



**TOWN OF NORTHBOROUGH  
63 MAIN STREET  
SELECTMEN'S MEETING ROOM  
NORTHBOROUGH, MA 01532**

**APPROPRIATIONS COMMITTEE**

MEETING AGENDA

Thursday, April 7, 2022

7:00 p.m.

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**AGENDA ITEMS**

1. [Approval of Minutes:](#)
  - [March 17, 2022](#)
  - [March 24, 2022](#)
2. [Solid Waste, Water and Sewer Enterprise Funds FY2023 Budget Presentations](#)
3. [Finance Office and Undistributed Expenses \(Employee Benefits, Debt\)](#)
4. [Review of Community Preservation Committee Project Requests](#)
5. [Vote on Committee Recommendations](#)
6. Next Meeting Date: April 14, 2022 Joint ARPA Meeting
7. Any other business to come before the Committee



## APPROPRIATIONS COMMITTEE

### MEETING MINUTES

March 17, 2022

7:00 PM

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**MEMBERS PRESENT:** George Brenckle  
Robert D'Amico  
Janice Hight  
Tim Kaelin  
Rick Nieber  
Tony Poteete

The meeting was called to order at 7:00 p.m.

#### **APPROVAL OF MINUTES – MARCH 10, 2022 REGULAR MEETING**

Mr. Nieber stated that the approval of the March 10, 2022 minutes will be postponed until the Committee's next meeting.

#### **DPW ONGOING PROJECTS UPDATE AND FY2023 BUDGET PRESENTATION**

DPW Director Scott Charpentier reviewed the DPW Projects as follows:

##### Pavement Management

Annual spending of \$1.1 million is necessary to maintain or slightly improve the Town's 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. In the meantime, Annual Town Meetings (ATM) have funded the additional \$300,000 needed to fill this funding gap through the capital improvement plan utilizing free cash.

Mr. Charpentier summarized the 2021 pavement management work, which represents approximately 10% of all roadways in Town having received some form of maintenance activity.

##### Sidewalk Improvements

The Northborough Master Plan identifies sidewalk and crosswalk improvements, as well as sidewalk expansion, as primary goals of the community. Public Works has begun working on these goals as follows:

- Northborough was awarded a \$59,609 competitive grant through MassDOT to fund installation of pedestrian activated rapid flashing beacons at the crosswalks near the Town's recreational facilities.
- A previously completed Town-wide sidewalk assessment culminated with the development of a Sidewalk Management Plan, which presents a capital approach to improving the existing network of sidewalks.
- The 2022 paving program includes reconstruction of sidewalks and wheelchair ramps along those roadways where reconstruction will occur.

### Complete Streets Community

Public Works has applied to become a Complete Streets Community and was recently awarded \$35,200 in State grant funds to assist with development of a Town-wide Comprehensive Sidewalk Prioritization Plan. The plan will help identify sidewalk network gaps and available funding to close said gaps.

A MassDOT competitive grant application was recently submitted to fund installation of dedicated bicycle lanes along the portion of Bartlett Street between the High School and the City of Marlborough, where bicycle lanes already exist off Forest Street.

### Multiple Culvert Replacements

Culverts under Ridge Road and Davis Avenue have deteriorated to the point of failure, and Lyman Street to near failure. Design and permitting was funded through the Chapter 90 process and roadway maintenance operating funds have been allocated to implement the physical replacement of these culverts. Due to a very competitive construction bidding environment, the culvert under Lyman Street, which often overtops, was able to be funded for replacement in the amount of \$76,100 while the Ridge Road and Davis Avenue culvert bid values are \$91,500 and \$107,000 respectively. Construction is nearly complete on all three culverts. Another culvert has failed on Lincoln Street adjacent to the Elementary School. The Town's engineering consultant is currently preparing design and permit drawings for this replacement. The DPW inventories all Town culverts and is in the process of developing a sustainable replacement program pending identification of recurring funding sources.

### Assabet Playground Reconstruction

The Town successfully negotiated an agreement with the Massachusetts Architectural Access Board allowing the Town to implement accessibility improvements to the playground. The 2020 ATM funded this project by appropriation of \$102,775 from Free Cash and \$452,225 from the CPA reserves. The completed project will replace the Assabet Playground surface and equipment, resulting in a new and fully accessible play area. Project construction is nearing 50% completion and the playground is expected to be open for use by the summer of 2022.

### New Pickleball Courts at Ellsworth/McAfee Park

The project design and bidding is complete and a construction contract has been awarded with an anticipated completion date of late summer 2022. Due to material cost increases some small project components had to be omitted, which include entrance gates and sideline fencing. The DPW is currently looking into alternative funding sources for these amenities.

### Water and Sewer Operations Building on School Street

The 2020 ATM allocated \$900,000 for construction of a second operations building for the Water and Sewer Department. The original garage was constructed in 1964 when there was only a water division. Since that time the sewer division has come on-line and the equipment and operational needs of the department have grown substantially. The building construction contract is complete and the Town is currently working with Assabet Valley Regional High School for all interior framing and finish work, which is well underway. Escalating construction material costs have resulted in the need to access other funding mechanisms for some of the finish work. The building is planned to be available for use during the summer of 2022.

### Assabet Hill Water Tank Rehabilitation

The 2020 ATM allocated \$725,000 toward construction of repairs and improvements to the Assabet Hill Water Storage Tank. The work includes repair and coating of the tank surfaces, installation of a non-mechanical mixing system for water quality improvements, and construction of a small operations and controls building, which will house a sample port, tank monitoring equipment and communication panels. Construction is well underway with the tank cleaning and coating complete. There were supply chain delays with the prefabricated controls building and the mixing system. Both are now available, and work is scheduled to recommence in March 2022.

### Water and Sewer SCADA Project

The 2021 ATM approved funding for the Town's first Supervisory Control and Data Acquisition system for the water and sewer divisions. This allows operating staff to monitor and adjust control of critical water and sewer infrastructure remotely through a secure dedicated network. This first phase of implementation includes two control stations as well as five monitoring locations. Work has begun with customization of SCADA software. Control panels are in fabrication and are expected to be installed during the summer of 2022 with full system roll-out before the end of the year.

### Northborough Reservoir Dam Removal

The Northborough Water Division owns the dam located in Shrewsbury and Boylston, which no longer provides a useful function for the Town. The Massachusetts Office of Dam Safety found the dam to be in poor condition and has ordered its repair or removal. A recent study concluded that removal is the most cost-effective and environmentally conscious alternative. The 2021 ATM approved funding the design and permitting phase of removal in the amount of \$50,000, combined with an additional \$168,750 competitive grant awarded through the Commonwealth. Land and bathymetric surveys are complete, as well as environmental resource mapping and geotechnical exploration. The next steps include a Preliminary Engineering Dam Report and subsequent to that, filing of environmental permits. Once the design and permitting phase is complete, the Town intends to seek grant funding through the State Dam and Seawall Grant Program to help fund the cost of removal.

### Facilities HVAC

In conjunction with the Town's new Facilities Manager, Public Works oversaw two critical heating/ventilation/ air conditioning (HVAC) projects. One of the heat pumps failed at the Senior Center and the other was due for replacement. Also, one of the heating boilers at Town Hall failed, leaving only one functional boiler. All work is complete and both systems are fully functional. Control improvements were implemented at both locations and will provide better operations and efficiencies.

Committee members thanked Mr. Charpentier for his efforts and update on the many DPW projects.

### **DPW FY2023 OPERATING BUDGET**

Mr. Charpentier and Mr. Coderre reviewed the DPW FY2023 Operating Budget. Overall, the Department of Public Works General Fund budget is increasing \$106,453 or 3.7%. Of this increase, \$54,810 is to fund the reinstatement of a light equipment operator that was eliminated in 2021 due to pandemic related budget concerns. The position will provide building maintenance support for the Town's newly appointed Facility Manager and serve as supplemental assistance to

overall Department needs. There is an increase to funding for tree maintenance due to significant oak mortality, and to all divisions for increases to the costs for all general goods and utilities. The major department initiatives supported by the General Fund address safety and environmental compliance. These include mandated safety compliance with the Division of Labor Standards which has adopted the requirements of the Occupational Safety and Health Administration. The Town continues to implement new components of the Town's required Stormwater Pollution Prevention Plan, improvements to roadway and roadside safety, compliant removal and disposal of street sweeping and catch basin debris, proper disposal of resident generated yard waste, maintenance and repairs to parks and monuments and biannual street sweeping.

Mr. Charpentier and Mr. Coderre heard questions and comments from Committee members throughout the presentation.

### **REVIEW OF DRAFT MEETING WARRANT**

Mr. Coderre briefly reviewed the draft Town Meeting Warrant with the Committee. The Board of Selectmen voted to close the Warrant at their March 14, 2022 meeting. He noted that the Warrant will be reviewed as to form by Town Counsel and will include the budget information (including tables) and handouts for amendments to the personnel bylaw. The complete Warrant that is prepared for the Annual Town Meeting will include motions for each article and will be accompanied with the final reports of the Financial Planning and Appropriations Committees.

The Board of Selectmen voted at their March 28<sup>th</sup> meeting to hold Town Meeting on Monday, April 25<sup>th</sup> at 6pm in the High School auditorium.

### **REVIEW OF TOWN'S LEGISLATIVE PRIORITIES LETTER**

Mr. Coderre reviewed the draft legislative priorities letter in preparation of the State Delegation's attendance at the Selectmen's March 28<sup>th</sup> meeting. The top priorities remain the same. He reviewed the top legislative priorities relating to Chapter 90 Roadway Repair Funding and State Aid (Chapter 70, the Student Opportunity Act, Special Education Circuit Breaker Program, Regional Transportation Reimbursements and Unrestricted General Government Aid).

Mr. Coderre noted that Chapter 90 Roadway Repair Funding remains the top legislative priority. The Town's legislative priority for Chapter 90 Roadway Repair Funding is to continue to lobby for \$300 million annually statewide.

Mr. Coderre noted that the Town is lobbying for an increase in the Unrestricted General Government State Aid account by 7.3%, consistent with the growth from the initial FY2022 State budget figure and the forecasted State tax collections for FY2023.

In regard to the Student Opportunity Act, the Town joins MMA's call for a minimum aid increase of at least \$100 per student.

In addition, the following secondary legislative issues and initiatives were included:

- Fund environmental and climate-related infrastructure needs
- Ongoing flexibility in addressing Covid-19
- An Act to create a Municipal and Public Safety Building Authority

- An Act relative to a streaming entertainment operator’s use of public rights of ways, which will ensure that important funding for cable access services is secured for years to come
- Promote Equity and Diversity in Cities and Towns
- Ensure sustainable OPEB costs for Cities and Towns
- Oppose unfunded mandates
- Modernization of procurement and public construction laws

In addition, the following earmark requests for various infrastructure projects were included in order to provide detailed information to the legislative delegates in the event that any earmark funding is considered:

- Fire Station Building Project
- Water Meter Transmitter Replacement
- Lincoln Street Culvert Replacement
- Northborough Reservoir Dam Removal
- Supervisory Control and Data Acquisition (SCADA)
- Sidewalk Repair Project

Mr. Coderre encouraged the Committee members to watch the Selectmen’s March 28<sup>th</sup> meeting when they meet with the State Delegation to discuss the legislative priorities.

**NEXT MEETING DATES**

<b>Meeting Date</b>	<b>Meeting Topics</b>
Thursday 3/24/2022	Assabet Valley Regional Technical HS; Police Budget Presentation; Fire Budget Presentation
Thursday 3/31/2022	Senior Center & Library Presentations & other departments, if needed
Monday 3/28/2022	Joint Meeting with Board of Selectmen – Budget Hearing (Charter 6-5)
Thursday 4/7/2022	Solid Waste, Water Enterprise Fund and Sewer Enterprise Fund Budget Presentations; Finance Office, Debt Budget; Health Insurance; Community Preservation Committee Project Requests; Review of ATM Warrant Articles and Vote on Committee Recommendations
Monday 4/25/2022	6pm at ARHS Auditorium

**OTHER BUSINESS**

None.

**ADJOURNMENT**

Ms. Hight moved the Committee vote to adjourn; Mr. D'Amico seconded the motion; all members voted in favor.

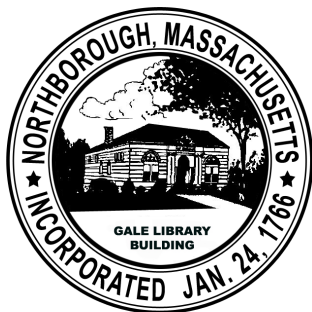
Meeting adjourned at 9:10 p.m.

Respectfully submitted,

John W. Coderre  
Town Administrator

Documents used during meeting:

1. March 17, 2022 Meeting Agenda
2. DPW Project Update
3. DPW FY2023 Budget Presentation
4. Draft Town Meeting Warrant
5. Legislative Priorities Letter
6. Preliminary Budget Update
7. Meeting Schedule



## **APPROPRIATIONS COMMITTEE** **MEETING MINUTES**

March 24, 2022  
7:00 PM

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**MEMBERS PRESENT:** George Brenckle  
Robert D'Amico  
Janice Hight  
Tim Kaelin  
Rick Nieber  
Tony Poteete

The meeting was called to order at 7:00 p.m.

### **APPROVAL OF MINUTES – MARCH 10, 2022 REGULAR MEETING**

Ms. Hight moved the Committee vote to approve the March 10, 2022 meeting minutes; Mr. Poteete seconded the motion; Mr. Kaelin abstained as he was not present at the meeting. Vote 4-0-1.

### **REORGANIZATION – ELECTION OF OFFICERS**

For the purposes of reorganization, Mr. Nieber turned the meeting over to Mr. Coderre. Mr. Coderre opened up nominations for Chair and Vice Chair.

Ms. Hight moved the Committee vote to nominate Mr. Nieber as Chair; Mr. Brenckle seconded the motion; all members voted in favor.

Mr. Nieber moved the Committee vote to nominate Ms. Hight as Vice Chair; Mr. Brenckle seconded the motion; all members voted in favor.

Following the reorganization, Mr. Nieber took over as Chair and proceeded to take up the agenda items.

### **ASSABET VALLEY TECHNICAL HIGH SCHOOL FY2023 BUDGET**

School Superintendent Ernie Houle, Director of Business Operations Maria Silva and Assabet Regional School Committee Chair Virginia Simms George were present on behalf of Assabet Valley Technical High School (Assabet). Assabet is a vocational school composed of the member communities of Berlin, Hudson, Marlborough, Maynard, Northborough, Southborough and Westborough.

Superintendent Houle noted that Northborough enrollment at Assabet will increase from 59 students to 68 students in FY2023. He explained how the District updated its application process for students due to the continued increase in student interest and enrollment, as well as the District's goal to maintain diversity and equity. He also reviewed the enrollment trends for In-District versus Out-Of-District admissions.



Superintendent Houle reviewed the FY2023 Budget as follows:

- Total Operating Budget for FY2023 is \$24,108,684, an overall increase of 4.3% over FY2022 or \$1,004,684.
- The capital building project assessment is per the three-year enrollment average at the time of project approval. Northborough's percentage average will remain for the lifetime of the capital debt assessment at 6.96%, which amounts to \$130,004 for FY2023, a decrease of \$3,828 from FY2022.
- Staffing additions include a Librarian, a Technical Specialist, a Physical Education Instructor, a Building Substitute and a Paraprofessional. The FY2023 Budget also fulfills a requirement to move a grant funded position back into the Operational Budget.

Ms. Silva informed the Committee that Northborough's FY2023 Minimum Local Contribution is \$1,143,066, an increase of \$211,591. She noted that the Governor's House FY2022 Budget allowed Regional Districts to use a portion of the Elementary & Secondary School Emergency Relief (ESSERII) funds towards increases in required contribution, equal to the municipality's share of the District's total required contribution. Northborough chose to use \$31,365 to offset the \$119,000 increase in its minimum local contribution for FY2022, which has been built back into the FY2023 assessment.

Ms. Silva informed the Committee that the FY2023 Chapter 70 Aid is proposed to increase from \$6,421,072 to \$7,477,986. This is a result of In-District enrollment growth and an overall inflation increase to all categories of the Foundation Budget. She added that the overall available funds from the State's Regional Transportation Reimbursement remain unstable, with a proposed FY2023 reimbursement of \$667,889, which is a decrease from the \$725,050 received in FY2022. These amounts will be rebalanced based on the final State Aid.

A discussion ensued about the frustration with the State's outdated Chapter 70 Formula. Mr. Coderre noted that this legislative priority will be discussed with the State Delegation at the March 28<sup>th</sup> Selectmen's meeting. He added that the inflation cap in the educational funding formula needs to be lifted to allow for an actual inflation rate when calculating Chapter 70 funding.

Mr. Coderre asked for an update on the Health Insurance renewals. Superintendent Houle responded that they are switching to Harvard Pilgrim Healthcare due to Fallon Health leaving the commercial health offering. He added that as of FY2020 the responsibility for health care costs was shifted from 75% District and 25% Employee to 70% District and 30% Employee for new hires.

Ms. Silva reviewed the following:

- Total due for Northborough's FY2023 contribution for Transportation, Debt and OPEB is \$1,318,560.
- The Capital Assessment is per 3-year enrollment average at the time of project approval. The District borrowed \$27 million in FY2016. A principal payment of \$1,100,000 and an interest payment of \$767,875 (savings of \$55K from last year) is due on July 1, 2022 and January 1, 2023.
- The District also secured a \$2 million BAN which will have a principal payment of \$115,200 and an interest payment of approximately \$4,000 due in November of 2022.

- Debt Schedule through FY2042
- FY2023 proposed expenditures by function.

Superintendent Houle informed the Committee that the 1<sup>st</sup> quarter invoice for Northborough's FY2023 assessment will be reduced by \$64,620 due to a mandatory release of FY2021 Budget surplus (Excess & Deficiency Account).

Following the presentation and to avoid any confusion, Mr. Coderre summarized that the FY2023 operating and debt assessment is going up 17.36%, or \$185,450.

Superintendent Houle noted that Assabet students have been assisting with renovations and expansion to the Water & Sewer Garage, mainly with interior framing and finish work. He complimented the Town and the Assabet School staff and students on their quality of work. This project will give multiple trades the opportunity to work, including plumbing, electrical and carpentry. He looks forward to continued collaboration on municipal building projects. Mr. Coderre agreed.

Lastly, Superintendent Houle noted that State Grant funding received to date has been approximately \$2.7 million, which has allowed the District to update the equipment in most of the shops without having to pass the expense on to the member communities.

Superintendent Houle and Ms. Silva responded to questions and comments from Mr. Coderre and Committee members throughout the presentation.

Mr. Nieber thanked Superintendent Houle and Ms. Silva for their presentation.

### **POLICE DEPARTMENT FY2023 BUDGET PRESENTATION**

Police Chief William Lyver indicated that overall, the FY2023 Police Department Budget reflects a decrease of \$8,493 or 0.28%. He reviewed the staffing turnover, noting that several positions have been hired at lower starting wages, resulting in a temporary reduction in personnel expenses. Mr. Coderre added the departmental budget as presented does not include contractual wage increases for Union and Non-Union personnel, as those expenses have been budgeted centrally pending completion of union negotiations.

Chief Lyver noted that expenses will increase by \$34,495 due to building cleaning costs and training expenses associated with the new Peace Officers Standards & Training (POST) Commission reform mandates.

Chief Lyver indicated that the FY2023 Capital Projects for the Police Department include \$165,000 for the replacement of 2 patrol vehicles and 1 detective vehicle. 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.

Chief Lyver added that a Capital Project scheduled for FY2024 is the painting (staining) of the Police Station. This project will consist of staining, minor repairs and any necessary carpentry to the exterior of the Police Station at 211 Main Street. The last time the exterior was painted was approximately 10 years ago through the Worcester County Sheriff's Inmate Community Service Program (ICSP), which provides free labor to municipalities and nonprofit organizations by nonviolent, non-sex offender inmates. Due to the pandemic the ICSP has been suspended indefinitely. If the Town is unable to obtain services through the ICSP, the project will need to be publicly bid out at prevailing wage rates. Mr. Coderre added that a needed update to the overly restrictive and outdated purchasing and public construction regulations and laws has been a long-standing legislative priority for the Town.

Chief Lyver responded to questions and comments from Committee members throughout the presentation.

### **FIRE DEPARTMENT FY2023 BUDGET PRESENTATION**

Fire Chief David Parenti indicated that overall, the FY2023 Fire Department Budget reflects an increase of \$22,901 or 1% in the General Fund appropriation. He reviewed staffing, noting that similar to the Police Department, several positions have been hired at lower starting wages, resulting in a temporary reduction in personnel expenses. He reminded the Committee that the departmental budget as presented does not include contractual wage increases for Union and Non-Union personnel, as those expenses have been budgeted centrally pending completion of union negotiations.

In addition to the General Fund appropriation of \$2,216,978 (which includes a transfer in of \$354,487 from the Fire Department Revolving Fund under Article 4 of the Town Meeting Warrant) the departmental budget also includes \$580,743 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.

Chief Parenti and Mr. Coderre briefly discussed the Fire Department's Capital Outlay Plan, which allows for smaller capital project needs, such as replacements or repairs to equipment that do not meet the \$30,000 Capital Improvement Plan threshold. Mr. Coderre added that he and the Financial Planning Committee worked with several departments, including the School Department, to add this line item into their Operating Budget.

Mr. Coderre noted that it is important to understand that the total FY2023 Fire Department Budget that supports the Fire/EMS services is \$2,797,721 (\$2,216,978 plus the Fire Department Revolving Fund direct charges of \$580,743).

Chief Parenti indicated that 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.

Chief Parenti indicated that the FY2023 Capital Projects for the Fire Department include \$400,000 from the EMS Revolving Fund for the replacement of the 2013 ambulance, at which time the 2019 ambulance will become the second due and the 2016 will become the back-up. 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.

Chief Parenti reviewed some of the department's equipment replacements over the years that have been funded through grants.

Chief Parenti indicated the need to replace a 2005 Engine 1. At the time of replacement it will have exceeded its expected useful life, including approximately 10 years of front-line service, 5 years back up service and 5 years reserve. The Insurance Services Office (ISO) 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. Fire Engine 1 is currently the back-up reserve pumper. The 2016 Fire Engine 2 will become the reserve back-up pumper once the new replacement is purchased and takes over as the new front-line pumper.

Chief Parenti noted that the Engine 1 was originally in the Capital Improvement Plan for replacement in FY2025; however, Mr. Coderre proposed to the Board of Selectmen at their meeting on March 14<sup>th</sup>, with the Chief's full support, that this apparatus be replaced in FY2023 using funding from the American Rescue Plan Act (ARPA). Mr. Coderre explained that the rationale for moving this capital project forward from FY2024 to FY2023 is in part due to ongoing maintenance and mechanical issues with this particular rescue engine and the escalating costs associated with replacing it now versus in FY2024. The reasoning for using ARPA funds in FY2023 is to avoid having to finance both a new Fire Station (\$1.61 million) and a new Engine 1 (\$800,000) in FY2024.

During a discussion at the March 14<sup>th</sup> Selectmen's Meeting, Mr. Coderre had stated that if the replacement request for the Engine 1 were to be postponed, it would require at least \$30,000 in repairs in the short term. He added that Engine 1 needs to be replaced as it has reached the end of its 20-year useful life. The question is will it be funded with ARPA funds in FY2023 or financed with debt in FY2024. Chief Parenti added that it would make no sense to invest \$30,000 in repairs on a fire engine that will have to be replaced the following year. The Board of Selectmen decided to postpone action on this capital project request until residents can have an opportunity to provide input on the use of ARPA funds.

Chief Parenti responded to questions and comments from Committee members following the presentation. One question led to a discussion regarding staffing challenges not only for the Fire Department, but for all municipal departments across the board.

**NEXT MEETING DATES**

<b>Meeting Date</b>	<b>Meeting Topics</b>
Thursday 3/31/2022	Senior Center & Library Presentations & other departments, if needed
Monday 3/28/2022	Joint Meeting with Board of Selectmen – Budget Hearing (Charter 6-5)
Thursday 4/7/2022	Solid Waste, Water Enterprise Fund and Sewer Enterprise Fund Budget Presentations; Finance Office, Debt Budget; Health Insurance; Community Preservation Committee Project Requests; Review of ATM Warrant Articles and Vote on Committee Recommendations
Monday 4/25/2022	6pm at ARHS Auditorium

**OTHER BUSINESS**

None.

**ADJOURNMENT**

Ms. Hight moved the Committee vote to adjourn; Mr. Kaelin seconded the motion; all members voted in favor.

Meeting adjourned at 9:10 p.m.

Respectfully submitted,

John W. Coderre  
Town Administrator

**Documents used during meeting:**

1. March 24, 2022 Meeting Agenda
2. March 10, 2022 Meeting Minutes
3. Assabet Valley High School FY2023 Budget Presentation
4. Police Department FY2023 Budget Presentation
5. Fire Department FY2023 Budget Presentation
6. Meeting Schedule



## 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 FY2023 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 the 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. The 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. In FY2023 the Town is exercising the contract extension for year four.

Overall, the Solid Waste and Recycling budget is increasing \$8,969, or 0.98%. The FY2023 fees revenues are projected to be \$470,000 and the FY2023 expenses are estimated at \$928,113 leaving a projected general fund subsidy of \$337,160 in addition to a transfer from the Solid Waste Fund Free Cash of \$120,953. In FY2023, 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 FY2023 expenses of \$928,113 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, although trash increased during the pandemic as more people were at home. Consistent trash tonnage and consistent bag prices have resulted in a stable revenue stream of approximately \$470,000 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 \$7,000 to cover these costs in FY2023 .



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 FY2023 overhead costs for the Pay-As-You-Throw program (purchase of bags, stickers, labels and their distribution) is estimated at \$90,000.

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 \$100,000 for FY2023.

### **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 1<sup>st</sup> 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 \$71.07/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 FY2023 has been estimated at \$76.00/ton, which will apply to the amount of trash disposed of between 7/1/22 and 6/30/23.

Under the terms of the 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 \$80.26 per ton for the actual amount of recycling materials collected in calendar year 2021 (1043 tons), resulting in a disposal cost credit of \$83,751 for FY23.

### **Projected Solid Waste Tonnage for FY2022:**

Actual tonnage for the last 12 months (calendar year 2021) was 2,166 tons, which reflects a 3.3% increase from the previous 12 months. Based on the number of new building permits for single family homes (6) during the last 12 months, the growth rate was 0.123. The projected tonnage for FY2023 is approximately 2240 tons (2,166 X 1.033 X 1.0012). Therefore, using 2,300 tons of solid waste to be disposed, results in a FY2023 budget of \$174,800 based upon the projected tipping fee of \$76.00/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 FY2023, as the Town opted to exercise the first of two one-year extensions. Under the contract, collection costs will increase by 3% in FY2023. The total FY2023 collection costs are \$602,714, which consists of \$281,159 for Trash Collection and \$321,555 for Recycling Collection and Disposal.



# Section 8-4

# Solid Waste Enterprise Fund



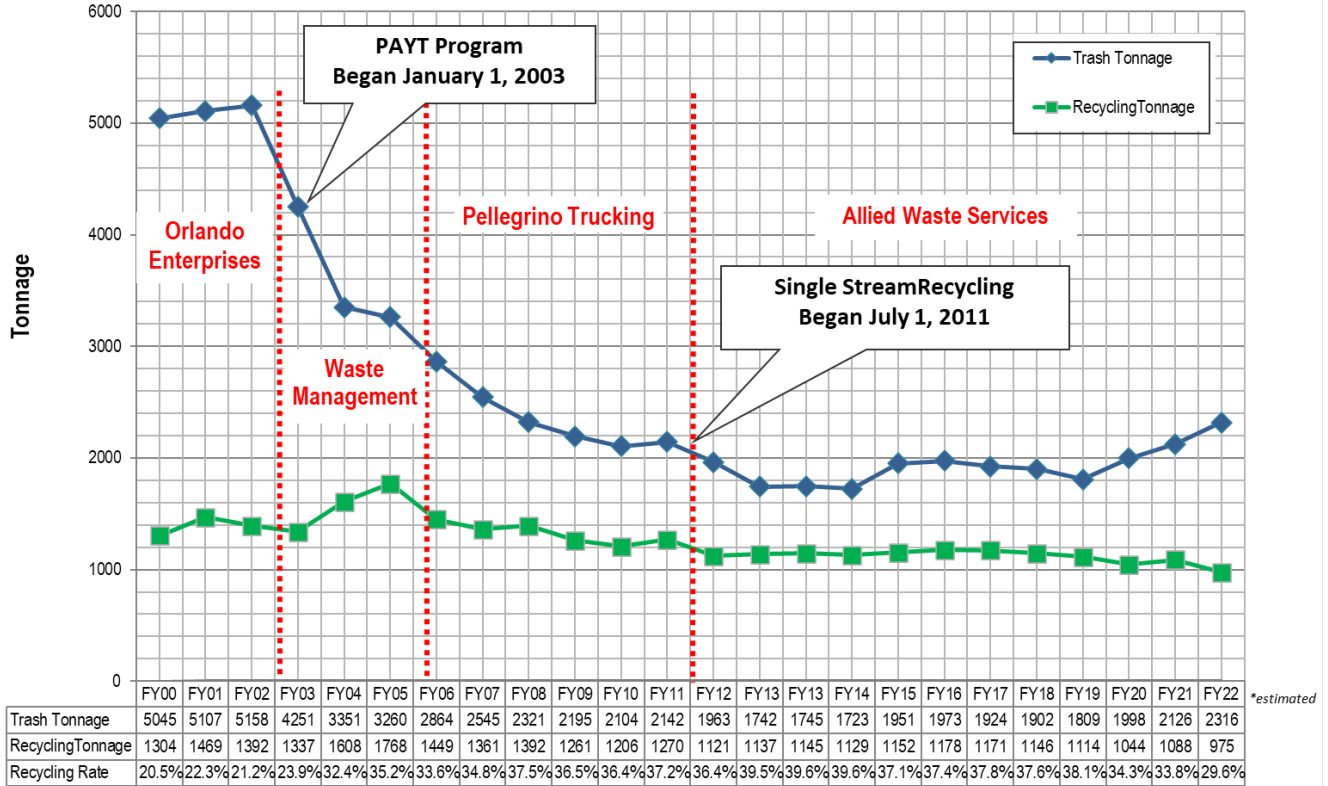
		FY2019	FY2020	FY2021	FY2022	FY2022	FY2023
		ACTUAL	ACTUAL	ACTUAL	BUDGETED	6 MONTHS	PROPOSED
<b>SOLID WASTE ENTERPRISE FUND</b>							
<b>Expenses</b>	<b>Services</b>						
52810	Unclassified	100,993	133,434	143,284	167,350	115,247	224,350
52910	Collection	494,190	551,568	568,114	585,159	239,991	602,714
57810	Disposal	136,795	139,973	158,967	156,635	52,391	91,049
59810	Extra Ordinary & Unforeseen Exp.	0	0	0	10,000	0	10,000
	<b>SUBTOTAL</b>	<b>731,978</b>	<b>824,976</b>	<b>870,365</b>	<b>919,144</b>	<b>407,628</b>	<b>928,113</b>
<b>TOTAL:</b>	<b>SOLID WASTE</b>	<b>731,978</b>	<b>824,976</b>	<b>870,365</b>	<b>919,144</b>	<b>407,628</b>	<b>928,113</b>

## Additional Solid Waste Budget Detail

<b>Unclassified:</b>	
Newsletter, training, bins and misc. supplies:	\$7,000
Disposal of illegal dumping:	\$7,000
Household Hazardous Waste Day:	\$20,000
Pay-As-You-Throw costs:	\$90,000
Disposal of Yard Waste	\$100,000
SWANA Membership	\$225
SWANA Meetings	<u>\$125</u>
Sub-total	\$224,350
<b>Solid Waste &amp; Recycling Collection:</b>	
Trash Collection:	\$281,159
Recycling Collection:	<u>\$321,555</u>
Sub-total	\$602,714
<b>Solid Waste &amp; Recycling Disposal Adjustment:</b>	
7/1/22 - 6/30/23: 2,300 tons x \$76.00/ton	\$174,800
7/1/22 - 6/30/23: 1,043 tons x (\$80.26) /ton	<u>(\$83,751)</u>
Sub-total	\$91,045
<b>Contingency Reserve</b>	
	<u>\$10,000</u>
Sub-total	\$10,000
<b>Grand Total</b>	<b>\$928,113</b>



Waste & Recycling Trends from FY2000 to FY2023



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. The difference between the 5,158 tons of trash in FY2002 and the 2,300 tons of trash projected to be disposed in FY2023 is 2,858. In FY2023 that difference, multiplied by the projected disposal rate of \$76.00/ton, represents approximately \$217,208 in cost avoidance.



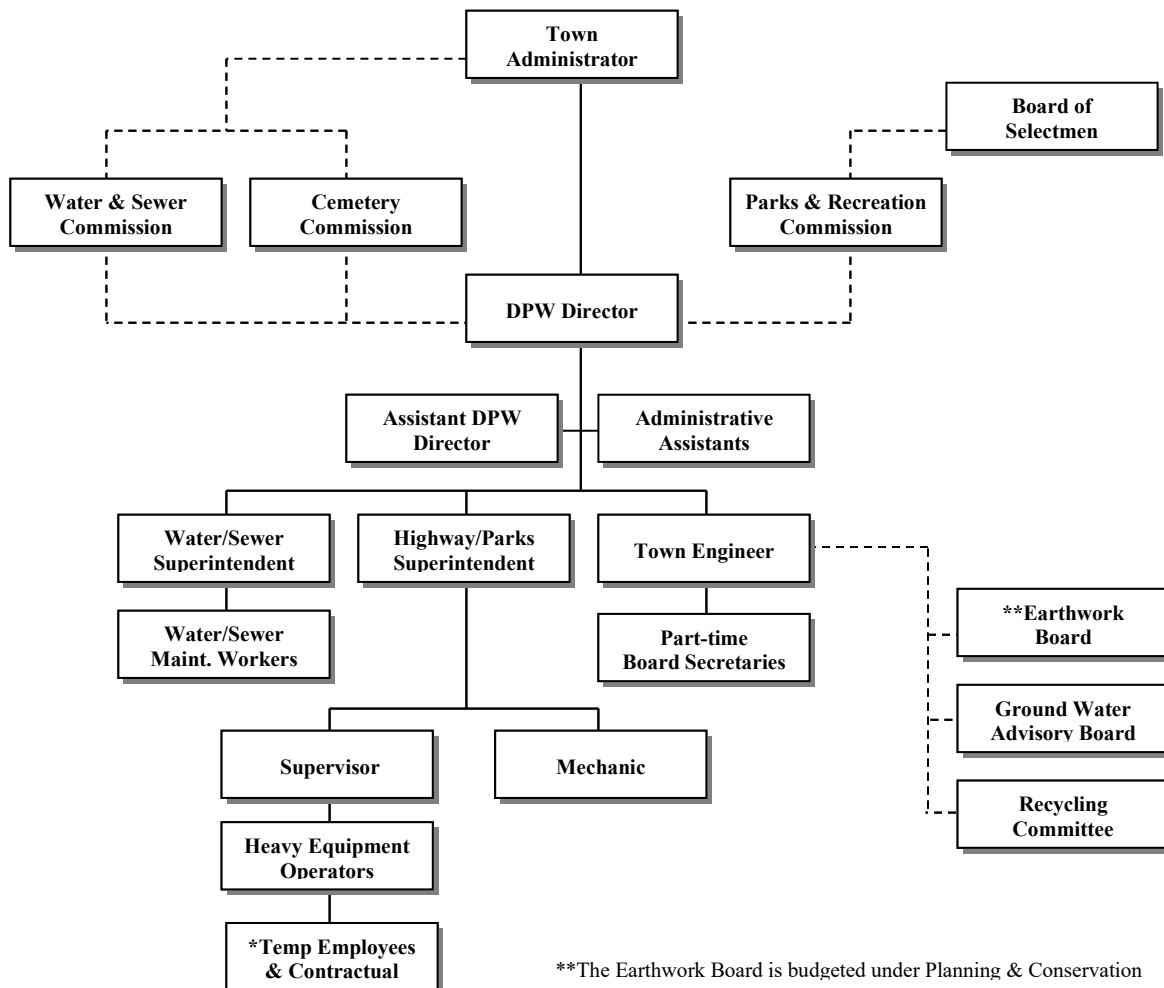
**Water & Sewer Enterprise Funds**

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)<sup>1</sup> 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.

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<sup>1</sup> 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

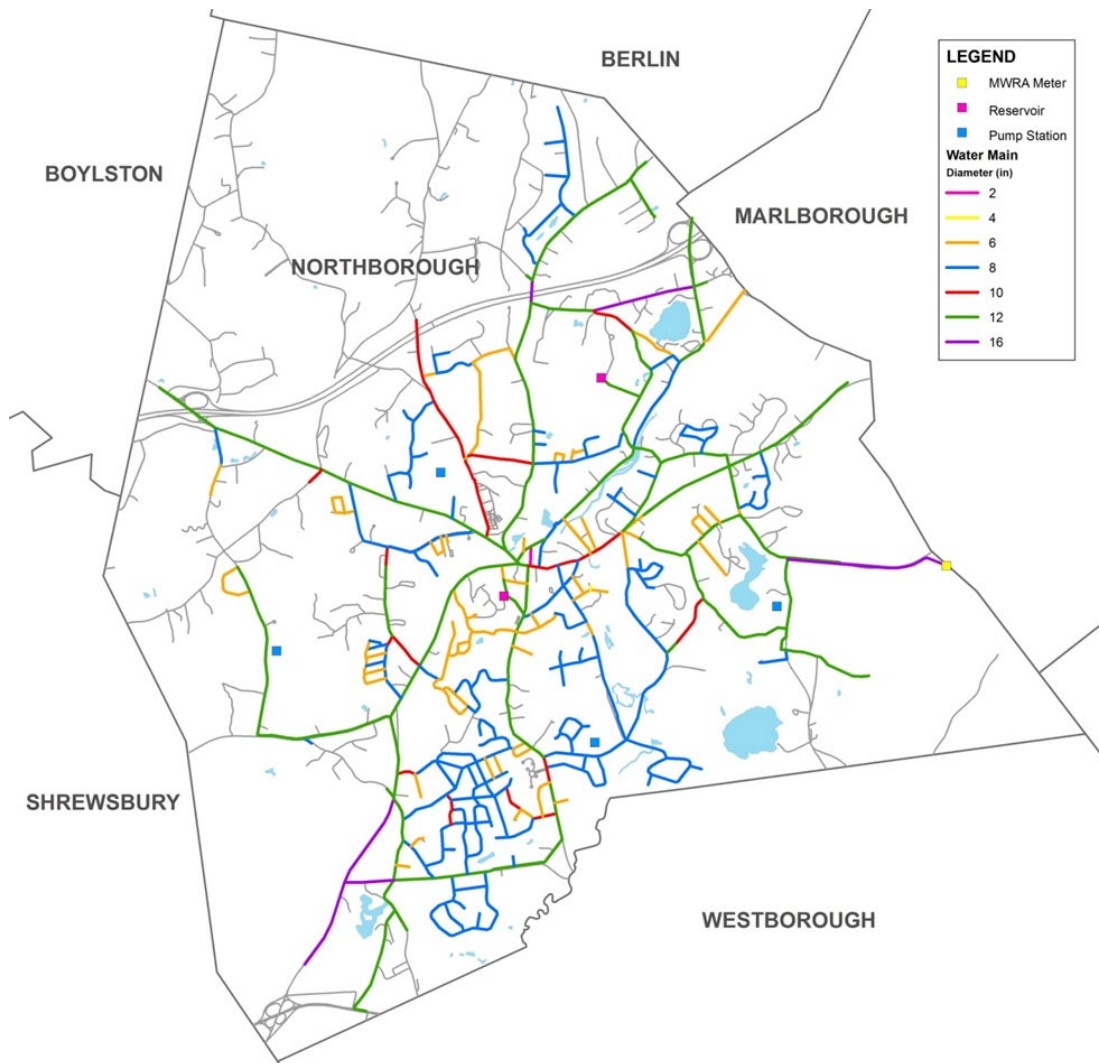


In order to fully determine which of the three options outlined above would be the best option for the Town, a water system master plan was prepared. The master plan focused on the entire potable water system and its ability to provide the Town with the most cost-effective method of delivering safe, 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 FY2023 Budget Changes or Initiatives

The FY2023 Water Enterprise Fund is budgeted at \$2,636,103 which is a decrease of \$317,871 or 10.8%. The decrease is attributable to two primary factors. The first is that the MWRA preliminary assessment was reduced by \$251,513 due to a shift in the share of the overall use from “bedroom communities” such as Northborough to Metro Boston as a result of businesses reopening after the initial effects of the pandemic. The opposite effect was experienced in FY2022 when Northborough’s share of the total MWRA budget was disproportionately driven up by 24.3%. The second factor is that while the reduced MWRA assessment has a positive budgetary impact, the resulting loss in revenues due to reduced consumption resulted in a 10% reduction in revenue projections for FY2023. In addition, FY2022 was a wet year with a lot of precipitation, which drove consumption down even further. Since the FY2023 revenue projections must be based upon the prior year’s actual, the FY2023 operating budget is further constrained. One way the revenue shortfall is being managed is through a one year pause to the hydrant replacement program for a budget reduction of \$65,000.

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 fund 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 FY2023 user rates will be adjusted based upon a detailed rate study but are currently projected to increase between 3% and 4%. The base charge will also be evaluated as part of the rate study in an effort to maintain the appropriate ratio of fixed verse volumetric revenues.

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2022 SIX MONTHS	FY2023 PROPOSED
<b>WATER ENTERPRISE FUND</b>						
<b>Personnel Services</b>						
251010 Full-time Wages	164,014	173,925	164,514	172,481	78,377	170,750
351100 Full-time Salary	35,689	37,130	38,630	39,797	18,545	39,818
451120 Full-time Permanent wages	35,780	36,772	37,425	38,106	17,759	38,056
551130 W&S Commissioner Stipends	1,080	1,080	0	1,080	0	1,080
651135 GIS Salary	14,329	14,760	15,400	15,708	15,708	16,179
51300 Overtime	44,117	41,915	47,378	46,877	21,445	47,810
51410 Longevity Pay	1,320	1,410	1,620	1,725	1,785	1,659
51970 Stipends	1,800	2,280	2,280	2,280	1,140	2,280
51920 Uniforms	900	950	1,950	950	0	950
<b>SUBTOTAL</b>	<b>299,029</b>	<b>310,223</b>	<b>309,197</b>	<b>319,004</b>	<b>154,759</b>	<b>318,582</b>

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Line 51120 represents 24 hours per week of an Administrative Assistant

<sup>5</sup> 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

<sup>6</sup> 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



	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2022 SIX MONTHS	FY2023 PROPOSED
<b>WATER ENTERPRISE FUND</b>						
<b>Expenses</b>						
51710 Workers' Compensation	13,174	13,438	12,180	12,180	11,005	11,076
51730 F.I.C.A.	3,785	4,806	5,037	5,037	5,037	5,037
51740 Life Insurance	88	88	88	88	88	63
51750 Health Insurance	53,307	49,481	48,751	49,124	49,124	49,022
52110 Utilities	15,722	16,101	16,227	17,300	5,290	19,500
52610 Building Maintenance	18,054	3,564	3,511	13,300	915	13,300
52620 Equipment Maintenance	9,317	6,160	11,195	18,000	1,386	18,000
52800 Contractual Services	71,117	162,498	121,087	170,974	34,722	178,134
52850 Audit	1,949	2,008	2,899	2,961	1,044	2,957
53020 Legal Services	0	833	273	5,000	0	10,000
53110 Printing	7,838	5,856	5,977	9,072	4,954	10,308
53170 Water Analysis	2,074	563	0	5,500	136	5,500
53190 Training	7,061	6,997	5,545	8,825	2,375	8,825
54290 Office Supplies	800	653	259	1,500	0	1,860
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	1,271,058	1,312,356	1,422,346	1,767,929	880,114	1,508,715
54400 Lyman Street Well	0	0	0	0	0	0
54410 Crawford Street Well	0	0	0	0	0	0
54420 Materials & Supplies	103,158	95,040	89,364	132,900	8,891	67,900
54820 Gasoline	10,545	10,545	10,545	10,545	10,545.00	10,545
55990 Chemicals	0	0	0	0	0	0
56220 Worcester Regional Retirement	47,225	33,340	37,993	34,940	34,940	39,515
57110 Travel/Mileage	403	404	206	600	108	600
57410 Liability/Building Insurance	17,639	17,639.00	18,130	18,131	19,500	19,500
58530 Capital Outlay	0	0	0	0	0	0
59810 Extraordinary and Unforeseen	0	0	0	75,000	0	25,000
<b>SUBTOTAL</b>	<b>1,654,314</b>	<b>1,742,370</b>	<b>1,811,612</b>	<b>2,358,906</b>	<b>1,070,173</b>	<b>2,005,357</b>



# Water & Sewer Enterprise Funds

# Section 8-11

FY2019      FY2020      FY2021      FY2022      FY2022      FY2023  
ACTUAL      ACTUAL      ACTUAL      BUDGETED      SIX MONTHS      PROPOSED

## WATER ENTERPRISE FUND

### Expenses (Debt Service)

59100 Principal / Long Term Debt	281,605	272,855	234,857	218,814	0	239,914
59150 Interest / Long Term Debt	52,924	46,117	39,181	33,576	25,783	47,550
59270 Interest / Temporary Loans	0	0	0	24,100	0	20,095
59280 Issuance Costs	0	0	0	7,275	0	4,605
<b>SUBTOTAL</b>	<b>334,529</b>	<b>318,973</b>	<b>274,038</b>	<b>283,765</b>	<b>25,783</b>	<b>312,164</b>

<b>TOTAL: WATER ENTERPRISE FUND</b>	<b>2,287,872</b>	<b>2,371,565</b>	<b>2,394,848</b>	<b>2,961,675</b>	<b>1,250,715</b>	<b>2,636,103</b>
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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 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 be unsuccessful 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. The EPA has issued the new NPDES permit for the Marlborough

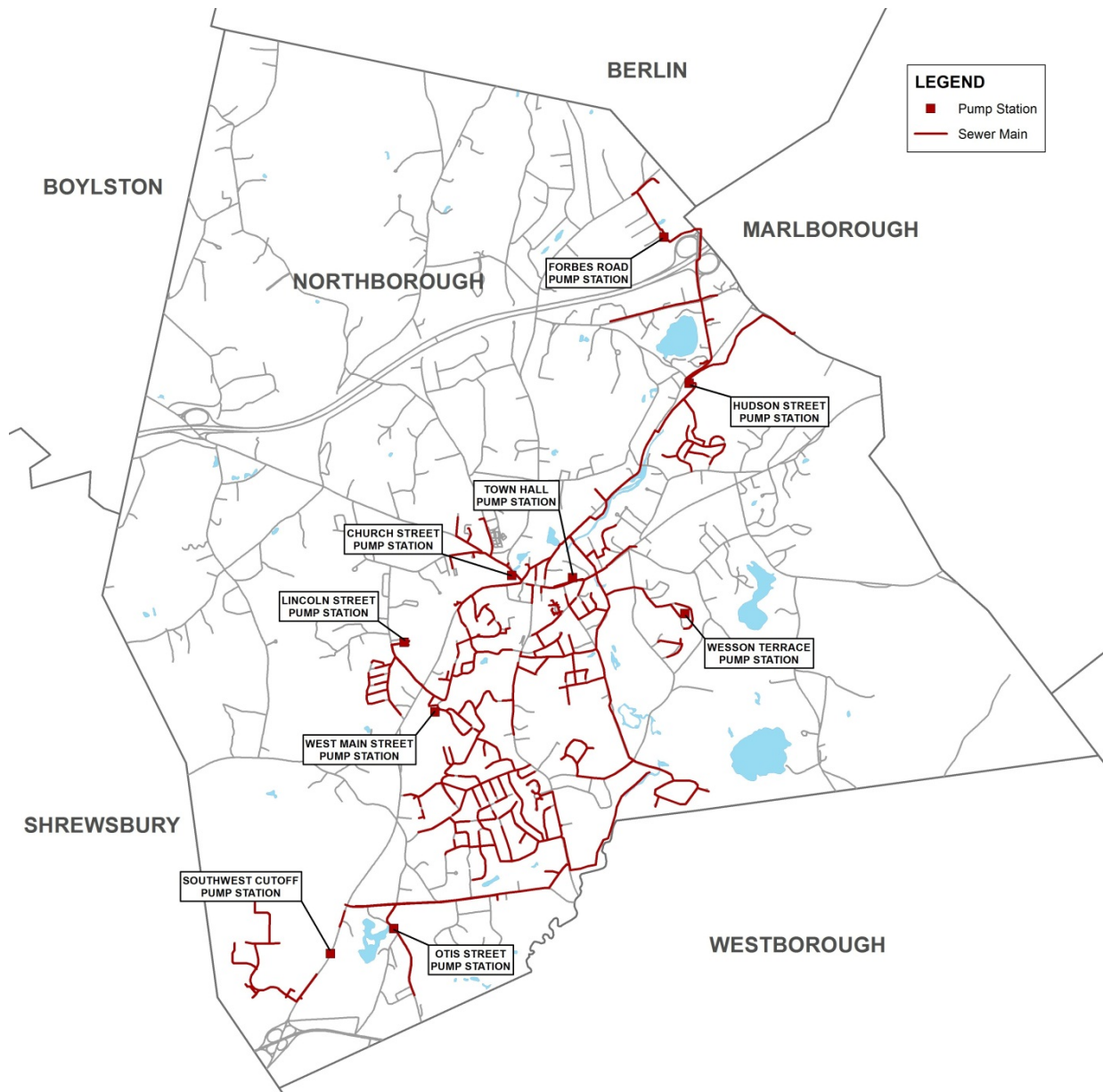
# Section 8-14 Water & Sewer Enterprise Funds



Westerly Plant within which Northborough is a co-permittee. The new permit provides no additional capacity, and the City has indicated no willingness to appeal the permit issuance. The new permit does include additional operational requirements that will impact the sewer enterprise fund operating expenses in the coming years.

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 FY2023 Sewer Enterprise Fund is budgeted at \$2,397,488, which is an overall increase of \$24,028 or 1.0%. The budget reflects an estimated 10% or \$81,323 increase in the Marlborough use charge. This value, along with several other smaller increases, is substantially offset by a \$109,715 reduction in debt payments which are spread across several past debt issuances.

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 Plan 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 will be evaluated as part of a comprehensive rate study. While final rate adjustments will be based upon the updated rate study, a modest increase is anticipated in FY2023.

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2022 SIX MONTHS	FY2023 PROPOSED
<b>SEWER ENTERPRISE FUND</b>						
<b>Personnel Services</b>						
51010 Full-time Wages	109,343	115,950	109,676	114,987	52,251	113,834
51100 Full-time Salary	23,793	24,754	25,754	26,532	12,363	26,545
51120 Full-time Permanent wages	23,853	24,515	24,950	25,404	11,839	25,371
<sup>7</sup> 51130 W&S Commissioner Stipends	720	720	1,800	720	0	720
<sup>8</sup> 51135 GIS Salary	9,553	9,840	10,266	10,472	10,472	10,786
51300 Overtime	29,412	27,943	31,585	31,252	14,297	31,874
51410 Longevity Pay	880	940	1,080	1,070	1,190	1,064
51970 Stipends	1,200	1,520	1,520	1,520	760	1,520
51920 Uniforms	1,000	1,000	0	1,000	0	1,000
<b>SUBTOTAL</b>	<b>199,753</b>	<b>207,182</b>	<b>206,631</b>	<b>212,957</b>	<b>103,173</b>	<b>212,714</b>

<sup>7</sup> 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

<sup>8</sup> 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



	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2022 SIX MONTHS	FY2023 PROPOSED
<b>SEWER ENTERPRISE FUND</b>						
<b>Expenses</b>						
51710 Workers' Compensation Ins.	8,234	8,399	8,120	8,120	7,337	7,384
51730 F.I.C.A.	2,523	3,210	3,364	3,364	3,364	3,364
51740 Life Insurance	59	59	59	59	59	42
51750 Health Insurance	35,538	32,988	32,501	32,749	32,749	32,682
52110 Utilities	52,910	51,165	51,941	57,518	19,693	60,000
52310 Marlborough Use Charge	400,000	400,000	400,000	813,232	300,000	894,555
52600 Building Maintenance	78,409	50,879	49,814	96,000	4,283	97,800
52620 Equipment Maintenance	10,685	6,795	20,459	35,000	764	41,000
52800 Contractual Services	78,205	156,605	65,923	207,934	103,552	179,611
52850 Audit	1,300	1,338	2,211	2,252	696	2,249
53020 Legal Services	18,351	37,362	85,152	50,000	8,569	50,000
53110 Printing	5,226	3,904	3,984	5,872	3,302	5,873
53170 Testing	1,935	8,151	1,644	4,900	822	4,900
53190 Training, Dues and Licenses	1,132	1,782	426	3,240	897	3,240
54290 Office Supplies	270	450	390	1,500	105	1,740
54420 Materials & Supplies	29,960	14,380	33,163	44,500	14,103	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	31,486	22,227	25,329	23,293	23,293	26,343
57110 Mileage	269	269	137	400	72	400
57410 Liability/Building Insurance	11,759	11,759	12,087	12,088	13,000	13,000
58730 Capital Outlay	0	0	0	0	0	0
59810 Extraordinary and Unforeseen	0	0	0	75,000	0	75,000
<b>SUBTOTAL</b>	<b>775,279</b>	<b>818,752</b>	<b>803,734</b>	<b>1,484,051</b>	<b>543,690</b>	<b>1,550,713</b>



# Water & Sewer Enterprise Funds

# Section 8-17

FY2019      FY2020      FY2021      FY2022      FY2022      FY2023  
ACTUAL      ACTUAL      ACTUAL      BUDGETED      SIX MONTHS      PROPOSED

## SEWER ENTERPRISE FUND

### Expenses (Debt Service)

59100 Principal / Long Term Debt	473,516	514,370	530,183	590,791	150,000	503,491
59150 Interest /Long Term Debt	163,415	144,672	123,121	103,406	60,635	124,320
59270 Interest / Temporary Loans	24,681	19,377	10,234	20,250	0	5,125
59280 Issuance Costs	0	0	0	7,875	0	1,125
<b>SUBTOTAL</b>	<b>661,612</b>	<b>678,419</b>	<b>663,539</b>	<b>722,322</b>	<b>210,635</b>	<b>634,061</b>

## TOTAL: SEWER ENTERPRISE FUND

<b>1,636,645</b>	<b>1,704,353</b>	<b>1,673,903</b>	<b>2,419,330</b>	<b>857,497</b>	<b>2,397,488</b>
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### 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**

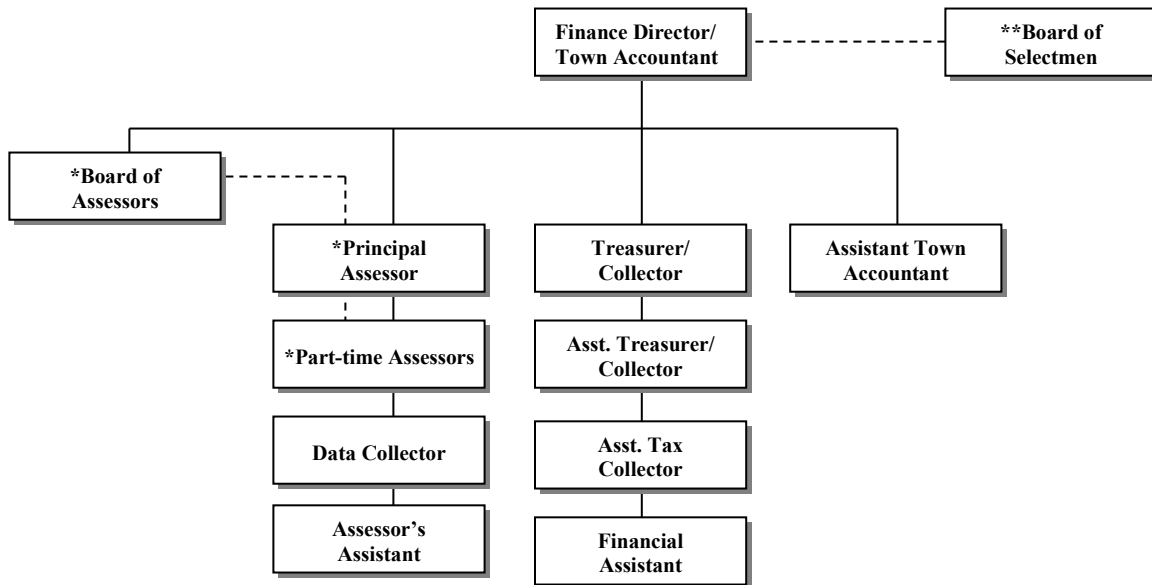
The primary role of the Assessor's Division, under the direction of the Board of Assessors, is the valuation of all real and personal property in the Town. The State Department of Revenue (DOR) requires that all property be valued at full and fair cash value which ensures that all property owners pay 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 was created 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 FY2022 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 FY2022.
2. Actively pursued the real estate tax collection of several properties in tax title.
3. Successfully prepared for debt issuance in FY2022, 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 FY2022 certification of property values in compliance with Massachusetts Department of Revenue (DOR) 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 Assessors Assistant and Data Collector to replace transitioning staff, in addition to implementing modernized staffing proposal approved at the 2021 Annual Town Meeting.

**Accounting Division:**

1. Following the retirement of the Town's former auditor and the selection of a new audit firm using an RFP process, completed the FY2021 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 DOR including the Balance Sheet used to accurately certify Free Cash for the close of FY2021.
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 December for all boards, committees, and the public.
4. Attended training and education programs to learn about and comply with requirements of new federal COVID-19 pandemic related grants, including FEMA-PA (Federal



Emergency Management Agency Public Assistance), CARES/CvRF-MP (Corona Virus Relief Fund Municipal Program), and ARPA (American Rescue Plan Act).

### **Finance FY2023 Goals and Initiatives**

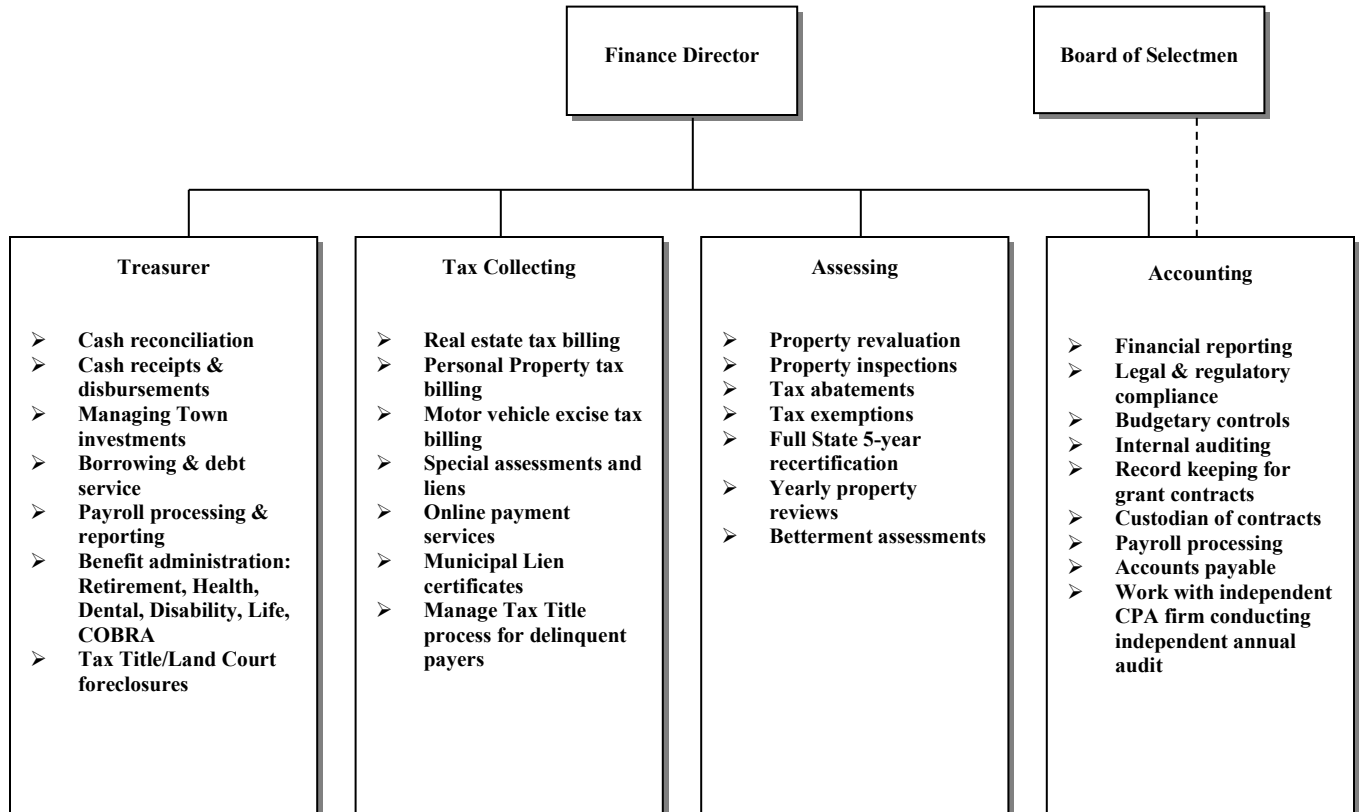
1. Continue progress towards modernizing operations of the Financial Offices with improved communication, cross training and sharing of resources.
2. Continue to monitor changes and requirements of federal grant programs and administer new grants received by the Town following the COVID-19 pandemic.
3. 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.
4. Continue to work with our comprehensive financial and investment policies to improve financial procedures and expand internal controls to efficiently manage our financial resources.
5. Continue to expand utilization of technology to gain efficiencies.
6. 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 FY2023 budget is up \$10,005, or 1.29%. The departmental budget as presented does not include contractual wage increases for Union and Non-Union personnel, as those expenses have been budgeted centrally pending completion of union negotiations. Most of the increase (\$6,910) is due to the hiring of a new Treasurer/Collector at a higher salary.



Financial Offices Programs and Services





<b>FINANCIAL OFFICES</b>					
<b>Personnel Summary</b>					
<b>Position</b>	<b>FY 2019 FTE</b>	<b>FY 2020 FTE</b>	<b>FY 2021 FTE</b>	<b>FY 2022 FTE</b>	<b>FY 2023 FTE</b>
<u>Finance Director</u>	1	1	1	1	1
<u>Treasurer/Collector's Division</u>					
Treasurer/Collector	1	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	.1	.1	.1
Assessor's Assistants	2	2	2	1	1
Data Collector	0	0	0	1	1
<u>Accounting Division</u>					
Town Accountant	0	0	0	0	0
Assistant Accountant	1	1	1	1	1
<b>Total Full-time Equivalents</b>	<b>9.5</b>	<b>9.5</b>	<b>9.1</b>	<b>9.1</b>	<b>9.1</b>

\*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.

# Section 2-20

# Finance Department



	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGET	FY2022 SIX MONTHS	FY2023 PROPOSED	
<b>TREASURER/COLLECTOR</b>							
<b>Personnel Services</b>							
51100	Treasurer/Collector Salary*	104,669	87,720	90,361	93,090	38,237	100,000
51120	Treasurer Office Staff Salaries	195,344	172,935	185,272	196,774	92,176	197,597
51410	Longevity Pay	1,800	500	650	850	850	850
51970	Treasurer's Stipend	1,000	1,000	1,000	1,000	1,000	1,000
	<b>SUBTOTAL</b>	<b>302,813</b>	<b>262,155</b>	<b>277,283</b>	<b>291,714</b>	<b>132,263</b>	<b>299,447</b>
<b>Expenses</b>							
52800	Contractual Services	7,350	0.00	0	0	0	0
53040	Computer Services	7,249	8,016.34	7,484	9,805	3,113	9,854
53090	Advertising	624	602.00	140	1,000	322	1,000
53110	Printing	5,372	4,126.92	4,339	4,753	0	4,619
53160	Banking Services	5,944	5,653.50	5,534	6,200	960	6,700
54290	Office Supplies	119	368.49	0	300	64	300
57110	Travel/Mileage	239	264.80	122	642	0	602
57310	Dues	360	140.00	140	140	140	205
57340	Meetings	373	935.50	160	240	40	445
57810	Unclassified	1,575	1,350.00	525	2,625	0	2,625
	<b>SUBTOTAL</b>	<b>29,205</b>	<b>21,458</b>	<b>18,445</b>	<b>25,705</b>	<b>4,640</b>	<b>26,350</b>
<b>TOTAL: TREASURER/COLLECTOR</b>		<b>332,017</b>	<b>283,613</b>	<b>295,728</b>	<b>317,419</b>	<b>136,902</b>	<b>325,797</b>

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



# Finance Department

# Section 2-21

FY2019      FY2020      FY2021      FY2022      FY2022      FY2023  
ACTUAL      ACTUAL      ACTUAL      BUDGET      SIX MONTHS      PROPOSED

## ASSESSOR

### Personnel Services

51100	Principal Assessor Salary	98,677	100,650	72,857	87,560	40,402	88,434
51120	Asst. & Data Collector Salaries	117,776	107,675	51,886	117,868	45,417	121,973
51130	PT Assessors Salaries	14,286	12,555	10,913	13,122	4,200	7,806
51410	Longevity	1,050	700	500	500	500	650
	<b>SUBTOTAL</b>	<b>231,789</b>	<b>221,580</b>	<b>136,156</b>	<b>219,050</b>	<b>90,519</b>	<b>218,863</b>

### Expenses

52800	Contractual Services	28,724	34,786	37,518	39,300	18,389	40,200
53090	Advertising	0	155	0	0	0	0
53110	Printing	514	0	0	320	79	320
54290	Office Supplies	595	309	707	500	0	1,250
57110	Travel/Mileage	813	831	25	2,000	173	2,000
57310	Dues	304	284	286	290	362	375
57320	Subscriptions	1,149	2,028	60	1,550	1,028	1,050
57340	Meetings	1,430	1,512	1,479	3,000	220	3,000
	<b>SUBTOTAL</b>	<b>33,529</b>	<b>39,905</b>	<b>40,074</b>	<b>46,960</b>	<b>20,252</b>	<b>48,195</b>

### TOTAL: ASSESSOR

<b>265,318</b>	<b>261,485</b>	<b>176,231</b>	<b>266,010</b>	<b>110,771</b>	<b>267,058</b>
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# Section 2-22

# Finance Department



	FY2019	FY2020	FY2021	FY2022	FY2022	FY2023
	ACTUAL	ACTUAL	ACTUAL	BUDGET	SIX MONTHS	PROPOSED

## ACCOUNTING

### Personnel Services

51100	Town Accountant Salary*	105,681	119,225	121,610	124,042	57,803	124,042
51120	Asst. Accountant Salary	57,913	60,694	62,375	63,517	29,599	63,426
51410	Longevity	200	550	550	550	550	550
	<b>SUBTOTAL</b>	<b>163,794</b>	<b>180,469</b>	<b>184,534</b>	<b>188,109</b>	<b>87,952</b>	<b>188,018</b>

### Expenses

52800	Contractual Services	834	834	834	1,000	0	1,000
53110	Printing	174	181	650	450	290	450
54290	Office Supplies	0	0	57	200	0	200
57310	Dues	185	315	315	435	315	435
57320	Subscriptions	0	40	40	125	0	125
57340	Meetings	2,172	311	210	1,400	80	2,070
	<b>SUBTOTAL</b>	<b>3,365</b>	<b>1,680</b>	<b>2,106</b>	<b>3,610</b>	<b>685</b>	<b>4,280</b>

<b>TOTAL: ACCOUNTING</b>	<b>167,159</b>	<b>182,149</b>	<b>186,640</b>	<b>191,719</b>	<b>88,637</b>	<b>192,298</b>
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\* During FY2019 the Finance Director/Treasurer-Collector retired and the Town Accountant was promoted to Finance Director/Town Accountant.



# 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.

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2022 SIX MONTHS	FY2023 PROPOSED
<b>UNDISTRIBUTED EXPENSES SUMMARY</b>						
<b>EMPLOYEE BENEFITS&amp; INSURANCE</b>						
Health Insurance	5,375,136	5,465,418	5,587,249	6,122,824	2,759,359	6,184,052
Transfer to OPEB Trust	500,000	550,000	00	0	0	300,000
Life Insurance	6,271	6,496	6,374	8,930	2,998	8,930
Other Benefits/FICA	420,621	467,415	441,067	489,904	208,510	516,097
Worcester Regional Retirement	1,790,753	2,047,554	2,275,596	2,470,601	2,470,601	2,725,650
Workers Comp	132,278	118,943	119,051	134,702	122,751	134,702
<b>SUBTOTAL EMPLOYEE BENEFITS</b>	<b>8,225,059</b>	<b>8,655,826</b>	<b>8,429,337</b>	<b>9,226,961</b>	<b>5,564,219</b>	<b>9,869,431</b>
<b>Building &amp; Liability Insurance</b>	236,438	241,455	199,539	283,557	281,276	288,163
<b>Debt Service</b>	2,796,193	2,666,160	2,191,982	2,130,726	247,463	1,926,105
<b>State Assessments</b>	244,460	251,463	235,219	277,698	136,864	270,260
<b>Reserve for Abatements<sup>1</sup></b>	335,593	587,104	587,104	650,299	650,299	404,661
<b>Cherry Sheet Offset Items<sup>2</sup></b>	23,088	23,612	23,612	23,994	23,994	28,793
<b>Stabilization Fund Contribution</b>	200,000	200,000	0	0	0	200,000
<b>Reserve Fund<sup>3</sup></b>	0	0	0	175,000	0	175,000
<b>Warrant Articles<sup>4</sup></b>	1,870,000	4,951,000	2,337,775	1,875,250	0	2,784,000
<b>TOTAL: UNDISTRIBUTED EXPENSES</b>	<b>13,930,831</b>	<b>17,576,620</b>	<b>14,004,568</b>	<b>14,643,485</b>	<b>6,904,115</b>	<b>15,946,413</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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. In an effort to control the escalating costs of health insurance, the Town issued a Request for Proposals (RFP) to various health insurance providers and the result was a move to consolidate carriers under the Fallon Community Health Plan for FY2019. After favorable annual renewals under Fallon, they made the decision to exit the active employer group insurance market for FY2023. The Town underwent another RFP process, and while forming an informal Joint Purchasing Arrangement (JPA) with the Regional High School district and the Town of Southborough, awarded a contract to Harvard Pilgrim Healthcare (HPHC) for the next plan year. Due to favorable claims data along with the larger group afforded by the JPA, the new contract with HPHC results in a modest premium increase for FY2023. Through HPHC the Town will continue to offer an HMO plan with a broad network, a lesser cost HMO plan with a more limited network, as well as a Preferred Provider plan (PPO). 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, 2022 a total of 297 active employees (93 Town and 204 K-8 School), and 135 retirees (45 Town and 90 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 FY2023:

Health Insurance Plan		7/1/2022 Renewal Monthly Rates	Town Employees				School Employees			
			7/1/2022 Town Monthly Expense		7/1/2022 Employee Monthly Expense		7/1/2022 Town Monthly Expense		7/1/2022 Employee Monthly Expense	
HPHC HMO	Ind	856.15	70%	599.31	30%	256.85	75%	642.11	25%	214.04
	Fam	2,225.99	70%	1,558.19	30%	667.80	75%	1,669.49	25%	556.50
HPHC FOCUS HMO	Ind	757.44	70%	530.21	30%	227.23	75%	568.08	25%	189.36
	Fam	1,969.33	70%	1,378.53	30%	590.80	75%	1,477.00	25%	492.33
HPHC PPO	Ind	1,027.38	50.0%	513.69	50.0%	513.69	50%	513.69	50.0%	513.69
	Fam	2,671.19	50.0%	1,335.60	50.00%	1,335.59	50%	1,335.60	50.00%	1,335.59



## Undistributed Expenses

## Section 6-3

In FY2023, the Town will contribute 70% of the monthly 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 PPO Plan for both K-8 School and Town employees. The employees pay the remaining premium through bi-weekly payroll deductions.

The FY2023 budget was prepared using an estimated 5% increase effective with the Senior plan renewal on January 1, 2023. The following rate schedule will be in place until the calendar year renewal.

Health Insurance Plan		1/1/2022 Renewal Monthly Rates	Medicare Eligible Ret Empl*			
			70%	1/1/2022 Town Monthly Expense	30%	1/1/2022 Retiree Monthly Expense
<b>Fallon Senior</b>	Ind	328.00	70%	229.60	30%	98.40
	Ind x2	656.00	70%	459.20	30%	196.80
<b>Tufts Medicare</b>	Ind	721.00	70%	504.70	30%	216.30
<b>Complement</b>	Ind x2	1,442.00	70%	1,009.40	30%	432.60
<b>Tufts Medicare</b>	Ind	364.00	70%	254.80	30%	109.20
<b>Preferred</b>	Ind x2	728.00	70%	509.60	30%	218.40
<b>MEDEX 2</b>	Ind	418.83	51%	213.60	49%	205.23
	Ind x2	837.66	51%	427.20	49%	410.46

\* 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, carrier consolidation, and most recently forming an informal JPA and collaborating on an RFP with a larger group. The overall affect has been an average health insurance budget increase of just 2.88% 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
- FY2023 Conducted RFP as part of JPA which resulted in a 1.0% 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%
FY2023	1.00%
Average	2.88%

For FY2023, HPHC's premiums reflect a relative increase of 2.42% over Fallon's for the HMO and PPO plans and 4.20% increase for the limited network HMO plan. However, the overall budget increases just 1%, or \$61,228, due to positive enrollment trends.

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2022 SIX MONTHS	FY2023 PROPOSED
<b>HEALTH INSURANCE</b>						
<b>Expenses</b>						
51750 Town Health Insurance	1,075,796	1,141,453	1,137,210	1,292,999	508,759	1,388,535
51755 Town Retiree Health Ins.	327,251	326,570	347,975	404,845	183,117	349,677
51800 School K-8 Health Insurance	3,261,912	3,324,354	3,403,998	3,602,222	1,686,990	3,675,230
51805 School K-8 Retiree Health Ins.	683,477	654,889	681,967	772,758	376,143	720,610
51850 Health Reimbursement Account	26,700	18,152	16,100	50,000	4,350	50,000
<b>SUBTOTAL</b>	<b>5,375,136</b>	<b>5,465,418</b>	<b>5,587,249</b>	<b>6,122,824</b>	<b>2,759,359</b>	<b>6,184,052</b>



### **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)<sup>5</sup>. Under the GASB's Statement #45, the Town was required to recognize 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 \$41.11 million (Net OPEB Liability) under the new standards at the end of FY2021.

The Town adopted the local option Meals Tax surcharge and an increase in 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.

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<sup>5</sup> 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.



## Section 6-6 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 led to postponement of contributions to the OPEB Trust Fund in FY2021 and FY2022. For FY2023, while the economy recovers the Town has brought the contribution back to \$300,000, with the intent of increasing the amount in future years.

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.

In total, the Town has appropriated \$3.05 million into the OPEB Trust Fund since FY2015, not including the \$300,000 contribution planned for FY2023. The Trust Fund balance as of 12/31/21 is \$5.2 million, which represents a funding ratio of 11%.

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2022 SIX MONTHS	FY2023 PROPOSED
<b>TRANSFER TO OPEB TRUST</b>						
59992 Transfer to OPEB Trust	500,000	550,000	0	0	0	300,000
<b>SUBTOTAL</b>	<b>500,000</b>	<b>550,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300,000</b>

### 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.

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2022 SIX MONTHS	FY2023 PROPOSED
<b>LIFE INSURANCE</b>						
<b>Expenses</b>						
51740 Town Life insurance	1,723	1,669	1,730	4,108	727	4,108
51745 School K-8 Life Insurance	4,548	4,828	4,643	4,822	2,270	4,822
<b>SUBTOTAL</b>	<b>6,271</b>	<b>6,496</b>	<b>6,374</b>	<b>8,930</b>	<b>2,998</b>	<b>8,930</b>



### **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 \$974/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. Through the pandemic, the Town did not experience any large-scale layoffs or furloughs therefore the benefits paid did not increase substantially, and the line has been level funded at \$60,000 for FY2023. The Town continues to receive credits due to fraudulent claims filed during the pandemic, which is why actual costs in FY2022 appear low.

### **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



	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2022 SIX MONTHS	FY2023 PROPOSED
<b>OTHER BENEFITS/FICA</b>						
<b>Expenses</b>						
51730 FICA Town Share	127,793	120,181	119,644	122,793	58,298	130,810
51733 FICA School Share	267,215	278,171	286,048	285,777	143,562	302,820
51735 Unemployment Compensation	12,354	55,446	18,366	60,000	1,481	60,000
55090 Miscellaneous Benefits	13,258	13,617	17,008	21,334	5,170	22,467
<b>SUBTOTAL</b>	<b>420,621</b>	<b>467,415</b>	<b>441,067</b>	<b>489,904</b>	<b>208,510</b>	<b>516,097</b>

### 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 FY2023 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.<sup>6</sup> 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

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



## Undistributed Expenses

## Section 6-9

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, 2021, the Town recognized pension expense and intergovernmental revenue of \$7,580,725 for the Commonwealth's support of the system on behalf of the Town in its financial statements.

The total FY2023 Worcester Regional Retirement Assessment is \$2,812,709. The \$2,725,650 portion included in the General Fund budget below does not include the retirement costs contained in the Water Enterprise Fund (\$39,515), the Sewer Enterprise Fund (\$26,343) or the Cable Access TV budget (\$21,201)<sup>7</sup>.

The FY2023 General Fund increase of \$255,049 represents a significant 10.32% rise in costs, primarily due to implementation of the funding schedule designed to eliminate the unfunded pension liability by 2036.

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2021 SIX MONTHS	FY2022 PROPOSED
<b>WORCESTER REGIONAL RETIREMENT</b>						
<b>Expenses</b>						
56220 Retirement Assessment	1,790,753	2,047,554	2,275,596	2,470,601	2,470,601	2,725,650
<b>SUBTOTAL</b>	<b>1,790,753</b>	<b>2,047,554</b>	<b>2,275,596</b>	<b>2,470,601</b>	<b>2,470,601</b>	<b>2,725,650</b>

<sup>7</sup> 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.<sup>8</sup> 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 level budget for FY2023. 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 while wages have increased modestly. These factors have resulted in the Town being able to level fund its Workers' Compensation budget for FY2023.

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2022 SIX MONTHS	FY2023 PROPOSED
<b>WORKERS' COMPENSATION INSURANCE</b>						
<b>Expenses</b>						
51710 Workers' Compensation	128,682	118,803	118,984	129,702	122,751	129,702
53080 Police/Fire Injured on Duty (IOD) Medical Payments	3,596	140	67	5,000	0	5,000
<b>SUBTOTAL</b>	<b>132,278</b>	<b>118,943</b>	<b>119,051</b>	<b>134,702</b>	<b>122,751</b>	<b>134,702</b>

<sup>8</sup> 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 1.62% budgetary increase for FY2023.

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2022 SIX MONTHS	FY2023 PROPOSED
<b>BUILDING &amp; LIABILITY INSURANCE</b>						
<b>Expenses</b>						
57410 Building & Liability Ins.	236,438	241,455	199,539	283,557	281,276	288,163
<b>SUBTOTAL</b>	<b>236,438</b>	<b>241,455</b>	<b>199,539</b>	<b>283,557</b>	<b>281,276</b>	<b>288,163</b>



### 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 FY2023 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 FY2023
General Fund	1,088,500	200,300	53,675	253,975
General Fund (Debt Excluded)	14,746,100	1,176,900	495,230	1,672,130
<b>Subtotal General Fund</b>	<b>15,834,600</b>	<b>1,377,200</b>	<b>548,905</b>	<b>1,926,105</b>
Water Enterprise	2,003,570	239,914	72,250	312,164
Sewer Enterprise	3,327,857	503,491	130,570	634,061
Community Preservation Act	895,000	150,000	35,800	185,800
Revolving Funds	100,000	100,000	5,000	105,000
<b>Subtotal (Non General Fund)</b>	<b>6,326,427</b>	<b>993,405</b>	<b>243,620</b>	<b>1,237,025</b>
<b>TOTAL LONG &amp; SHORT TERM DEBT</b>	<b>22,161,027</b>	<b>2,370,605</b>	<b>792,525</b>	<b>3,163,130</b>

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 asset in accordance with the terms outlined in Massachusetts General Laws. This ensures that the debt burden remains manageable.

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2022 SIX MONTHS	FY2023 PROPOSED
<b>DEBT SERVICE</b>						
<b>Expenses</b>						
59100 Principal/Long-term Debt	2,048,532	1,996,500	1,600,548	1,543,000	0	1,377,200
59150 Interest/Long-term Debt	747,661	669,660	591,434	534,976	247,463	496,155
59270 Interest/Temporary Loans	0	0	0	42,200	0	42,200
59280 Issuance Costs	0	0		10,550	0	10,550
<b>SUBTOTAL</b>	<b>2,796,193</b>	<b>2,666,160</b>	<b>2,191,982</b>	<b>2,130,726</b>	<b>247,463</b>	<b>1,926,105</b>

For FY2023, the total Debt Service budget for the General Fund is \$1.93 million, a decrease of \$204,621. The largest component of the debt service budget in FY2023 is for the Lincoln Street School, which is \$998,675, a 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 2010 Free



# Undistributed Expenses

# Section 6-13

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 FY2023:

DATE ISSUED	PAR AMOUNT	NET INTEREST COST	PURPOSE	FUND DEBT PAID FROM	TERM (YEARS)	TOTAL DUE PRINCIPAL & INTEREST
5/15/2005	\$ 2,100,000	3.9225%	Various Projects		20	\$ 67,650
	\$ 1,154,000	3.8864%	2002 & 2003 Water Articles	Water Enterprise	20	\$ 33,825
	\$ 675,000	4.0202%	2002 & 2003 Sewer Articles	Sewer Enterprise	20	\$ 33,825
10/15/2009	\$ 1,550,000	5.9191%	2004 STM Art 1 - Sewer Land Acq (Taxable)	Sewer Enterprise	15	\$ 115,900
4/15/2013	\$ 1,819,000	1.2393%	Various Projects		10	\$ 45,900
	\$ 267,750	1.5594%	2010 Art 21 - Middle School Roof	Gen Fund	10	\$ 25,500
	\$ 223,370	1.5438%	2009 Art 22 - Water Plant	Water Enterprise	10	\$ 20,400
6/17/2015	\$ 7,390,000	2.5504%	2014 Art 19 - Lincoln Street School (DE)	Gen Fund (DE)	20	\$ 505,675
1/21/2016	\$ 6,800,000	2.3927%	2014 Art 19 - Lincoln Street School (DE)	Gen Fund (DE)	20	\$ 493,000
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	\$ 251,900
	\$ 93,000	2.2455%	2014 Art 30 - Sewer Pump Station Design	Sewer Enterprise	5	\$ 15,750
	\$ 1,363,000	2.8223%	2015 Art 32 - Sewer Pump Station Const	Sewer Enterprise	15	\$ 132,150
	\$ 819,000	2.5482%	2014 Art 28 - Church Street Culvert	Gen Fund	10	\$ 104,000
5/26/2021	\$ 6,845,000	0.7646%	Various Projects		10	\$ 1,223,000
	\$ 80,075	0.5640%	2006 Art 56 - School Roof (Refunded 2009)	Gen Fund	6	\$ 16,520
	\$ 1,107,300	0.6558%	2000 Art 37 - Library Const (DE) (Refunded 2009)	Gen Fund (DE)	7	\$ 203,285
	\$ 45,300	0.4791%	2005 Art 23 - Library Const (DE) (Refunded 2009)	Gen Fund (DE)	5	\$ 10,805
	\$ 465,575	0.6559%	2007 Art 20 - Library Const (DE) (Refunded 2009)	Gen Fund (DE)	7	\$ 85,440
	\$ 10,050	0.4778%	2004 Art 23 - DPW Garage (Refunded 2009)	Gen Fund	5	\$ 2,165
	\$ 12,650	0.5466%	2006 Art 30 - Police Station Repairs (Refunded 2009)	Gen Fund	6	\$ 3,300
	\$ 12,650	0.5466%	2006 Art 31 - DPW Garage (Refunded 2009)	Gen Fund	6	\$ 3,300
	\$ 5,825	0.3118%	2006 Art 33 - Park Improvements (Refunded 2009)	Gen Fund	2	\$ 3,045
	\$ 260,950	0.7433%	2006 Art 24 - Water Wells (Refunded 2009)	Water Enterprise	8	\$ 44,740
	\$ 75,900	0.7522%	2006 Art 25 - Water Mains (Refunded 2009)	Water Enterprise	8	\$ 12,700
	\$ 75,900	0.7522%	2007 Art 23 - Water Tanks (Refunded 2009)	Water Enterprise	8	\$ 12,700
	\$ 441,400	0.7524%	2006 Art 27 - Sewer Const (Refunded 2009)	Sewer Enterprise	8	\$ 73,695
	\$ 82,800	0.7209%	2007 Art 24 - Sewer Const (Refunded 2009)	Sewer Enterprise	8	\$ 13,800
	\$ 1,949,750	0.7541%	2008 Art 20 - Senior Center (DE) (Refunded 2011)	Gen Fund (DE)	8	\$ 321,175
	\$ 561,750	0.7534%	2008 Art 21 - Environmental Remediation (Refunded 2011)	Gen Fund	8	\$ 96,145
	\$ 172,525	0.7557%	2008 Art 24 - Water Wells (Refunded 2011)	Water Enterprise	8	\$ 28,435
	\$ 353,800	0.9281%	2016 Art 27 - Sewer I&I	Sewer Enterprise	10	\$ 50,750
	\$ 259,000	0.9258%	2017 Art 31 - Sewer W Main Pump Stn	Sewer Enterprise	10	\$ 36,250
	\$ 666,800	0.9241%	2019 Art 12 - Water/Sewer Garage	W/S Enterprise**	10	\$ 99,750
	\$ 205,000	0.3123%	2020 Art 22 - Ambulance	Revolving	2	\$ 105,000
<b>SUBTOTAL EXISTING LONG TERM DEBT</b>						<b>\$ 2,801,630</b>
*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 FY2023-FY2027)						
** Split 60% Water / 40% Sewer						

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	FUND DEBT PAID FROM	ESTIMATED TERM	PRINCIPAL & INTEREST
2.5%	2019 Art 20 - Fire Station Land/Design (Paydown FY21)	Gen Fund (DE)	10	\$ 52,750
3.5%**	2016 Art 42 - White Cliffs BAN (Paydowns FY18-22)	CPA	10	\$ 185,800
2.5%	2020 Art 23 - Assabet Water Tank Rehab (FY2022 Paydown)	Water Enterprise	20	\$ 54,200
2.5%	2022 Art 17 - SCADA System (50%/50% W/S)	W/S Enterprise	10	\$ 62,500
2.5%	2022 Art 18 - Dam Compliance	Water Enterprise	10	\$ 6,250
<b>SUBTOTAL EXISTING SHORT TERM DEBT</b>				<b>\$ 361,500</b>
* .5% Added for estimated issuance costs				
** Taxable debt due to possibility that White Cliffs becomes designated for private use				

Therefore, the total long and short-term debt service to be payable in FY2023 equals the \$3,163,130 shown in the first table of this section.



## Section 6-14 Undistributed Expenses

### 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 \$24,186,632, 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 FY2023 General Fund debt service budget is well under the local debt policy limits, as Gross General Fund Debt is 3.8% of the proposed budget, which is well within the Town’s policy limits: \$1,926,105 plus \$783,073 in overlapping debt from the regional school districts divided by an expense budget of \$71,242,642. The Net General Fund debt represents the same amount, 3.8% of FY2023 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



# Section 6-16

# Undistributed Expenses



Annual Total Debt Service By Fund							
Fiscal Year Due	General Fund	General Fund Debt Excluded	CPA Debt	EMS Debt	Water Enterprise	Sewer Enterprise	Total Debt Service
2023	253,975	1,672,130	185,800	105,000	312,164	634,061	3,163,130
2024	210,710	1,843,035	182,525	154,750	322,559	630,701	3,344,280
2025	203,195	1,788,105	175,820	150,150	310,154	607,576	3,235,000
2026	195,540	1,738,335	169,115	146,575	245,884	459,696	2,955,145
2027	186,850	1,675,220	162,410		190,499	446,336	2,661,315
2028	161,125	1,625,960	155,705		218,360	342,080	2,503,230
2029	73,920	1,359,090			168,675	265,040	1,866,725
2030		1,078,625			89,700	195,250	1,363,575
2031		1,052,975			86,850	188,250	1,328,075
2032		1,016,400			46,800	95,250	1,158,450
2033		999,825			17,200	87,550	1,104,575
2034		757,500			44,640	-	802,140
2035		736,350			43,560	-	779,910
2036		350,200			42,480	-	392,680
2037					41,400	-	41,400
2038					40,320	-	40,320
2039					39,240	-	39,240
2040					38,160	-	38,160
2041					37,080	-	37,080
2042					-	-	-
	<b>1,285,315</b>	<b>17,693,750</b>	<b>1,031,375</b>	<b>556,475</b>	<b>2,335,725</b>	<b>3,951,792</b>	<b>26,854,432</b>



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 FY2023 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 78% 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.

Table with columns: STATE ASSESSMENTS, Expenses, FY2019 ACTUAL, FY2020 ACTUAL, FY2021 ACTUAL, FY2022 BUDGETED, FY2022 SIX MONTHS, FY2023 PROPOSED. Rows include Mosquito Control Assessment, Air Pollution Assessment, MBTA, Regional transportation Ch 161 B, Parking Surcharge Ch 90, Special Education, School Choice Sending Tuition, Charter School Sending Tuition, and SUBTOTAL.





### **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 FY2023, the proposed funding for the Overlay Reserve for Abatements and Exemptions is \$404,661, which represents approximately 0.7% 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 FY2023 is \$27,022 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, 2021, the balance in the Stabilization Fund is \$5.13 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 at \$200,000 with Free Cash as the source. The FY2022 budget did not include a contribution to the Stabilization Fund from Free Cash due to the fiscal impacts of COVID-19. With the economy improving the contribution to Stabilization from Free Cash has been restored for FY2023 at \$200,000.

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.

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2022 SIX MONTHS	FY2023 PROPOSED
<b>STABILIZATION FUND CONTRIBUTION</b>						
<b>Expenses</b>						
59950 Stabilization Fund	200,000	200,000	0	0	0	200,000
<b>SUBTOTAL</b>	<b>200,000</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200,000</b>
<b>TOTAL: STABILIZATION FUND CONTR.</b>	<b>200,000</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200,000</b>



**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 and FY2023 was 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.

	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 BUDGETED	FY2022 SIX MONTHS	FY2023 PROPOSED
<b>RESERVE FUND</b>						
<b>Expenses</b>						
59810 Reserve Fund	0	0	0	175,000	0	175,000
<b>SUBTOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>175,000</b>	<b>0</b>	<b>175,000</b>
<b>TOTAL: RESERVE FUND</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>175,000</b>	<b>0</b>	<b>175,000</b>

\*\*\*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 FY2023, these warrant articles include \$175,000 for the Reserve Fund and \$200,000 transfer to the Stabilization Fund both from Free Cash, and the FY2023 Capital Improvement Plan (CIP) which in total amounts to \$2,784,000. The funding sources for the CIP are \$2,024,000 from Free Cash, \$360,000 in Sewer Enterprise Fund Free Cash, and \$400,000 in borrowing with the debt service to be paid by the Fire Department's Revolving EMS Fund. Together with the other warrant articles the total budgeted comes to \$3,159,000.

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 FY2023 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.
- \$200,000 for Transfer to Stabilization Fund —After multiple years without an appropriation, funding for the Stabilization Fund was restored in FY2016, and funded from FY2017 through FY2020 in the amount of \$200,000 per year (see page 6-17 for more detail). The annual transfer was postponed for FY2021 & FY2022 due to the pandemic, but has been restored for FY2023. This transfer is funded from Free Cash.
- \$165,000 for Police Cruiser Replacements (CIP) — This request provides funds for the purchase of two replacement patrol vehicles and one replacement detective vehicle. Included in the funding request is the cost of outfitting the vehicles with the required ancillary equipment.
- \$400,000 for Fire Ambulance Replacement (CIP) — This request provides funds for the replacement of a 2013 ambulance. The debt service on the bonds for the ambulance will be paid from the EMS revolving account. The EMS revolving account is funded by the ambulance service fees and
- \$454,000 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.
- \$300,000 for Culvert and Drainage Replacement (CIP)—This request provides to replace/rehabilitate culverts and failing drainage systems, including anticipated replacement of the culvert on Lincoln Street.
- \$130,000 for One-Ton Dump Truck with Plow Replacement (CIP) —This request provides



## Section 6-22

## Undistributed Expenses

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funds for the purchase of a one-ton dump truck with a plow to replace a 2012 one-ton dump truck that has surpassed its useful life. As part of this vehicle replacement, an existing similar vehicle will be repurposed to extend its useful life.

- \$340,000 20-Ton Dump Truck with Spreader and Plow Replacement (CIP)—This request provides funds for the purchase of a 20-ton dump truck with spreader and plow to replace a 2002 20-ton dump truck with spreader and plow that has surpassed its useful life. As part of this vehicle replacement, an existing similar vehicle will be repurposed to extend its useful life.
- \$290,000 DPW – Loader Replacement (CIP)— This request provides funds for the purchase of a loader to replace a 2006 loader that has surpassed its useful life. As part of this replacement, the 2014 model year loader will be refurbished to extend its useful life.
- \$195,000 DPW – Backhoe Replacement (CIP)— This request provides funds for the purchase of a backhoe to replace a 2005 backhoe that has surpassed its useful life. As part of this replacement, the 2015 model year backhoe will be refurbished to extend its useful life.
- \$150,000 Master Plan – Downtown Study (CIP)—This request provides funds for the preparation of a Downtown Vision Study. The 2020 Northborough Master Plan identified the need to conduct a design study of the Downtown to help focus ideas and develop a clear vision for the area. The study will engage Northborough residents, property owners, and business owners to define a vision for the Downtown that will be implemented incrementally over time.
- \$360,000 Sewer – Inflow & Infiltration (I/I) Mitigation (CIP)—This request provides funds to remove non-sanitary flows from the sewer system as mandated by MassDEP under 314 CMR 12.04. The Town has a comprehensive 15-year inflow and infiltration elimination plan and this is the second year of implementation. For each gallon of storm/groundwater that is removed from the sewer system, that is one less gallon that must be treated and one more gallon of capacity available for future use. This article will be funded with a transfer from the Sewer Enterprise Fund Free Cash.



# Undistributed Expenses

# Section 6-23

	FY2019	FY2020	FY2021	FY2022	FY2022	FY2023
	BUDGETED <sup>9</sup>	BUDGETED	BUDGETED	BUDGETED	SIX MONTHS	PROPOSED
<b>TOWN MEETING</b>						
<b>SPECIAL WARRANT ARTICLES</b>						
<b>Expenses</b>						
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		3,500,000			
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			
52123	Assabet Water Tank Rehab		725,000			
52124	MMS Accessibility & Parking Lot		50,000			
52212	Fire Dept Pickup Truck			80,000		
52213	Fire Command Vehicle			76,000		
52215	DPW One-ton Dump Truck			115,000		
52216	DPW One-ton Pickup Truck			74,000		
52217	Water/Sewer SCADA System			500,000		
52218	<sup>10</sup> Water Reservoir Dam Compliance			200,000		
52219	Water/Sewer Utility Tractor			80,000		
52220	Pickleball Courts (CPA)			290,250		

<sup>9</sup> 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.

<sup>10</sup> 2021 Town Meeting Warrant Article #18 includes an appropriation for \$50,000, but the full project cost is \$200,000 with the remaining \$150,000 in additional funds coming from a non-appropriated grant

# Section 6-24

# Undistributed Expenses



(Continued)

FY2019      FY2020      FY2021      FY2022      FY2022      FY2023  
 BUDGETED<sup>11</sup> BUDGETED BUDGETED BUDGETED SIX MONTHS PROPOSED

**TOWN MEETING  
 SPECIAL WARRANT ARTICLES**

Expenses							
52311*	Police Cruiser Replacements	87,000	145,000	50,000	150,000		165,000
52312	Fire Dept Ambulance						400,000
52313*	DPW Road Improvements	300,000	300,000	300,000	310,000		454,000
52314*	DPW Culvert Replacements						300,000
52315	DPW One-Ton Dump Truck						130,000
52316	DPW 20-Ton Pickup Truck						340,000
52317	DPW Loader Replacement						290,000
52318	DPW Backhoe Replacement						195,000
52319	Master Plan Downtown Study						150,000
52320	Sewer – Inflow & Infiltration						360,000
	<b>SUBTOTAL</b>	<b>1,870,000</b>	<b>4,951,000</b>	<b>2,337,775</b>	<b>1,875,250</b>		<b>2,784,000</b>
59810	Reserve Fund	175,000	175,000	375,000	175,000		175,000
59950	Stabilization Fund	200,000	200,000	0	0		200,000
	<b>TOTAL</b>	<b>2,245,000</b>	<b>5,326,000</b>	<b>2,712,775</b>	<b>2,050,250</b>		<b>3,159,000</b>

\*Multiple account numbers combined for display purposes

<sup>11</sup> 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.



# TOWN OF NORTHBOROUGH Community Preservation Committee

Town Hall Offices • 63 Main Street • Northborough, MA 01532 • 508-393-5040 x7 • 508-393-6996 Fax

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April 7, 2022

To: Northborough Appropriations Committee

Re: Summary of FY23 CPA Project Recommendations

The Community Preservation Act was adopted by the voters of Northborough in 2004, and the by-law creating the Community Preservation Committee (CPC) was approved at Town Meeting in 2005. Since beginning to generate revenue in FY2006 from the 1.5% property tax surcharge, our town has received matching funds from the State totaling over \$2.8 million. For this year's Town Meeting, the CPC is working from a budget of \$1,534,334 consisting of \$750,000 projected new revenue + \$784,334 in the CPA reserve accounts. The CPC considered 10 applications and voted the following recommendations:

**Senior Housing Project:** Affordable housing is one of the three core tenants of the CPA, but has been disproportionately addressed in our prior project awards, accounting for about 20% of projects compared to roughly 40% each for Historical and Open Space/Recreation. This project, presented jointly by the Housing Authority and Northborough Affordable Housing Corporation (NAHC), will create 8 new affordable housing apartments, 4 of which will be on the ground level allowing handicapped access. A major driver for the project is the availability of \$800,000 in grants from Mass. DHCD, and the application is pending. The CPC voted to recommend \$844,685 in CPA funds from new revenue, housing reserve and the unreserved fund balance, and to reauthorize \$495,315 in funds previously voted to the Housing Authority and the NAHC at prior Town Meetings.

**Affordable Housing Reserve:** In the event the Senior Housing article is not approved by the voters, we need a backup article to authorize the minimum 10% of new revenue to be allocated to Affordable Housing, which would be \$75,000. The remaining funds not utilized would be returned to the housing reserve account and the unreserved account.

**Brigham Street Burial Ground Beautification:** This project will provide much needed enhancement to Northborough's oldest burial ground, including removal of many dead trees and cleanup, and installation of a sign post and fencing. The CPC voted \$5,821 from the historic reserve and \$131,679 from new revenue, which will satisfy the 10% minimum for historical.

**Kizer Cemetery Signs:** The CPC voted \$5,124 from new revenue to provide new signs for the Kizer section of the Northborough Cemetery, consistent with signs previously approved for the cemetery at prior Town Meeting. The Kizer section is over 50 years old and therefore is eligible for CPA funds in the historical category.

**Historical Society Building:** The CPC voted \$55,000 from new revenue for replacement and renovation of 33 shutters which will return the building to its original exterior form. This building is one of our greatest historical resources and the CPC continues to support the Historical Society with renovations.

**Assabet Park Fencing:** The CPC voted \$20,000 for this additional fencing requested by the DPW, but the Town is planning to cover this with ARPA funds, so this article will be dropped from the warrant.



**Dog Park Design:** The desire for a dog park has been a top request to the Recreation Dept. for several years, and meets the goals of our Open Space & Recreation Plan and the Master Plan. The CPC voted \$35,500 from the CPA unreserved fund for the initial assessment and site survey plans.

**ADA Accessible Trail Design at the Senior Center:** The CPC voted \$28,500 from new revenue for this design study as phase one to upgrade the existing trail to ADA standards, making it the first accessible trail in Northborough. This project also meets Master Plan and Open Space plan goals.

**Aqueduct Bridge Pedestrian Access Design:** Restoration of our iconic Aqueduct Bridge to allow pedestrian access and complete the link to the other sections of the aqueduct trail has been a goal in our Open Space plans for many years, and now will fulfill a Master Plan goal for connectivity in our community. The CPC voted \$55,849 from new revenue + \$813 from open space reserves + \$76,996 from the unreserved fund for the total of \$133,658 for this comprehensive design. This project would fulfill the 10% minimum for the open space category.

**Conservation Fund:** The Open Space Committee sponsored an application for \$400,000 to be transferred to the Conservation Fund, consistent with previous transfers approved at Town Meeting and with successful utilization of the Fund to acquire and preserve open space and recreation land parcels. However, after considering the existing balance in the fund of \$761,000 and the relative urgency of the other applications, the CPC voted to decline this application.

**White Cliffs Debt Service:** The CPC voted \$185,800 from new revenue for this 5<sup>th</sup> payment on the White Cliffs property.

**CPC Administration Fund:** The CPC voted \$37,500 from new revenue to the administration fund, which is 5% of the projected FY23 CPA revenue, the maximum % allowed per the CPA legislation. Any unused amounts from the admin fund in a given year go back to the unreserved account.

Respectfully,

John Campbell, Chair  
Northborough Community Preservation Committee

Cc Town Clerk, Town Administrator, Finance Director, Financial Planning Committee, Housing Authority



## CPA Finance Update

**Community Preservation Committee**  
**December 2, 2021**



# [ Agenda ]

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- **Revenue Budget**
  - Received 39.42% FY2021 reimbursement on November 16<sup>th</sup>
  - Revenue Budget for FY2023
  
- **Status of Reserves & Available Funds**
  
- **Annual Obligations**
  - Spending/Reservation Requirements
  - Debt Service for White Cliffs

# [ Revenue Budget ]

<u>Fiscal Year</u>	<u>Net Tax Levy*</u>	<u>State Match</u>	<u>Date Received</u>	<u>Match %</u>	<u>Total</u>
FY2006	327,561				327,561
FY2007	353,136	327,561	10/13/2006	100.00%	680,697
FY2008	370,333	353,136	10/12/2007	100.00%	723,469
FY2009	386,417	250,573	10/16/2008	67.66%	636,990
FY2010	404,233	134,676	10/14/2009	34.85%	538,909
FY2011	413,349	109,959	10/14/2010	27.20%	523,308
FY2012	436,224	110,112	10/12/2011	26.64%	546,336
FY2013	453,755	117,056	10/15/2012	26.83%	570,811
FY2014	467,353	236,974	11/18/2013	52.23%	704,327
FY2015	489,617	147,053	11/14/2014	31.47%	636,670
FY2016	513,243	145,174	11/19/2015	29.65%	658,417
FY2017	542,359	105,609	12/1/2016	20.58%	647,968
FY2018	566,811	93,286	11/15/2017	17.20%	660,097
FY2019	594,339	107,778	11/16/2018	19.01%	702,117
FY2020	630,676	142,157	11/22/2019	23.92%	772,833
FY2021	648,956	180,541	11/13/2020	28.63%	829,497
FY2022**	575,000	255,849	11/16/2021	39.42%	830,849
<b>Subtotal</b>	<b>8,173,363</b>	<b>2,817,494</b>		<b>37.08%</b>	<b>10,663,296</b>
<b>FY2023***</b>	<b>600,000</b>	<b>150,000</b>	<b>Nov-22</b>	<b>Est. 25% Match</b>	<b>750,000</b>
*Net Tax Levy is surcharge assessed less all abatements issued during fiscal year (per State Form CP-1)					
**Per Tax Recap (Form A4) \$77,000 State Match was budgeted/\$652,000 Total revenue budgeted for FY2022					
***Anticipated 25% \$150,000 State Match/\$750,000 Total revenue budgeted for FY2023					

# [ Reserves & Available Funds ]

FY2018 Closing through estimated FY2022		Open Space	Affordable Housing	Historic Resources	Unreserved Fund Balance
<b>6/30/2018</b>	<b>FYE Reserve &amp; Fund Balances</b>	<b>813</b>	<b>313</b>	<b>77,813</b>	<b>683,313</b>
April 2018 ATM	Projects Voted from Revenue FY2019				(549,000)
	Actual FY2019 Revenues				794,641
	Net closed admin expenses				1,189
April 2019 ATM	Projects Voted from Reserve FY2020			(13,800)	(508,870)
<b>6/30/2019</b>	<b>FYE Reserve &amp; Fund Balances</b>	<b>813</b>	<b>313</b>	<b>64,013</b>	<b>421,272</b>
April 2019 ATM	Projects Voted from Revenue FY2020				(196,000)
	Actual FY2020 Revenues				879,666
	Net closed admin expenses				13,091
<b>6/30/2020</b>	<b>FYE Reserve &amp; Fund Balances</b>	<b>813</b>	<b>313</b>	<b>64,013</b>	<b>1,118,029</b>
July 2020 ATM	Projects Voted from Reserves FY2021			(38,192)	(420,000)
<b>7/18/2020</b>	<b>Available Reserve &amp; Fund Balances</b>	<b>813</b>	<b>313</b>	<b>25,821</b>	<b>698,029</b>
July 2020 ATM	Articles Voted from Revenue FY2021		62,350		(553,728)
	Actual FY2021 Revenues				881,836
	Net closed admin expenses				23,700
May 2021 ATM	Projects Voted from Reserve FY2022			(20,000)	(400,000)
<b>6/30/2021</b>	<b>FYE Reserve &amp; Fund Balances</b>	<b>813</b>	<b>62,663</b>	<b>5,821</b>	<b>649,837</b>
May 2021 ATM	Articles Voted from Revenue FY2022		65,200		(591,830)
<b>FY2023 Budget</b>	<b>Available Reserve &amp; Fund Balances</b>	<b>813</b>	<b>127,863</b>	<b>5,821</b>	
	Budgeted Revenue FY2022				652,000
	Net closed admin expenses				0
	Projects Voted from Reserve FY2023				0
<b>6/30/2022</b>	<b>Projected FYE Fund Balances</b>	<b>813</b>	<b>127,863</b>	<b>5,821</b>	<b>710,007</b>

# Reserves & Available Funds

FY2018 Closing through estimated FY2022		Open Space	Affordable Housing	Historic Resources	Unreserved Fund Balance
<b>6/30/2018</b>	<b>FYE Reserve &amp; Fund Balances</b>	<b>813</b>	<b>313</b>	<b>77,813</b>	<b>683,313</b>
April 2018 ATM	Projects Voted from Revenue FY2019				(549,000)
	Actual FY2019 Revenues				794,641
	Net closed admin expenses				1,189
April 2019 ATM	Projects Voted from Reserve FY2020			(13,800)	(508,870)
<b>6/30/2019</b>	<b>FYE Reserve &amp; Fund Balances</b>	<b>813</b>	<b>313</b>	<b>64,013</b>	<b>421,272</b>
April 2019 ATM	Projects Voted from Revenue FY2020				(196,000)
	Actual FY2020 Revenues				879,666
	Net closed admin expenses				13,091
<b>6/30/2020</b>	<b>FYE Reserve &amp; Fund Balances</b>	<b>813</b>	<b>313</b>	<b>64,013</b>	<b>1,118,029</b>
July 2020 ATM	Projects Voted from Reserves FY2021			(38,192)	(420,000)
<b>7/18/2020</b>	<b>Available Reserve &amp; Fund Balances</b>	<b>813</b>	<b>313</b>	<b>25,821</b>	<b>698,029</b>
July 2020 ATM	Articles Voted from Revenue FY2021		62,350		(553,728)
	Actual FY2021 Revenues				881,836
	Net closed admin expenses				23,700
May 2021 ATM	Projects Voted from Reserve FY2022			(20,000)	(400,000)
<b>6/30/2021</b>	<b>FYE Reserve &amp; Fund Balances</b>	<b>813</b>	<b>62,663</b>	<b>5,821</b>	<b>649,837</b>
May 2021 ATM	Articles Voted from Revenue FY2022		65,200		(591,830)
<b>FY2023 Budget</b>	<b>Available Reserve &amp; Fund Balances</b>	<b>813</b>	<b>127,863</b>	<b>5,821</b>	
	Budgeted Revenue FY2022				652,000
	Net closed admin expenses				
	Projects Voted from Reserve FY2023				
<b>6/30/2022</b>	<b>Projected FYE Fund Balances</b>				

**TOTAL FUND BALANCES: \$ 784,334**

# Reserves & Available Funds

FY2018 Closing through estimated FY2022		Open Space	Affordable Housing	Historic Resources	Unreserved Fund Balance
<b>6/30/2018</b>	<b>FYE Reserve &amp; Fund Balances</b>	<b>813</b>	<b>313</b>	<b>77,813</b>	<b>683,313</b>
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	Actual FY2019 Revenues				794,641
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<b>6/30/2019</b>	<b>FYE Reserve &amp; Fund Balances</b>	<b>813</b>	<b>313</b>	<b>64,013</b>	<b>421,272</b>
April 2019 ATM	Projects Voted from Revenue FY2020				(196,000)
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	Net closed admin expenses				13,091
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July 2020 ATM	Projects Voted from Reserves FY2021			(38,192)	(420,000)
<b>7/18/2020</b>	<b>Available Reserve &amp; Fund Balances</b>	<b>813</b>	<b>313</b>	<b>25,821</b>	<b>698,029</b>
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May 2021 ATM	Projects Voted from Reserve FY2022			(20,000)	(400,000)
<b>6/30/2021</b>	<b>FYE Reserve &amp; Fund Balances</b>	<b>813</b>	<b>62,663</b>	<b>5,821</b>	<b>649,837</b>
May 2021 ATM	Articles Voted from Revenue FY2022		65,200		(591,830)
<b>FY2023 Budget</b>	<b>Available Reserve &amp; Fund Balances</b>	<b>813</b>	<b>127,863</b>	<b>5,821</b>	
	Budgeted Revenue FY2022				652,000
	Net closed admin expenses				0
	Projects Voted from Reserve FY2023				0

**FUND BALANCES: \$ 784,334 + FY2023 ESTIMATED REVENUE \$750,000 = \$1,534,334 TOTAL AVAILABLE**

# [ Annual Obligations ]

- **Spending/Reservation Requirements**
  - **At Least 10% for Open Space, Historic Resources, and Affordable Housing (\$75,000)**
  - **Not more than 5% for Administration (\$37,500)**
- **Debt Service for White Cliffs**



# Debt Service for White Cliffs

<b>FY2023 ESTIMATES</b>						
	<b>FISCAL YEAR</b>		<b>PRINCIPAL BALANCE</b>	<b>PAYDOWN / PRIN</b>	<b>*INTEREST</b>	<b>TOTAL</b>
BAN	FY2019	1	\$ 1,700,000.00	\$ 208,000.00	\$ 46,617.91	\$ 254,617.91
BAN	FY2020	2	\$ 1,492,000.00	\$ 198,000.00	\$ 33,383.82	\$ 231,383.82
BAN	FY2021	3	\$ 1,294,000.00	\$ 204,000.00	\$ 16,175.00	\$ 220,175.00
BAN*	FY2022	4	\$ 1,090,000.00	\$ 195,000.00	\$ 21,800.00	\$ 216,800.00
<b>TAXABLE BOND WITH 4% INTEREST</b>	<b>FY2023</b>	<b>5</b>	<b>\$ 895,000.00</b>	<b>\$ 150,000.00</b>	<b>\$ 35,800.00</b>	<b>\$ 185,800.00</b>
TAXABLE BOND WITH 4% INTEREST	FY2024	6	\$ 745,000.00	\$ 149,000.00	\$ 29,800.00	\$ 178,800.00
TAXABLE BOND WITH 4% INTEREST	FY2025	7	\$ 596,000.00	\$ 149,000.00	\$ 23,840.00	\$ 172,840.00
TAXABLE BOND WITH 4% INTEREST	FY2026	8	\$ 447,000.00	\$ 149,000.00	\$ 17,880.00	\$ 166,880.00
TAXABLE BOND WITH 4% INTEREST	FY2027	9	\$ 298,000.00	\$ 149,000.00	\$ 11,920.00	\$ 160,920.00
TAXABLE BOND WITH 4% INTEREST	FY2028	10	\$ 149,000.00	\$ 149,000.00	\$ 5,960.00	\$ 154,960.00
				<b>\$ 1,700,000.00</b>	<b>\$ 243,176.73</b>	<b>\$ 1,943,176.73</b>
*FY2022 BAN W/ TIC 1.5% & NIC .2535%, \$1,090,000 BAN = \$16,350 Interest + .5% Issuance Cost						
\$190,275 INCLUDES .5% ISSUANCE COSTS, COULD RECEIVE PREMIUM						

ART#	PURPOSE OF ARTICLE	MOTION BY	PRESENTER	RECOMMENDATION	VOTE
1	Appoint Deputy Moderator	Board of Selectmen <b>(If not approved under Consent Agenda)</b>	Frederick George, Town Moderator	N/A	majority
2	Compensating Balance Agreement	Board of Selectmen <b>(If not approved under Consent Agenda)</b>	Jason Little, Finance Director	N/A	majority
3	Prior Years' Bills	Board of Selectmen <b>(If not approved under Consent Agenda)</b>	John Coderre, Town Administrator	Article to be passed over	4/5 or majority if passed over
4	Town Budget	Board of Selectmen	John Coderre, Town Administrator	Board of Selectmen, Appropriations Committee	majority
5	Water, Sewer & Solid Waste Enterprise Funds	Board of Selectmen	Scott Charpentier, DPW Director & Fred Litchfield, Town Engineer	Board of Selectmen, Appropriations Committee	majority
6	Northborough K-8 Schools Budget	Northborough School Committee	Greg Martineau, School Superintendent	Board of Selectmen, School Committee, Appropriations Committee	majority
7	Northborough-Southborough Regional School District Budget	Northborough School Committee	Greg Martineau, School Superintendent	Board of Selectmen, Regional School Committee, Appropriations Committee	majority
8	Assabet Valley Regional Vocational School District Budget	Virginia Simms George, Assabet Valley School Representative	Ernest Houle, Assabet School Superintendent	Appropriations Committee	majority

ART#	PURPOSE OF ARTICLE	MOTION BY	PRESENTER	RECOMMENDATION	VOTE
9	Revolving Funds Authorization of Expenditure Limits	Board of Selectmen <b>(If not approved under Consent Agenda)</b>	John Coderre, Town Administrator	Appropriations Committee	majority
10	Appropriations Committee Reserve Fund	Board of Selectmen	John Coderre, Town Administrator	Appropriations Committee	majority
<b>PRESENTATION BY TOWN ADMINISTRATOR OF CAPITAL BUDGET (Articles 11-20)</b>					
11	CIP – Police – Police Cruiser Replacements (3)	Board of Selectmen	William Lyver, Police Chief	Appropriations Committee, Financial Planning Committee	majority
12	CIP – Fire – Ambulance Replacement	Board of Selectmen	David Parenti, Fire Chief	Appropriations Committee, Financial Planning Committee	majority
13	CIP – DPW – Road Improvements and Maintenance	Board of Selectmen	David Parenti, Fire Chief	Appropriations Committee, Financial Planning Committee	majority
14	CIP – DPW – Culvert and Drainage Replacement	Board of Selectmen	Scott Charpentier, DPW Director	Appropriations Committee, Financial Planning Committee	majority
15	CIP – DPW – One-Ton Dump Truck with Plow Replacement	Board of Selectmen	Scott Charpentier, DPW Director	Appropriations Committee, Financial Planning Committee	majority

ART#	PURPOSE OF ARTICLE	MOTION BY	PRESENTER	RECOMMENDATION	VOTE
16	CIP – DPW – 20-Ton Dump Truck with Spreader and Plow Replacement	Board of Selectmen	Scott Charpentier, DPW Director	Appropriations Committee, Financial Planning Committee	majority
17	CIP – DPW – Loader Replacement	Board of Selectmen	Scott Charpentier, DPW Director	Appropriations Committee, Financial Planning Committee	2/3
18	CIP – DPW – Backhoe Replacement	Board of Selectmen	Scott Charpentier, DPW Director	Appropriations Committee, Financial Planning Committee	2/3
19	CIP – MPIC - Downtown Master Plan Study	Board of Selectmen	Ashley Davies, Master Plan Implementation Committee Chair	Appropriations Committee, Financial Planning Committee	majority
20	CIP – SEWER - Inflow & Infiltration (I/I) Mitigation	Board of Selectmen	Scott Charpentier, DPW Director	Appropriations Committee, Financial Planning Committee	majority
21	Purchase 4 West Main Street - Old Town Hall	Board of Selectmen	John Coderre, Town Administrator	Appropriations Committee, Financial Planning Committee	majority
22	Consolidated Personnel Bylaw	Board of Selectmen	Rebecca Meekins, Asst Town Administrator	Personnel Board	majority
23	Community Preservation Fund – Housing Authority - Construction of Eight Affordable Low-Income, Senior One-Bedroom Rental Units	John Campbell, CPC Chair	John Campbell, CPC Chair	Appropriations Committee, Financial Planning Committee	majority

ART#	PURPOSE OF ARTICLE	MOTION BY	PRESENTER	RECOMMENDATION	VOTE
24	Community Preservation Fund – Affordable Housing Reserve	John Campbell, CPC Chair	John Campbell, CPC Chair	Appropriations Committee	majority
25	Community Preservation Fund – Brigham Street Burial Ground Beautification	John Campbell, CPC Chair	John Campbell, CPC Chair	Appropriations Committee	majority
26	Community Preservation Fund – (2) Signs to Identify the Kizer Section of the Northborough Cemetery	John Campbell, CPC Chair	John Campbell, CPC Chair	Appropriations Committee	majority
27	Community Preservation Fund – Shutter Restoration of Historical Building	John Campbell, CPC Chair	John Campbell, CPC Chair	Appropriations Committee, Financial Planning Committee	majority
28	Community Preservation Fund – Design and Project Management of Dog Park	John Campbell, CPC Chair	John Campbell, CPC Chair	Appropriations Committee	majority
29	Community Preservation Fund – ADA Compliant Accessible Trail Located at the Senior Center	John Campbell, CPC Chair	John Campbell, CPC Chair	Appropriations Committee	majority
30	Community Preservation Fund – Preliminary Design of Pedestrian Access over the Assabet River Aqueduct Bridge	John Campbell, CPC Chair	John Campbell, CPC Chair	Appropriations Committee	majority
31	Community Preservation Fund – White Cliffs Debt Service	John Campbell, CPC Chair	John Campbell, CPC Chair	Appropriations Committee	majority

ART#	PURPOSE OF ARTICLE	MOTION BY	PRESENTER	RECOMMENDATION	VOTE
32	Community Preservation Fund – CPA Administration	John Campbell, CPC Chair	John Campbell, CPC Chair	Appropriations Committee	majority
33	Zoning Bylaw – Section 7-09-040, Signs	Planning Board	Planning Board	Planning Board	2/3
34	Zoning Bylaw - Section 7-05-020, Classification of Uses, G. Business Uses (2) and Food Service, Section 7-05-020, Classification of Uses, I. Industrial Uses, Section 7-05-030, Table of Uses, Table 1, Part B and Section 7-09-030 Off-Street Parking and Loading	Planning Board	Planning Board	Planning Board	2/3
35	Zoning Bylaw – Section 7-03-080, Enforcement	Planning Board	Planning Board	Planning Board	2/3
36	Zoning Bylaw – Section 7-03-030 and 7-050-101.A Use Variances	Planning Board	Planning Board	Planning Board	2/3
37	Zoning Bylaw – Re-zoning 37 South Street	Planning Board	Planning Board	Planning Board	2/3
38	Zoning Bylaw – Section 7-03-050, Site Plans A.(4) Exceptions	Planning Board	Planning Board	Planning Board	majority
39	Zoning Bylaw – Section 7-01-060, Temporary Moratorium on Distribution and Transportation Uses	Planning Board	Planning Board	Planning Board	majority

