviate the tax burden on residents. Economic development policies and programs should be reviewed in response to potential reduced future development as the Town approaches buildout.

Financial Indicator		FY2021
1	Property Tax Revenues	Favorable
2	Uncollected Property Taxes	Favorable
3	Revenues & Expenditures per Capita	Favorable
4	State Aid (Intergovernmental Revenues)	Unfavorable
5	Economic Growth Revenues	Unfavorable / Uncertain
6	Use of One-Time Revenues	Favorable
7	Personnel Costs	Stable
8	Employee Benefits	Stable / Uncertain
9	Pension Liability	Unfavorable
10	Other Post Employment (OPEB) Liability	Unfavorable / Improving
11	Debt Service Expenditures	Favorable
12	Financial Reserve/Fund Balance	Favorable
13	Capital Investment – Overall Fixed Assets	Favorable
14	Capital Investment – Pavement Management	Improving

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Section III

Fiscal Indicator Analysis

Indicator 1: Property Tax Revenues

Formula:

Net Property Tax Revenues
Consumer Price Index

Northborough Trend

X	Favorable
	Marginal
	Unfavorable
	Uncertain

Warning Trend: A decline in property tax revenues (measured in constant dollars).

Description:

Property tax revenue is the primary source of revenue for municipal government and accounts for approximately 80% of Northborough's revenue. A decline in or diminished growth rate of property taxes can have a number of causes. It may reflect an overall decline in property values, a decline in economic health, default on property taxes by property owners, or the movement of retail or industrial operations to other communities. Increases to property taxes are limited by the confines of Proposition 2 ½ and any potential revenue increases from an override would need to be weighed carefully with the additional tax impact upon residents.

Analysis: The analysis shows that property tax revenue adjusted to constant dollars is positive and therefore has kept pace with inflation. Further, the Town's revenue growth has occurred with minimal operating Proposition 2 ½ overrides, the most recent being in FY2009 in the amount of \$316,047 to provide additional school funding. The other years that had property tax revenue increases over the Proposition 2 ½ limit used excess levy capacity from the preceding year to increase the tax levy. This excess levy capacity was generated from conservative budget estimates of new growth.

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Property Tax Collections **	\$ 36,555,771	\$ 38,335,354	\$ 39,581,324	\$ 41,265,841	\$ 42,786,189	\$ 45,305,861	\$ 46,802,957	\$ 48,389,360	\$ 50,241,380	\$ 52,588,582	\$ 53,732,447
Less Debt Exclusions ***	\$ (1,855,884)	\$ (2,401,767)	\$ (2,439,581)	\$ (1,636,032)	\$ (1,581,420)	\$ (1,908,307)	\$ (2,335,989)	\$ (2,370,816)	\$ (2,253,350)	\$ (2,189,192)	\$ (2,196,729)
Net Property Tax Revenues (nominal dollars)	\$ 34,699,887	\$ 35,933,587	\$ 37,141,743	\$ 39,629,809	\$ 41,204,769	\$ 43,397,554	\$ 44,466,968	\$ 46,018,544	\$ 47,988,030	\$ 50,399,390	\$ 51,535,718
Percent increase Tax Revenues over prior year	2.0%	3.6%	3.4%	6.7%	4.0%	5.3%	2.5%	3.5%	4.3%	9.5%	7.4%
CPI-U, 2011 Base Year ****	240.0	245.8	249.6	253.3	256.1	258.1	263.7	271.3	278.8	283.4	284.8
CPI-U adjustment for constant dollars	100.0%	97.6%	96.1%	94.8%	93.7%	93.0%	91.0%	88.5%	86.1%	84.7%	84.3%
Net Property Tax Revenues (constant dollars)	\$ 34,699,887	\$ 35,084,632	\$ 35,707,334	\$ 37,551,960	\$ 38,617,553	\$ 40,348,293	\$ 40,468,206	\$ 40,705,320	\$ 41,307,797	\$ 42,677,709	\$ 43,433,277
Percent increase Tax Revenues over prior year	0.6%	1.1%	1.8%	5.2%	2.8%	4.5%	0.3%	0.6%	1.5%	4.8%	5.1%

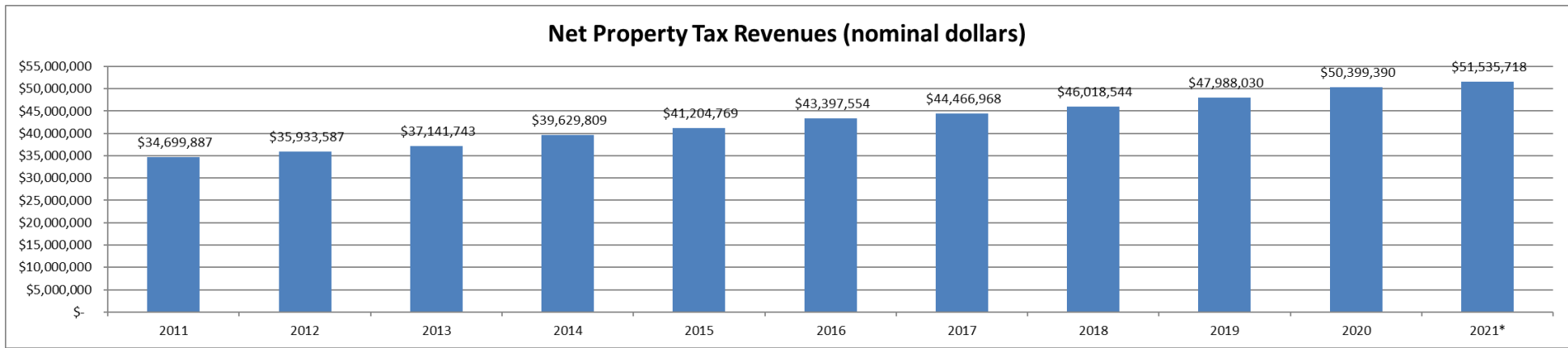
Notes:

*FY2021 shows budget numbers rather than actual, Source: Mass. DOR Tax Recap

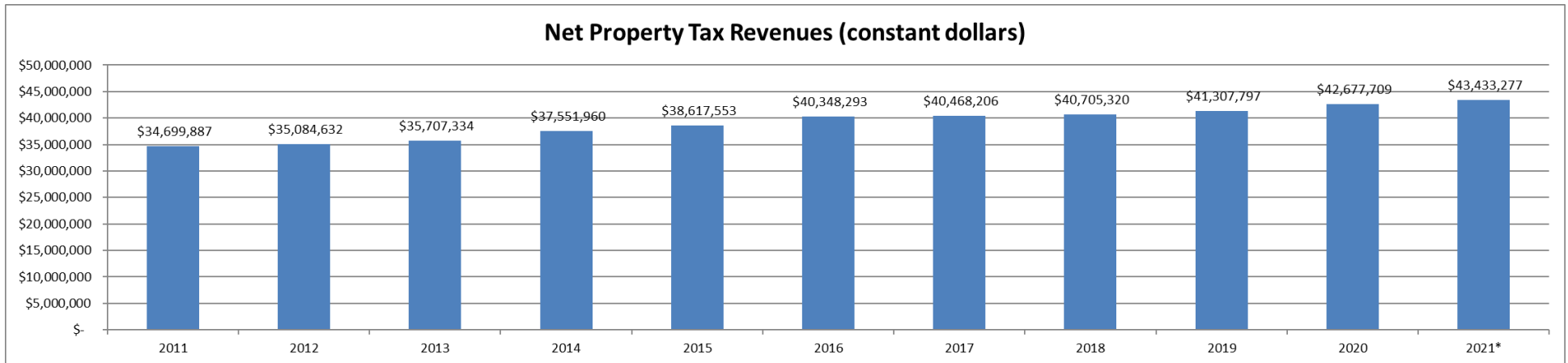
** Source: Audited Financial Statements, General Fund, Budget Comparison Schedule

*** Source: Mass. DOR, Tax Recaps

**** Source: U.S. Dept. of Labor - Bureau of Labor Statistics (Boston-Cambridge-Newton, MA-NH region), 6 months of calendar year 2020 used for FY2021



Note: The chart above shows net property tax revenues that have not been adjusted for inflation



Note: The chart above shows net property tax revenues adjusted for inflation using FY2011 as the base year

Indicator 2: Uncollected Property Taxes

Formula:

$$\frac{\text{Uncollected Property Taxes (as of June 30)}}{\text{Net Property Tax Levy}}$$

Northborough Trend

X	Favorable
	Marginal
	Unfavorable
	Uncertain

Warning Trend: Increasing amount of uncollected property taxes as a percentage of net property tax levy.

Description:

Uncollected property taxes as a percentage of the net tax levy of 5% or more is considered negative by bond rating organizations. An increase in uncollected property taxes could signal an overall decline or potential instability in the tax base of the town. As uncollected property taxes rise, liquidity is decreased and there is less cash on hand to pay bills or to invest. This early warning indicator is particularly critical to watch during periods of economic decline or uncertainty.

Analysis:

Property taxes provide approximately 80% of Northborough's operating revenue, representing the single most important source of revenue. The analysis below indicates that Northborough's property tax collection rate is excellent. The Town consistently collects 99% of property taxes in each fiscal year. While the slight dip in 2020 is attributable to COVID-19 relief measures, the trend remains both positive and stable.

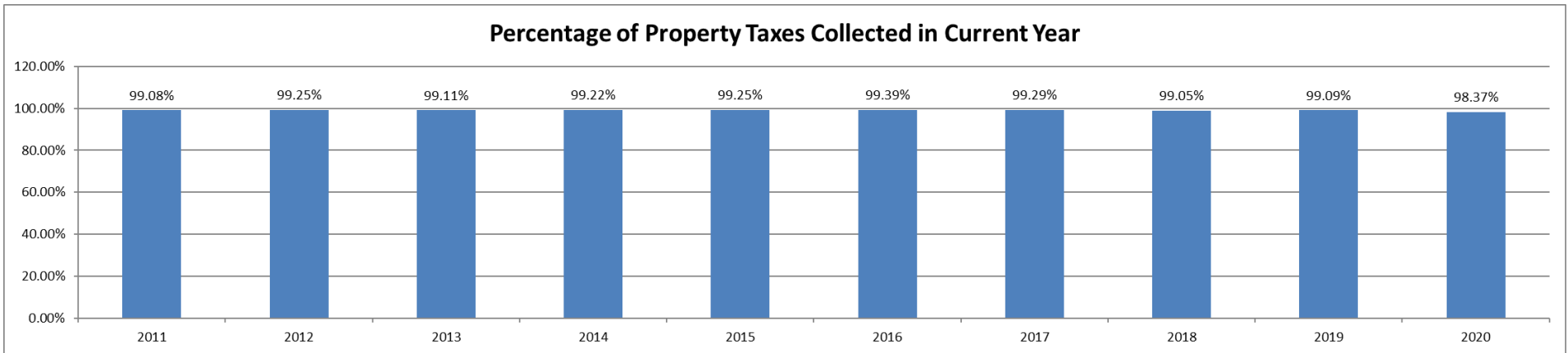
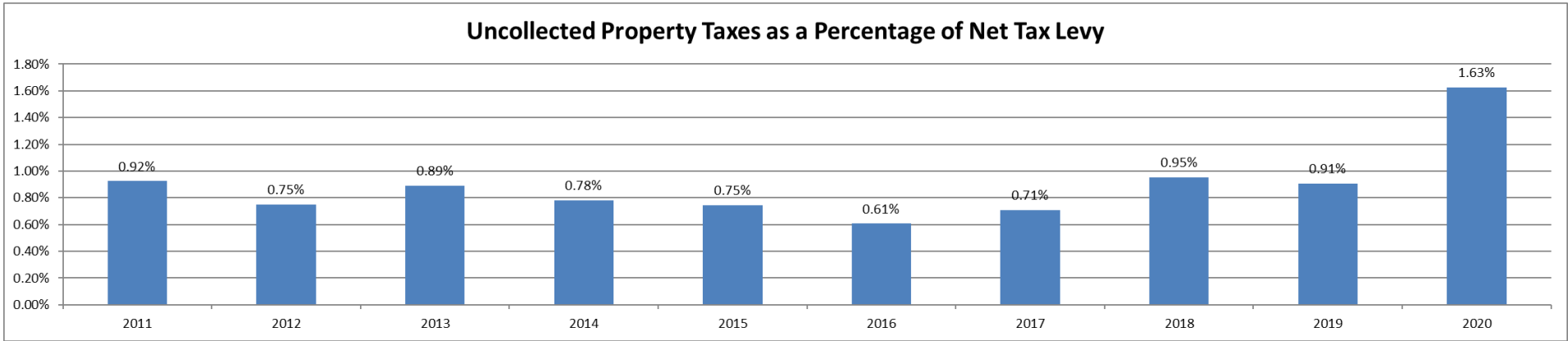
Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Property Tax Levy *	\$ 36,695,635	\$ 38,402,738	\$ 40,143,508	\$ 41,333,959	\$ 42,977,124	\$ 45,068,900	\$ 46,873,992	\$ 48,585,577	\$ 50,434,582	\$ 53,019,704
Less Reserve for Abatements & Exemptions *	\$ (342,209)	\$ (351,739)	\$ (679,291)	\$ (530,787)	\$ (462,432)	\$ (623,081)	\$ (365,355)	\$ (280,000)	\$ (335,593)	\$ (587,104)
Net Property Tax Levy	\$ 36,353,426	\$ 38,050,999	\$ 39,464,217	\$ 40,803,172	\$ 42,514,692	\$ 44,445,819	\$ 46,508,636	\$ 48,305,577	\$ 50,098,989	\$ 52,432,600
Uncollected Taxes as of June 30 **	\$ 336,037	\$ 284,981	\$ 351,243	\$ 318,536	\$ 317,223	\$ 269,696	\$ 329,592	\$ 459,886	\$ 454,284	\$ 852,246
Uncollected taxes as a Percentage of Net Property Tax Levy	0.92%	0.75%	0.89%	0.78%	0.75%	0.61%	0.71%	0.95%	0.91%	1.63%
Percentage Collected in Current Year ***	99.08%	99.25%	99.11%	99.22%	99.25%	99.39%	99.29%	99.05%	99.09%	98.37%

Notes:

* Source: Mass. DOR, Tax Recaps

** Source: Mass. DOR Outstanding Receivables Report

*** Percent of Net Levy collected, abated, and/or taken during current year



Note: Property tax collections are shown net of reserves for abatements and exemptions, which the Town assumes will not be collected.

Indicator 3: Revenues and Expenditures per Capita

Formula:

$$\frac{\text{Net Operating Revenues or Expenditures (constant dollars)}}{\text{Population}}$$

Northborough Trend

X	Favorable
	Marginal/Improving
	Unfavorable
	Uncertain

Warning Trend: Decreasing revenues per capita and increasing operating expenditures per capita (measured in constant dollars) is considered a warning trend, especially if spending is increasing faster than revenues or if one-time revenues are consistently needed to achieve budgetary balance.

Description:

Revenues and expenditures per capita show changes relative to population. For enhanced analysis, revenues and expenditures per capita charted together provide a method to measure both sides of the municipal budget. As population increases, it might be expected that revenues and the need for services would increase proportionately and therefore the level of per capita revenues would remain constant. If per capita revenues are decreasing, the municipality may not be able to maintain existing service levels unless cost savings or new revenue sources are identified. Changes in per capita expenditures that reflect an increase may indicate that the cost of providing municipal services is outpacing the community’s ability to pay for those services, especially if spending is greater than can be counted for by inflation or the addition of new services.

Analysis:

Through FY2008, expenditures per capita exceeded revenues per capita due to the use of one-time funds in the operating budget, primarily from Free Cash. With a significant reduction in the Free Cash available for the FY2009 operating budget, the need for a policy revision was apparent. With the subsequent adoption of the Free Cash Policy in November 2010, the use of one-time revenue for the operating budget was phased down and capped at \$500,000, with an additional \$175,000 used annually for the Appropriations Committee Reserve Fund¹. Therefore from FY2010 forward, the Town’s revenues per capita exceed expenditures per capita. The funds represented by the difference are now closed to surplus (i.e. Free Cash) and are then available to fund capital items and other one-time expenditures in accordance with the Free Cash Policy.

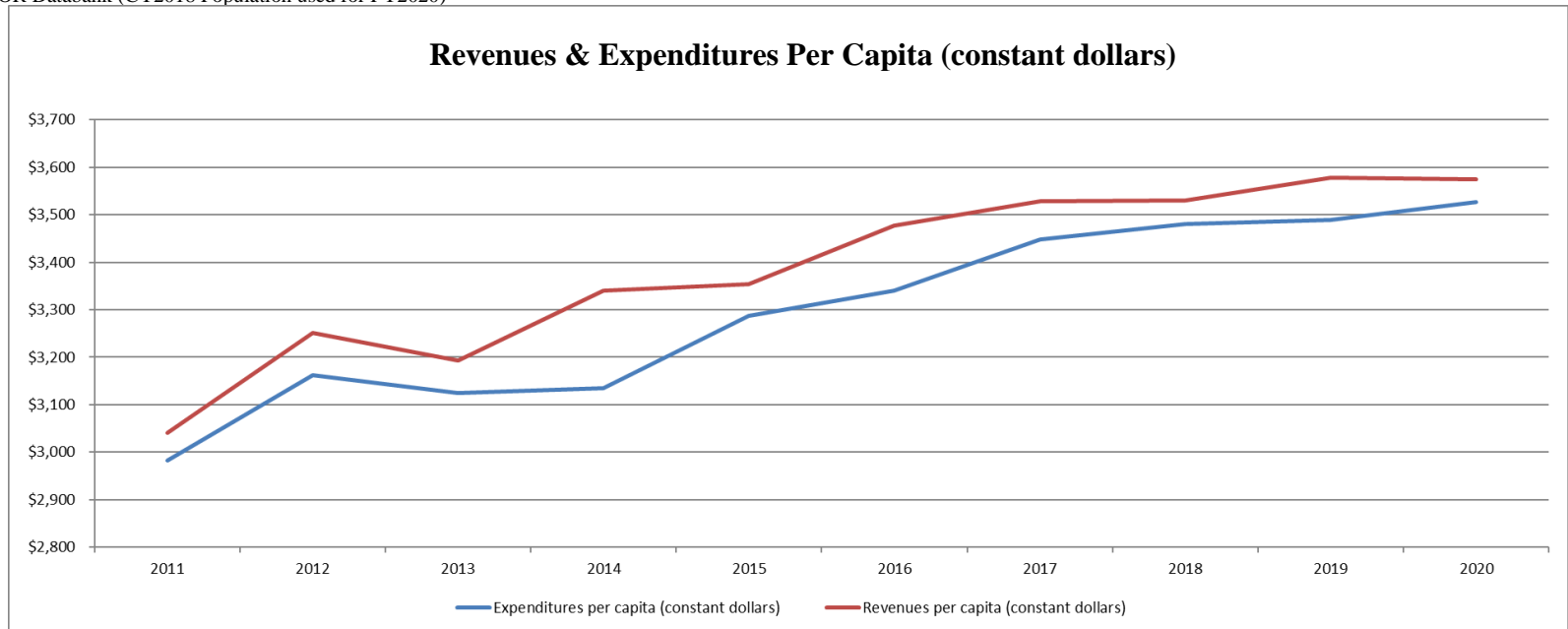
¹ The Reserve Fund is an amount set aside annually within the budget of the town to provide a funding source for extraordinary or unforeseen expenditures. The Appropriations Committee can authorize transfers from this fund. If unused, these funds return to Free Cash at the close of the Fiscal Year. Beginning in FY2016 the Reserve Fund was increased from \$150,000 to \$175,000.

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenditures (Net of Capital Transfers)*	\$ 44,332,468	\$ 45,832,802	\$ 47,661,629	\$ 48,704,150	\$ 51,777,346	\$ 53,590,732	\$ 56,979,306	\$ 58,864,722	\$ 60,945,786	\$ 62,881,306
Revenues *	\$ 45,181,626	\$ 47,132,299	\$ 48,704,343	\$ 51,912,939	\$ 52,817,953	\$ 55,768,963	\$ 58,308,478	\$ 59,719,452	\$ 62,504,877	\$ 63,756,218
One Time Revenues Budgeted **	\$ 661,703	\$ 791,479	\$ 650,000	\$ 650,000	\$ 870,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000
CPI-U, 2010 Base Year ***	240.0	245.8	249.6	253.3	256.1	258.1	263.7	271.3	278.8	283.4
CPI-U adjustment for constant dollars	100.0%	97.6%	96.1%	94.8%	93.7%	93.0%	91.0%	88.5%	86.1%	84.7%
Expenditures (constant dollars)	\$ 44,332,468	\$ 44,749,971	\$ 45,820,944	\$ 46,150,521	\$ 48,526,286	\$ 49,825,264	\$ 51,855,353	\$ 52,068,299	\$ 52,461,753	\$ 53,247,274
Revenues (constant dollars)	\$ 45,181,626	\$ 46,018,767	\$ 46,823,388	\$ 49,191,068	\$ 49,501,554	\$ 51,850,445	\$ 53,064,997	\$ 52,824,344	\$ 53,803,809	\$ 53,988,141
Population ***	14,863	14,155	14,667	14,724	14,762	14,914	15,042	14,962	15,038	15,101
Expenditures per capita (nominal dollars)	\$ 2,983	\$ 3,238	\$ 3,250	\$ 3,308	\$ 3,507	\$ 3,593	\$ 3,788	\$ 3,934	\$ 4,053	\$ 4,164
Revenues per capita (nominal dollars)	\$ 3,040	\$ 3,330	\$ 3,321	\$ 3,526	\$ 3,578	\$ 3,739	\$ 3,876	\$ 3,991	\$ 4,156	\$ 4,222
Expenditures per capita (constant dollars)	\$ 2,983	\$ 3,161	\$ 3,124	\$ 3,134	\$ 3,287	\$ 3,341	\$ 3,447	\$ 3,480	\$ 3,489	\$ 3,526
Revenues per capita (constant dollars)	\$ 3,040	\$ 3,251	\$ 3,192	\$ 3,341	\$ 3,353	\$ 3,477	\$ 3,528	\$ 3,531	\$ 3,578	\$ 3,575

Notes:
* Source: Audited Financial Statements, General Fund, Budget Comparison Schedule, including operating transfers but adjustments were made to exclude transfers to capital project funds: \$804,000 in FY2012, \$615,000 in FY2013, \$2,202,807 in FY2014, \$2,194,000 in FY2015, \$1,813,460 in FY2016, \$1,497,000 in FY2017, \$1,360,000 in FY2018, and \$861,167 in FY2019 following Town's Free Cash Policy. The amounts do include transfers for the Solid Waste Enterprise Fund subsidy: \$301,447 in FY2011, \$247,570 in FY2012 & FY2013, \$239,099 in FY2014, \$217,160 in FY2015 through FY2019, and \$417,160 in FY2020. The amounts also include transfers to Stabilization: \$200,000 in FY2015 through FY2019. FY2015 & FY2016 also include \$20,000 transferred to the 250th Anniversary Celebration Fund. The FY2015 through FY2019 transfers to Stabilization and FY2015 & FY2016 transfers to the Anniversary Fund came from Free Cash. FY2016 was also adjusted to negate effect of a \$375,760 Mass Land Grant transferred to Conservation Fund.

** Source: U.S. Dept. of Labor - Bureau of Labor Statistics (Boston-Cambridge-Newton, MA-NH region)

***Source: DOR Databank (CY2018 Population used for FY2020)



Indicator 4: State Aid (Intergovernmental Revenues)

Formula:

$$\frac{\text{Net State Aid Revenues}}{\text{Operating Revenues}}$$

Northborough Trend

	Favorable
	Marginal
X	Unfavorable
X	Uncertain

Warning Trend: Volatility of State Aid (Intergovernmental Revenues) as a percentage of operating revenues.

Description:

A reduction in State Aid as a percentage of operating revenues is generally perceived as a warning trend. However, intergovernmental revenues as a percentage of the operating budget are also important because an overdependence upon such revenues can be harmful. State governments struggle with their own budget problems and when the economy is not robust, frequently they have reduced aid to local governments. The reduction of intergovernmental funds leaves the municipal government with the dilemma of cutting programs or funding them from general fund revenues. Any decline in intergovernmental funding is difficult for a municipality to absorb.

Analysis:

The level of State Aid and other intergovernmental revenues provided to municipalities is a continuing concern in Massachusetts². State mandates are imposed on already strained municipal budgets with no corresponding funding. State Aid to Northborough generally represents approximately 10% of total municipal revenue. Northborough’s State Aid peaked in FY2003, when controlling for inflation (constant dollars) it represented 13.1% of revenues. As a percentage of revenue it has steadily declined from 10.6% in FY2009 to 8.3% in FY2021. Due to the uncertainty in the level of State Aid provided from year to year, this represents an unfavorable trend with an uncertain outlook for the Town of Northborough. The potential for the Commonwealth to cut State Aid requires the Town to carefully monitor these revenues, and to have contingency plans if State Aid were reduced.

² This indicator does not reflect changes in Federal/State grant programs that are reported outside of the General Fund.

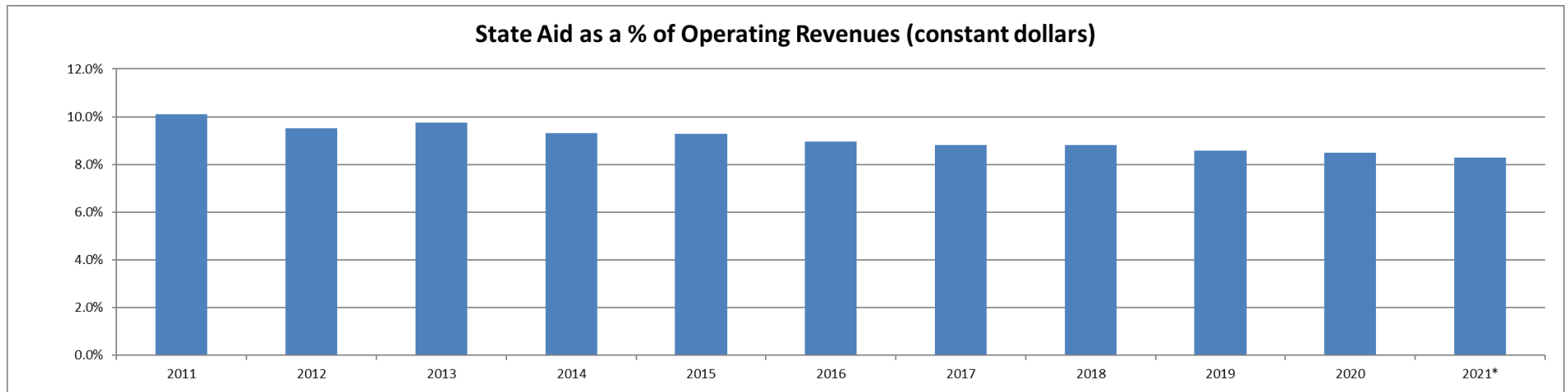
Fiscal Year*	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Operating Revenues**	\$ 45,181,626	\$ 47,132,299	\$ 48,704,343	\$ 51,912,939	\$ 52,817,953	\$ 55,768,963	\$ 58,308,478	\$ 59,719,452	\$ 62,504,877	\$ 63,756,218	\$ 65,527,747
State Aid Revenues**	\$ 4,945,569	\$ 4,873,203	\$ 5,134,652	\$ 5,211,800	\$ 5,283,338	\$ 5,380,417	\$ 5,519,526	\$ 5,650,296	\$ 5,738,517	\$ 5,790,033	\$ 5,434,115
Less School Building Reimbursement	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ -
Net State Aid Revenues	\$ 4,563,026	\$ 4,490,660	\$ 4,752,109	\$ 4,829,257	\$ 4,900,795	\$ 4,997,874	\$ 5,136,983	\$ 5,267,753	\$ 5,355,974	\$ 5,407,490	\$ 5,434,115
CPI-U, 2011 Base Year ***	240.0	245.8	249.6	253.3	256.1	258.1	263.7	271.3	278.8	283.4	284.8
CPI-U adjustment for constant dollars	100.0%	97.6%	96.1%	94.8%	93.7%	93.0%	91.0%	88.5%	86.1%	84.7%	84.3%
Operating Revenues (constant dollars)	\$ 45,181,626	\$ 46,018,767	\$ 46,823,388	\$ 49,191,068	\$ 49,501,554	\$ 51,850,445	\$ 53,064,997	\$ 52,824,344	\$ 53,803,809	\$ 53,988,141	\$ 55,225,480
Net State Aid Revenue (constant dollars)	\$ 4,563,026	\$ 4,384,565	\$ 4,568,583	\$ 4,576,052	\$ 4,593,078	\$ 4,646,706	\$ 4,675,032	\$ 4,659,547	\$ 4,610,389	\$ 4,579,010	\$ 4,579,764
State Aid as a % of Operating Revenues (constant dollars)	10.1%	9.5%	9.8%	9.3%	9.3%	9.0%	8.8%	8.8%	8.6%	8.5%	8.3%

Notes:

* FY2021 reflects budgeted revenues per Mass. DOR Tax Recap

** Source: Audited Financial Statements, General Fund, Budget Comparison Schedule (adjustment to exclude FEMA/EMMA, Mass Landscape Grants, and School Medicaid)

*** Source: U.S. Dept of Labor - Bureau of Labor Statistics (Boston-Cambridge-Newton, MA-NH region), 6 months of calendar year 2020 used for FY2021



*Note: FY2021 reflects budgeted revenues per the Mass. DOR Tax Recap

Indicator 5: Economic Growth Revenues

<p>Formula: $\frac{\text{Economic Growth Revenues}}{\text{Net Operating Revenues}}$</p>
--

	Favorable
	Marginal
	Unfavorable
X	Uncertain

Warning Trend: Decreasing amount of economic growth operating revenues as a percentage of net operating revenues

Description:

Revenues related to economic growth (elastic revenue sources) include tax levy growth from new development, motor vehicle excise taxes, local option hotel and meals tax, as well as building permits and construction related permit fees. These revenues are sensitive to changes in the level of economic activity. A decrease in new economic development and building permit fees may be a leading indicator of smaller future increases in the tax levy.

Analysis:

Northborough's revenues from economic growth increased from FY2009 through FY2013 despite a weak State and national economy. An important component was the construction of a 382 unit apartment complex known as Avalon Bay beginning in FY2010 and the completion of the 640,000 square foot Northborough Crossing Shopping Center in FY2013. Although recent years have seen a positive trend in Northborough's economic revenues, future growth is uncertain as these major projects are now completed and there are fewer significant developments currently in the permitting stage. Looking forward, the Town's future revenue from economic growth remains uncertain. All of the variables that have contributed to the Town's past economic development success, including available land, preferential business tax structure, streamlined development process and prime location all remain. However, it will be important for the Town to monitor the amount of available land for economic development and begin to plan for the inevitable implications of build-out. New growth trends for the past five years indicate that Northborough is maturing and the period of rapid economic development is plateauing.

Fiscal Year	2011	2012	2013	2014*	2015*	2016	2017	2018	2019	2020
Revenues **	\$ 45,181,626	\$ 47,132,299	\$ 48,704,343	\$ 51,912,939	\$ 52,817,953	\$ 55,768,963	\$ 58,308,478	\$ 59,719,452	\$ 62,504,877	\$ 63,756,218
Less Debt Exclusions ***	\$ (1,855,884)	\$ (2,401,767)	\$ (2,439,581)	\$ (1,636,032)	\$ (1,581,420)	\$ (1,908,307)	\$ (2,335,989)	\$ (2,370,816)	\$ (2,253,350)	\$ (2,189,192)
Net Revenues (nominal dollars)	\$ 43,325,742	\$ 44,730,532	\$ 46,264,762	\$ 50,276,907	\$ 51,236,533	\$ 53,860,656	\$ 55,972,489	\$ 57,348,636	\$ 60,251,527	\$ 61,567,026
Building Related Fees & Permits ****	\$ 405,896	\$ 388,874	\$ 297,249	\$ 349,709	\$ 354,927	\$ 423,959	\$ 272,656	\$ 444,276	\$ 679,954	\$ 254,331
Motor Vehicle Excise ***	\$ 2,019,845	\$ 2,040,212	\$ 2,080,090	\$ 2,401,053	\$ 2,454,484	\$ 2,469,504	\$ 2,659,943	\$ 2,642,515	\$ 2,710,612	\$ 2,576,894
Other Excise ****	\$ 57,196	\$ 92,342	\$ 69,372	\$ 314,356	\$ 421,973	\$ 441,201	\$ 507,883	\$ 450,667	\$ 491,287	\$ 442,135
Levy Growth (New Growth) ***	\$ 975,576	\$ 1,229,983	\$ 1,439,307	\$ 826,728	\$ 629,818	\$ 529,520	\$ 694,155	\$ 583,208	\$ 638,625	\$ 1,127,966
Total Economic Growth Revenues	\$ 3,458,513	\$ 3,751,411	\$ 3,886,019	\$ 3,891,846	\$ 3,861,201	\$ 3,864,185	\$ 4,134,637	\$ 4,120,666	\$ 4,520,478	\$ 4,401,327
Economic Growth Revenues as a % of Operating Revenues	8.0%	8.4%	8.4%	7.7%	7.5%	7.2%	7.4%	7.2%	7.5%	7.1%

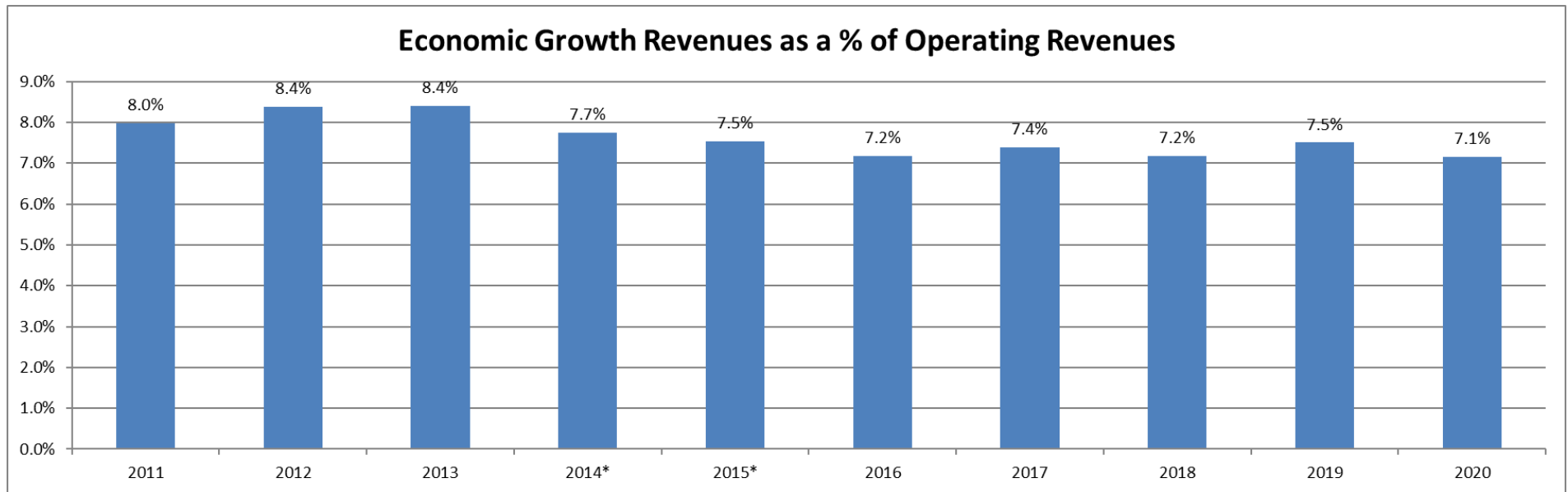
Notes:

*Meals Tax Surcharge (.75%) added & Hotel/Motel excise increased (from 4-6%) in FY2014 (10 Months), full year of these excise taxes are recognized starting in FY2015

** Source: Audited Financial Statements, General Fund, Budget Comparison Schedule

*** Source: Mass. DOR Tax Recaps

**** Source: General Ledger Detail, Revenue from Building, Wiring, Planning Board, ZBA Fees & Permits; Other Excise includes Hotel/Motel and Meals Tax



*Note: FY2014 reflects 10 months of an adopted excise tax increase on hotel rooms (from 4-6%), and the adoption of a restaurant meals tax (.75%). FY2015 reflects a full 12 months of these enhanced revenues.

Indicator 6: Use of One-Time Revenues

Formula:

$$\frac{\text{One-Time Operating Revenues}}{\text{Operating Budget}}$$

Northborough Trend

X	Favorable
	Marginal
	Unfavorable
	Uncertain

Warning Trend: Increasing use of one-time operating revenues as a percentage of operating budget.

Description:

One-time revenues are sources that cannot reasonably be expected to recur, such as a single-purpose federal grant, an inter-fund transfer, or use of reserves. Municipalities will sometimes use reserves and one-time revenues to balance an operating budget. However the continued use of one-time revenues to support operations is not sustainable. Continual use of one-time revenues to balance the annual budget can indicate that the revenue base is not strong enough to support current service levels. It can also mean that the municipality is incurring operating deficits and would have little room to maneuver if there were a downturn in revenue. Use of one-time revenues also increases the probability that a municipality will have to make significant cutbacks if such revenues cease to be available as may happen when reserves are depleted. Therefore, increased dependence on one-time revenues to support operations can place operations and municipal services at risk.

Analysis:

Northborough’s use of one-time revenue to fund the operating budget was significantly curtailed during recent years. The Free Cash Policy adopted in 2010 limited the use of Free Cash to one-time expenditures with a limited amount to be used toward the operating budget. Any additional Free Cash above this level is used to fund one-time capital expenditures, or for emergency spending. The Town’s reserve fund is designed to be accessible for extraordinary and unforeseen expenses, and this is funded with transfers from Free Cash. One-time revenue in the operating budget has declined from a high of 4.1% or \$1.5 Million in FY2005 to 1.4% or \$875,000 in FY2020, where it remained stable in accordance with the Free Cash Policy. Noting that FY2021 reflected a one-time increase to 2% or \$1.253 Million, which was designed to negotiate the COVID-19 crisis. From FY2016 to FY2020, Free Cash was also used to fund transfers of \$200,000 to Stabilization each year. FY2016 and FY2017 included \$20,000 transfers from Free Cash to a special 250th Anniversary Celebration fund. In addition to its use in the operating budget, Free Cash has been used to fund \$12.1 million in pay as you go capital investment from FY2012 through FY2021.

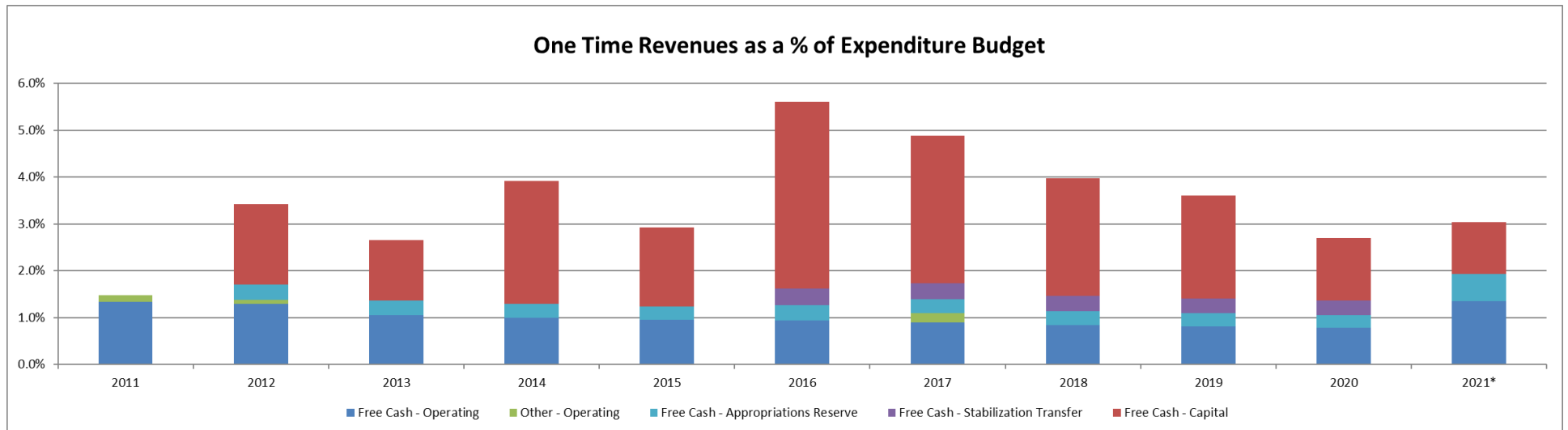
Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Expenditure Budget **	\$ 44,910,225	\$ 46,565,590	\$ 47,769,858	\$ 49,997,242	\$ 52,697,038	\$ 55,128,393	\$ 57,855,289	\$ 59,634,331	\$ 61,919,509	\$ 64,298,984	\$ 64,853,454
Revenues Budgeted **	\$ 44,248,522	\$ 45,874,111	\$ 47,734,858	\$ 49,347,242	\$ 51,827,038	\$ 54,233,393	\$ 57,069,081	\$ 58,959,331	\$ 61,244,509	\$ 63,623,984	\$ 63,600,454
One Time Revenues Budgeted **	\$ 661,703	\$ 1,554,000	\$ 1,265,000	\$ 1,959,307	\$ 1,543,500	\$ 3,089,000	\$ 2,708,460	\$ 2,372,000	\$ 2,235,000	\$ 1,736,167	\$ 1,965,775
Free Cash Used for Operating Budget ***	\$ 600,000	\$ 600,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 520,000	\$ 520,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 878,000
Free Cash Used for Appropriations Reserve Fund	\$ -	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 375,000
Free Cash Used for Stabilization Transfer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Free Cash Used for Capital	\$ -	\$ 804,000	\$ 615,000	\$ 1,309,307	\$ 893,500	\$ 2,194,000	\$ 1,813,460	\$ 1,497,000	\$ 1,360,000	\$ 861,167	\$ 712,775
Other One Time Revenues Used for Operating Budget ****	\$ 61,703	\$ 41,479	\$ -	\$ -	\$ -	\$ -	\$ 111,208	\$ -	\$ -	\$ -	\$ -
Percentage Free Cash Used for Stabilization Transfer	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.3%	0.3%	0.3%	0.3%	0.0%
Percentage Free Cash Used for Appropriations Reserve	0.0%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.6%
Percentage Free Cash Used for Operating Budget	1.3%	1.3%	1.0%	1.0%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	1.4%
Percentage Free Cash Used for Capital	0.0%	1.7%	1.3%	2.6%	1.7%	4.0%	3.1%	2.5%	2.2%	1.3%	1.1%
Percentage Other Reserves used for Operating Budget	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
Total Percentage of One time Revenue Used	1.5%	3.3%	2.6%	3.9%	2.9%	5.6%	4.7%	4.0%	3.6%	2.7%	3.0%

Notes: *Fiscal Year 2021 Source: Mass. DOR Tax Recap

** Source: Audited Financial Statements, General Fund, Budget Comparison Schedule, including operating transfers but adjustments were made to exclude transfers to capital project funds (CIP) shown in the table, while many of the Free Cash transfers are made during the year voted and reflected in the financial statements vs. the budget year proposed (i.e. year early). The amounts do include transfers for the Solid Waste Enterprise Fund subsidy: \$301,447 in FY2011, \$247,570 in FY2012 & FY2013, \$239,099 in FY2014, \$217,160 in FY2015 through FY2019, \$417,160 in FY2020, and \$337,160 in FY2021. The amounts also include transfers to Stabilization: \$200,000 in FY2015 through FY2020. FY2016 & FY2017 also include \$20,000 transferred to the 250th Anniversary Celebration Fund. The FY2015 through FY2020 transfers to Stabilization and FY2016 & FY2017 transfers to the Anniversary Fund came from Free Cash. FY2016 was also adjusted to negate effect of a \$375,760 Mass Land Grant transferred to Conservation Fund.

*** In FY2011, the amount reflects solely direct operating budget support. In FY2012 - FY2020 \$500,000 is for direct operating budget. For FY2012 \$100,000 supplemental appropriation made from Free Cash for Emergency Expenses. Starting FY2012, the Reserve Fund is funded from Free Cash, and FY2012 – FY2015 includes \$150,000 while FY2016-FY2019 include \$175,000 and FY2020 includes \$375,000 for the Reserve.

**** Other One Time Revenues from FY2008-2010 are Overlay Surplus and from FY2011-2012, & 2017 are Debt Exclusion Reserves.



*Note: FY2021 reflects budgeted revenues per the Mass. DOR Tax Recap

Indicator 7: Personnel Costs

Formula:

$$\frac{\text{Personnel Wages \& Benefits}}{\text{Net Operating Budget}}$$

Northborough Trend

	Favorable
X	Stable
	Unfavorable
	Uncertain

Warning Trend: Increasing personnel costs as a percentage of operating expenditures.

Description:

Increasing salaries and wages as a percent of operating expenditures may be an indicator of two trends. First, it may point to future increased pension and health insurance costs since both of these items are related to the number and compensation level of employees. Second, if salaries and wages as a percentage of operating expenditures are increasing, it may be an indicator that resources are not available to adequately fund capital and/or infrastructure needs.

Analysis:

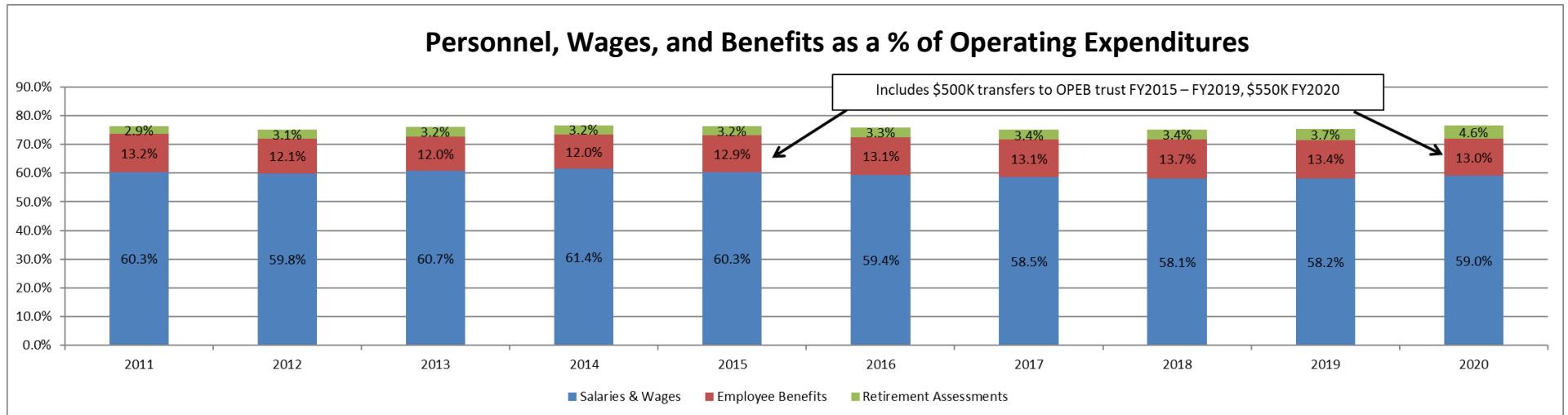
Overall, personnel wages and benefits represent approximately 75% of the Town’s operating budget and remain relatively stable. Health Insurance plan design changes and carrier consolidation were negotiated with employee groups, but it is anticipated to be an exposure for the foreseeable future given that the Town’s carrier has announced departure from the commercial market at the conclusion of FY2022. More detail regarding the Health Insurance changes is explained under Indicator #8.

Wages, salaries and employee benefits as a percentage of operating expenditures decreased 1.4% from 76.4% in FY2011 to 75.2% in FY2019, though it has increased back to 76.6% in FY2020. During this period the largest increase was in retirement assessments, for which the Town is part of a multi-employer plan that is on a funding plan to be fully funded by 2036. Employee benefits includes annual contributions toward OPEB of \$500,000 starting FY2015 which increase to \$550,000 in FY2020. Overall wages and salaries have decreased by 1.3% from 60.3% in FY2011 to 59.0% in FY2020. Looking forward, the rate of growth is contingent upon negotiating future collective bargaining agreements that are sustainable, as well as balancing the addition of any new staff with new, recurring revenue sources.

FY2022 is the last year of the previously negotiated collective bargaining agreements for Police Patrol Officers, Police Sergeants, Dispatchers, Fire and the Northborough Municipal Employees Association. A significant amount of time will be devoted to negotiating fair and sustainable increases for personnel during the contract period of FY2023 through FY2025.

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenditures (Net of Capital Transfers)*	\$ 44,332,468	\$ 45,832,802	\$ 47,661,629	\$ 48,704,150	\$ 51,777,346	\$ 53,590,732	\$ 56,979,306	\$ 58,864,722	\$ 60,945,786	\$ 62,881,306
Less Education Assessments **	\$ (9,508,787)	\$ (9,602,833)	\$ (9,978,962)	\$ (10,096,005)	\$ (10,500,042)	\$ (10,961,605)	\$ (11,662,283)	\$ (11,986,834)	\$ (12,673,210)	\$ (13,710,265)
Expenditures (Net of Capital Transfers & Education Assessments)	\$ 34,823,681	\$ 36,229,969	\$ 37,682,667	\$ 38,608,145	\$ 41,277,304	\$ 42,629,127	\$ 45,317,023	\$ 46,877,888	\$ 48,272,576	\$ 49,171,041
Municipal & K-8 School Department Wages **	\$ 21,007,614	\$ 21,670,351	\$ 22,885,953	\$ 23,714,419	\$ 24,902,080	\$ 25,322,987	\$ 26,510,041	\$ 27,221,285	\$ 28,077,495	\$ 28,997,088
Employee Benefits ***	\$ 4,600,048	\$ 4,381,576	\$ 4,537,088	\$ 4,643,198	\$ 5,305,019	\$ 5,588,201	\$ 5,942,633	\$ 6,406,254	\$ 6,455,845	\$ 6,403,296
Retirement Assessment **	\$ 1,006,365	\$ 1,118,191	\$ 1,210,083	\$ 1,241,407	\$ 1,306,702	\$ 1,415,244	\$ 1,546,598	\$ 1,612,608	\$ 1,790,753	\$ 2,275,596
Total Wage & Benefit Costs	\$ 26,614,027	\$ 27,170,118	\$ 28,633,124	\$ 29,599,024	\$ 31,513,801	\$ 32,326,432	\$ 33,999,272	\$ 35,240,147	\$ 36,324,093	\$ 37,675,980
Salaries & Wages as a percentage of Operating Expenditures	60.3%	59.8%	60.7%	61.4%	60.3%	59.4%	58.5%	58.1%	58.2%	59.0%
Benefits as a percentage of Operating Expenditures	13.2%	12.1%	12.0%	12.0%	12.9%	13.1%	13.1%	13.7%	13.4%	13.0%
Retirement Assessments as a percentage of Operating Expenditures	2.9%	3.1%	3.2%	3.2%	3.2%	3.3%	3.4%	3.4%	3.7%	4.6%
Total Wage & Benefit Costs as a percentage of Operating Expenditures	76.4%	75.0%	76.0%	76.7%	76.3%	75.8%	75.0%	75.2%	75.2%	76.6%

Notes:
 * Source: Audited Financial Statements, General Fund, Budget Comparison Schedule, adjustment made to exclude transfers to capital project funds
 ** From Mass. DOR Schedule A report - General Fund Salaries; Does not include Enterprise Funds; Note that Education assessments are deducted because the underlying percentages of the assessments related to salaries and wages are not available. It would not be accurate to view the education assessments as an expenditure without recognizing that a large percentage of regional school districts expenses are salaries and wages, therefore the related totals are removed from this calculation.
 *** Source: Audited Financial Statements, General Fund, Budget Comparison Schedule, Retirement and Education Assessments taken from detail, FY2015-2019 include \$500,000/year transfers to OPEB trust fund. FY2020 reflects a \$550,000 transfer to the OPEB trust fund.



Indicator 8: Employee Benefits

Formula:
Employee Benefits
 Wages & Salaries

Northborough Trend

	Favorable
	Marginal
	Unfavorable
X	Uncertain

Warning Trend: Increasing employee benefit costs as a percentage of salaries and wages.

Description:

The two most significant benefit items to consider in personnel discussions are health insurance and pensions. Both of these are, for the most part, prescribed by Commonwealth law, and municipalities are limited in the changes they can make to these items (pensions more so than health insurance). As employers, municipalities must offer health insurance to all benefit-eligible employees and current employees become vested in the pension system after ten years of creditable service. Municipalities do have some ability to manage and control both health insurance and pension costs. For example, communities can work to reduce their health insurance premium contribution rates, increase co-pays/deductibles, or move to the State Group Insurance Commission (GIC). Prudent management of staffing levels is also critical as increases in staffing increase both health insurance and pension costs.

Analysis:

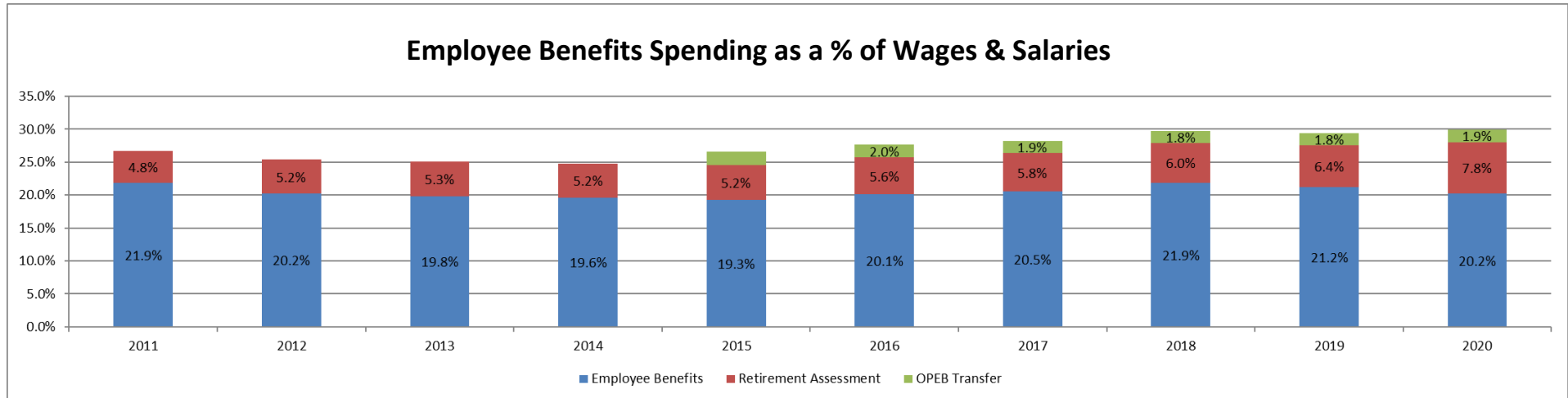
Overall, employee benefits as a percentage of wages and salaries increased 3.24% from FY2011 to FY2020. This includes the retirement assessment, which rose from 4.8% in FY2011 to 7.8% in FY2020, primarily due to implementation of a funding plan to eliminate the unfunded liability by 2036. Employee benefits alone, which are primarily composed of the cost of health insurance, increased to a peak of 22.9% in FY2010. Health insurance plan design changes implemented in FY2010 halted that increasing trend, and FY2020 employee benefits are less than FY2010 at 20.2%, excluding the contributions to the OPEB liability trust that started in FY2015. It should be noted that a return to 10-15% annual increases in health insurance premiums, would significantly impact future operating budgets for all departments.

Overall plan design changes and the adoption of a Mandatory Medicare statute (MGL Ch.32B §18) in FY2010 helped limit budgetary increases over time. In addition, the Town worked with the School Department to increase teacher contributions during FY2012 from 20% to 25% for Health Insurance. However, escalating market trends necessitated further plan design changes negotiated with all employee groups in FY2017 and FY2018. During FY2019 the Town issued a bid for a sole carrier to limit the overall budget increase to 3.8%, with the move to the sole carrier resulting in a 0% renewal with a 2% budget increase for FY2020, a modest premium increase with a 2.6% budget increase for FY2021,

and a 0% renewal with a 2.1% budget increase for FY2022. Though uncertainty in health insurance costs will continue to be an area of uncertainty and exposure moving forward given that the Town’s carrier has announced departure from the commercial market at the conclusion of FY2022.

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Municipal & K-8 School Department Wages *	\$ 21,007,614	\$ 21,670,351	\$ 22,885,953	\$ 23,714,419	\$ 24,902,080	\$ 25,322,987	\$ 26,510,041	\$ 27,221,285	\$ 28,077,495	\$ 28,997,088
Employee Benefits **	\$ 4,600,048	\$ 4,381,576	\$ 4,537,088	\$ 4,643,198	\$ 4,805,019	\$ 5,088,201	\$ 5,442,633	\$ 5,962,161	\$ 5,955,845	\$ 5,853,296
Transfer to OPEB Trust Fund **	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 550,000
Retirement Assessment ***	\$ 1,006,365	\$ 1,118,191	\$ 1,210,083	\$ 1,241,407	\$ 1,306,702	\$ 1,415,244	\$ 1,546,598	\$ 1,628,232	\$ 1,790,753	\$ 2,275,596
Total Benefit Costs	\$ 5,606,413	\$ 5,499,767	\$ 5,747,171	\$ 5,884,605	\$ 6,611,721	\$ 7,003,445	\$ 7,489,231	\$ 8,090,393	\$ 8,246,598	\$ 8,678,892
Benefits as a percentage of Wages & Salaries	21.9%	20.2%	19.8%	19.6%	19.3%	20.1%	20.5%	21.9%	21.2%	20.2%
OPEB Transfer as a percentage of Wages & Salaries	0.0%	0.0%	0.0%	0.0%	2.0%	2.0%	1.9%	1.8%	1.8%	1.9%
Retirement as a percentage of Wages & Salaries	4.8%	5.2%	5.3%	5.2%	5.2%	5.6%	5.8%	6.0%	6.4%	7.8%
Total Benefits Spending as percentage of Wages & Salaries	26.7%	25.4%	25.1%	24.8%	26.6%	27.7%	28.3%	29.7%	29.4%	29.9%

Notes:
 * From Mass. DOR Schedule A report - General Fund Salaries; Does not include Enterprise Funds
 ** Source: Audited Financial Statements, General Fund, Budget Comparison Schedule, FY2015-FY2019 include \$500,000 transfers to the OPEB trust fund; FY2020 includes \$550,000 transfer to OPEB trust fund.
 *** From General Ledger Detail, General Fund Retirement Assessment



Indicator 9: Pension Liability

<p>Formula: $\frac{\text{Pension Assets}}{\text{Pension Liability}}$</p>

	Favorable
	Marginal
X	Unfavorable
	Uncertain

Warning Trend: Unfunded liability or increase in unfunded liability.

Description:

An unfunded liability is one that has been incurred during the current or prior year, which does not have to be paid until a future year and for which reserves have not been set aside. It is a legal commitment to pay at some time in the future. If such obligations are permitted to grow over a long period of time, they can have a substantial effect on a government's financial condition.

Analysis:

Northborough is one of 100 governmental units that comprise the Worcester Regional Retirement System (WRRS). This regional system provides pension benefits for the retired municipal employees of the Town of Northborough. As of January 1, 2018, there were 398 Northborough participants with 227 active, 63 inactive, and 108 retired members.

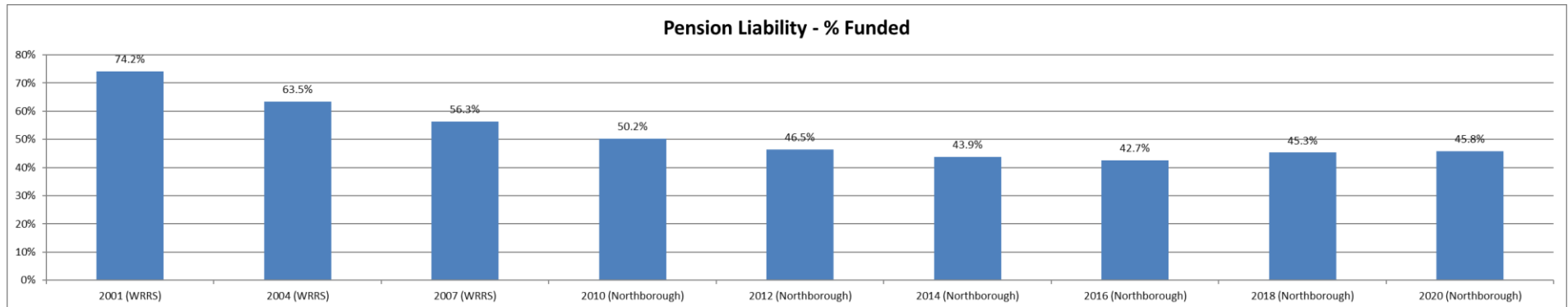
The majority of the Worcester Regional Retirement System's assets were transferred to the Massachusetts Pension Reserve Investment Trust (PRIT) Fund in July 2007. The \$75 Billion PRIT Fund manages the pension investments for the Massachusetts State Employees, the Teachers Retirement System as well as several local retirement systems. The PRIT Fund is professionally managed by the Pension Reserves Investment Management Board.

Actuarial valuations are now individually prepared for each member unit and are completed every two years starting in 2010. Recent pension reform legislation introduced benefit changes intended to reduce the Town's future pension liability. In accordance with MGL, Ch. 32, §22F, the retirement system is required to be fully funded by the year 2040; however, the Worcester Regional Retirement System has implemented a more ambitious funding schedule and plans to be fully funded in 2036, well in advance of the mandatory deadline.

Northborough's unfunded pension liability remains an area of concern to be monitored. The system is funded through employee contributions, investment performance and assessments to member communities. The overall decrease in funding level of our pension liability represents a negative trend for Northborough. Investment performance has been volatile and as we progress toward the full funding plan for 2036 and the mandate of 2040, annual assessments to member communities may increase. It is important to note that while Town of Northborough officials must continue to track progress toward full funding, they do not control the funding schedule directly.

Year	1/1/2001	1/1/2004	1/1/2007	1/1/2010	1/1/2012	1/1/2014	1/1/2016	1/1/2018	1/1/2020
Worcester Regional Retirement System - Estimated Accrued Liability	426,280,953	552,773,550	692,768,325	863,002,067	982,796,782	1,087,769,903	1,369,390,456	1,459,223,833	1,676,488,626
Worcester Regional Retirement System - Pension Assets	316,389,108	350,879,900	389,758,785	413,976,785	436,671,982	488,346,471	594,790,118	685,488,133	777,921,762
Worcester Regional Retirement System - Pension Liability - Unfunded	109,891,845	201,893,650	303,009,540	449,025,282	546,124,800	599,423,432	774,600,338	773,735,700	898,566,864
Worcester Regional Retirement System - Percent Funded	74.2%	63.5%	56.3%	48.0%	44.4%	44.9%	43.4%	47.0%	46.4%
Northborough - Estimated Accrued Liability				33,802,878	37,199,035	41,707,744	51,820,717	55,013,423	60,930,667
Northborough - Pension Assets				16,976,508	17,296,679	18,293,648	22,102,030	24,929,162	27,922,594
Northborough - Pension Liability - Unfunded				16,826,370	19,902,356	23,414,096	29,718,687	30,084,261	33,008,071
Northborough - Percent Funded				50.2%	46.5%	43.9%	42.7%	45.3%	45.8%

Sources:
Public Employee Retirement Administration Annual Report
Worcester Regional Retirement System Valuation Results Report



Indicator 10: Other Post-Employment Benefits (OPEB) Liability

Formula:

$$\frac{\text{OPEB Assets}}{\text{OPEB Liability}}$$

Northborough Trend

	Favorable
	Marginal
X	Unfavorable/Improving
	Uncertain

Warning Trend: Unfunded liability for Other Post-Employment Benefits (OPEB).

Description:

An unfunded liability is one that has been incurred during the current or prior year, which does not have to be paid until a future year and for which reserves have not been set aside. It is a legal commitment to pay at some time in the future. If such obligations are permitted to grow over a long period of time, they can have a substantial effect on a government’s financial condition.

Analysis:

Other Post-Employment Benefits (OPEBs) are the set of benefits offered to retirees and their dependents other than pensions. These benefits mainly consist of medical insurance. Currently, employees who retire at age 55 having worked for at least 20 hours per week for at least ten years are eligible to receive these medical benefits for life. Unlike pensions, these medical benefits are not adjusted to account for full or part-time work, years of service, or age of the recipient at the time of retirement. Obligations for OPEBs represent a \$30 billion liability for municipalities in the Commonwealth. The magnitude of these costs becomes even more relevant as the Governmental Accounting Standards Board (GASB) now requires that OPEB liabilities be reported on municipal balance sheets. This information is of particular interest to bond rating agencies and investors.

In 2011, the state enacted municipal health insurance reform, giving municipal officials a set of tools to change plan design features for active employees and retirees. But even with this authority, municipalities have little or no control over the primary drivers of general health care costs. With communities having little or no recourse for raising revenues in the Proposition 2 ½ era, if unaddressed, this unsustainable cost will crowd out funding for other key line items in municipal budgets, threatening jobs and core municipal services.

On December 20, 2012, a special commission charged with studying OPEBs issued its final report which recognized that the current thresholds for benefits are unsustainable. If adopted, the Commission’s recommendations to increase eligibility standards are estimated to save communities between \$9 billion and \$12 billion in OPEB costs over the next 30 years. Legislation, which contains many of the Commission’s recommendations, has been proposed but is still being debated by the Legislature.

In terms of what has been done to date in Northborough, in addition to plan design changes, the Town also unanimously adopted a Mandatory Medicare statute (MGL Ch. 32B, §18) at the Annual Town Meeting in April 2009. The adoption of §18 required Medicare eligible retirees to move out of the HMO active health plans on and into Medicare supplement or “Senior Plans,” which are specifically designed for the medical needs of seniors and effectively shares costs with the Medicare program. By adopting §18 the Town’s Unfunded Actuarial Accrued Liability (UAAL) for OPEB was immediately reduced from \$90.4 million to \$34.3 million. Upon the first revaluation the liability was further reduced to an estimated \$28.1 million, however without committing funds to an irrevocable trust fund the UAAL grew upon revaluation. GASB has since issued statements 74 and 75, changing the standards moderately. Most recently the Town’s Net OPEB Liability was measured to be \$36.32 million under the new GASB standards, which include the Town’s contributions to the OPEB Trust Fund.

The Town created the OPEB Trust Fund at the April 2011 Annual Town Meeting to set aside funds to reduce the liability, and then appropriated \$500,000 annually from FY2015 through FY2019 with an increase to \$550,000 in FY2020. The liability is calculated based on the intent to continue that level of funding, with contributions increasing upon the pension systems’ full funding by 2036. The trust funds have been invested with the Pension Reserves Investment Trust (PRIT) Fund. The PRIT Fund is a pooled investment trust fund established to invest the assets of the Massachusetts Teachers and Employees Retirement Systems as well as the assets of various County, Authority, District and Municipal Retirement Systems throughout the Commonwealth. The PRIT Fund is professionally managed by the Pension Reserves Investment Management Board. Based upon these Trust Fund contributions, the funding ratio improved to 9.33% in FY2020.

While waiting to assess the outcome of possible legislative changes at the State level as described above, the Town continues to work with an actuary to determine future funding plan options. Discussion on how best to address OPEB liabilities will continue to be a key issue during future budget cycles. In response to the COVID-19 crisis, contributions were postponed for FY2021 & FY2022 to provide tax relief to residents, however current trust fund investment returns seem are outpacing benchmarks therefore the hope is that the delay in funding will not materially impact the Town’s funding position until principal contributions can be returned to the budget.

Reporting Period*	FY2009 Original	FY2009 Revised	FY2011	FY2013	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Total OPEB Liability	\$90,444,000	\$34,289,000	\$28,072,976	\$32,638,652	\$35,381,934	\$36,566,852	\$39,143,474	\$47,326,709	\$37,749,985	\$40,050,623
Actuarial Value of Assets	-	-	-	-	\$500,000	\$1,051,207	\$1,734,723	\$2,438,590	\$3,114,040	\$3,735,099
Net OPEB Liability	\$90,444,000	\$34,289,000	\$28,072,976	\$32,638,652	\$34,881,934	\$35,515,645	\$37,408,751	\$44,888,119	\$34,635,945	\$36,315,524
<i>Discount Rate</i>	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	6.00%	5.25%	6.25%	6.25%
Funded Ratio	0.00%	0.00%	0.00%	0.00%	1.43%	2.87%	4.43%	5.15%	8.25%	9.33%

*Note liabilities calculated per GASB 45 from FY2009-2015, GASB 74/75 from FY2016-2020

Source: Town Actuarial Valuation Studies, Original study conducted effective July 1, 2008 (FY2009), and revaluations conducted per GASB requirements

Indicator 11: Debt Service Expenditures

<p>Formula: $\frac{\text{Debt Service Expenditures}}{\text{Operating Expenditures}}$</p>

Northborough Trend

X	Favorable
	Marginal
	Unfavorable
	Uncertain

Warning Trend: Increasing debt service expenditures as a percentage of total net operating expenditures.

Description:

Debt service is defined here as the amount of principal and interest that a municipality must pay each year on bonded long and short term debt. Increasing debt service reduces expenditure flexibility by adding to the Town’s obligations. Overlapping debt is the bonded debt of another jurisdiction that is issued against the tax base of the community. Taken together, the total debt service represents a significant part of a municipality’s fixed costs and its increase may indicate excessive debt and fiscal strain.

Analysis:

The total debt service for Northborough is comprised of both the general obligation bonds of the Town, as well as the overlapping debt associated with the Northborough’s share for the Algonquin Regional High School (ARHS) and the Assabet Valley Regional Vocational High School. Once permanent bonds are issued, these fixed expenses are mandatory. Therefore, significant levels of debt service can serve to limit flexibility in funding operating budgets. The Town’s Debt Policy provides that the Town will endeavor to manage debt so as not to exceed a ratio of 5% to 10% of the net general fund debt service to total general fund expenditures. Since FY2004, levels of debt service have remained well within this range with the exception of FY2004 which was the first year of the \$10 Million, 10-year bond issued for the ARHS Building Project with the debt structured with a significant \$1,850,000 principal payment in the first year.

Overall, the Town’s level of debt service is within the 5% to 10% recommended by the debt policy and represents an appropriate level of capital investment in infrastructure. The credit rating agency, Moody’s Investors Service, indicated in a recent review that the Town’s “overall debt burden will remain manageable.” Debt service as a percentage of the budget decreased from 7.24% in FY2015 to 4.51% in FY2015 due to the \$10 Million ARHS Building project bond being fully satisfied. However, the percentage increased in FY2016 and FY2017 as \$7.390 Million of the \$14.85 Million total debt for the Lincoln Street School building project was issued in June 2015 and \$7.354 Million issued in January 2016. Even with the addition of the Lincoln Street School bonds and the anticipated debt associated with a new fire station, debt is projected to remain well within policy limits.

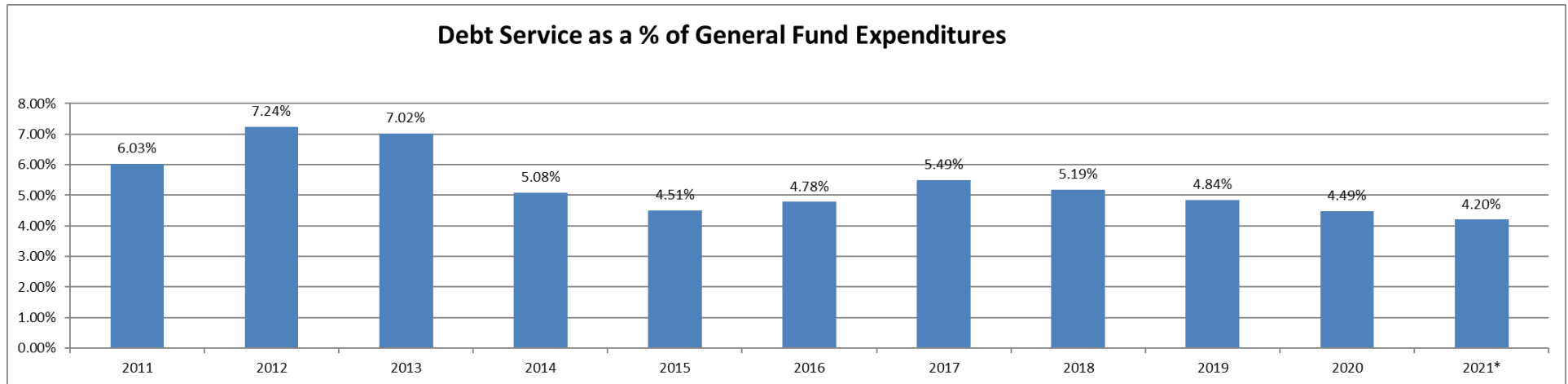
Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Debt Service**	\$ 1,923,505	\$ 2,489,898	\$ 2,481,623	\$ 2,307,032	\$ 2,050,723	\$ 2,488,169	\$ 2,923,647	\$ 2,842,319	\$ 2,796,193	\$ 2,666,160	\$ 2,202,532
Less School Building Reimbursement	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ (382,543)	\$ -
Net Debt Service	\$ 1,540,962	\$ 2,107,355	\$ 2,099,080	\$ 1,924,489	\$ 1,668,180	\$ 2,105,626	\$ 2,541,104	\$ 2,459,776	\$ 2,413,650	\$ 2,283,617	\$ 2,202,532
Overlapping Debt - Assabet Debt Assessment				\$ 1,044	\$ 8,186	\$ 15,006	\$ 192,135	\$ 151,232	\$ 145,316	\$ 141,488	\$ 137,660
Overlapping Debt - ARHS Debt Assessment	\$ 1,131,427	\$ 1,267,629	\$ 1,289,094	\$ 659,761	\$ 657,234	\$ 656,493	\$ 661,206	\$ 660,574	\$ 610,774	\$ 621,442	\$ 632,229
Less ARHS Legal Settlement ***						\$ (213,831)	\$ (215,948)	\$ (217,999)	\$ (220,659)	\$ (223,108)	\$ (227,586)
Net Overlapping ARHS Debt Assessment	\$ 1,131,427	\$ 1,267,629	\$ 1,289,094	\$ 659,761	\$ 657,234	\$ 442,662	\$ 445,258	\$ 442,575	\$ 390,115	\$ 398,334	\$ 404,643
Total Debt Service	\$ 2,672,389	\$ 3,374,984	\$ 3,388,174	\$ 2,585,294	\$ 2,333,600	\$ 2,563,294	\$ 3,178,497	\$ 3,053,583	\$ 2,949,081	\$ 2,823,439	\$ 2,744,835
General Fund Expenditures	\$ 44,332,468	\$ 46,636,802	\$ 48,276,629	\$ 50,906,957	\$ 51,777,346	\$ 53,590,732	\$ 57,855,289	\$ 58,864,722	\$ 60,945,786	\$ 62,881,306	\$ 65,307,567
Net Debt Service as % of GF Expenditures	3.48%	4.52%	4.35%	3.78%	3.22%	3.93%	4.39%	4.18%	3.96%	3.63%	3.37%
Overlapping Debt - ARHS as % of GF Expenditures	2.55%	2.72%	2.67%	1.30%	1.27%	1.23%	1.14%	1.12%	1.00%	0.99%	0.97%
Total Debt Service as a % of GF Expenditures	6.03%	7.24%	7.02%	5.08%	4.51%	4.78%	5.49%	5.19%	4.84%	4.49%	4.20%

Notes:

* FY2021 as Budgeted

** Source: Audited Financial Statements, General Fund, Budget Comparison Schedule, as budgeted (adjusted for principal paid down)

*** Court judgement following over-assessment, payments to come annually from FY2016 through FY2023



Indicator 12: Financial Reserves/Fund Balance

Formula:

$$\frac{\text{Financial Reserves}}{\text{Net Operating Revenues}}$$

Northborough Trend

X	Favorable
	Marginal
	Unfavorable
	Uncertain

Warning Trend: Declining financial reserves as a percentage of net operating revenues.

Description:

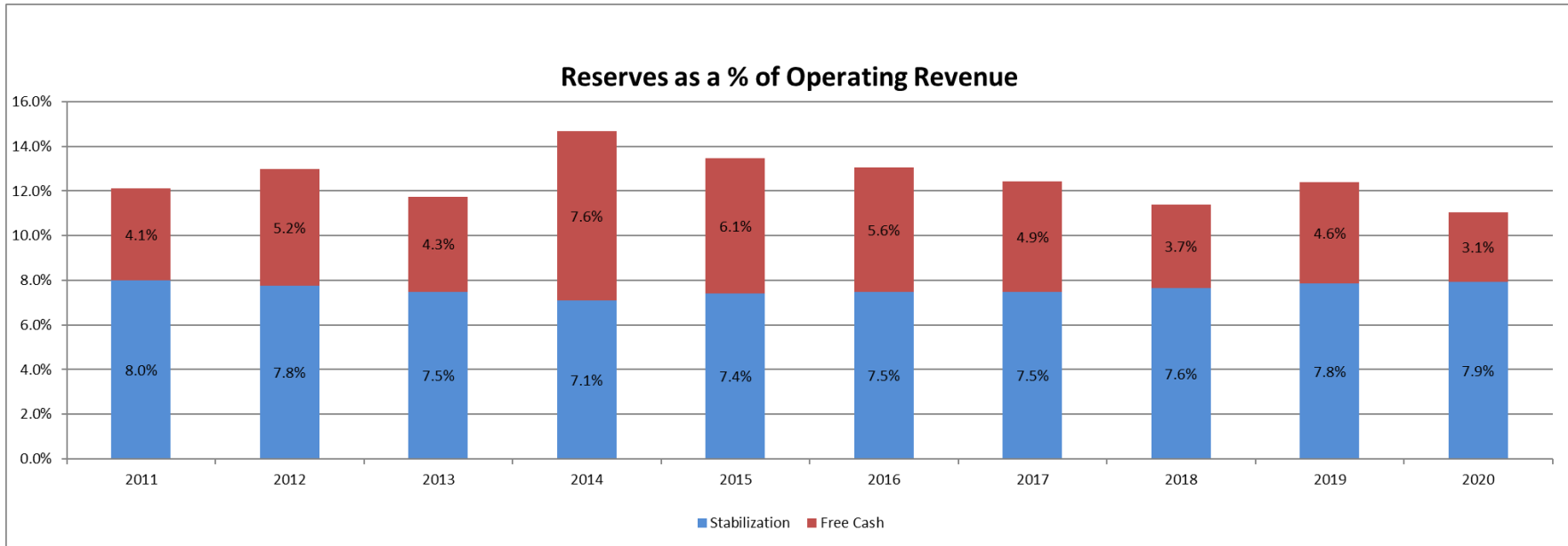
The size of a local government's fund balance can affect its ability to withstand financial emergencies. It can also affect its ability to accumulate funds for capital purchases without having to borrow. Municipalities usually try to operate each year at a surplus to maintain positive fund balance and thus maintain adequate reserves. An unplanned decline in fund balance may mean that the municipality will be unable to meet a future need.

Analysis:

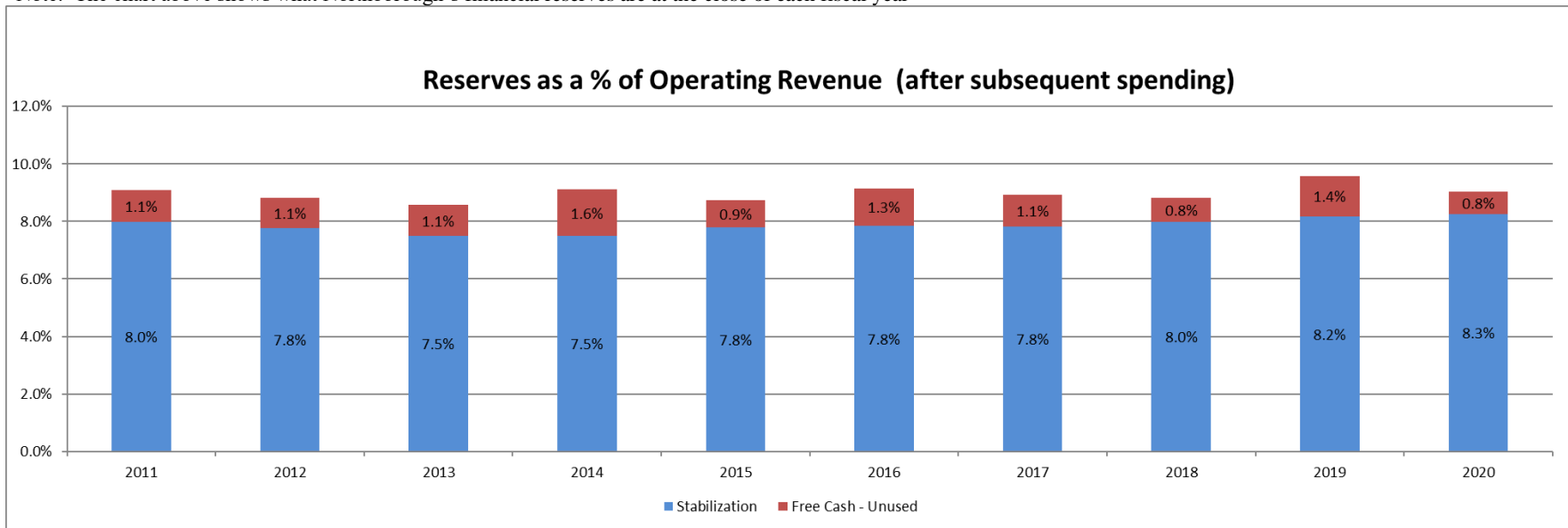
The Government Finance Officers Association (GFOA) recommends an undesignated fund balance between 5% and 15% of operating revenues. Northborough's financial policy provides for reserves to average between 5% and 10% of the Town's General Fund (Operating Budget) expenditures. The reserves are defined to include the Town's Stabilization Fund and Free Cash. The Town's level of reserves adheres to this policy. During FY2016-FY2019, \$200,000 was added to the Stabilization Fund to ensure appropriate levels are maintained.

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Certified Free Cash *	\$ 1,869,209	\$ 2,459,307	\$ 2,074,920	\$ 3,932,028	\$ 3,208,889	\$ 3,104,766	\$ 2,877,855	\$ 2,236,167	\$ 2,854,397	\$ 1,980,662
Stabilization Fund Balance *	\$ 3,605,888	\$ 3,660,077	\$ 3,646,820	\$ 3,686,792	\$ 3,913,018	\$ 4,173,427	\$ 4,364,697	\$ 4,567,834	\$ 4,900,853	\$ 5,061,660
Operating Revenues **	\$ 45,181,626	\$ 47,132,299	\$ 48,704,343	\$ 51,912,939	\$ 52,817,953	\$ 55,768,963	\$ 58,308,478	\$ 59,719,452	\$ 62,504,877	\$ 63,756,218
Free Cash Percentage of Operating Revenue	4.1%	5.2%	4.3%	7.6%	6.1%	5.6%	4.9%	3.7%	4.6%	3.1%
Stabilization Percentage of Operating Revenue	8.0%	7.8%	7.5%	7.1%	7.4%	7.5%	7.5%	7.6%	7.8%	7.9%
Net Reserves Percentage of Operating Revenue	12.1%	13.0%	11.7%	14.7%	13.5%	13.1%	12.4%	11.4%	12.4%	11.0%
Free Cash Subsequently Used***	\$ 1,365,000	\$ 1,959,307	\$ 1,543,500	\$ 3,089,000	\$ 2,708,889	\$ 2,372,000	\$ 2,235,000	\$ 1,736,167	\$ 1,965,775	\$ 1,480,000
Free Cash Subsequently Used-Operating	\$ 750,000	\$ 650,000	\$ 650,000	\$ 895,000	\$ 895,000	\$ 875,000	\$ 875,000	\$ 875,000	\$ 1,253,000	\$ 675,000
Free Cash Subsequently Used-Capital	\$ 615,000	\$ 1,309,307	\$ 893,500	\$ 2,194,000	\$ 1,813,889	\$ 1,497,000	\$ 1,360,000	\$ 861,167	\$ 712,775	\$ 805,000
Free Cash Not Used	\$ 504,209	\$ 500,000	\$ 531,420	\$ 843,028	\$ 500,000	\$ 732,766	\$ 642,855	\$ 500,000	\$ 888,622	\$ 500,662
Percent Free Cash Subsequently Used	3.0%	4.2%	3.2%	6.0%	5.1%	4.3%	3.8%	2.9%	3.1%	2.3%
Percent Free Cash Not Used	1.1%	1.1%	1.1%	1.6%	0.9%	1.3%	1.1%	0.8%	1.4%	0.8%
Projected Stabilization Balance after transfer	8.0%	7.8%	7.5%	7.5%	7.8%	7.8%	7.8%	8.0%	8.2%	8.3%
Percent of Reserves after subs spending	9.1%	8.8%	8.6%	9.1%	8.7%	9.2%	8.9%	8.8%	9.6%	9.0%

Notes: Source: *Free Cash & Stabilization at end of fiscal year, Mass. DOR Databank; ** Source: Audited Financial Statements, General Fund, Budget Comparison Schedule, *** Source: Mass. DOR Tax Recaps, amounts subsequently spent by Town Meeting, e.g. 2016 Free Cash voted for use by April, 2017 ATM toward FY2018 budget; Figures shown for FY2020 include projected uses for FY2022 budget



*Note: The chart above shows what Northborough’s financial reserves are at the close of each fiscal year



*Note: The chart above shows Northborough’s financial reserves at the start of the new fiscal year after a portion of Free Cash is spent in accordance with the Town’s Free Cash Policy.

Indicator 13: Capital Investment – Overall Fixed Assets

Formula:

$$\frac{\text{Fixed Asset Values}}{\text{Consumer Price Index}}$$

Northborough Trend

X	Favorable
	Marginal
	Unfavorable
	Uncertain

Warning Trend: Declining values

Description:

The majority of the Town’s Assets shown on its balance sheet are its fixed assets. These are sometimes referred to as “physical assets” or the “capital plant.” The assets consist of town-owned land, buildings, equipment and its entire infrastructure, which includes roads, sidewalks, catch basins, water/sewer mains, etc. For the financial statements most gross values are then “depreciated” over the useful life of the asset, meaning that the expense for purchasing the asset is recorded incrementally over its useful life rather than solely in the year it was acquired, while the value of the asset is lessened over time.

Local governments will frequently defer investment in capital assets, in order to devote resources to operating expenses in the face of scarce resources. When maintenance is deferred, it can lead to increased costs for replacement rather than maintenance.

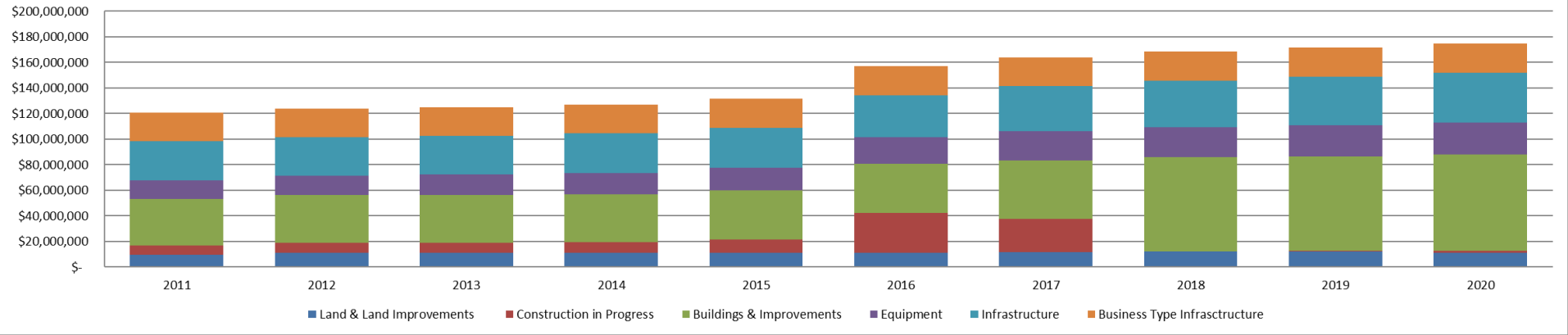
Analysis:

The analysis reflects that the Town has continued its effort to maintain its fixed asset values, while adjusting for the effects of inflation and depreciation. The first graph on page 38 reflects the gross value of the assets, and the underlying categories that make up the Town’s assets, while the second graph reflects that the net values of the assets in service remain relatively constant after accounting for depreciation and inflation.

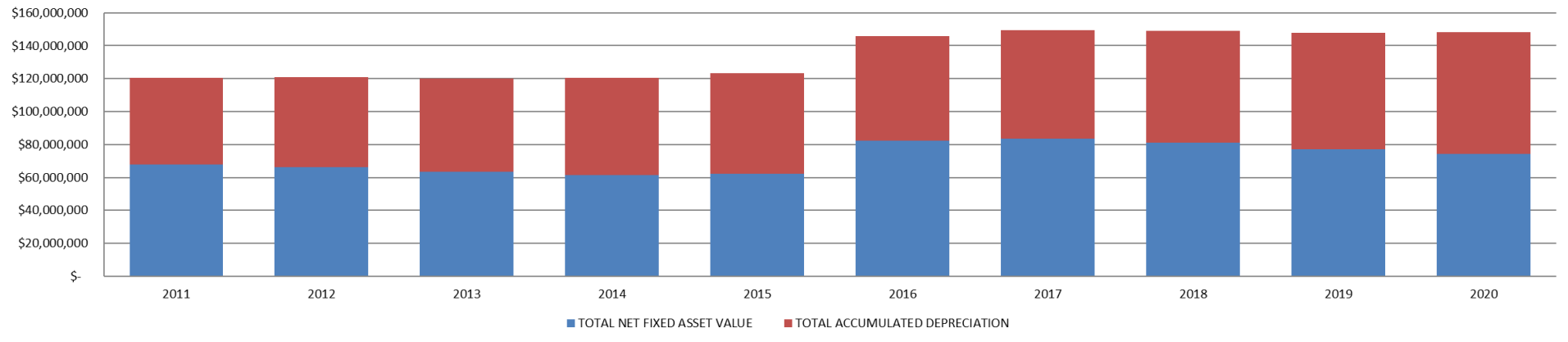
The large increase in value during FY2016 and FY2017 was directly related to the \$25 Million Lincoln Street School building project, which increased the category of “Construction in Progress.” The bulk of the project was conducted over a relatively short period of time and was in use during FY2017. The project was completed in FY2018 and was moved to “Buildings & Improvements” and depreciation has begun.

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Land & Land Improvements	\$ 6,893,175	\$ 8,133,175	\$ 8,133,175	\$ 8,133,175	\$ 8,133,175	\$ 8,133,175	\$ 8,677,043	\$ 9,257,707	\$ 9,257,707	\$ 8,183,671
Construction in Progress	\$ 6,487,688	\$ 7,051,508	\$ 7,414,195	\$ 7,620,105	\$ 10,613,372	\$ 30,053,278	\$ 24,531,608	\$ 71,829	\$ 530,743	\$ 1,575,864
Buildings & Improvements	\$ 32,028,074	\$ 32,564,954	\$ 32,590,754	\$ 32,597,691	\$ 32,707,691	\$ 32,957,457	\$ 40,495,673	\$ 66,743,793	\$ 66,771,155	\$ 68,095,309
Equipment	\$ 13,247,370	\$ 13,799,152	\$ 14,333,553	\$ 15,463,209	\$ 16,071,873	\$ 17,809,356	\$ 19,072,190	\$ 19,591,386	\$ 20,499,937	\$ 21,326,911
Infrastructure	\$ 30,325,194	\$ 30,373,250	\$ 30,423,281	\$ 30,902,882	\$ 31,230,260	\$ 33,071,226	\$ 35,554,210	\$ 36,846,945	\$ 38,012,777	\$ 39,016,436
Gross Fixed Asset Value	\$ 88,981,501	\$ 91,922,039	\$ 92,894,958	\$ 94,717,062	\$ 98,756,371	\$ 122,024,492	\$ 128,330,724	\$ 132,511,660	\$ 135,072,319	\$ 138,198,191
Less Accumulated Depreciation	\$ (39,313,220)	\$ (42,024,286)	\$ (44,587,392)	\$ (47,180,124)	\$ (49,695,524)	\$ (52,462,991)	\$ (55,423,074)	\$ (59,214,063)	\$ (63,705,154)	\$ (68,046,909)
Net Fixed Asset Value	\$ 49,668,281	\$ 49,897,753	\$ 48,307,566	\$ 47,536,938	\$ 49,060,847	\$ 69,561,501	\$ 72,907,650	\$ 73,297,597	\$ 71,367,165	\$ 70,151,282
Business-Type Activities										
Land & Land Improvements	\$ 2,771,038	\$ 2,771,038	\$ 2,771,038	\$ 2,771,038	\$ 2,771,038	\$ 2,771,038	\$ 2,771,038	\$ 2,771,038	\$ 2,771,038	\$ 2,771,038
Construction in Progress	\$ 493,087	\$ 840,138	\$ 840,138	\$ 840,138	\$ 185,526	\$ 1,203,064	\$ 1,556,110	\$ 147,189	\$ 20,002	\$ 139,985
Buildings & Improvements	\$ 4,703,635	\$ 4,703,635	\$ 4,703,635	\$ 4,703,635	\$ 5,389,390	\$ 5,389,390	\$ 5,389,390	\$ 6,951,736	\$ 7,342,936	\$ 7,342,936
Equipment	\$ 1,289,093	\$ 1,305,449	\$ 1,393,986	\$ 1,575,046	\$ 1,882,889	\$ 3,095,678	\$ 3,494,134	\$ 3,525,563	\$ 3,701,479	\$ 3,701,479
Infrastructure	\$ 22,360,279	\$ 22,360,279	\$ 22,360,279	\$ 22,360,281	\$ 22,472,937	\$ 22,472,937	\$ 22,499,620	\$ 22,563,548	\$ 22,850,910	\$ 22,850,910
Gross Fixed Asset Value	\$ 31,617,132	\$ 31,980,539	\$ 32,069,076	\$ 32,250,138	\$ 32,701,780	\$ 34,932,107	\$ 35,710,292	\$ 35,959,074	\$ 36,686,365	\$ 36,806,348
Less Accumulated Depreciation	\$ (13,434,041)	\$ (13,919,503)	\$ (14,412,089)	\$ (14,899,201)	\$ (15,411,023)	\$ (16,059,245)	\$ (16,785,790)	\$ (17,490,599)	\$ (18,302,959)	\$ (19,108,501)
Net Fixed Asset Value	\$ 18,183,091	\$ 18,061,036	\$ 17,656,987	\$ 17,350,937	\$ 17,290,757	\$ 18,872,862	\$ 18,924,502	\$ 18,468,475	\$ 18,383,406	\$ 17,697,847
Governmental & Business-Type Activities										
Land & Land Improvements	\$ 9,664,213	\$ 10,904,213	\$ 10,904,213	\$ 10,904,213	\$ 10,904,213	\$ 10,904,213	\$ 11,448,081	\$ 12,028,745	\$ 12,028,745	\$ 10,954,709
Construction in Progress	\$ 6,980,775	\$ 7,891,646	\$ 8,254,333	\$ 8,460,243	\$ 10,798,898	\$ 31,256,342	\$ 26,087,718	\$ 219,018	\$ 550,745	\$ 1,715,849
Buildings & Improvements	\$ 36,731,709	\$ 37,268,589	\$ 37,294,389	\$ 37,301,326	\$ 38,097,081	\$ 38,346,847	\$ 45,885,063	\$ 73,695,529	\$ 74,114,091	\$ 75,438,245
Equipment	\$ 14,536,463	\$ 15,104,601	\$ 15,727,539	\$ 17,038,255	\$ 17,954,762	\$ 20,905,034	\$ 22,566,324	\$ 23,116,949	\$ 24,201,416	\$ 25,028,390
Infrastructure	\$ 30,325,194	\$ 30,373,250	\$ 30,423,281	\$ 30,902,882	\$ 31,230,260	\$ 33,071,226	\$ 35,554,210	\$ 36,846,945	\$ 38,012,777	\$ 39,016,436
Business Type Infrastructure	\$ 22,360,279	\$ 22,360,279	\$ 22,360,279	\$ 22,360,281	\$ 22,472,937	\$ 22,472,937	\$ 22,499,620	\$ 22,563,548	\$ 22,850,910	\$ 22,850,910
Gross Fixed Asset Value	\$ 120,598,633	\$ 123,902,578	\$ 124,964,034	\$ 126,967,200	\$ 131,458,151	\$ 156,956,599	\$ 164,041,016	\$ 168,470,734	\$ 171,758,684	\$ 175,004,539
Less Accumulated Depreciation	\$ (52,747,261)	\$ (55,943,789)	\$ (58,999,481)	\$ (62,079,325)	\$ (65,106,547)	\$ (68,522,236)	\$ (72,208,864)	\$ (76,704,662)	\$ (82,008,113)	\$ (87,155,410)
Net Fixed Asset Value	\$ 67,851,372	\$ 67,958,789	\$ 65,964,553	\$ 64,887,875	\$ 66,351,604	\$ 88,434,363	\$ 91,832,152	\$ 91,766,072	\$ 89,750,571	\$ 87,849,129
TOTAL GROSS FIXED ASSET VALUE	\$ 120,598,633	\$ 123,902,578	\$ 124,964,034	\$ 126,967,200	\$ 131,458,151	\$ 156,956,599	\$ 164,041,016	\$ 168,470,734	\$ 171,758,684	\$ 175,004,539
TOTAL ACCUMULATED DEPRECIATION	\$ (52,747,261)	\$ (55,943,789)	\$ (58,999,481)	\$ (62,079,325)	\$ (65,106,547)	\$ (68,522,236)	\$ (72,208,864)	\$ (76,704,662)	\$ (82,008,113)	\$ (87,155,410)
TOTAL NET FIXED ASSET VALUE	\$ 67,851,372	\$ 67,958,789	\$ 65,964,553	\$ 64,887,875	\$ 66,351,604	\$ 88,434,363	\$ 91,832,152	\$ 91,766,072	\$ 89,750,571	\$ 87,849,129
CPI-U, 2010 Base Year ****	240.0	245.8	249.6	253.3	256.1	258.1	263.7	271.3	278.8	283.4
CPI-U adjustment for constant dollars	100.0%	97.6%	96.1%	94.8%	93.7%	93.0%	91.0%	88.5%	86.1%	84.7%
TOTAL GROSS FIXED ASSET VALUE	\$ 120,598,633	\$ 120,975,297	\$ 120,137,941	\$ 120,310,125	\$ 123,203,994	\$ 145,928,291	\$ 149,289,371	\$ 149,019,384	\$ 147,848,806	\$ 148,192,129
TOTAL ACCUMULATED DEPRECIATION	\$ 52,747,261	\$ 54,622,080	\$ 56,720,930	\$ 58,824,416	\$ 61,018,557	\$ 63,707,629	\$ 65,715,369	\$ 67,848,470	\$ 70,592,073	\$ 73,802,347
TOTAL NET FIXED ASSET VALUE	\$ 67,851,372	\$ 66,353,217	\$ 63,417,012	\$ 61,485,709	\$ 62,185,438	\$ 82,220,662	\$ 83,574,002	\$ 81,170,914	\$ 77,256,733	\$ 74,389,782

Gross Fixed Asset Value Nominal Dollars - Governmental & Business-Type Activities



Fixed Asset Values Constant Dollars - Governmental & Business-Type Activities



Indicator 14: Capital Investment - Pavement Management

Formula:
Average Road Service Rating (RSR)

	Favorable
	Marginal
X	Improving
	Uncertain

Warning Trend: Declining overall average Road Service Rating (RSR)

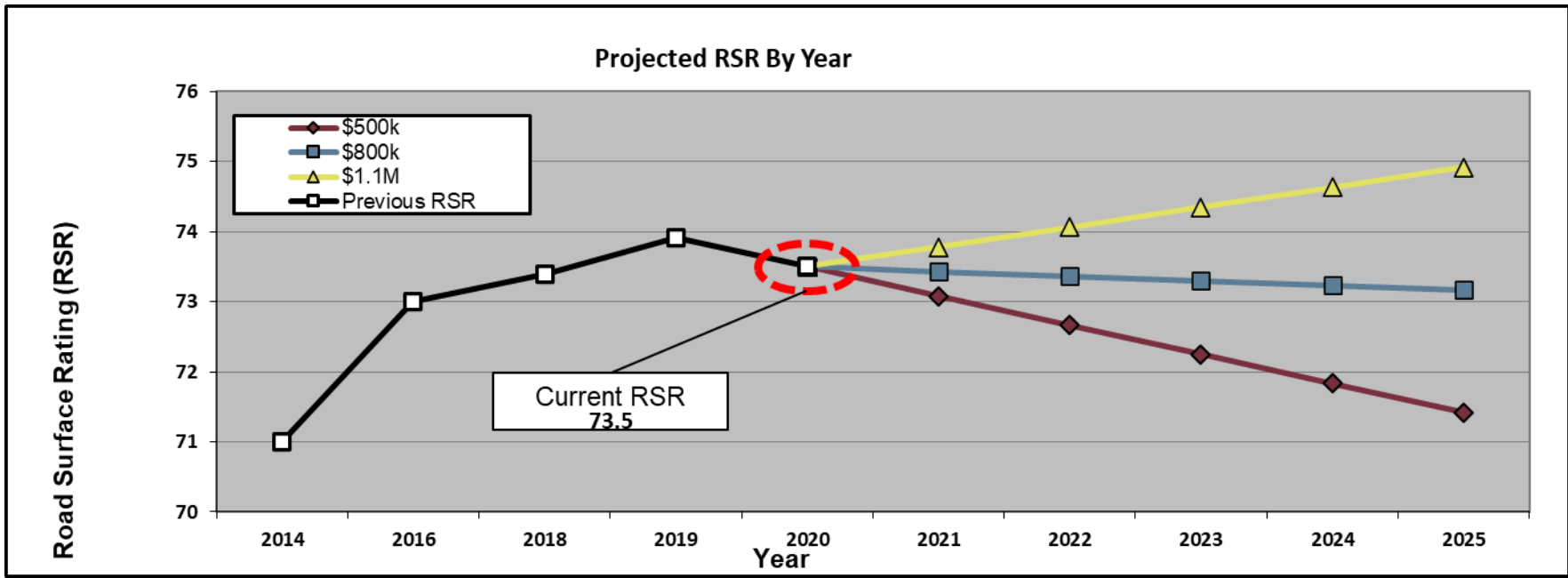
Description:

One of the Town's most significant assets is its pavement network, or its roadways. Pavement management is the practice of planning for pavement maintenance and rehabilitation with the goal of maximizing the value and life of a pavement network. Pavement management involves inventorying, assessing, evaluating and scoring roads using a Road Service Rating (RSR) calculation on a 0 - 100 scale. This process ultimately allows the Town to define treatment options and test various budget scenarios and projects the impact on the Town's overall RSR based upon funding scenarios. Local governments often defer investment in capital assets, in order to devote resources to operating expenses in the face of scarce resources. When maintenance is deferred, it can lead to increased costs for replacement rather than maintenance.

Analysis:

During FY2015, the Town completed its first comprehensive pavement management study which assessed the condition of all the Town's roadways. The results of the study were used to develop a multiyear maintenance and rehabilitation plan for Northborough's roadways. The study determined that the Town's initial overall RSR of 71 would deteriorate over time if it continued to only invest the State's Chapter 90 Roadway Funds, which are approximately \$500,000 per year. The study determined that the Town must spend at least \$1.1 Million annually to prevent further deterioration of its roadways. Ultimately, deferring investment in our roadways would negatively impact the Town's financial condition by increasing future costs and reducing the Town's ability to fund other services.

Based upon the study the Town implemented a Pavement Management Plan (PMP) in FY2016 with a budget of approximately \$1.1 Million. Following a one-time increase in Chapter 90 Funds, the State reduced its support back to approximately \$500,000 in FY2017, where it remains today. The Town's \$1.1 Million PMP consists of approximately \$500,000 in State Chapter 90 funds, \$300,000 in roadway maintenance funds from the DPW operating budget, and \$300,000 in Free Cash appropriated in the Capital Budget. Based upon the increased level of infrastructure investment since FY2016, the Town's overall RSR has improved to 73.5. The chart on the following page projects the Town's overall average RSR for its roads based upon three funding scenarios with the middle line representing the current \$1.1 Million plan. Future progress will require identification of additional resources, including a commitment from the State Legislature to increase Chapter 90 Funds statewide from \$200 million to \$300 million. If that occurs, Northborough would receive an estimated \$275,000 in additional roadway funds.



Section IV
Five-Year Financial Forecast—
Revenue and Expenditure Projections

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IV. FIVE-YEAR FINANCIAL FORECAST—REVENUE AND EXPENDITURE PROJECTIONS

The following pages contain the Five-Year Financial Forecast of revenue and expenditures along with a projected financial outlook for the Town of Northborough.

A revenue driven model was the methodology used to prepare the financial projections. The projections began with FY2021 as the base and were calculated out five years using the Proposition 2 ½ allowable annual budget growth. The projections focused on the top three revenue sources, which are real estate taxes, state aid and motor vehicle excise taxes. Together these sources represent approximately 95% of total revenue.

The revenue projections were calculated with the following assumptions:

- Real estate taxes increase by the allowable amount under Proposition 2 ½
- New growth is estimated at \$40 million for FY2022 and \$30 million annually for remaining years
- Existing unused levy capacity is available for use to maintain service levels
- State aid is level funded for FY2022 and increased by 1% annually
- Local receipts such as motor vehicle excise return to FY2020 levels by FY2024 and are level funded
- Adherence to our comprehensive financial policies (no one-time gimmicks)

The expenditure projections were calculated with the following assumptions:

- OPEB funding is returned to budget in FY2023
- Major capital projects, including debt exclusions for Fire Station, proceed in accordance with the six-year Capital Improvement Plan
- Key budgets increase in FY2022 to a forecasted 3% for Town Governments and School Departments, and then 3.5% annually for all each year after

Financial Outlook

Additionally, a market adjustment has been applied to the valuation of an Average Single Family Home and Total Valuation. The model assumes a 5% increase in FY2022 in the Single Family Home category, then 2% through FY2026. Given these assumptions, the revenue and expenditure projections indicate that real estate taxes will increase between 3.7% to 7.1% annually. This model assumes no major “budget surprises” and no significant staffing or increase in service levels. It is important to note that with these conservative estimates, the model indicates that the existing levy capacity will not be depleted by FY2026, therefore a Proposition 2 ½ operating over-rides would not be needed during this period while indicating increasing reliance on property taxes. Based upon the model it will be important to revisit and update these forecasts annually and make adjustments as needed to protect the Town’s financial condition.

Five-Year Revenue Projections

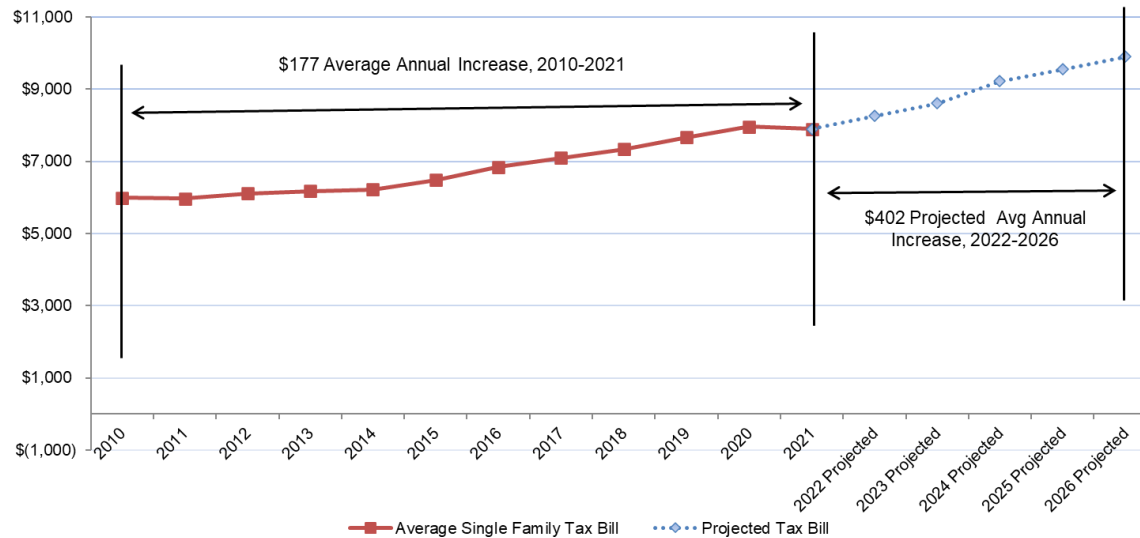
		FY2022 Projection	FY2023 Projection	FY2024 Projection	FY2025 Projection	FY2026 Projection
General Fund Revenues						
	Prior Year Levy Limit	55,450,240	57,521,296	59,470,944	61,480,498	63,566,526
	2.5%	1,386,256	1,438,032	1,486,774	1,537,012	1,589,163
	New Growth	684,800	511,616	522,779	549,017	557,581
	Levy Limit	57,521,296	59,470,944	61,480,498	63,566,526	65,713,271
	Other Debt Exclusions	705,771	687,391	668,623	649,474	624,463
	ARHS Debt Exclusions	412,229	435,976	658,876	655,356	655,356
	Lincoln St Sch Bldg Debt Exclusion	1,026,182	998,130	973,476	948,821	924,167
	Fire Station Debt Exclusion	52,750	142,750	2,095,400	2,046,960	1,998,520
	Maximum Levy	59,718,228	61,735,191	65,876,872	67,867,137	69,915,776
	Unused Levy Capacity	(3,399,223)	(3,011,379)	(2,970,820)	(2,725,456)	(2,403,010)
	Total Tax Levy	56,319,005	58,723,812	62,906,052	65,141,681	67,512,766
State Aid	Cherry Sheet	5,434,115	5,488,456	5,543,341	5,598,774	5,654,762
Local Receipts		4,158,413	4,337,000	4,468,000	4,468,000	4,468,000
Fund Balance Allocations & Transfers						
	Free Cash - Operating Budget	500,000	500,000	500,000	500,000	500,000
	Free Cash - Appropriated Reserve	175,000	175,000	175,000	175,000	175,000
	Free Cash - Transfer to Stabilization	-	-	200,000	200,000	200,000
	Free Cash - Capital/Other	805,662	500,000			
	Other Available Funds	775,526	800,000	900,000	900,000	900,000
	Total General Fund Revenues	68,167,721	70,524,269	74,692,393	76,983,456	79,410,528

Five-Year Expense Projections

		FY2022 Projection	FY2023 Projection	FY2024 Projection	FY2025 Projection	FY2026 Projection
<u>General Fund Expenses</u>						
<u>Education</u>						
	Northborough K-8	25,933,179	26,840,840	27,780,270	28,752,579	29,758,919
	Algonquin 9-12 Operating	13,216,984	13,679,578	14,158,364	14,653,906	15,166,793
	ARHS Debt Service	632,229	655,976	658,876	655,356	655,356
	Assabet	1,042,186	1,078,663	1,116,416	1,155,490	1,195,932
	Assabet Debt Service	133,832	130,004	126,176	122,348	122,348
	Education Subtotal	40,958,410	42,385,061	43,840,101	45,339,680	46,899,349
<u>Town Budget</u>						
	General Government Budget	23,601,110	24,427,149	25,282,099	26,166,973	27,082,817
<u>Debt Exclusions</u>						
	Lincoln St School Debt Service	1,026,775	998,675	973,975	949,275	949,275
	Fire Station Debt Service	52,750	142,750	2,095,400	2,046,960	1,998,520
	Other Debt Excluded Debt Service	772,488	695,633	675,818	655,568	655,568
	Other Funds	775,526	700,000	900,000	900,000	900,000
	OPEB Trust	-	500,000	550,000	550,000	550,000
	Stabilization Fund	-	-	200,000	200,000	200,000
	Reserve Fund	175,000	175,000	175,000	175,000	175,000
	Capital Articles	805,662	500,000	-	-	-
<u>Assessment Adjustments / Rounding</u>						
	Total General Fund Expenses	68,167,721	70,524,268	74,692,393	76,983,455	79,410,528

Projected Tax Impact

		FY2022 Projection	FY2023 Projection	FY2024 Projection	FY2025 Projection	FY2026 Projection
Projected Tax Impact						
Tax Base / Valuation		3,302,416,579	3,369,900,917	3,437,385,255	3,504,869,593	3,572,353,931
Avg Single Fam		484,504	494,194	504,078	514,160	524,443
Tax Rate		17.05	17.43	18.30	18.59	18.90
Avg Tax Bill		8,263	8,612	9,225	9,556	9,911
Increase (\$)		363	349	613	331	355
Increase (%)		4.6%	4.2%	7.1%	3.6%	3.7%
Note: Tax Impact assumes a 5% increase in FY22, 2% increase in Single Family Home Values annually FY2023-FY2026; Valuation reflects \$40M newgrowth in FY2022 and \$30M from FY2023-2026 and corresponding growth in overall Single Family Home values						



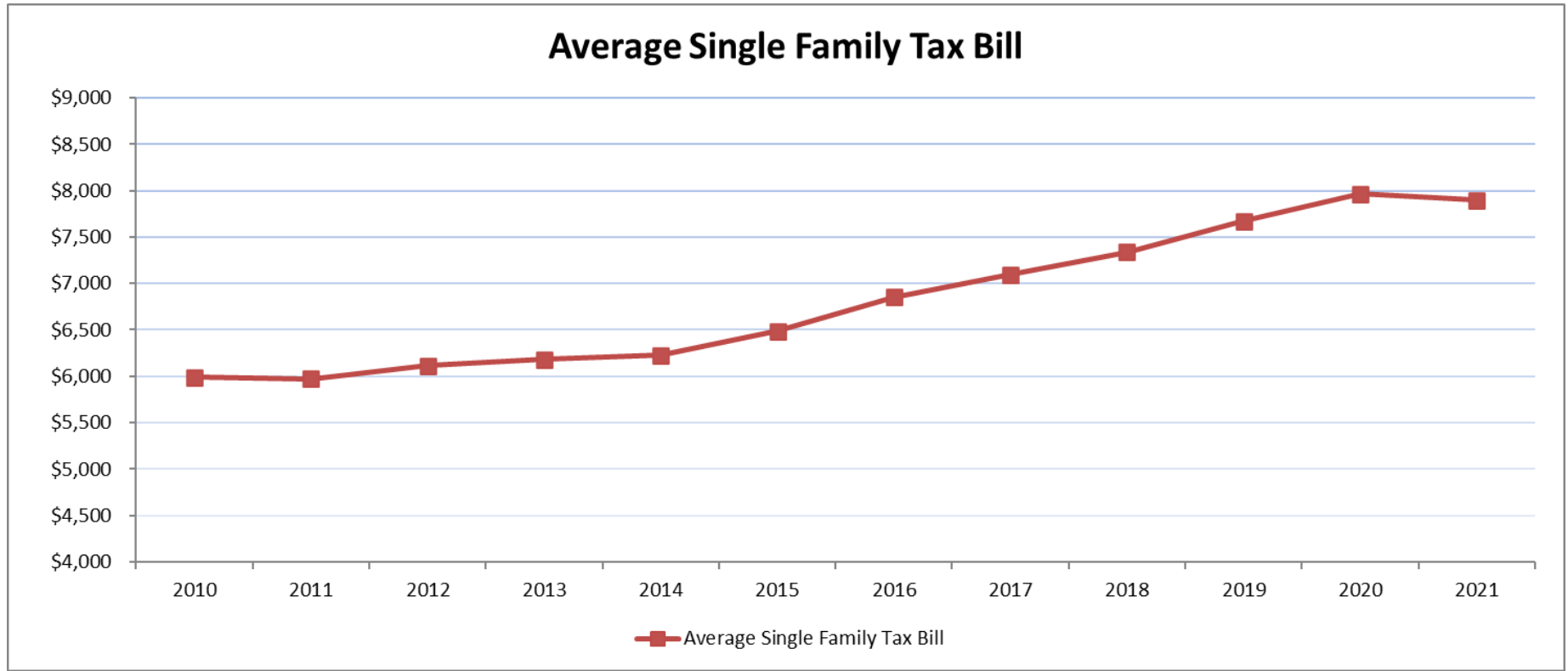
Section V

Appendices

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Appendix A: Average Residential Tax Bill



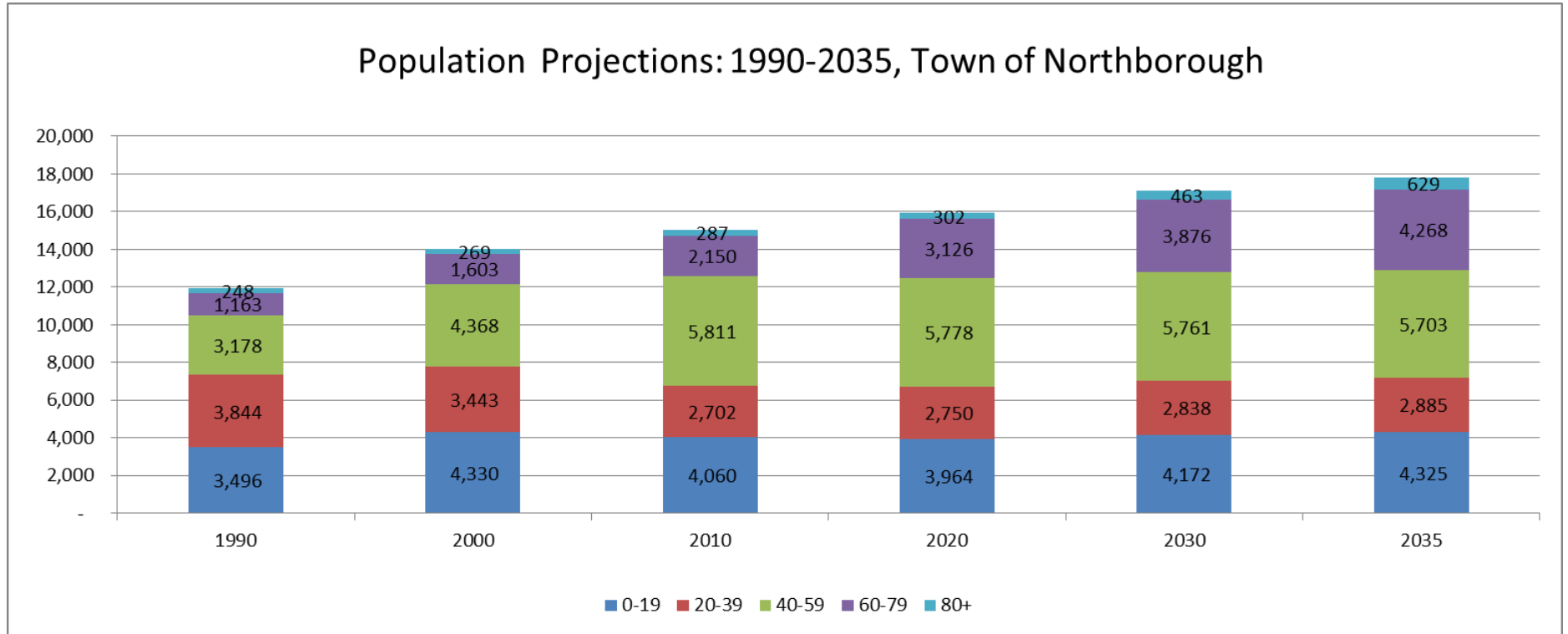
Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value	\$ 1,669,159,700	\$ 1,583,648,800	\$ 1,581,989,200	\$ 1,536,502,300	\$ 1,506,142,900	\$ 1,558,995,700	\$ 1,608,609,300	\$ 1,649,717,300	\$ 1,706,883,000	\$ 1,813,690,200	\$ 1,874,216,900	\$ 1,874,797,000
Parcels	4,006	4,007	4,008	4,005	4,014	4,022	4,032	4,042	4,044	4,055	4,059	4,063
Average Single Family Home Value **	\$ 416,665	\$ 395,221	\$ 394,708	\$ 383,646	\$ 375,222	\$ 387,617	\$ 398,960	\$ 408,144	\$ 422,078	\$ 447,273	\$ 461,744	\$ 461,432
Tax Rate Per Thousand	\$ 14.38	\$ 15.11	\$ 15.49	\$ 16.11	\$ 16.59	\$ 16.73	\$ 17.17	\$ 17.39	\$ 17.39	\$ 17.15	\$ 17.25	\$ 17.12
Average Single Family Tax Bill	\$ 5,992	\$ 5,972	\$ 6,114	\$ 6,181	\$ 6,225	\$ 6,485	\$ 6,850	\$ 7,098	\$ 7,340	\$ 7,671	\$ 7,965	\$ 7,900
Increase over prior year	\$ 218	\$ (20)	\$ 142	\$ 67	\$ 44	\$ 260	\$ 365	\$ 247	\$ 242	\$ 331	\$ 294	\$ (65)
Hi-Lo Rank**	49	53	55	59	63	63	63	62	62	61		

The FY2021 real estate tax bill for an average single family home in the Town of Northborough is \$7,900. This represents a \$177 average annual increase over the 12 years since FY2010. The Massachusetts Department of Revenue’s (DOR) “Hi-Lo” ranking, which is the rank of Massachusetts Cities and Town’s average single family tax bills, indicates Northborough’s tax bill dropped to a low point in FY2014 relative to most other Massachusetts cities and towns. Northborough had the 63rd highest tax bill in the state from FY2014 through FY2016, and while that ranking has risen to 62nd highest for FY2017 & FY2018 and 61st for FY2019, the Town’s rank has fallen from being the 49th highest in FY2010. The DOR has ceased producing this ranking in recent years, which is why it is not listed past FY2019. Northborough’s Board of Selectmen have established a budget goal to minimize the tax impact during the most recent 10 years, while preserving current service levels.

Notes:

* Source: Mass. DOR Tax Recap; ** Source: Mass. DOR Databank

Appendix B: Population Projections



Age	1990	2000	2010	2020	2030	2035	Percent Change 2010-2035
0-19	3,496	4,330	4,060	3,964	4,172	4,325	6.53%
20-39	3,844	3,443	2,702	2,750	2,838	2,885	6.77%
40-59	3,178	4,368	5,811	5,778	5,761	5,703	-1.86%
60-79	1,163	1,603	2,150	3,126	3,876	4,268	98.51%
80+	248	269	287	302	463	629	119.16%
Total	11,929	14,013	15,010	15,920	17,110	17,810	18.65%

Population data and trends are extremely important to review and understand for the future allocation of resources. The projections provided by the Metropolitan Area Planning Council indicate that Northborough is expected to grow in population by 18.65% or 2,800 people over the next 25 years. The projections indicate Northborough's population is expected to rise gradually and will allow officials and policymakers to plan carefully for future needs. The school age population (0-19) is estimated to increase by 6.53%, and any future changes will need to be correlated with the estimates from the School Department to plan for the future needs of the children of Northborough. The largest growth is estimated in the over age 60 segment of the population with 2,460 more people over age 60 living in Northborough in the next 25 years.

APPENDIX D

GLOSSARY OF TERMS

Glossary of Terms

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

Accounting System: The total structure of records and procedures that identify, record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

Accrued Interest: The amount of interest that has accumulated on the bond since the date of the last interest payment, and in the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

Amortization: The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

Appellate Tax Board (ATB): Appointed by the governor, the ATB has jurisdiction to decide appeals from local decisions relating to property taxes, motor vehicle excises, state owned land (SOL) valuations, exemption eligibility, property classification, and equalized valuations.

Appropriation: An authorization granted by a town meeting, city council or other legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended. (See Encumbrance, Free Cash)

Arbitrage: As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

Assessed Valuation: A value assigned to real estate or other property by a government as the basis for levying taxes. In Massachusetts,

assessed valuation is based on the property's full and fair cash value as set by the Assessors. (See Full and Fair Cash Value)

Audit: An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool for evaluating the fiscal performance of a community.

Audit Report: Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions; (d) financial statements and schedules; and (e) statistical tables, supplementary comments, and recommendations. It is almost always accompanied by a management letter.

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other onetime costs. Examples of available funds include free cash, stabilization funds, overlay surplus, water surplus, and enterprise net assets unrestricted (formerly retained earnings).

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Betterments (Special Assessments): Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's apportionment along with one year's committed interest computed from October 1 to October 1

Glossary of Terms

is added to the tax bill until the betterment has been paid.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

Bond and Interest Record: (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

Bond Anticipation Note (BAN): Short-term debt instrument used to generate cash for initial project costs and with the expectation that the debt will be replaced later by permanent bonding. Typically issued for a term of less than one year, BANs may be re-issued for up to five years, provided principal repayment begins after two years (MGL Ch. 44 §17). Principal payments on school related BANs may be deferred up to seven years (increased in 2002 from five years) if the community has an approved project on the Massachusetts School Building Authority (MSBA) priority list. BANs are full faith and credit obligations.

Bond Authorization: The action of town meeting or a city council authorizing the executive branch to raise money through the sale of bonds in a specific amount and for a specific purpose. Once authorized, issuance is by the treasurer upon the signature of the mayor, or selectmen. (See Bond issue)

Bonds Authorized and Unissued: Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining unissued authorizations must be rescinded by town meeting or the city council to be removed from community's books.

Bond Issue: Generally, the sale of a certain number of bonds at one time by a governmental unit.

Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Budget: A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

Budget Message: A statement that, among other things, offers context by summarizing the main points of a budget, explains priorities, describes underlying policies that drive funding decisions, and otherwise justifies the expenditure plan and provides a vision for the future.

Budget Unit: A board or department to which the municipality's legislative body appropriates funds.

Capital Assets: All tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each

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recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

Capital Improvements Program: A blueprint for planning a community's capital expenditures that comprises an annual capital budget and a five-year capital program. It coordinates community planning, fiscal capacity and physical development. While all of the community's needs should be identified in the program, there is a set of criteria that prioritizes the expenditures.

Capital Outlay Expenditure Exclusion: A temporary increase in the tax levy to fund a capital project or make a capital acquisition. Exclusions require two-thirds vote of the selectmen or city council (sometimes with the mayor's approval) and a majority vote in a community-wide referendum. The exclusion is added to the tax levy only during the year in which the project is being funded and may increase the tax levy above the levy ceiling.

Cash: Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Management: The process of monitoring the ebb and flow of money in an out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short-term borrowing and investment of idle cash.

Cemetery Perpetual Care: These funds are donated by individuals for the care of grave sites. According to Ch. 114, s 25, funds from this account must be invested and spent as directed by perpetual care agreements. If no agreements exist, interest (but not principal) may be used as directed by the cemetery commissioners for the purpose of maintaining cemeteries.

Certification: Verification of authenticity. Can refer to the action of a bank, trust company, or DOR's Bureau of Accounts (BOA) in the

issuance of State House Notes, to confirm the genuineness of the municipal signatures and seal on bond issues. The certifying agency may also supervise the printing of bonds and otherwise safeguard their preparation against fraud, counterfeiting, or overissue. Also refers to the certification by the Bureau of Local Assessment (BLA) that a community's assessed values represent full and fair cash value (FFCV). (See Triennial Certification)

Certificate of Deposit (CD): A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

Cherry Sheet: Named for the cherry colored paper on which they were originally printed, the Cherry Sheet is the official notification to cities, towns and regional school districts of the next fiscal year's state aid and assessments. The aid is in the form of distributions, which provide funds based on formulas and reimbursements that provide funds for costs incurred during a prior period for certain programs or services. Links to the Cherry Sheets are located on the DLS website at www.mass.gov/dls. (See Cherry Sheet Assessments, Estimated Receipts)

Cherry Sheet Assessments: Estimates of annual charges to cover the cost of certain state and county programs.

Cherry Sheet Offset Items: Local aid that may be spent without appropriation in the budget, but which must be spent for specific municipal and regional school district programs. Current offset items include racial equality grants, school lunch grants, and public libraries grants. (See Offset Receipts)

Classification of Real Property: Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of

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the tax burden is to be borne by each class of real property and by personal property owners. (see Classification of the Tax Rate).

Classification of the Tax Rate: Each year, the selectmen or city council vote whether to exercise certain tax rate options. Those options include choosing a residential factor (MGL Ch. 40 §56), and determining whether to offer an open space discount, a residential exemption (Ch. 59, §5C), and/or a small commercial exemption (Ch. 59, §5I) to property owners.

Collective Bargaining: The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union. regarding wages, hours and working conditions.

Community Preservation Act (CPA): Enacted as MGL Ch. 44B in 2000, CPA permits cities and towns accepting its provisions to establish a restricted fund from which monies can be appropriated only for a) the acquisition, creation and preservation of open space; b) the acquisition, preservation, rehabilitation, and restoration of historic resources; and c) the acquisition, creation and preservation of land for recreational use; d) the creation, preservation and support of community housing; and e) the rehabilitation and restoration of open space, land for recreational use and community housing that is acquired or created using monies from the fund. Acceptance requires town meeting or city council approval or a citizen petition, together with referendum approval by majority vote. The local program is funded by a local surcharge up to 3 percent on real property tax bills and matching dollars from the state generated from registry of deeds fees. (See DOR IGR 00-209 as amended by IGR 01-207 and IGR 02-208)

Community Preservation Fund: A special revenue fund established pursuant to MGL Ch. 44B to receive all monies collected to support a community preservation program, including but not limited to, tax surcharge receipts, proceeds from borrowings, funds received from the Commonwealth, and proceeds from the sale of certain real estate.

Compensating Balance Agreement: An alternative to the payment of direct fees for banking services. In this case, a bank specifies a minimum balance that the municipality must maintain in non-interest bearing accounts. The bank can then lend this money (subject to a reserve requirement) and earn interest, which will at least cover the cost of services provided to the municipality. Compensating balance agreements are permitted under MGL Ch. 44 §53F and must be approved annually by town meeting or the city council.

Conservation Fund: A city or town may appropriate money to a conservation fund. This money may be expended by the conservation commission for lawful conservation purposes as described in MGL Ch. 40 §8C. The money may also be expended by the conservation commission for damages arising from an eminent domain taking provided that the taking was approved by a two-thirds vote of city council or town meeting.

Consumer Price Index: The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

Cost-Benefit Analysis: A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

Debt Authorization: Formal approval by a two thirds vote of town meeting or city council to incur debt, in accordance with procedures stated in MGL Ch. 44 §§1, 2, 3, 4a, 6-15.

Debt Burden: The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

Debt Exclusion: An action taken by a community through a referendum vote to raise the funds necessary to pay debt service costs for a particular project from the property tax levy, but outside the limits under Proposition 2½. By

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approving a debt exclusion, a community calculates its annual levy limit under Proposition 2½, then adds the excluded debt service cost. The amount is added to the levy limit for the life of the debt only and may increase the levy above the levy ceiling.

Debt Limit: The maximum amount of debt that a municipality may authorize for qualified purposes under state law. Under MGL Ch. 44 §10, debt limits are set at 5 percent of EQV. By petition to the Municipal Finance Oversight Board, cities and towns can receive approval to increase their debt limit to 10 percent of EQV.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that is chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: An enterprise fund, authorized by MGL Ch. 44 §53F½, is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery—direct, indirect, and capital costs—are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services. (See DOR IGR 08-101)

Equalized Valuations (EQVs): The determination of the full and fair cash value of all property in the commonwealth that is subject to local taxation. EQVs have historically been

used as variables in distributing certain state aid accounts and for determining county assessments and certain other costs. The Commissioner of Revenue, in accordance with M.G.L. Ch. 58 s 10C, is charged with the responsibility of bi-annually determining an equalized valuation for each town and city in the Commonwealth.

Estimated Receipts: A term that typically refers to anticipated local revenues listed on page three of the Tax Recapitulation Sheet. Projections of local revenues are often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

Excess and Deficiency (E&D): Also called the "surplus revenue" account, this is the amount by which cash, accounts receivable, and other assets exceed a regional school district's liabilities and reserves as certified by the Director of Accounts. The calculation is based on a year-end balance sheet, which is submitted to DOR by the district's auditor, accountant, or comptroller as of June 30. The regional school committee must apply certified amounts exceeding five percent of the district's prior year operating and capital costs to reduce the assessment on member cities and towns. Important: E&D is not available for appropriation until certified by the Director of Accounts.

Excess Levy Capacity: The difference between the levy limit and the amount of real and personal property taxes actually levied in a given year. Annually, the board of selectmen or council must be informed of excess levying capacity and evidence of such acknowledgment must be submitted to DOR when setting the tax rate.

Exemptions: A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and

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cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

Expenditure: An outlay of money made by municipalities to provide the programs and services within their approved budget.

Fiduciary Funds: Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Fiscal Year (FY): Since 1974, the Commonwealth and municipalities have operated on a budget cycle that begins July 1 and ends June 30. The designation of the fiscal year is that of the calendar year in which the fiscal year ends. Since 1976, the federal government fiscal year has begun on October 1 and ended September 30.

Fixed Assets: Long-lived, tangible assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

Fixed Costs: Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

Float: The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

Foundation Budget: The spending target imposed by the Education Reform Act of 1993 for each school district as the level necessary to provide an adequate education for all students.

Free Cash: (Also Budgetary Fund Balance) Remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax

recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant, or comptroller. Important: free cash is not available for appropriation until certified by the Director of Accounts. (See Available Funds)

Full and Fair Cash Value (FFCV): Fair cash value has been defined by the Massachusetts Supreme Judicial Court as "fair market value, which is the price an owner willing but not under compulsion to sell ought to receive from one willing but not under compulsion to buy. It means the highest price that a normal purchaser not under peculiar compulsion will pay at the time, and cannot exceed the sum that the owner after reasonable effort could obtain for his property. A valuation limited to what the property is worth to the purchaser is not market value. The fair cash value is the value the property would have on January first of any taxable year in the hands of any owner, including the present owner." (Boston Gas Co. v. Assessors of Boston, 334 Mass. 549, 566 (1956))

Full Faith and Credit: A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Fund: An accounting entity with a self balancing set of accounts that is segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Accounting: Organizing the financial records of a municipality into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities

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whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

GASB 34: A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.

GASB 45: This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

General Fund: The fund used to account for most financial resources and activities governed by the normal town meeting/city council appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Governing Body: A board, committee, commission, or other executive or policymaking body including the school committee of a municipality.

Government Finance Officers Association (GFOA): This organization provides leadership to the government finance profession through education, research and the promotion and recognition of best practices.

Governmental Accounting Standards Board (GASB): The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

Law Enforcement Trust Fund: A revolving fund established to account for a portion of the proceeds from the sale of property seized from illegal drug-related activities. Funds may be expended to defray certain qualified law enforcement costs as outlined in MGL Ch. 94C, s 47. Funds from this account may be expended by the police chief without further appropriation.

Levy Ceiling: A levy ceiling is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 2½). It states that, in any year, the real and personal property taxes imposed may not exceed 2½ percent of the total full and fair cash value of all taxable property. Property taxes levied may exceed this limit only if the community passes a capital exclusion, a debt exclusion, or a special exclusion. (See Levy Limit)

Levy Limit: A levy limit is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 2½). It states that the real and

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personal property taxes imposed by a city or town may only grow each year by 2½ percent of the prior year's levy limit, plus new growth and any overrides or exclusions. The levy limit can exceed the levy ceiling only if the community passes a capital expenditure exclusion, debt exclusion, or special exclusion. (See Levy Ceiling)

Line Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

Local Aid: Revenue allocated by the Commonwealth to cities, towns, and regional school districts. Estimates of local aid are transmitted to cities, towns, and districts annually by the "Cherry Sheets." Most Cherry Sheet aid programs are considered general fund revenues and may be spent for any purpose, subject to appropriation.

Local Appropriation Authority: In a town, the town meeting has the power to appropriate funds, including the authorization of debt. In a city, the city council has the power upon the recommendation of the mayor.

Local Receipts: Locally generated revenues, other than real and personal property taxes. Examples include motor vehicle excise, investment income, hotel/motel tax, fees, rentals, and charges. Annual estimates of local receipts are shown on the tax rate recapitulation sheet. (See Estimated Receipts)

Massachusetts School Building Authority (MSBA): A quasi-independent government authority that partners with Massachusetts communities to support the design and construction of educationally-appropriate, flexible, sustainable and cost-effective public school facilities.

Maturity Date: The date that the principal of a bond becomes due and payable in full.

Massachusetts Municipal Depository Trust: An investment program, founded in 1977 under the supervision of the State Treasurer, in which

municipalities may pool excess cash for investment.

Minimum Required Local Contribution: The minimum that a city or town must appropriate from property taxes and other local revenues for the support of schools (Education Reform Act of 1993).

Municipal(s): (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, but also bonds of the state and agencies of the state.

Municipal Revenue Growth Factor (MRGF): An estimate of the percentage change in a municipality's revenue growth for a fiscal year. It represents the combined percentage increase in the following revenue components: automatic 2 1/2 percent increase in the levy limit, estimated new growth, the change in selected unrestricted state aid categories and the change in selected unrestricted local receipts.

M.G.L.: Massachusetts General Laws.

Net School Spending (NSS): School budget and municipal budget amounts attributable to education, excluding long-term debt service, student transportation, school lunches and certain other specified school expenditures. A community's NSS funding must equal or exceed the NSS Requirement established annually by the Department of Education (DOE). (See Education Reform Act of 1993) Includes both school budget and municipal budget amounts attributable to education, excluding long-term debt service, student transportation, school lunches and certain other specified school expenditures. A community's NSS funding must equal or exceed the NSS Requirement established annually by the Department of Education.

New Growth: The additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year. It does not include value increases

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caused by normal market forces or by revaluations. New growth is calculated by multiplying the assessed value associated with new construction, renovations and other increases by the prior year tax rate. The additional tax revenue is then incorporated into the calculation of the next year's levy limit. For example, new growth for FY07 is based on new construction, etc. that occurred between January and December 2005 (or July 2005 and June 2006 for accelerated new growth communities). In the fall of 2006, when new growth is being determined to set the FY07 levy limit, the FY06 tax rate is used in the calculation.

Note: A short-term loan, typically with a maturity date of a year or less.

Objects of Expenditures: A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

Official Statement: A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

Offset Receipts: A local option that allows estimated receipts of a particular department to be earmarked for use of the department and appropriated to offset its annual operating budget. If accepted, MGL Ch. 44 §53E limits the amount of offset receipts appropriated to no more than the actual receipts collected for the prior fiscal year. The Director of Accounts must approve use of a higher amount before appropriation. Actual collections greater than the amount appropriated close to the general fund at year-end. If actual collections are less, the deficit must be raised in the next year's tax rate.

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Other Amounts to be Raised: (Tax Recapitulation Sheet) Amounts not appropriated but raised through taxation. Generally, these are locally generated expenditures (e.g., overlay, teacher pay deferral, deficits) as well as state,

county and other special district charges. Because they must be funded in the annual budget, special consideration should be given to them when finalizing the budget recommendations to the city council or town meeting.

Overlapping Debt: A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

Overlay: (Overlay Reserve or Allowance for Abatements and Exemptions) An account established annually to fund anticipated property tax abatements, exemptions and uncollected taxes in that year. The overlay reserve need not be funded by the normal appropriation process, but rather is raised on the tax rate recapitulation sheet.

Overlay Deficit: A deficit that occurs when the amount of overlay raised in a given year is insufficient to cover abatements, statutory exemptions, and uncollected taxes for that year.

Overlay Surplus: Any balance in the overlay account of a given year in excess of the amount remaining to be collected or abated can be transferred into this account. Within 10 days of a written request by the chief executive officer of a city or town, the assessors must provide a certification of the excess amount of overlay available to transfer. Overlay surplus may be appropriated for any lawful purpose. At the end of each fiscal year, unused overlay surplus is "closed" to surplus revenue, i.e., it becomes a part of free cash.

Override: A vote by a community at an election to permanently increase the levy limit. An override vote may increase the levy limit no higher than the levy ceiling. The override question on the election ballot must state a purpose for the override and the dollar amount. (See Underride.)

Override Capacity: The difference between a community's levy ceiling and its levy limit. It is the maximum amount by which a community may override its levy limit.

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Performance Budget: A budget that stresses output both in terms of economy and efficiency.

Principal: The face amount of a bond, exclusive of accrued interest.

Program: A combination of activities to accomplish an end.

Program Budget: A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

Proposition 2½: A state law enacted in 1980, Proposition 2½ regulates local property tax administration and limits the amount of revenue a city or town may raise from local property taxes each year to fund municipal operations.

Purchased Services: The cost of services that are provided by a vendor.

Refunding of Debt: Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

Reserve for Abatements and Exemptions: (See Overlay)

Reserve Fund: An amount set aside annually within the budget of a city (not to exceed 3 percent of the tax levy for the preceding year) or town (not to exceed 5 percent of the tax levy for the preceding year) to provide a funding source for extraordinary or unforeseen expenditures. In a town, the finance committee can authorize transfers from this fund for "extraordinary or unforeseen" expenditures. Other uses of the fund require budgetary transfers by town meeting. In a city, transfers from this fund may be voted by the city council upon recommendation of the mayor.

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of

many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information. Every three years, assessors must submit property values to the DOR for certification. Assessors must also maintain fair cash values in the years between certifications so that each taxpayer in the community pays his or her share of the cost of local government in proportion to the value of his property. (See Triennial Certification)

Revenue Anticipation Borrowing: Cities, towns and districts may issue temporary notes in anticipation of taxes (TANs) or other revenue (RANs). The amount of this type of borrowing is limited to the total of the prior year's tax levy, the net amount collected in motor vehicle and trailer excise in the prior year and payments made by the Commonwealth in lieu of taxes in the prior year. According to MGL Ch. 44 s 4, cities, towns and districts may borrow for up to one year in anticipation of such revenue.

Revenue Anticipation Note (RAN): A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations. (See Bond Anticipation Note)

Revenue Bond: A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

Revolving Fund: Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service. For departmental revolving funds, MGL Ch. 44 §53E½ stipulates that each fund must be authorized by bylaw by the legislative body, and that a limit on the total amount that may be spent from each fund must be established annually. Wages or salaries for full-time employees may be paid from the revolving fund only if the fund is also charged for all associated fringe benefits.

Sale of Cemetery Lots Fund: A fund established to account for proceeds of the sale of cemetery lots. The proceeds may only be appropriated to pay for the cost of the land, its

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care and improvement or the enlargement of the cemetery under provisions of MGL Ch. 114 §15.

Sale of Real Estate Fund: A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure. MGL Chapter 44 s 63 states that such proceeds shall be applied first to the retirement of debt on the property sold. In the absence of such debt, funds may generally be used for purposes for which the town or city is authorized to borrow for a period of five years or more.

Security: For Massachusetts municipalities, bonds or notes evidencing a legal debt on the part of the issuer.

Special Assessments: (See Betterments)

Special Exclusion: For a few limited capital purposes, a community may exceed its levy limit or levy ceiling without voter approval. Presently, there are two special expenditure exclusions: 1) water and sewer project debt service costs which reduce the water and sewer rates by the same amount; and 2) a program to assist homeowners to repair or replace faulty septic systems, remove underground fuel storage tanks, or remove dangerous levels of lead paint to meet public health and safety code requirements. In the second special exclusion, homeowners repay the municipality for the cost plus interest apportioned over a period of time, not to exceed 20 years (similar to betterments).

Stabilization Fund: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (MGL Ch. 40 §5B). Communities may establish one or more stabilization funds for different purposes. A majority vote of town meeting or city council is required to establish, amend the purpose of, or appropriate money into the stabilization fund. Appropriation from the stabilization fund requires a two-thirds majority vote. (See DOR IGR 04-201)

Surplus Revenue: The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

Tax Rate Recapitulation Sheet (Recap Sheet): A document submitted by a city or town to the DOR in order to set a property tax rate. The recap sheet shows all estimated revenues and actual appropriations that affect the property tax rate. The recap sheet should be submitted to the DOR by September 1 (in order to issue the first-half semiannual property tax bills before October 1) or by December 1 (in order to issue the third quarterly property tax bills before January 1).

Tax Title (or Tax Taking): A collection procedure that secures a city or town's lien on real property and protects the municipality's right to payment of overdue property taxes. Otherwise, the lien expires if five years elapse from the January 1 assessment date and the property has been transferred to another owner. If amounts remain outstanding on the property after issuing a demand for overdue property taxes and after publishing a notice of tax taking, the collector may take the property for the city or town. After properly recording the instrument of taking, the collector transfers responsibility for collecting the overdue amounts to the treasurer. After six months, the treasurer may initiate foreclosure proceedings.

Tax Title Foreclosure: The procedure initiated by a city or town treasurer in Land Court or through land of low value to obtain legal title to real property already in tax title and on which property taxes are over due. The treasurer must wait at least six months from the date of a tax taking to initiate Land Court foreclosure proceedings (MGL Ch. 60 §65).

Trust Fund: In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by town meeting. Both principal and interest may be used if the trust is established as an

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expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

Uncollected Funds: Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

Override: A vote by a community to permanently decrease the tax levy limit. As such, it is the opposite of an override. (See Override)

Undesignated Fund Balance: Monies in the various government funds as of June 30 that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

Uniform Municipal Accounting System (UMAS): UMAS succeeds the so-called Statutory System (STAT) and is regarded as the professional standard for municipal accounting in Massachusetts. As a uniform system for local governments, it conforms to Generally Accepted Accounting Principles (GAAP), offers increased consistency in reporting and record keeping, as well as enhanced comparability of data among cities and towns.

Unreserved Fund Balance (Surplus Revenue Account): The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

Valuation (100 Percent): The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.

Warrant: An authorization for an action. For example, a town meeting warrant establishes the matters that may be acted on by that town meeting. A treasury warrant authorizes the

treasurer to pay specific bills. The assessors' warrant authorizes the tax collector to collect taxes in the amount and from the persons listed, respectively.



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