



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

**APPROPRIATIONS COMMITTEE**

MEETING AGENDA

February 8, 2023

7:00 p.m.

- 
1. Approval of Minutes:  
[July 14, 2022](#)
  2. Election of Officers
  3. [FY2024 State Aid Update](#)
  4. [Library Budget Presentation](#)
  5. [Senior Center Budget Presentation](#)
  6. [Health Department Budget Presentation](#)
  7. [Review of Preliminary Free Cash Plan and Draft FY2024 Capital Budget](#)
  8. [Discussion regarding Recommendations for American Rescue Plan Act \(ARPA\) FY2024 Spending Options.](#)
  9. [Review of Meeting Schedule](#)
  10. Next Meeting – February 15, 2023
  11. Any other business to come before the Committee



## APPROPRIATIONS COMMITTEE

### MEETING MINUTES

63 Main Street  
Selectmen's Meeting Room

July 14, 2022  
7:00 PM

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**MEMBERS PRESENT:** George Brenckle  
Tim Kaelin  
Rick Nieber  
Tony Poteete

**MEMBERS ABSENT:** Janice Hight  
Robert D'Amico

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

#### **APPROVAL OF MINUTES – APRIL 25, 2022 REGULAR MEETING**

Mr. Poteete moved the Committee vote to approve the April 25, 2022 meeting minutes; Mr. Kaelin seconded the motion; all members voted in favor.

#### **APPROVAL OF FY 2022 YEAR-END TRANSFERS**

Finance Director Jason Little indicated that “Year-End” budget and “Appropriations Committee Reserve Fund” transfers are being requested to cover deficits in the Town Counsel, Public Buildings and DPW Snow & Ice budgets. The total amount needed is \$305,000, which exceeds the FY2022 Appropriations Reserve Fund budgeted at \$175,000. He proposed that the \$130,000 balance come from an inter-departmental transfer from surplus in the FY2022 Health Insurance budget.

Mr. Little noted that the original Snow & Ice Budget for FY2022 was \$437,000. The final expenditure was \$549,058.35, an exceedance of \$112,058.35 or approximately 25.6%. He added that it has been many years since the Town has not covered the Snow & Ice deficit within the same fiscal year. The Town's practice is to budget the rolling six-year average of snow & ice expenses. Mr. Little noted that the Snow & Ice Budget is one of the only expense lines that can be legally over expended, but the Town has the option to cover the overage with year-end transfers instead of rolling the expense to the next fiscal year.

Mr. Little explained the need for Year-End transfers for the following and provided a brief update on each. The proposed transfers would keep these FY2022 expenses within the same fiscal year and not roll any costs over to FY2023.

#### Department to Transfer From:

Appropriations Committee Reserve Fund     \$ 175,000

#### Department to Transfer To:

DPW Snow & Ice     \$ 113,000

Remediation of 101 Colburn Street     \$ 62,000

Mr. Little indicated that interdepartmental transfers are also being proposed for the additional deficits and require approval by both the Appropriations Committee and the Board of Selectmen. The Board of Selectmen approved the transfers below at their June 27, 2022 meeting. The request for interdepartmental transfers are as follows:

Department to Transfer From:

Health Insurance \$ 115,000

Department to Transfer To:

Remediation of 101 Colburn Street \$ 10,000

Town Hall Custodial Coverage \$ 28,000

Town Counsel Appropriation \$ 77,000

Mr. Brenckle moved the Committee vote to approve the FY2022 year-end transfers as presented in the June 24, 2022 memorandum from the Town Administrator and as presented this evening, Mr. Kaelin seconded the motion; all members voted in favor.

**STATE AID UPDATE**

Mr. Little provided a brief update on State Aid that included budgets in the areas of local aid, early education and K-12 schools.

**OTHER BUSINESS**

None.

**ADJOURNMENT**

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

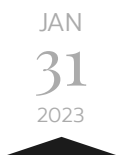
Meeting adjourned at 7:30 p.m.

Respectfully submitted,

Jason Little  
Finance Director

Documents used during meeting:

1. July 14, 2022 Meeting Agenda
2. April 25, 2022 Meeting Minutes
3. Informational Packet – Year-End Transfers
4. Email – State Aid Update

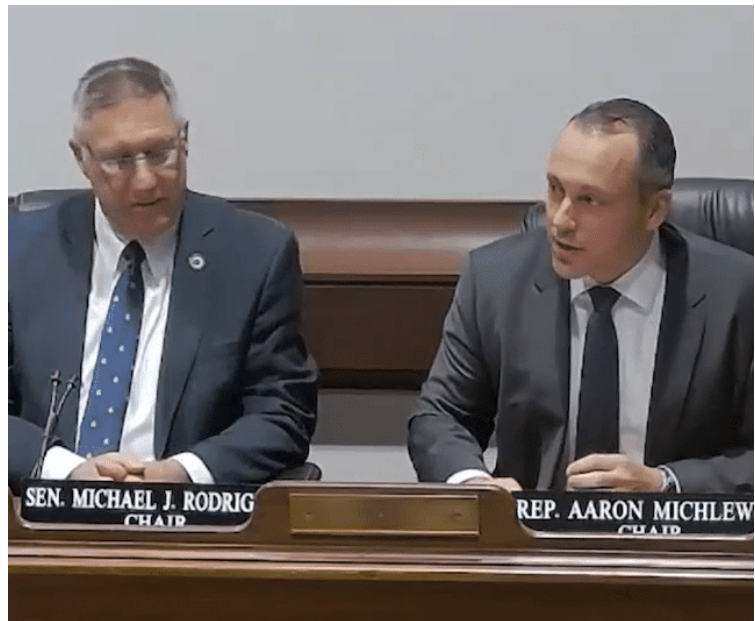


# State budget writers announce consensus revenue growth forecast of 1.6% for FY24

Home → News → Local Aid and Finance

The state’s budget writers announced yesterday that state tax collections are expected to grow by 1.6% in fiscal 2024 over a recently adjusted projection for fiscal 2023 revenue.

Administration and Finance Secretary Matthew Gorzkowicz, Senate Ways and Means Chair Michael Rodrigues and House Ways and Means Chair Aaron Michlewitz announced a consensus state tax revenue forecast of \$40.41 billion for the fiscal year that will begin on July 1.



Sen. Michael Rodrigues (left) and Rep. Aaron Michlewitz, chairs of the Senate and House Ways and Means committees, respectively, lead the fiscal 2024 consensus revenue hearing on Jan. 24.

The increase does not include an additional \$1 billion in projected revenue from the

November. Dispensing funds generated from the surtax will be subject to appropriation, but the ballot measure stipulated that funds must be spent only in areas of transportation and education. Including the surtax, estimated revenue would increase the total budget projection for fiscal 2024 by 4.1% over the adjusted fiscal 2023 revenue estimate.

The adjusted fiscal 2023 revenue estimate, also announced on Monday by Gorzkowicz, incorporates a \$151 million increase based upon year-to-date revenues and economic data, bringing the revised forecast to \$39.77 billion. This new estimate for the current fiscal year is \$193 million higher than the figure used to create the fiscal 2023 budget that was signed into law in August 2022.

The Healey-Driscoll administration and the House and Senate will use the consensus revenue forecast to build their respective fiscal 2024 budget recommendations.

While it's good news that state collections are expected to continue growing, it's unclear what the consensus revenue forecast will mean for local aid accounts. In recent years, under the Baker-Polito administration, the general practice was to link the percentage increase in Unrestricted General Government Aid to the percentage of forecasted growth in state tax collections. Last year, however, in recognition of overwhelming needs in every city and town, the Legislature doubled the percentage increase for UGGA from the 2.7% consensus revenue figure announced in January 2022 to a 5.4% increase. On Jan. 3, [the MMA sent a letter to the new administration](#) underscoring the importance of UGGA and asking that they use the revenue estimate that was used in the fiscal 2023 budget law (\$39.575 billion) as the base from which to measure the growth relative to the forecast.

The MMA's recommended calculation shows that the consensus revenue forecast for fiscal 2024 is 2.1% above the base that state leaders originally used to enact fiscal 2023 spending levels last July.

Under state law, the three budget officials convene every year to establish a joint revenue forecast. The estimate must be announced by Jan. 15 in most years, but the deadline is Jan. 31 when there's a change in administrations. Part of the process is a public hearing — held this year on Jan. 24 — where budget writers hear testimony on the

tax revenue outlook from the Department of Revenue, the Office of the State Treasurer, and independent, local economists.

At the hearing, fiscal experts and economists recognized that tax collections far exceeded benchmarks in fiscal 2021 and fiscal 2022, but they offered cautious outlooks for the economy and state revenues over the second half of fiscal 2023 and for fiscal 2024.

Yesterday's announcement marks a key initial step of the fiscal 2024 state budget process. Gov. Maura Healey is scheduled to file her first budget bill by March 1, and the House and Senate budget plans are customarily released and debated in April and May, respectively.

Written by [Jackie Lavender Bird, Senior Legislative Analyst](#)

## News Categories

**ECONOMIC AND COMMUNITY DEVELOPMENT**

**LABOR AND PERSONNEL**

**LOCAL AID AND FINANCE**

**MUNICIPAL GOVERNMENT**

**MUNICIPAL SERVICES**

**PUBLIC WORKS, ENERGY AND UTILITIES**

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## Recent posts

- [UMass study: Aggregation programs have reduced costs, increased sustainability in municipalities](#)
- [MMA-Suffolk launch 2023 programs, hold information sessions](#)
- [CDBG application deadline coming soon](#)

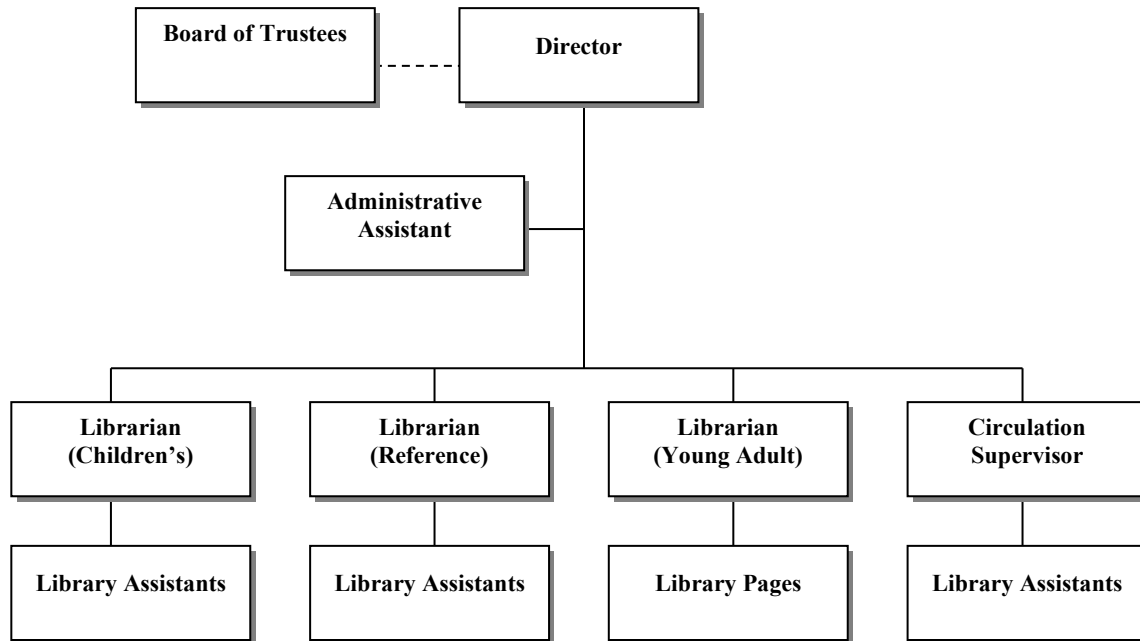


**Library Departmental Statement**

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

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

**Library Organizational Chart**





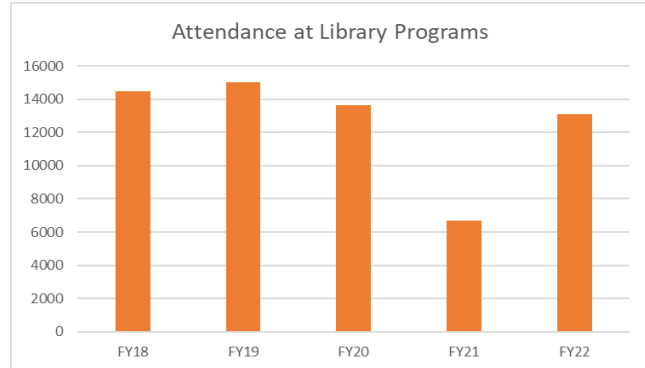
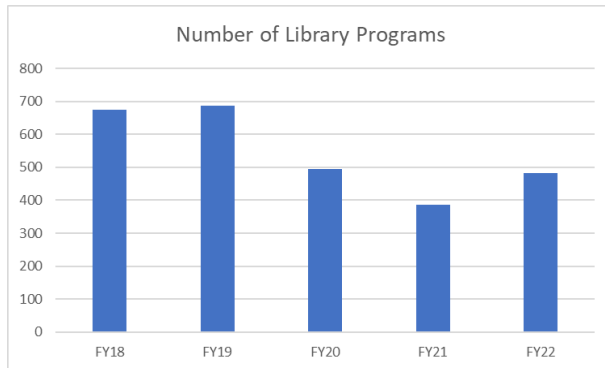
### Library FY2023 Initiatives and Accomplishments

1. The library was instrumental in the development of the BeWell Northborough initiative. This collaborative town-wide wellness initiative has strengthened bonds between the library and other key town departments, facilitating the sharing of critical health and wellness information to residents. To date, the library has offered 10 unique health and wellness programs with a total of 38 sessions to roughly 296 attendees. We also worked extensively with the Health Department to produce a Northborough Resource Guide, highlighting local health and wellness resources, which was printed and mailed to every residence in town. We launched a Fitness Pass Program in partnership with three local fitness centers and have begun lending pickleball equipment to encourage use of the new courts in town. Finally, we helped create a summer kick-off community outreach event, which drew a crowd of approximately 800 people to the Ellsworth McAfee .
2. The library set a record for total circulations in calendar year 2022, with a total of 203,817 items checked out. This represents an increase of about 7.4% over pre-pandemic numbers. The largest increase was in digital books, audiobooks, and video, with the largest decreases in use being DVDs and books on CD. However, we were surprised to note a modest (9%) increase in checkouts of physical books and will monitor whether that trend continues as people re-emerge from the confines of COVID-19.
3. There was a 14% increase in the number of people who actively used their library card this past year. This means that 12,116 unique patrons with a Northborough Library card used the library to check materials out last year. However, while more individual people are using the library, they are not necessarily using the physical building, or are not visiting the library as frequently, because we have had a decrease in our overall door count of 17%. Our web site, however, has had 69,167 visits, which is almost a 600% increase over last year.
4. The library resumed in-person programming for all ages. We began small, with about half of our normal number of events, and gradually returned to pre-pandemic levels of hosting 50-60 in-person events per month. COVID-19 did still have an impact, with events occasionally needing to be canceled due to presenter illness. We offered 482 events with a total attendance of 13,105 people. While we offered significantly fewer programs (pre-pandemic, we were offering almost 800 programs annually), our total attendance is close to our pre-pandemic totals (15,070 people attended programs in 2019, our last pre-pandemic year). This metric indicates that we have a higher turnout per program and are reaching a wider audience in 2022 than previously.





Below are charts reflecting the overall change in the number of Library programs offered as well as the attendance at those programs. The decrease in FY2020-FY2021 is directly attributable to the COVID-19 pandemic. As you can see, there has been an increase in the number of programs following the pandemic and in FY2023 and FY2024, we expect to meet and surpass pre-pandemic programming levels and attendance.



### Library FY2024 Goals and Initiatives

1. Improve our web site usability and online collections. While the popularity of electronic resources has been increasing for several years, statistics show a steep increase in this transition post-pandemic. A more comprehensive analysis and overhaul of our online presence and collections must be completed to improve the customer experience when accessing these features. We will allocate more time and appropriated funds to these resources, and will compensate by spending less on physical media, which has been declining in circulation for several years. We will investigate options for adding a discovery layer to our online presence, which would allow patrons to search in one spot to access materials in all our separate electronic collections, which is not currently possible.
2. Complete a marketing and communications plan. This includes more study on how residents find out about events and services and examining whether the role of social media in advertising has changed in recent years. We will identify marketing successes for the library and eliminate platforms that do not improve outcomes.
3. Reduce processing time for new materials. Currently, it takes two weeks to shelve new items due to processing and cataloging times. Ideally, we would like to improve our workflow so that new materials are shelved no more than one week after they arrive from vendors. This would eliminate any gap between when books are released in bookstores and when they become available to Northborough library patrons.
4. Complete reclassification of library materials. Last year, we set a goal to begin the lengthy process of reclassifying all library materials. We achieved benchmarks set last year, the bulk of which were related to preparation and planning. In FY2024, we plan to execute phase two of the project, which is to relabel and reorder the nonfiction collections with a system that is more user-friendly, flexible, and inclusive.

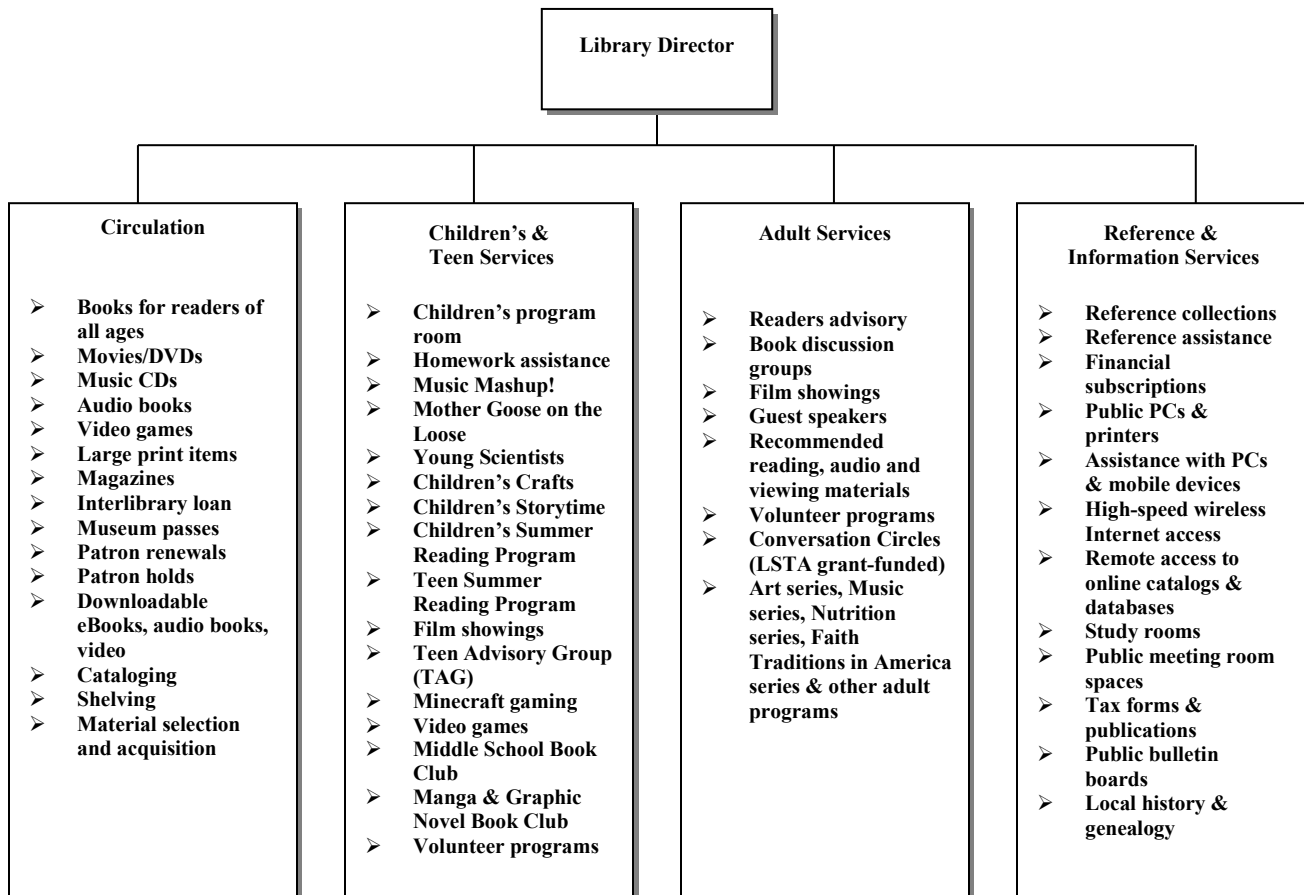


5. Create sustainable outreach and programming efforts related to the BeWell Northborough initiative. The Health Department’s temporary Outreach Coordinator has been successful in bringing health and wellness information to residents through the library. In FY2024, we anticipate that all BeWell funds will be expended. To sustain the work of BeWell on an ongoing basis, we will investigate opportunities to prolong the programming and communication successes set up through the BeWell program.

**Significant Budget Changes or Initiatives**

Overall, the FY2024 Library Budget is down overall 0.82%, or \$7,519. The departmental budget includes July 1, 2023 cost-of-living wage increases for Union and Non-Union personnel. January 1, 2024 merit increases are budgeted centrally in the Personnel Budget as they are contingent upon a successful performance review. The overall decrease in the Library Budget is attributable to the migration of all facilities and maintenance costs to a centralized Facilities Budget in FY2024. Controlling for the facilities budget adjustment, the Library budget is up \$39,966 or 4.15% overall. The increase in energy costs due to the increase of electric aggregation rates for town buildings accounts for \$26,300 or 65.8% of the total increase in FY2024. In FY2024 the Library will also receive an estimated \$27,022 in State Aid under the Governor’s proposed budget that goes directly to the Library and does not require Town Meeting appropriation.

**Library Programs and Services**





<b>LIBRARY</b>					
<b>Personnel Summary</b>					
<b>Position</b>	<b>FY 2020 FTE</b>	<b>FY 2021 FTE</b>	<b>FY 2022 FTE</b>	<b>FY 2023 FTE</b>	<b>FY 2024 FTE</b>
Director	1	1	1	1	1
Librarians	3.48	3.48	3.48	3.48	3.48
Circulation Supervisor	1	1	1	1	1
Library Assistants	3.4	3.4	3.4	3.4	3.4
Financial Assistant	1	1	1	0	0
Administrative Assistant	0	0	0	1	1
Pages	0.60	0.60	0.60	0.60	0.60
<b>Total Full-time Equivalent</b>	<b>10.48</b>	<b>10.48</b>	<b>10.48</b>	<b>10.48</b>	<b>10.48</b>

\*Personnel Explanation:

- Full Time Equivalents based upon 40 hour per week (30hrs/40hrs = .75 FTE)
- In FY2023, the Financial Assistant was reclassified to an Administrative Assistant to provide additional support to the Library operations.

# Section 5-12

# Library



	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 ACTUAL	FY2023 BUDGETED	FY2023 SIX MONTHS	FY2024 PROPOSED
<b>LIBRARY</b>						
<b>Personnel Services</b>						
51100 Professional Librarian Salaries	310,494	270,572	310,377	333,007	146,773	336,568
51120 Library Assistant Salaries	235,705	256,140	269,297	285,213	126,954	293,016
51140 Pages Salaries	10,527	14,113	14,156	18,792	5,363	18,720
51410 Longevity Pay	1,250	1,600	1,600	1,750	1,750	1,550
<b>SUBTOTAL</b>	<b>557,976</b>	<b>542,425</b>	<b>595,430</b>	<b>638,762</b>	<b>280,839</b>	<b>649,853</b>
<b>Expenses</b>						
52110 Utilities	33,932	35,162	46,015	39,000	24,470	75,000
<sup>1</sup> 52140 Fuel	9,577	9,903	7,823	9,700	1,485	0
52640 Equipment Maintenance	4,186	156	2,085	4,250	587	4,500
<sup>2</sup> 52680 HVAC Maintenance	9,715	11,903	11,193	0	0	0
<sup>3</sup> 52800 Contractual Services	30,186	38,759	41,918	47,100	33,630	20,615
53410 Telephone	3,460	2,443	2,940	0	0	0
54290 Office Supplies	14,197	17,638	14,362	14,000	8,061	10,650
<sup>4</sup> 54490 Building Maintenance	9,972	20,009	9,406	21,000	28,076	0
54590 Custodial Supplies	2,999	1,195	1,814	2,600	1,091	2,600
54690 Materials & Supplies	0	0	0	0	0	0
55120 Books and Periodicals	97,733	82,268	113,050	99,950	48,377	102,000
55130 Supplies	4,135	3,704	3m450	4,500	2,448	4,500
55290 Non-print Media	23,153	24,679	17,787	36,500	6,236	38,000
57110 Travel Mileage	0	0	0	225	0	700
57310 Dues	1,137	625	753	600	423	800
57340 Meetings	0	0	110	600	0	1,200
57810 Unclassified	129	130	144	150	0	0
58690 New Equipment	5,999	10,068	3,374	3,000	3,099	4,000
<b>SUBTOTAL</b>	<b>250,508</b>	<b>258,643</b>	<b>276,222</b>	<b>283,175</b>	<b>157,983</b>	<b>264,565</b>
<b>TOTAL: LIBRARY</b>	<b>808,484</b>	<b>801,068</b>	<b>871,652</b>	<b>921,937</b>	<b>438,823</b>	<b>914,418</b>

<sup>1</sup> Beginning in FY2024, the fuel budget has been consolidated with utility budget line item 52110.

<sup>2</sup> Beginning in FY2024, HVAC Maintenance is budgeted in a centralized facilities budget.

<sup>3</sup> Beginning in FY2024, all contractual services and building maintenance costs are included in a centralized facilities budget.

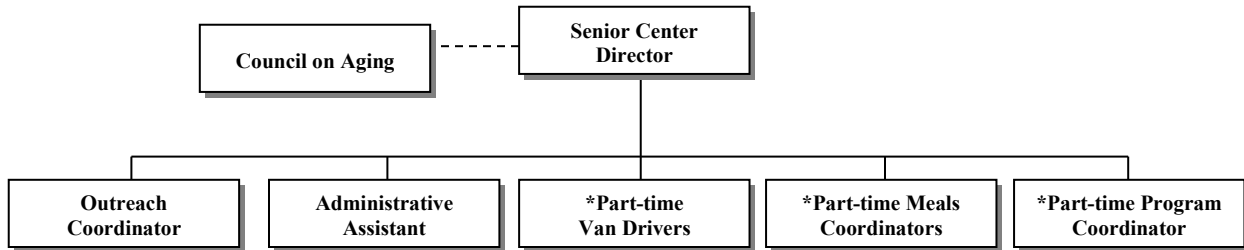
<sup>4</sup> Beginning in FY2024, all contractual services and building maintenance costs are included in a centralized facilities budget.



**Senior Center/Council on Aging Departmental Statement**

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

**Senior Center Organizational Chart**



\*The Part-time Meals Coordinator positions are funded through program fees and revenues generated by the senior center lunch and dinner program known as the Bistro @ 119. The Part-time Program Coordinator position is funded through program revenues. The Part-time Van Driver positions are funded through an agreement with the Worcester Regional Transit Authority. Please see the Personnel Tables on page 5-5 for more detail.



### Senior Center FY2023 Initiatives and Accomplishments

1. At the start of FY2023, the Senior Center endeavored to review the Strategic Plan with the Council on Aging and key staff to determine what, if any, changes in the plan were necessary. The Council on Aging has reviewed the Strategic Plan individually and with the leadership of the Chair of the Council on Aging. The project team, with the leadership of the Chair has scheduled time to meet beyond the monthly Council on Aging regular business meetings to continuously review, update and implement parts of the plan on an ongoing basis.
2. In FY2022 the Senior Center hosted 13,573 participants; in FY2023 we have hosted 12,665 participants with an additional 143 days remaining in the year. Our average daily attendance in FY2022 was 53.67, and our current average for FY2023 is 63.03, an increase of 17%. Since the start of FY2023 we have added 31 new programs and activities, with a focus on intergenerational experiences and cultural programming; those include hosting 250 children for a Trunk-or-Treat, Algonquin students hosting a free gift-wrapping program and a Diwali celebration with the India Society of Worcester. Through the BeWell Northborough initiative we have hosted several programs on wellness; including but not limited to Emotional Wellbeing, and a YMCA Water Aerobics collaboration that allows six Northborough Seniors to participate in Water Aerobics classes twice weekly. Our focus in FY2023 has been to appeal to a diverse crowd, have a welcoming and inclusive array of programming and focus on mental and physical health.
3. Researched programs and options for innovative models of in-home support for families. The Greater Boroughs Partnership for Health has leveraged the Senior Center's outreach abilities as a tool to reach homebound seniors and assist in them getting vaccinated against COVID-19 and the Flu, which we plan to continue in future years.
4. The Senior Center continues to use the MYSENIORCENTER program and database as a tool for planning programs, outreach, and data collection. We have activated new capabilities within the system this year and are now able to send out Robo-Calls that reach over 100 seniors at one time. Additionally, we can now send emails and text messages using the MYSENIORCENTER program. These features allow us to minimize staff time while maximizing outreach potential and have been a useful tool in communicating important information to our senior population. We have been able to utilize the remote meeting function to host a hybrid in-person/online program and two remote programs. There are active seniors in town who are not comfortable returning to in-person events since COVID-19, making the hybrid/remote classes critical for socialization opportunities.



### Senior Center FY2024 Goals and Initiatives

1. In FY2024, the Senior Center plans to focus on increasing cultural programming. We will continue to maintain existing relationships with cultural organizations like The India Society in Shrewsbury, The Chinese American Association of Southborough/Northborough, B’Nai Shalom in Westborough, and work to develop new relationships in FY2024. We believe that increasing the visibility of diverse cultures and backgrounds will encourage participation from seniors of all backgrounds, making the Northborough Senior Center a welcoming place for all. We are exploring partnerships with LGBTQ+ organizations to develop a program unique to Northborough for grandparents and parents to be educated about LGBTQ+ history, and what it means to parent or grandparent someone whose sexual orientation or gender identity may fall under the LGBTQ+ umbrella.
2. Continue to work with the Worcester Regional Transit Authority to enhance transportation options for seniors.
3. The Senior Center utilizes the MYSENIORCENTER program to track participation in various programs and events. The data portion of the program requires that seniors sign in to log participation in a particular class or event. Many of our participants forget to sign in, which limits the data pool and information. At this time, we estimate 40-60% of participants are signing in. In FY2024, we will strive to increase that to 80% of participants. The increase in accurate data will allow us to utilize the MYSENIORCENTER program to its fullest extent, providing data to support the creation of or elimination of certain programs or classes based upon enrollment and participation.

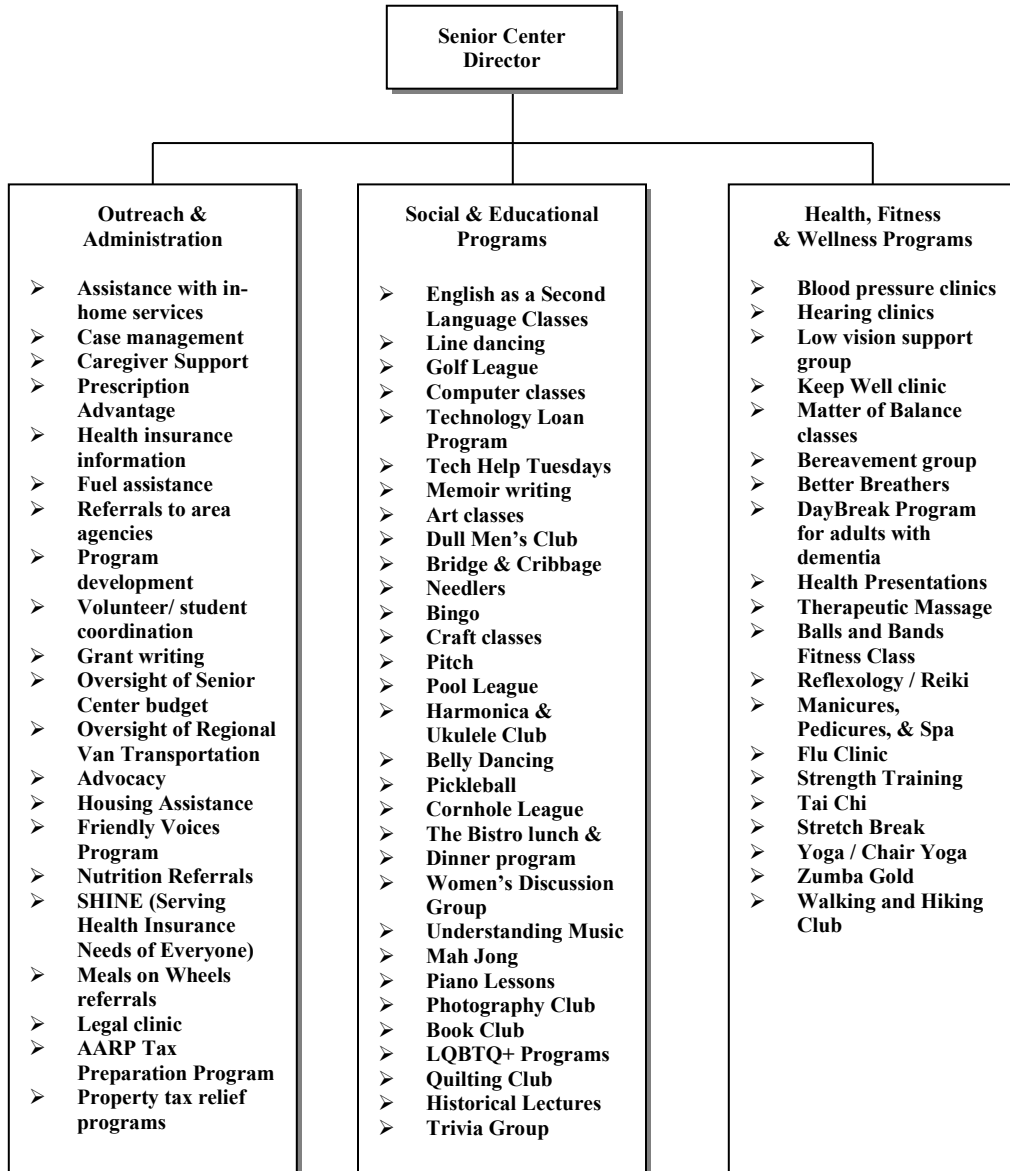
### Significant Budget Changes or Initiatives

Overall, the departmental budget is down 8.75% or (\$28,180). Like other departments, the Senior Center budget reduction is due to the migration of all facilities and building maintenance costs to a centralized Facilities Budget, overseen by the Facilities Manager. All building systems and maintenance contracts will be centrally managed beginning in FY2024. When controlling for the changes in budgeting for facilities, the Senior Center budget is up 9.48% or \$30,512. \$21,240 or 70% of this increase is due to the change in the electrical aggregation rate for town buildings. Beginning in FY2024, the town’s rate is increasing by \$0.0576 cents per kilowatt/hour, resulting in significant increases to our energy costs across all town buildings. July 1, 2023 cost of living adjustments for both Union and Non-union personnel are captured in this budget. January 1, 2024 merit increases are budgeted centrally in the Personnel Budget as they are contingent on a positive performance evaluation.

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



Senior Center Programs and Services







<b>SENIOR CENTER</b>					
<b>Personnel Summary</b>					
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Position</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
Director	1	1	1	1	1
Office Assistant	1	1	1	0	0
Administrative Assistant	0	0	0	1	1
Outreach Coordinator	1	1	1	1	1
<b>Total Full-time Equivalent</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

**\*Personnel Explanation:**

- In FY2023, the Office Assistant position was reclassified to be an Administrative Assistant to provide greater support. In addition to the personnel table above, there are positions funded outside of the General Fund. Please refer to the table below for an explanation of those positions not carried in the official personnel count.

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

<b>SENIOR CENTER</b>					
<b>Personnel Summary</b>					
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Position</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
Part-time Van Drivers	1.69	1.69	1.69	1.69	1.69
Part-time Bistro (meals) Coordinators	.96	0	.96	.96	.96
Part-time Program Coordinator	.48	0	.48	.48	.48
<b>Total Full-time Equivalent</b>	<b>3.13</b>	<b>1.69</b>	<b>3.13</b>	<b>3.13</b>	<b>3.13</b>

- Four part-time Van Drivers work approximately 15hrs/wk each for a total average of 67.5 hours per week (67.5hrs/40hrs = 1.69 FTEs). A fifth substitute driver is used as needed. The full cost of providing van service to seniors and disabled individuals in the Towns of Northborough, Boylston and Westborough is funded through a reimbursement contract with the Worcester Regional Transit Authority (WRTA).
- In addition to the staffing included in the General Fund, a 19hr/wk (.48 FTE) part-time Program Coordinator position is funded through the program revolving fund without using tax revenues. The position was temporarily vacated during the FY2021 pandemic due to closure of the Senior Center but returned in FY2022.
- There are two 19hr/wk (.96 FTEs) Meals Coordinator positions that run the lunch and dinner program at the Senior Center known as the Bistro @ 119. The program serves lunch Monday through Thursday. These positions were vacated when the Bistro closed during FY2021 due to COVID-19 but returned in FY2022. The part-time positions are funded through the revolving fund from program fees.

# Section 5-6

# Senior Center/COA



	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 ACTUAL	FY2023 BUDGETED	FY2023 SIX MONTHS	FY2024 PROPOSED
<b>SENIOR CENTER</b>						
<b>Personnel Services</b>						
51100 Director Salary	95,043	87,518	96,970	83,827	38,798	85,504
51120 Administrative Staff Wages	55,355	56,332	57,378	57,296	15,015	61,526
51140 Outreach Worker Wages	64,044	64,752	65,945	67,848	31,087	69,693
51410 Longevity Pay	1,200	1,000	1,150	1,150	350	350
<b>SUBTOTAL</b>	<b>215,642</b>	<b>209,602</b>	<b>221,444</b>	<b>210,121</b>	<b>85,249</b>	<b>217,073</b>
<b>Expenses</b>						
52110 Utilities	46,173	41,846	50,074	46,160	26,628	67,400
<sup>1</sup> 52800 Contractual Services	27,340	26,564	30,293	35,392	8,088	1,200
53110 Printing	0	143	8	300	0	400
53420 Postage	275	456	294	400	120	500
<sup>2</sup> 54490 Repairs & Maintenance	9,165	18,332	6,489	24,500	5,628	0
54590 Custodial Supplies	1,502	635	1,269	1,700	644	3,000
55990 Senior Center Programs	232	419	1,055	1,000	0	1,500
57110 Travel/Mileage	200	17	259	850	130	850
57310 Dues	0	191	1,047	1,060	637	1,100
57340 Meetings	30	20	30	520	35	800
<b>SUBTOTAL</b>	<b>84,917</b>	<b>88,623</b>	<b>90,818</b>	<b>111,882</b>	<b>41,910</b>	<b>76,750</b>
<b>TOTAL: SENIOR CENTER</b>	<b>300,559</b>	<b>298,225</b>	<b>312,262</b>	<b>322,003</b>	<b>127,159</b>	<b>293,823</b>

<sup>1</sup> Beginning in FY2024, all maintenance contracts and building repairs are budgeted in the central Facilities Budget.

<sup>2</sup> Beginning in FY2024, all maintenance contracts and building repairs are budgeted in the central Facilities Budget.



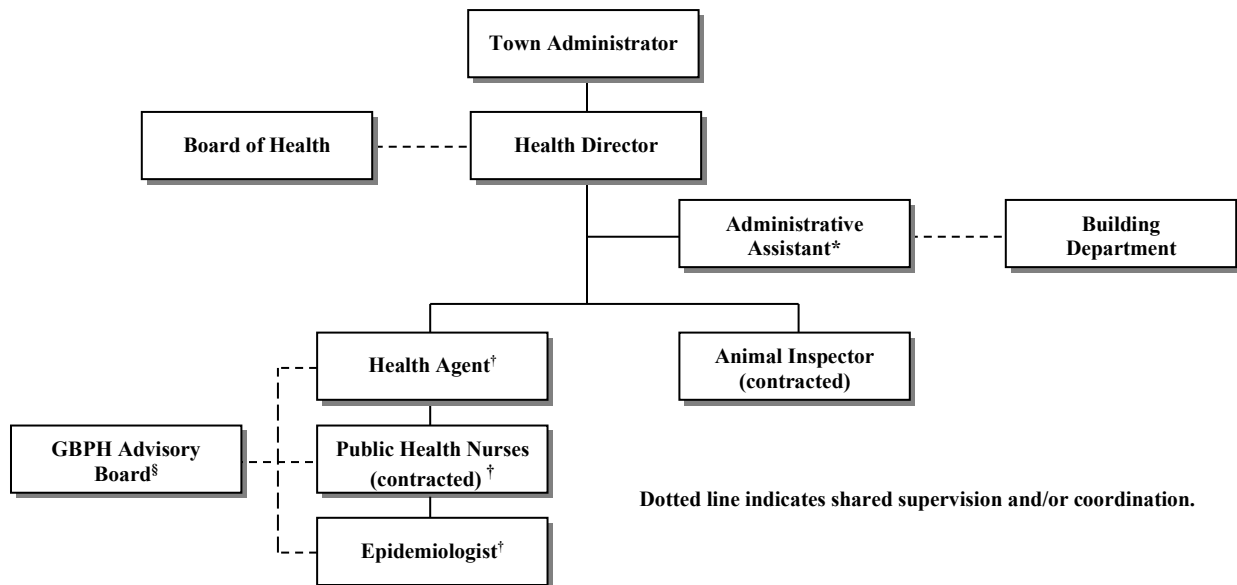
## Health Department Mission Statement

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

## Board of Health

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

## Organizational Chart



\* The Building Department and the Health Department share an office suite and two Administrative Assistants that are cross-trained.

† The Health Agent is paid \$13,000 from the Health Department Budget and the remainder of fulltime salary and benefits from the Public Health Excellence (PHE) Grant for Shared Services. The Epidemiologist and the contracted Public Health Nurses are funded through both the PHE Grant and Local Health Support for COVID-19 Case Investigation and Contact Tracing Grant.

§ Northborough serves as the host for the Greater Boroughs Partnership for Health (GBPH).



### Health Department FY2023 Initiatives and Accomplishments

1. **Shared Services.** FY2023 marked the second year of the Greater Boroughs Partnership for Health (GBPH). This collaborative provides shared public health services and programs to towns of Northborough, Boylston, Southborough, and Westborough. Northborough serves as the host and successfully onboarded a new Health Agent as well as full-time Epidemiologist. Several new programs and initiatives were launched including a free Home Wellness Check program and Narcan Training program for residents. Shared staff provide nursing services, inspectional services, and other health and wellness programming for the community.
2. **Substance Use Prevention and Programming.** Health Department staff took a more active role in our local substance use prevention coalition called “Encompass” (previously named Northborough-Southborough Substance Abuse Prevention Coalition). This coalition works to promote awareness and prevention of substance abuse among in the community. The coalition engaged the help of a graphic designer to create a new logo and support a rebranding campaign to improve visibility. The coalition contracted with Amanda Decker of Bright Solutions to review the coalition and make improvements to policies, recruitment, retention, programming, data collection, and grant writing. The Health Director worked with the Hudson Health Department to reallocate unspent MassCALL3 funds to contract with a consultant to perform data collection around substance use including key informant interviews and focus groups with parents and youth. The Health Department is writing a Drug Free Community Grant to submit on behalf of the coalition.
3. **Immunization Clinics.** The Health Department ran five COVID-19 vaccination clinics at the Northborough Senior Center between September and December of 2022 administering over 1,091 vaccines to individuals aged 5 and older. Clinics were supported by Medical Reserve Corps volunteers. Over 500 flu shots were administered at clinics hosted at the Senior Center, Melican Middle School (for teachers), and Algonquin Regional High School (drive-through) in the fall. Contracted nurses also administered both flu and COVID-19 vaccines to homebound residents upon request or referral.
4. **Be Well Northborough and Community Resource Guide.** Staff continued to collaborate with other town departments on the Be Well Northborough initiative. A new part-time Outreach Coordinator position was created to support this initiative. The Outreach Coordinator is jointly funded by the Health Department and Library through a MetroWest Health Foundation Grant and appropriation by the Library Board of Trustees through their Annual Appeal Expense Account. The Outreach Coordinator supports program development, outreach, and maintains the online Community Calendar.

The Health Department coordinated the development of a 60-page Community Resource Guide that highlights our municipal services and local, state, and federal resources that address the deeper lasting impacts of the pandemic. This project was supported by Library staff as well as input from many town departments, boards, and committees. This guide was direct mailed to all households in town and is available electronically at [bewellnorthborough.com](http://bewellnorthborough.com).

5. **Regulatory Requirements and Response to Complaints.** The Health Department continued to improve its ability to meet regulatory requirements related to septic systems,



well, food establishments, recreational camps, pools, body art, nuisance complaints and more. One hundred percent of all food establishments are up to on inspections as compared to a 77% compliance rate for the first half of the 2022 calendar year. These improvements are a direct result of the new shared services staff and the implementation of food and housing inspectional software paid for by state grants.

6. Online Permitting. The Health and Building Departments have fully implemented a cloud-based permitting software for all permits.

### **Health Department FY2024 Goals and Initiatives**

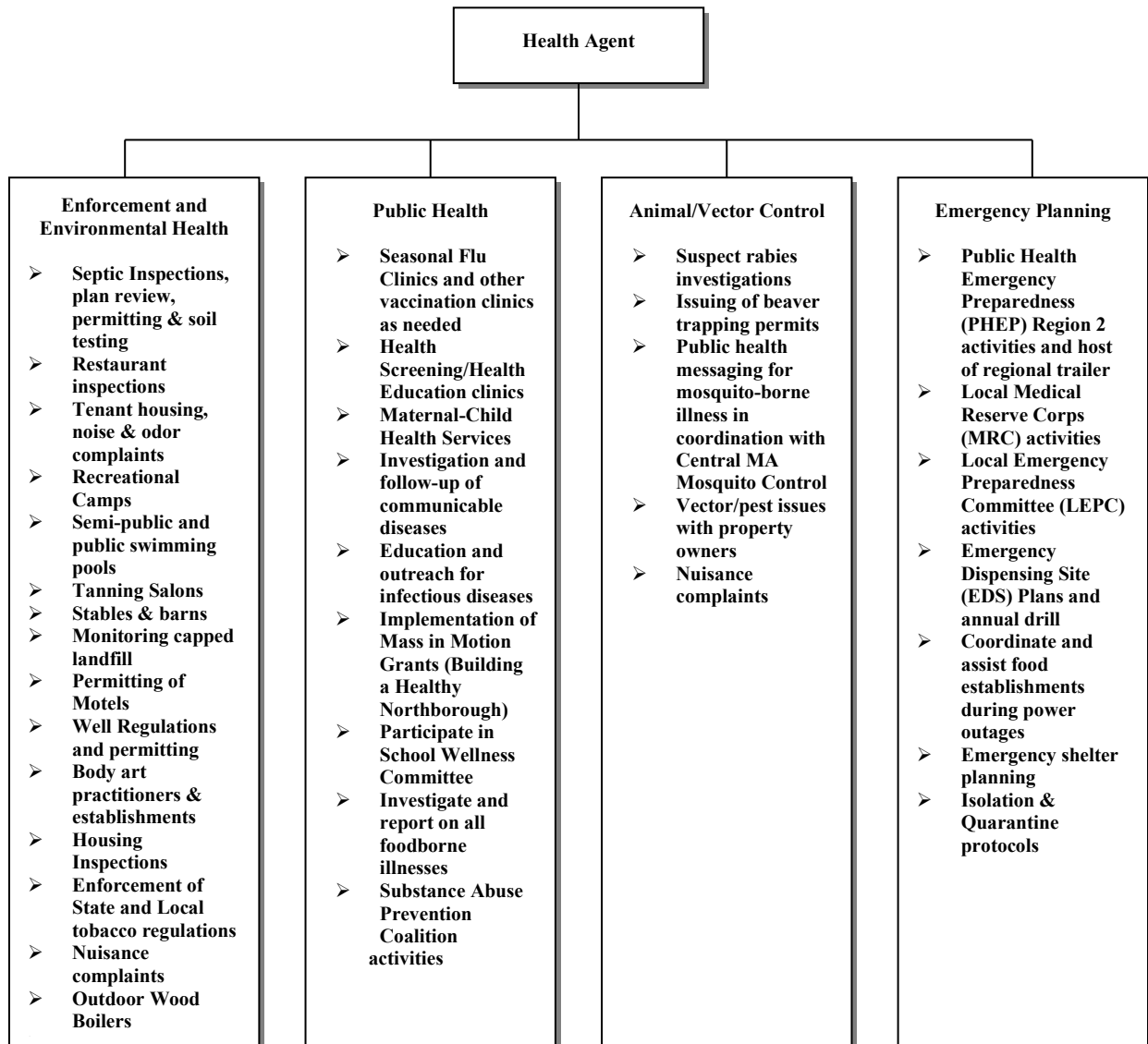
1. Shared Services for Local Public Health. As host of the Greater Boroughs Partnership for Health, the Health Department will continue to administer the Public Health Excellence Grant Program for Shared Services (\$300,000/year for FY24) and a Local Health Support for COVID-19 Case Investigation and Contact Tracing Grant (\$160,000/year for FY24). The Health Department will continue to leverage state and local grants to develop and expand public health programs and services in the region. A goal of FY2024 is to join a state-funded tobacco control alliance to improve to improve regulatory compliance and limit underage sales. The region is planning to partner with IMPACT Melanoma to install sunscreen dispensers at town parks.
2. Health Education and Outreach. The Health Department plans to work with Academic Public Health Corps to implement a new public health outreach campaign focusing on seasonal public health topics such as sun safety, tick-borne diseases, and flu vaccines. Our goal is to deliver public health outreach and education materials monthly across multiple platforms by leveraging partnerships with other town departments, media, and non-profit organizations.
3. Substance Use Prevention. The Health Department will work closely with other town departments and schools on the development and implementation of programs using Municipal Opioid Settlement Funds. Additionally, the Health Department will continue to support Encompass and delivery of grant obligations for any awarded state and federal grants related to substance use and prevention.

### **Significant Budget Changes or Initiatives**



Overall, the department’s FY2024 budget is decreasing by \$16,662 or 7.18%. The budget is level funded. The decrease reflects the part-time plumbing inspector line item moving to the Gas/Plumbing Inspector line in the Building Department budget. A survey of local communities found that the plumbing inspector position is more appropriately housed under the Building Department rather than the Health Department. When controlling for the relocation of the Plumbing Inspector expenses, the Health Department budget is increasing \$923 or 0.4%. This limited increase is due to the turnover of an Administrative Assistant. The departmental budget as presented includes July 1, 2023 cost of living adjustments for union and non-union personnel. This budget does not include merit wage adjustments for January 1, 2024 as those are contingent upon a positive performance evaluation and are budgeted centrally in the Personnel Board account.

**Health Department Programs and Services**





<b>HEALTH DEPARTMENT</b>					
<b>Personnel Summary</b>					
<b>Position</b>	<b>FY 2020 FTE</b>	<b>FY 2021 FTE</b>	<b>FY 2022 FTE</b>	<b>FY 2023 FTE</b>	<b>FY 2024 FTE</b>
Health Director	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Plumbing Inspector	.20	.20	.20	.20	0
Animal Inspector	contractual	contractual	contractual	contractual	contractual
<b>Total Full-time Equivalent</b>	<b>2.20</b>	<b>2.20</b>	<b>2.20</b>	<b>2.20</b>	<b>2.00</b>

\*Personnel Explanation:

- Full Time Equivalents are based upon 40 hrs per wk (30hrs/40hrs = .75 FTE).
- Beginning in FY2024, the Plumbing Inspector is reflected in the Building Department budget to accurately align with operational oversight.
- The Animal Inspector is a contractual service covered as part of the Animal Control contract.
- In addition to the permanent General Fund staff listed in the table above, the Health Department has several shared positions. Please refer to the table below for an explanation of those positions not carried in the official personnel count.

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

<b>HEALTH DEPARTMENT</b>					
<b>Personnel Summary</b>					
<b>Position</b>	<b>FY 2020 FTE</b>	<b>FY 2021 FTE</b>	<b>FY 2022 FTE</b>	<b>FY 2023 FTE</b>	<b>FY 2024 FTE</b>
Health Agent	0	0	0	1	1
Epidemiologist	0	0	0	.48	.80
Public Health Nurses	0	0	0	contractual	contractual
<b>Total Full-time Equivalent</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1.48</b>	<b>1.80</b>

- Greater Boroughs Partnership for Health is supported by a Public Health Excellence Grant Program for Shared Services (\$300,000/year for FY2022-FY2024) and a Local Health Support for COVID-19 Case Investigation and Contact Tracing Grant (\$160,000/year for FY2022-FY2024) from the Massachusetts Department of Public Health. In FY2024, these grants will support the following positions, which are shared by the Towns of Boylston, Southborough, and Westborough:
  - Epidemiologist – Budgeted at 32 hours per week or 0.8 FTE (increased from 19 hours per week or 0.48 in FY2023)
  - Health Agent – Budgeted at 40 hours per week or 1 FTE
  - Contracted Public Health Nurses - 2 FTE and additional per diem hours

# Section 3-30

# Health Department



	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 ACTUAL	FY2023 BUDGETED	FY2023 SIX MONTHS	FY2024 PROPOSED
<b>HEALTH DEPARTMENT</b>						
<b>Personnel Services</b>						
<sup>1</sup> 51100 Health Director	72,338	72,755	94,590	101,306	44,655	103,332
<sup>2</sup> 51130 Part-Time Plumbing Inspector	12,963	15,133	14,291	17,405	8,096	0
51140 Administrative Assistant wages	54,946	58,642	61,901	64,929	28,703	64,251
<sup>3</sup> 51220 Temporary wages	10,496	12,988	0	13,000	0	17,000
51410 Longevity Pay	0	0	0	100	100	0
<b>SUBTOTAL</b>	<b>150,743</b>	<b>159,518</b>	<b>170,781</b>	<b>196,740</b>	<b>81,554</b>	<b>184,583</b>
<b>Expenses</b>						
52800 Contractual Services	0	178	3,250	1,000	0	4,000
53090 Advertising	0	0	0	250	0	250
53170 Testing	7,662	6,523	3,074	20,000	0	20,000
<sup>4</sup> 53990 Nursing Services	7,000	7,500	1,250	7,000	0	0
54290 Office Supplies	989	1,247	1,648	1,260	793	1,080
57110 Travel / Mileage	1,383	1,276	807	3,000	0	2,500
57310 Dues / Licensure Fees	60	60	400	1,201	225	1,370
57340 Meetings	115	551	400	1,195	660	1,200
57810 Unclassified	78	1,655	5,053	300	1,020	300
58690 New Equipment	23	0	2,049	200	72	200
<b>SUBTOTAL</b>	<b>17,309</b>	<b>18,990</b>	<b>17,929</b>	<b>35,406</b>	<b>2,770</b>	<b>30,900</b>
<b>TOTAL: HEALTH DEPARTMENT</b>	<b>168,052</b>	<b>178,508</b>	<b>188,711</b>	<b>232,146</b>	<b>84,324</b>	<b>215,483</b>

<sup>1</sup> Health Director receives a \$10,000 stipend in addition to the listed salary which is paid directly from the PHE grant for oversight of the Greater Boroughs Partnership for Health shared staff and services.

<sup>2</sup> Beginning in FY2024, the Plumbing Inspector is reflected in the Gas/Plumbing Inspector Budget under the Building Department to better align with actual operational oversight.

<sup>3</sup> Line 51220 includes \$13,000 match towards PHE grant which funds majority of the Health Agent wages for the Greater Boroughs Partnership for Health, as well as \$4,000 in wages to fund a part-time Title V Inspector.

<sup>4</sup> In FY2024, Nursing Services are covered by the PHE grant. Funds have been reallocated to lines 52800 and 51220 as operational funding cannot be supplanted by grants.





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### MEMORANDUM

TO: Board of Selectmen  
Appropriations Committee  
Financial Planning Committee

FROM: John W. Coderre, Town Administrator

SUBJECT: Preliminary FY2024 Free Cash Plan

DATE: December 2, 2022

CC: Greg Martineau, School Superintendent  
Financial Team  
Department Heads/Agency Directors

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As you know, the Town of Northborough adopted its very first set of Comprehensive Financial Policies in 2009, followed by the successful adoption of our Free Cash Policy in November 2010. These policies were all formally approved by the Board of Selectmen with the unanimous support of the Appropriations Committee and the Financial Planning Committee.

In accordance with our adopted Free Cash Policy, I have developed a Preliminary FY2024 Free Cash Plan for consideration and use during the upcoming budget process. As you will note, our FY2022 year-end Free Cash was certified at approximately \$2.44 million, which is significantly less than the \$3.39 million from FY2021. Following the dramatic reopening of the economy and subsequent recovery from the pandemic, Free Cash levels are likely to remain at lower historic levels for the foreseeable future. In its most basic form Free Cash is a result of unspent Free Cash from the prior year, plus positive actual performance in both appropriations not spent, as well as revenues realized in excess of the budget.

- Unspent Free Cash from FY2021 was \$500,259 which means the Town “generated” \$1,939,814 during FY2022 for a total FY2022 Free Cash of \$2,440,073.<sup>1</sup>

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<sup>1</sup> It is important to note that although revenues exceeded the budget by \$767,712 and unexpended appropriations returned \$1,144,386, the combined total of “generated” Free Cash is adjusted up by \$27,716 to account for a reduced need for potential tax abatements/exemptions (overlay account).



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- Revenues exceeded the FY2022 budget by \$765,712 or 1.16% with local receipts such as motor vehicle excise taxes and building permits performing better than anticipated due to the improving economy. Lastly there were several one-time revenues associated with various grants and Medicaid reimbursements.
- Expenditures returned were \$1,144,386 or 1.67% of the FY2022 budget. The return included positive results in the Employee Benefit lines due to favorable health insurance experience. Staff turnover in public safety also resulted in returned appropriations as new hires were brought on at a lower salary cost.

As you can see, our goal of keeping year-end revenues and appropriations to within 1-3% of the operating budget was once again achieved. At this level, I am pleased to report that the Town will be able to maintain an appropriation to the Reserve Account, continue to contribute the policy-targeted amount into the FY2024 Operating Budget, and once again pay cash for a significant portion of our upcoming capital needs.

In addition, the preliminary Free Cash Plan maintains the Town's financial reserves within the policy limits of 5-10% of the operating budget. Prior to the close of FY2022, the Town's reserves were at 8.2%, or \$5.9 million. After the close of FY2022 our July 1, 2022 reserves increased to approximately 10.7%. The preliminary Free Cash Plan below provides an initial proposal on how these one-time funds can be used in the upcoming budget cycle. While there will be more discussion regarding the exact amounts to be used in the various categories, the plan as proposed would provide for the maintenance of financial reserves at approximately 8%, well within our policy target area.

<b>PRELIMINARY FY2024 FREE CASH PLAN</b>		
Free Cash Certification as of 7/1/2022	2,440,073	100%
FY2024 Appropriated Reserve	-175,000	7.2%
FY2024 Operating Budget	-500,000	20.5%
FY2024 Stabilization Fund	-200,000	8.2%
FY2024 Capital Projects	-1,065,073	43.6%
Available Free Cash after FY2024 Plan	500,000	20.5%

The preliminary Free Cash plan contains the annual appropriation to the Reserve Account in the amount of \$175,000, which is the same as in FY2023. Also included in the plan is a contribution of \$500,000 to the FY2024 Operating Budget, which is the goal specified



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in our policy. Finally, the Town has the option to contribute additional funds to the Stabilization Fund and/or use the funds to pay for capital projects, thereby forgoing any debt costs. As currently drafted, the plan calls for contributing \$200,000 to the Stabilization Fund in an effort to maintain current reserve levels, as well as using up to \$1,065,073 to pay for various capital projects which will be developed during the annual capital planning process with the Financial Planning Committee.

Lastly, the plan contemplates leaving approximately \$500,000 in unappropriated Free Cash, which would remain available if needed. This is a financially conservative approach, since it ensures that the Town will have at least the same level of Free Cash for use in the subsequent operating budget. The Town opted for a similar approach in each of the past nine fiscal years, leaving at least \$500,000 remaining in uncommitted Free Cash following the approval of all operating and capital appropriations.

It is important to note that the Town's bond rating, which was upgraded to Aa1 during FY2016, increased partially due to the Town's healthy financial reserves and disciplined implementation of the Free Cash Policy. Maintenance of reserves will be critical as we contemplate moving forward with significant capital projects such as the new fire station.

As with most aspects of our capital and operating budgets, the final use of Free Cash remains subject to Town Meeting approval and appropriation. The point of this exercise is to generate a planning tool based upon available resources and the Town's policy guidelines. The Financial Planning Committee and Appropriations Committee will now begin meeting to discuss the various projects and funding plans for recommendation at Town Meeting.

For your reference, I have attached to this memo an updated version of the previously distributed "Introduction to the Free Cash Policy" document, which is presented in the format of frequently asked questions. In addition, a copy of the appropriate section of the Financial Policies contained in Appendix A of the Annual Budget document is included for your information.

I look forward to discussing this information in more detail at your December 5th meeting.

John W. Coderre  
Town Administrator



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### Introduction to Northborough's Free Cash Policy

#### 1. What is Free Cash?

In its most basic definition, Free Cash is the fiscal year-end combination of revenues that come in higher than estimated and expenditures that come in lower than budgeted. Free Cash is an available fund that is composed of the remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates and unspent amounts in appropriated budget line-items. After the June 30<sup>th</sup> close of the fiscal year, the Town's Free Cash is certified by the State Department of Revenue and only then is it available for appropriation.

#### 2. Why is Free Cash identified as “one-time” revenue and what are the budgetary considerations associated with this type of revenue source?

In the past, the Town of Northborough relied upon significant amounts of Free Cash to balance the operating budget and we continued this practice for many years. However, the dependency upon “one-time” available funds to supply a portion of the foundation for the operating budget essentially created a rolling “Structural Deficit”. Further, while we realize that a significant portion of the operating budget has traditionally been based on this financing source, it proved impossible during a previous economic downturn to continue using the same level of Free Cash to fund the operating budget. By necessity, use of Free Cash in the operating budget was systematically phased down over the years from \$700,000 in FY2010, to \$600,000 in FY2011, and ultimately, \$500,000 in FY2012. The Free Cash Policy target of \$500,000 was maintained from FY2012 to FY2020.

During FY2021 the economic impacts of the COVID-19 pandemic required \$878,000 in one-time revenues to balance the operating budget. The use of additional one-time funds was done in accordance with the Free Cash Policy “to allow for fiscal flexibility” during the declared state of emergency. During FY2022 the use of Free Cash returned to the policy target of \$500,00 where it is anticipated to remain in FY2024.

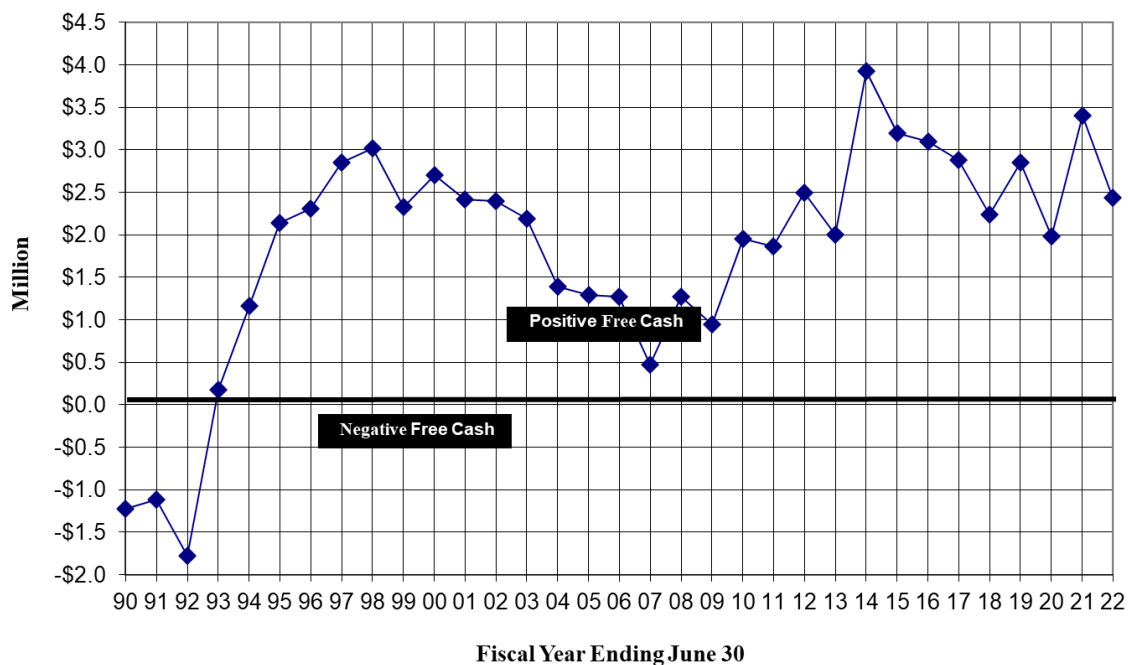


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Throughout the most recent budgets cycles a combination of positive economic activity and conservative financial management has kept the Town of Northborough in a good financial position. Certified Free Cash has varied over the last 33 years from negative \$1.78 million to \$3.93 million in the positive, as Free Cash levels tend to loosely mirror the general economic cycles. However, certified Free Cash over the last ten years has averaged \$2.81 million.

**Certified Free Cash FY1990-2022**



\*Source: Massachusetts Department of Revenue

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



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### 3. What is the difference between a Free Cash Policy and a Free Cash Plan?

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

### 4. What are the acceptable uses of Free Cash under the policy?

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

- **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, such as snow and ice overdrafts. Transfers from this account require the approval of the Appropriations Committee. Historically, the fund has contained approximately \$118,500 at the start of the budget year. During the last recessionary period the fund was significantly less due to financial constraints and in FY2011 the Reserve Fund was budgeted at only \$80,000. Under the 2010 Free Cash Policy this fund was raised to \$150,000 in FY2012 and later increased to \$175,000 in FY2016 where it remained. During FY2021 the Reserve Fund was increased to \$375,000 due to the uncertainty of potential COVID-19 impacts. However, in FY2022 the Reserve Account returned to \$175,000 where it is anticipated to remain in FY2024. Any unused amount of the Reserve Fund returns to Free Cash at year-end. The Reserve Fund is designed to deal with one-time extraordinary expenditures and is therefore an appropriate use of Free Cash.
- **Limited Subsidy of the Operating Budget** – Over recent years the Town pursued a gradual transition away from using Free Cash to fund recurring operational expenses. This was accomplished by annually reducing the appropriation by \$100,000 until such time as the appropriation from Free Cash into the operating budget was lowered to \$500,000. This goal was fully realized in FY2012. Based upon trend analysis and historical data, it is anticipated that \$500,000, or approximately 1% of the operating budget, is a sustainable level.



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Given the need for conservative revenue estimates, the Town strives to generate 2-3% more in revenues than budgeted. Given the necessity of the practice, it is reasonable to return a portion of the Free Cash generated from conservative estimates back into subsequent budgets. The key is to use an amount that will realistically be available in subsequent years. It is anticipated that the level of Free Cash used in the FY2024 operating Budget will be at the target amount of \$500,000.

- **Capitalize the Stabilization Fund** – The Stabilization Fund can be thought of as the Town’s emergency savings account. It is designed to accumulate amounts for unforeseen circumstances, capital and other future spending purposes, although it may be appropriated for any lawful purpose in accordance with MGL Ch. 40 §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, it only requires a simple majority to appropriate money into one.

Historically, the budget provided for an annual appropriation of \$100,000 to be added to the Stabilization Fund. However, from FY2008 through FY2015 no appropriations were possible due to financial constraints. In any given year ending with healthy Free Cash levels, an appropriation to the Stabilization Fund would be among the appropriate uses for the funds and a practice that would add to the Town’s overall financial stability. Such an appropriation in the amount of \$200,000 was made in FY2020 but deferred in FY2021 and FY2022 due to the pandemic. During FY2023 the \$200,000 appropriation was returned to the Stabilization Fund. To maintain reserve ratios, it is again recommended that \$200,000 be appropriated into the Stabilization Fund in FY2024.

- **Capital Improvement Program** – Another good use of Free Cash is to fund capital projects that would otherwise incur borrowing costs associated with the issuance of debt. The financing of small capital projects or equipment is not considered a best practice for a community our size. Although perfectly legal, the Town has moved away from incurring debt for vehicles and other small equipment purchases. Bond rating agencies prefer to see Towns using a pay-as-you-go approach for smaller capital projects. The one-time nature of Free Cash makes it an excellent match for one-time capital expenditures. If for some reason



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sufficient Free Cash does not materialize in a given year, the Town can make the decision to borrow for capital projects, or delay them, without causing immediate impact to the operating budget and related services. Most recently, the Town chose to exercise the option of postponing some capital projects in FY2021 in order to temporarily free up financial resources during the pandemic emergency.

- **Extraordinary Deficits & Emergency Appropriations** – Lastly, Free Cash could be used to fund any potential deficits that would otherwise be carried over to the following fiscal year, such as snow and ice deficits, or emergency appropriations.

### 5. Why did the Town adopt a Free Cash Policy?

During the “Great Recession,” the Town was forced to deal with the operational impacts of reduced Free Cash for several budget cycles. To manage the decline of Free Cash and the impact on the operating budget, all departments had to constrain spending. When the economy improved, the Town did not want to simply return to undisciplined past practices that would leave finances vulnerable again. A goal of the Free Cash Policy is to hold the use of Free Cash in the operating budget to a sustainable level (less than 1%) and use it in a manner that adds to our long-term financial stability, such as funding capital projects.

### 6. What are the key benefits of the adopted Free Cash Policy and related Free Cash Plan?

- Creates a principle-based decision-making process that establishes clear, agreed upon priorities and expectations regarding the use of Free Cash.
- Provides for a planned, sustainable level of Free Cash to be used in the operating budget; thereby, preventing wild swings in available revenues.
- Links one-time revenues to one-time expenses and provides an appropriate funding source for capital projects, especially small pay-as-you-go equipment purchases.
- It strengthens the Town’s overall financial position by lowering our reliance on one-time revenues in the operating budget, provides for adequate financial





## TOWN OF NORTHBOROUGH

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reserves, eliminates financing costs for small projects, and increases flexibility and lead time to address significant changes in economic conditions.

- Lastly, it strengthens our bond rating; thereby lowering interest costs on future debt.



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**Excerpted from Town of Northborough's Adopted Financial Management Policies  
contained in Appendix A of the FY2022 Budget document**

### TOWN OF NORTHBOROUGH FINANCIAL MANAGEMENT POLICIES

#### III GENERAL FUND

- D. Reserves reflect a community's ability to react to unforeseen circumstances and to minimize or avoid borrowing for capital expenditures. Reserves should normally range between 5% and 10% of the Town's General Fund (operating budget) Expenditures. The Town will endeavor to continue its policy of maintaining reserves at 10% of General Fund Expenditures. Reserves are defined to include the Town's Stabilization Fund and Free Cash.

The Stabilization Fund is the Town's main reserve fund designed to provide financial stability for the Town while improving the Town's credit worthiness and flexibility. The provisions of this fund are dictated by Massachusetts General Law, Chapter 40, Section 5B. The Stabilization Fund may be appropriated for any lawful purpose. However, at no time can an appropriation placed into the fund exceed 10% of the previous year's real property tax levy, nor can the fund itself exceed 10% of the equalized value of the Town.

Free Cash reserves are the remaining, unrestricted funds from operations of the previous fiscal year; these include unexpended Free Cash from the previous year, actual receipts in excess of revenue estimates and unspent amounts in budget line-items. Once certified, monies held in this reserve may be appropriated during the current budget year and may also be used as a source of revenues for the ensuing budget year.

The Town has historically used some portion of its Free Cash to subsidize the ensuing year's annual operating budget. However, it is the Town's goal to limit the amount of Free Cash used in the operating budget to a sustainable level and to use these available funds for non-recurring one-time expenses, such as capital items.



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For purposes of this policy, the following are deemed to be appropriate uses of Free Cash:

- Appropriated Reserve – an amount to provide for extraordinary or unforeseen expenditures as authorized by MGL Chapter 40, Section 6.
- Operating Budget – in order to pursue a gradual transition from using Free Cash to fund recurring operational expenses, the Town will reduce its annual appropriation by \$100,000 each year until such time as the annual appropriation from Free Cash for the operating budget is lowered to \$500,000.
- Stabilization Fund – to fund or replenish the Stabilization Fund.
- Capital Improvement Program – to fund capital projects that would otherwise incur borrowing costs associated with the issuance of debt.
- Special Use – to augment the trust funds related to fringe benefits and unfunded liabilities related to employee fringe benefits.
- Extraordinary Deficits – to fund any potential deficits that would otherwise be carried over to the following fiscal year.
- Emergency Appropriations – to allow for fiscal flexibility.

The overall level of Financial Reserves is critical to maintaining the Town's Bond Rating and ensuring sufficient funds to manage unanticipated needs. Funds shall be allocated from Reserves only after an analysis has been prepared by the Town Administrator and presented to the Board of Selectmen. The analysis shall provide sufficient evidence to establish that the remaining balance is adequate to offset potential downturns in revenue sources and provide sufficient cash balance for daily financial needs.

**DRAFT FY2024 CAPITAL BUDGET FOR DISCUSSION PURPOSES**

**(note: available Free Cash is only \$1,065,073 and the Select Board has not voted on ARPA spending)**

PROJECTS BY DEPARTMENT	EXPENDITURE	FUNDING SOURCES		
		Free Cash	Enterprise Fund Free Cash	ARPA
<b>Police</b>				
Police Cruiser Replacements (3)	190,000	190,000		
Police Station Exterior Repairs & Painting	70,000	70,000		
<b>Police Subtotal</b>	<b>\$260,000</b>			
<b>Fire</b>				
Engine 1 Replacement	900,000			900,000
<b>Fire Subtotal</b>	<b>\$900,000</b>			
<b>Town Administration</b>				
Downtown Master Plan Phase I Design	0			TBD
<b>Town Administration Subtotal</b>	<b>\$0</b>			
<b>DPW: Highway Division</b>				
Roadway Improvements/Maintenance	300,000	300,000		
20-Ton Dump Truck w/Spreader&Plow Replacem	355,000	355,000		
Highway Garage Tight Tank DEP Compliance	475,000			475,000
One-Ton Truck w/Plow Replacement	150,000	150,000		
Sidewalk Repairs & Improvements	0			TBD
Culvert & Drainage Replacement Program	0			TBD
<b>Highway Subtotal</b>	<b>\$1,280,000</b>			
<b>DPW: Water &amp; Sewer Enterprise Funds</b>				
15-Ton Dump Truck (new addition)	225,000		225,000	
SCADA Phase II (matching grant allocation)	125,000		125,000	
<b>Sewer Enterprise Fund Subtotal</b>	<b>\$350,000</b>			
<b>Schools K-8:</b>				
Proctor Flat Roof Replacement	1,700,000			1,700,000
Zeh School Back Walkway Entrance Repairs	40,000	40,000		
<b>Schools K-8 Subtotal</b>	<b>\$1,740,000</b>			
<b>TOTAL FY2024 CAPITAL BUDGET</b>	<b>\$4,530,000</b>	<b>\$1,105,000</b>	<b>\$350,000</b>	<b>\$3,075,000</b>



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**MEMORANDUM**

TO: Board of Selectmen  
FROM: John Coderre, Town Administrator  
SUBJECT: American Rescue Plan Act (ARPA) Recommended Projects  
DATE: February 7, 2023

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**Background:**

I am providing this ARPA memo in advance of the Board’s next meeting in the hopes that it will be included on your agenda for discussion and action. Following please find the latest information regarding ARPA funds that have been received and committed to date. Also attached is another copy of the memo that was provided to the Board prior to the June 16, 2022 ARPA public input session. While there have been developments since that memo was prepared, I believe it still provides appropriate contextual information for discussion purposes.

On March 11, 2021, President Biden signed the \$1.9 Trillion American Rescue Plan Act of 2021 (ARPA) into law. The bill provides resources through the Coronavirus Local Fiscal Recovery Fund (CLFRF) to local governments to respond to the public health emergency caused by COVID-19. Northborough has now received \$4,516,183 of direct aid, administered by the US Department of the Treasury. The timeline for expending the funds calls for amounts to be fully obligated by December 31, 2024, and fully expended by December 31, 2026.

<b>Municipal ARPA Disbursements</b>	
#1 - 6/14/2021	\$790,719
#2 – 7/6/2022	\$790,719
<b>Municipal Subtotal</b>	<b>\$1,581,438</b>

<b>County ARPA Disbursements</b>	
#1 – 8/13/2021	\$1,467,373
#2 – 9/29/2022	\$1,467,373
<b>County Subtotal</b>	<b>\$2,934,746</b>

**Total ARPA Grant Funds Received: \$4,516,184**

As you know, the Board already committed ARPA funds to a handful of projects which are listed in the table below. After accounting for these expenditures there still remains \$4,325,184 in ARPA funds that are available for use without Town Meeting action.

<b>ARPA Funds Committed</b>	
Proctor Roof Drainage Repairs	(\$38,000)
Assabet Park Fence	(\$20,000)
Pickleball Court Bid Alternates	(\$18,000)
BeWell Northborough Wellness Initiative	(\$100,000)
Housing Authority Project	(\$100,000)
Subtotal Voted by BOS on 3/14/2022	(\$276,000)
Housing Authority Project Cancelled	\$100,000 (No state grant so project canceled)
Community Meals Support by BOS vote 11/7/22	(\$15,000)

**Remaining ARPA Grant Funds** **\$4,325,184**

**State ARPA Funding:**

ARPA spending categories and rules for expenditure have not changed in any meaningful way since my June 15 memo, however, the full State spending plan for ARPA is still not finalized. On November 10<sup>th</sup> Gov. Charlie Baker signed a \$3.7 billion spending package that was a combination of an economic development bill and a Fiscal 2022 supplemental budget.

Legislators had tabled a \$4 billion economic development bill as the formal legislative session ended on July 31, when it came to light that a large portion of the state’s FY2022 budget surplus would need to be returned to taxpayers under a 1986 law known as Chapter 62F. In September, the state auditor certified that nearly \$3 billion needed to be returned to taxpayers under 62F, which left a surplus of \$3.17 billion.

The Legislature added \$510 million of the state’s ARPA funds to the remaining state surplus to fund the economic development and supplemental budget package, expending the remainder of the surplus and leaving roughly \$1.75 billion in the state’s ARPA allocation.

However, the Governor vetoed the outside section capping the use of ARPA funding at \$510 million, saying his veto will allow the Commonwealth to prioritize the use of those time-limited federal dollars. The vetoed section was referred to the House Committee on Ways and Means on Nov. 17 for consideration. According to the Massachusetts Municipal Association (MMA), the Legislature never acted on the Governor's veto of the section that would cap the use of ARPA funds. As a result, it is unclear exactly where things stand.

There will likely be two options: (1) a balance of approximately \$1.75 billion in state ARPA funds, or (2) the same amount as a balance of FY2022 surplus funds. Unfortunately, at this point we do not have any idea of forthcoming proposals from the new Healey Administration regarding the use of that funding.

**Northborough Capital Improvement Plan and ARPA Spending Plan:**

At this point, the Town of Northborough must move forward with making decisions regarding the use of its ARPA funding, at least as it pertains to the upcoming FY2024 Capital and Operating Budgets. Town Meeting warrants are being drafted and several key ARPA spending proposals from June 15 remain outstanding, including the Proctor School Roof, Replacement of Engine 1, and Installation of the DPW Tight Tank.

**DRAFT FY2024 CAPITAL BUDGET FOR DISCUSSION PURPOSES**  
 (note: available Free Cash is only \$1,065,073 and the Select Board has not voted on ARPA spending)

PROJECTS BY DEPARTMENT	EXPENDITURE	FUNDING SOURCES		
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<b>TOTAL FY2024 CAPITAL BUDGET</b>	<b>\$4,530,000</b>	<b>\$1,105,000</b>	<b>\$350,000</b>	<b>\$3,075,000</b>

It is important to recognize that the Town maintains a comprehensive list of all current and future capital needs using its Six-year Capital Improvement Plan (CIP), the first year of which constitutes the upcoming FY2024 Capital Budget. The CIP is updated annually as part of the budget cycle and is reviewed by the Financial Planning Committee, Appropriations Committee, and ultimately, approved by Town Meeting. According to the Government Finance Officers Association (GFOA), use of one-time ARPA funding to address existing capital needs is a preferred best practice that reduces future tax increases and strengthens the Town’s financial outlook. If items in the Capital Budget that have been recommended for funding with ARPA monies are not authorized, the Town will need to issue \$3,075,000 in debt to finance the Proctor School Roof, Replacement of Engine 1, and Installation of the DPW Tight Tank. These three projects are summarized below.

➤ Proctor Elementary School Flat Roof Area Replacement \$1.7 million

On February 28, 2022 the Board of Selectmen authorized the School Superintendent to file a Statement of Interest (SOI) with the Massachusetts School Building Authority (MSBA) regarding replacement of the 40,000 square foot flat sections of the Proctor Elementary School roof. The Town replaced the peaked metal roof sections several years ago. The Town sought MSBA’s assistance in paying for approximately 45% of the total project cost, which is now estimated to be approximately \$1.7 million.

The school department received \$38,000 of ARPA funding in March of 2022 to make immediate repairs to the downspouts and drains to resolve some of the ponding water issues on the roof. The repair funds were intended to hold the roof until MSBA grant funds could be secured. Unfortunately, on October 26, 2022 MSBA notified the Town that the Proctor roof would not be funded in this round of grants. Worse still, on November 2, 2022, MSBA issued a press release suspending the Accelerated Repair Program (ARP) for roofs in 2023 due to “unanticipated market volatility and supply chain issues having significantly affected project bid results.” Basically, previously approved project costs were escalating at a rate that prevented MSBA from taking on any new projects in the coming grant cycle.



The result is that Northborough will not be eligible to participate in MSBA’s grant program for at least two grant cycles. The Proctor roof cannot wait until the MSBA grant program comes back online, especially since the backlog of MSBA projects deemed more pressing than the Proctor School roof has only grown longer. It is recommended that \$1.7 million in ARPA funds be released to fund the cost of the Proctor School roof replacement. If ARPA funds are not released, the project will require authorization for the issuance of \$1.7 million in debt at the April 2023 Annual Town Meeting.



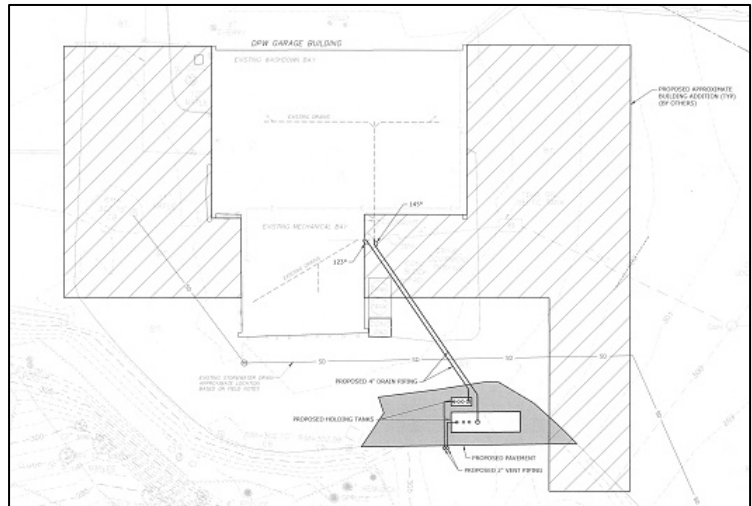
➤ Fire Engine 1 Replacement

This request seeks to replace a 2005 Fire Engine. 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. Engine 1 is currently the back-up reserve pumper. The 2016 Engine 2 will become the reserve back-up pumper once the new replacement is purchased and takes over as the new front-line pumper. Due to ongoing maintenance and mechanical issues, it is proposed that this apparatus be replaced in FY2024 using available ARPA funds. Recent escalation has increased the cost of the new apparatus to \$900,000 and due to supply chain disruptions it may take up to two years for delivery following placement of the order. If ARPA funds are not released, the project will require authorization for the issuance of \$900,000 in debt at the April 2023 Annual Town Meeting.



➤ The Highway Garage Tight Tank – Facility Improvement

This request seeks to fund installation of a tight tank system at the highway garage located at 190 Main Street. The existing garage was built in 1984 and no longer complies with State environmental regulations. The building is served by an onsite septic system which cannot accept discharge of truck wash water. In accordance with MassDEP requirements, an underground holding tank is required for this wastewater. This requires interior plumbing changes as well as locating the tank in such a manner that it does not preclude future building expansion/reconfiguration. The updated construction cost estimate is now \$475,000. Again, if ARPA funds are not used for this project, it will require authorization for the issuance of \$475,000 in debt at the April 2023 Annual Town Meeting.



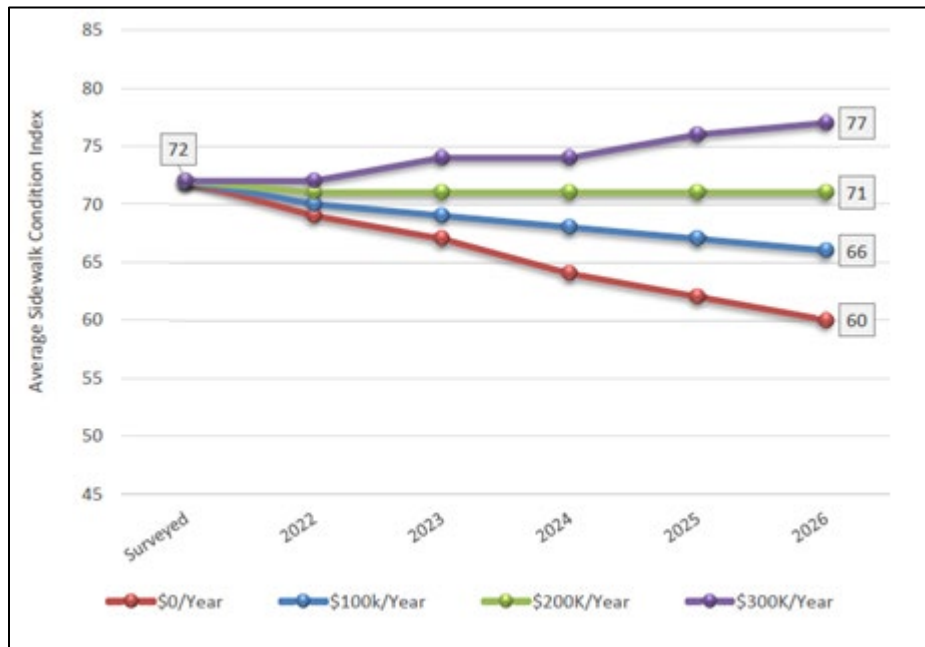
**Estimated Tax Impacts**

Given the timing of several major projects anticipated in the next few years, including the new Fire Station, the Town Offices Feasibility Project, and the Downtown Revitalization Initiative, the Town should strive to limit the issuance of debt as long as alternative funding sources are available. Utilizing ARPA funds for certain capital items will clearly reduce tax increases in future years. The three projects recommended for immediate ARPA funding total \$3,075,000. If these long-planned projects are bonded over 10 years, the debt service will cost the average single-family homeowner approximately \$61 per year for the next 10 years, totaling \$610.

**Other Priority Capital Projects for ARPA Funding Consideration:**

If the three proposed capital projects being recommended for immediate ARPA funding are authorized, it would still leave approximately \$1.3 million in available ARPA funding. Some additional projects for consideration include several other priorities from the 2020 Master Plan, such as sidewalk and roadway improvements, as well as downtown revitalization efforts.

- Sidewalk Enhancements minimum of \$200,000 annually: The recently completed Northborough Master Plan identifies sidewalk and crosswalk improvements as well as sidewalk expansion as primary goals of the community. Public Works has begun working towards these goals in several ways. A complete reassessment of all town sidewalks was conducted in 2022 which will culminate with a sidewalk management plan and accompanying capital improvement plan. Unfortunately, the assessment identified approximately \$2.1 million in existing sidewalk repairs. In March of 2022 it was recommended that ARPA funds be used to address a portion of the immediate backlog of existing sidewalk repairs. Without an identified funding source, this cost will continue to rise. The chart below presents different funding scenarios and the associated systemwide impact.



ARPA could also be used to fund sidewalk and accessibility improvements at various town owned locations. Northborough identified sidewalk and pedestrian improvements as a priority in the 2020 Master Plan, and as a result has become a MassDOT Complete Streets community. At the December 19 meeting of the Board of Selectmen, Northborough’s Complete Streets Prioritization list was approved, which includes 25 projects totaling between \$3.5 and \$4.4 million. The Complete Streets program requires design services to be funded by the community in order for projects to be eligible for potential construction grants. ARPA funding could be used to support the repair of existing sidewalks, as well as to fund needed design services for potential grant applications. In several instances, existing repair needs could also qualify for Complete Streets grant funding.

- Culvert & Drainage Replacement Program minimum of \$300,000 to start: In 2019, the Town completed a culvert inventory and condition assessment of approximately 75 culverts town wide. Several culverts were found to need replacement due to deteriorated pipes and end treatments. Drainage systems in town are aging and many have surpassed their functional life. The Town video inspects those systems where repeated repairs have been needed to identify and prioritize the replacement projects. Funding for drainage work was postponed during the pandemic. ARPA funds could be used to replace/rehabilitate culverts and failing drainage systems, which is also part of the comprehensive approach to roadway improvements.

In addition, the Town has identified significant drainage needs in the Assabet Hill neighborhood where poor construction at the time the subdivision was built is now resulting in a significant number of failing catch basins and pipes that need to be addressed. Again, drainage funding was postponed during the pandemic, so ARPA funds used to get the improvement plan back on schedule would be an appropriate use of these funds.

- Downtown Revitalization Strategy & Design Study—Phase I Design only \$250,000: The Town finalized its Master Plan Update in 2020 after nearly a year and a half long process which included extensive public participation and review. The Master Plan includes a comprehensive baseline assessment describing the Town's existing resources and conditions, and projects future needs and goals of the community. In the Fall of 2020, the Town established a Master Plan Implementation Committee charged with the evaluation and prioritization of the various goals and tasks set forth in the Master Plan document. The Master Plan Implementation Committee formally voted to make downtown revitalization its top priority and developed a scope of work for a Downtown Revitalization Strategy & Design Study funded in FY2023 using Free Cash.

Once the downtown vision is established, the Town will select one area of the downtown to focus its efforts to transform the public realm and encourage redevelopment opportunities on abutting underutilized public/private owned parcels. Phase I of the design/construction will likely address accessibility improvements to sidewalks, ramps and crosswalks, public parking, vehicular circulation, bike accommodations, energy-efficient lighting, seating, street trees and other landscaping elements, public art, utility upgrades, and wayfinding signage. It is estimated that Phase I of the downtown revitalization project could have design costs of approximately \$250,000 and construction costs in excess of \$2.5 million. Additional project phases and cost estimates will likely be added to the capital plan over the coming years as the downtown vision becomes more fully developed.

### **Conclusion**

While there are numerous projects and initiatives that still require discussion, the Proctor School Roof, Fire Engine Replacement and the DPW Tight Tank are now time sensitive and require a decision in order for the Town to move forward with the FY2024 Capital and Operating Budgets, as well as the 2023 Annual Town Meeting Warrant. I look forward to discussing this request at your February 13 meeting.



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## MEMORANDUM

TO: Board of Selectmen  
FROM: John Coderre, Town Administrator  
SUBJECT: American Rescue Plan Act (ARPA) Update  
DATE: June 15, 2022

In preparation for our June 16<sup>th</sup> American Rescue Plan Act (ARPA) Listening/Input Session, I thought it might be helpful to provide the Board with an update regarding Northborough's ongoing and planned COVID response and recovery efforts. This information provides appropriate context for the discussions that will ensue following the planned listening session. For more detailed information regarding ARPA, interested readers are encouraged to visit the Town's dedicated [ARPA webpage](#) which includes helpful reference information, including this memo.

By way of background, on March 11, 2021, President Biden signed the \$1.9 Trillion American Rescue Plan Act of 2021 (ARPA) into law. The bill provides resources through the Coronavirus Local Fiscal Recovery Fund (CLFRF) to local governments to respond to the public health emergency caused by COVID-19. Northborough is expected to receive \$4,516,183 of direct aid, administered by the US Department of the Treasury. The timeline for expending the funds calls for amounts to be fully obligated by December 31, 2024, and fully expended by December 31, 2026.

### **ARPA Overview Spending Categories and Rules:**

The U.S Department of the Treasury released details on the ways funds can be used to address acute pandemic-response needs, fill revenue shortfalls among state and local governments, and support the communities and populations hardest-hit by the COVID-19 crisis. Information regarding eligible spending uses has been evolving since the bill was signed into law. On January 6, 2022, the U.S Treasury issued its Final Rule. The basic categories of funding eligibility are shown below.

## ARPA Funding Categories



### **Support Public Health Response**

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



### **Replace Public Sector Revenue Loss**

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



### **Water and Sewer Infrastructure**

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



### **Address Negative Economic Impacts**

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



### **Premium Pay for Essential Workers**

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



### **Broadband Infrastructure**

Make necessary investments to provide unserved or underserved locations with new or expanded broadband access

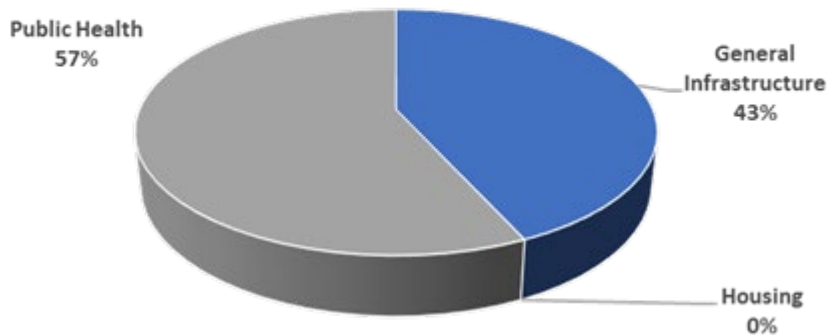
ARPA funds essentially function similarly to a grant and are to be spent based on available cash-on-hand, as opposed to reimbursement. Funds are set to be deposited in two tranches, the first of which has already been received. It is important to recognize that these funds are non-recurring in nature and should be generally treated similarly to free cash or other grant funds. The Government Finance Officers Association (GFOA) strongly recommends that due to the temporary nature of ARPA funds, they should be applied to non-recurring expenses. GFOA further stresses that “Care should be taken to avoid creating new programs or add-ons to existing programs that require an ongoing financial commitment.”<sup>1</sup> Alternatively, GFOA stresses that investment in critical infrastructure is a well-suited use of ARPA funds given their non-recurring nature, as well as the ability to target strategically important long-term assets that provide benefits over many years. Additionally, GFOA provides detailed guidance on exercising patience in obligating these funds, as there are many Federal, State and other local partnership/grant opportunities that are offering funding for many of the same projects listed as allowable uses under ARPA.

**Requests and Committed ARPA Funds:**

At the March 14, 2022 meeting, the Board voted on time sensitive projects to be funded using \$176,000, or 3.9% of the ARPA allocation. Those projects and committed funding amounts are shown below. Following the allocations listed, there is a remaining balance of \$4,340,183.

Project	Cost Estimate
Proctor School Roof Drain Repairs	\$38,000
Assabet Park Fence	\$20,000
Pickleball Court Alternates	\$18,000
Be Well Northborough Initiatives	\$100,000
Affordable Housing (NAHC)	\$100,000 (No longer committed due to lack of State grant funding)
<b>TOTAL</b>	<b>\$176,000</b>

Approved Projects - Funding by Category

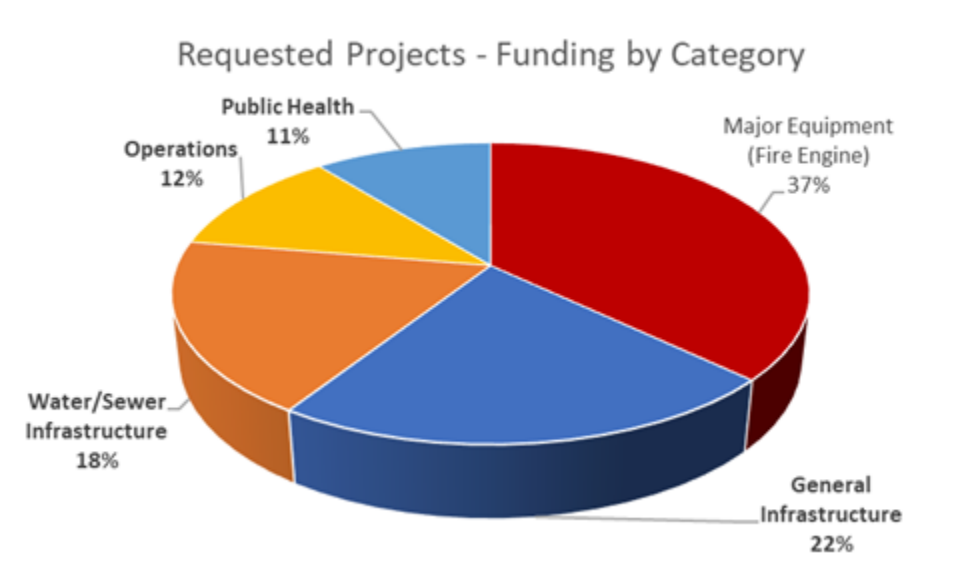


In addition to the approved projects above, staff also presented additional projects at the March 14, 2022 Board of Selectmen meeting that sought to address several immediate capital needs that would otherwise require appropriations or the issuance debt, which would directly impact taxpayers. Keeping the GFOA best practices and recommendations above in mind, most of the proposals consider reducing long-term infrastructure needs or major equipment replacements. In an effort to effectively manage the borrowing needs of the community in anticipation of a substantial fire station building project, and possible town

<sup>1</sup> “GFOA American Rescue Plan Act Guiding Principles”, <https://www.gfoa.org/american-rescue-plan-spending-guiding-principles>.

hall renovation, staff’s recommendation was to leverage a portion of the ARPA funds to help address the backlog of projects from the Town’s Six-year Capital Improvement Program. As previously discussed, the capital projects offered for consideration, such as the Fire Engine Replacement and the Sidewalk Repair Plan, are known needs that will require funding either with one-time ARPA grant funds or general tax dollars.

Project	Category	Cost Estimate
Fire Engine Replacement	Major Equipment Replacement	\$ 800,000
Highway Garage Tight Tank	Water/Sewer Infrastructure	\$ 400,000
Proctor School Roof Drain Repairs	General Infrastructure	\$ 38,000
Master Plan - Sidewalk Plan Phase 1	General Infrastructure	\$ 400,000
Affordable Housing (NAHC) <sup>2</sup>	Housing	<del>\$ 100,000</del>
FY23 Operating Budget Subsidy for OPEB	Operations	\$ 250,000
Assabet Park Fence	General Infrastructure	\$ 20,000
Pickleball Alternates	General Infrastructure	\$ 18,000
Be Well Northborough Initiative	Public Health	\$ 100,000
COVID Expense Reserve	Public Health	\$ 132,092
	<b>TOTAL</b>	<b>\$ 2,158,092</b>



In addition to the projects that were proposed for consideration using the first half of the ARPA funding, it is anticipated that costs associated with the full Proctor School roof replacement would be considered in the second round, as well as projects and initiatives still to come from the Downtown Master Plan/Vision process. It is anticipated that the business community would be heavily involved in the Downtown process, which may lead to appropriate grant or incentive programs designed to enhance the overall economic vitality of the Town as a whole. A few of these additional projects are included here for purposes of discussion and possible consideration.

<sup>2</sup> The \$100,000 for the Affordable Housing Project was rescinded due to a lack of overall state grant funding for the project

Project	Explanation	Cost Estimate
Proctor Elementary School Flat Roof Replacement	<p>On February 28<sup>th</sup> the Board of Selectmen authorized the School Superintendent to file a Statement of Interest (SOI) with the Massachusetts School Building Authority (MSBA) regarding replacement of the 40,000 square foot flat sections of the Proctor Elementary School roof. The Town previously replaced the peaked metal roof sections several years ago. The Town is seeking MSBA's assistance in paying for approximately 45% of the total project cost, which is estimated to be between \$1.5 and \$1.65 million. The school department received \$38,000 of ARPA funding in March of 2022 to make immediate repairs to the downspouts and drains in order to resolve some of the ponding water issues on the roof. It is anticipated that approximately \$880,000 in FY2024 ARPA funding would be needed to match MSBA's grant, if approved. Additional interim repair funds may also be needed to temporarily stabilize the roof so the Town could hold out for the MSBA grant. If unsuccessful in obtaining the MSBA grant, the Town may need to fund the full replacement cost.</p>	<p>\$880,000 (if MSBA grant received) to \$1.65 million</p>
Hybrid Meeting Room Modifications	<p>The Legislature extended the ability for communities to continue with remote meetings until December of 2023. In anticipation of that date, and to create a hybrid meeting space that incorporates in person participation, as well as remote participation, funding will need to be identified to complete modifications to the Selectmen's Meeting Room at Town Hall. The cost will depend on the scope of the project which has yet to be determined.</p>	<p>\$50,000 to \$100,000</p>
Staffing Study	<p>As the Town continues to grow and expand departmental services and responsibilities, it is important to ensure that adequate resources are being committed to allow successful execution of our stated priorities. During the recent pandemic, several departments experienced extended periods of overwhelming workload. The purpose of a comprehensive staffing study is to determine whether the Town is structured and staffed to effectively deliver services to the community, identify opportunities to improve efficiency and effectiveness, and evaluate the policies, procedures, and best practices used by the Town.</p>	<p>\$100,000</p>
Diversity, Equity & Inclusion Strategic Plan	<p>In January of 2022, the Diversity, Equity and Inclusion Committee made recommendations to the Board of Selectmen, one of which was to conduct a DEI Strategic Plan. Should the Board choose to adopt that recommendation, funding will need to be identified to complete such study. To read the full</p>	<p>\$100,000</p>

	recommendations of the Committee, please visit: <a href="https://www.town.northborough.ma.us/diversity-and-inclusion-committee">https://www.town.northborough.ma.us/diversity-and-inclusion-committee</a> .	
Master Plan Implementation Downtown Revitalization	April 2022 Town Meeting approved \$150,000 for a Downtown Master Plan/Visioning process, which will include input from staff, board and committee members, residents, and most importantly, business owners. The second phase of the project will be implementing the vision, which will likely include various capital investments, as well as partnership initiatives with downtown businesses.	TBD
White Cliffs Reuse	As the White Cliffs Reuse Committee continues its work in search of a permanent solution to restore the building, additional stabilization and/or preservation funding may be required to make the building attractive to a potential private partner. ARPA funds may also be used to leverage potential grants or private investment in the facility.	TBD
Board of Selectmen Strategic Plan	Strategic planning is a long-standing “best practice” in public finance. This is for good reason, as it is important to think strategically and long-term in a volatile and resource-constrained environment. The Government Finance Officers Association (GFOA) recently updated its criteria as part of the Distinguished Budget Award program, with new emphasis on strategic planning. The Board may wish to use ARPA funds to engage an independent third party to work with Town Officials to go through a formal strategic planning process.	TBD
Additional COVID Expense Reserve	Initial staff proposals included holding \$132,092 aside as a COVID expense reserve in anticipation of additional waves or variants that require direct action from the Town to address the needs of the community and Town operations. Given recent information (detailed below) from DESE, the Board should consider an additional reserve to address any unforeseen COVID expenses until funds need to be full obligated in December of 2024. Prior to that date, the Board may wish to reconsider the reserve, applying new information prior to full expenditure in December of 2026.	Unknown

As referenced above, town staff strongly recommends holding an additional reserve aside to address unknown future COVID-19 needs as we move through the phases of ARPA funding obligation and expenditure. The Town may not see any additional financial support from the State or Federal Government to address any new variants or waves that come following the initial delivery of both the CARES Act funding (now completed) and ARPA funding. It is critical that Northborough set aside



adequate funding to prepare for the possibility of needing additional resources, PPE, testing, or funding for vaccination clinics in the future.

On May 25, new COVID-19 guidance was released by Massachusetts Department of Elementary and Secondary Education (DESE). Among this guidance was an update for the COVID-19 Testing Program for the Summer and Fall of 2022. For Summer 2022, the state will continue to provide self-tests (at-home antigen tests) for symptomatic testing for school-based programs. CIC services (state testing services), software, and staffing will no longer be available. Schools and districts will need to provide staff for in-school testing throughout the summer.

Beginning in Fall 2022, the state will no longer be providing test kits or COVID testing services to schools starting in September. Districts can decide if they would like to continue testing for the school year and how that will work in their schools. However, DESE and DPH strongly recommend that schools and districts who plan to implement their own testing programs, only use it for symptomatic rapid testing. These test kits can be purchased through the statewide contract.

	Spring 2022	Summer 2022	Fall 2022
<b>Surveillance (both pooled and self-tests) &amp; Test and Stay testing</b>	Current program continues	No state program support	No state program support
<b>Symptomatic testing</b>	Current program continues	Schools will have access to state-provided self-tests for school-based summer programs	Schools can purchase self-tests through statewide contact
<b>CIC Health Support (including managing consent forms)</b>	Current program continues	CIC Health services no longer available through the state	CIC Health services no longer available through the state

In order to ensure that we have adequate funding to support a potential testing program at the schools in the Fall, the Town should hold a portion of the ARPA funds as a COVID expense reserve.

## **Review of Grant Funding and Programming to Address Effects of Covid-19**

Shifting gears from the ARPA rules and potential projects, the balance of this memo provides a brief summary of the many programs, initiatives, and resources currently in place or planned as part of Northborough's ongoing COVID response and recovery.

In addition to ARPA funds, Town staff has leveraged significant grant funding from state and federal entities to address the mental health, public health, and overall wellness of the community. Many of the programs and grants detailed below are directly related to specific public health needs that have arisen out of the pandemic. These include additional mental health support and resources, programs to address food insecurity, as well as transportation assistance.

- 1. Public Health Excellence Grant for Shared Services:** In 2021, the Town was awarded a Department of Public Health Grant in the amount of \$950,000 over three years. In response, the Town created the Greater Boroughs Partnership for Health (GBPH), a public health partnership comprised of Northborough, Southborough, Westborough, and Boylston, to centrally deliver identified services through the grant. The grant provides 1.5 FTE contracted public health nurses to support the ongoing public health needs for all community members. Additionally, the grant supports a shared Health Inspector/Agent (Northborough employee) who provides routine food and housing inspections for Northborough, Boylston, and Southborough. The grant covers the cost of new food and housing inspectional software and equipment for all four towns. Lastly, this grant has supported the purchase of medical supplies including at-home COVID-19 tests.
- 2. Local Health Support for COVID-19 Case Investigation and Contact Tracing:** In 2021, the Town was awarded a Department of Public Health Grant in the amount of \$320,00 over two years. This grant supports the towns of Northborough, Boylston, Southborough, and Westborough and provides 1 FTE contracted public health nurse and a part-time Epidemiologist (Northborough employee) to continue to monitor and provide data on COVID-19 and its variants. This grant was used to purchase medical supplies including at-home COVID-19 test kits, PPE, and nursing supplies to support a new home wellness check program.
- 3. Greater Boroughs Partnership for Health Home Wellness Check Program:** Starting this summer, GBPH public health nurses supported by the above-mentioned grants are providing free home wellness checks to residents in need. The Health Department is collaborating with the Senior Center and Fire Department to identify residents who may benefit from this voluntary program. Nurses conducting home wellness checks will assess health needs and connect residents to resources. The program is designed to address issues such as medical needs and isolation in response to COVID-19. Follow-up visits will be scheduled as needed.
- 4. MetroWest Health Foundation Youth Mental Health Grant:** Northborough Public Schools collaborated with the Health Department and was awarded a \$100,000 grant from the MetroWest Health Foundation in June of 2022, to expand mental health services to students. This grant will allow Northborough Public Schools to contract with Assabet Valley Collaborative's Family Success Partnership (FSP) to provide in-person licensed clinician hours at Northborough Public Schools. In addition, FSP will provide consultation and professional development services to support the staff at Northborough Public Schools, challenged with meeting the increasing mental health needs of students. To implement this new program, FSP will be contracted to provide 20 in-person hours weekly in the Northborough Public Schools during the academic year, with an anticipated start date of September 2022. <https://mwhealth.org/stories/1-7-million-in-grants-awarded-to-local-nonprofit-organizations>

5. **MetroWest Health Foundation COVID-19 Emergency Response Grant:** The Town was awarded a \$50,000 grant to support COVID-19 outreach, education, testing, and vaccination. This grant supports a temporary part-time Outreach Coordinator through the Health Department who is assisting with distribution of COVID-19 test kits, education and outreach, vaccination efforts and development of a community resource guide. Essential Protection Kits which include COVID-19 test kits, KN95 masks, surgical masks, sanitizers, and other information were distributed to all town residents who are receiving meals-on-wheels through Baypath Elder Services. Additionally, these kits were distributed through the Senior Center and the Northborough Food Pantry.
6. **Baypath Elder Services Grab and Go Produce Program:** Baypath Elder Services is directly funding a new fresh produce distribution program for residents aged 60 and older. This program will begin in July and continue through September. Baypath Elder Services is contracting with a local farm to deliver fresh, local produce every two weeks to the Senior Center. Senior Center staff and volunteers will assist with packing 25 bags of produce each week to distribute to residents who come to the Senior Center. The goal of this program is two-fold – provide fresh produce to seniors as well as encourage seniors to visit the senior center for social engagement opportunities.
7. **Baypath Elder Services Title IIIB Medical Transportation Aid:** The Northborough Senior Center has acquired grant funding to provide a taxi transportation option for seniors to healthcare facilities outside of the Central Massachusetts area. The funding will allow those with limited income and family resources to access transportation needed to reach healthcare appointments. This program is intended to augment the Town’s existing transportation program which is funded by the Worcester Regional Transit Authority (WRTA) and managed through the Northborough Senior Center.
8. **Jail Diversion Clinician Grant Program:** For the past three years the police departments of Northborough, Westborough, and Southborough have partnered with the Advocates Jail Diversion Program. This Massachusetts Department of Mental Health grant funded position provides a master’s level clinician to be imbedded within the three departments on a full-time basis, working out of the three stations on a rotating schedule. As the program name indicates, it is intended to divert persons in mental health crisis or substance use disorders from arrest, and the criminal justice system, to community-based support, resources, and treatment. Moving forward, Northborough and Southborough have partnered in a new DMH grant application for a shared clinician dedicated to just the two towns.
9. **INTERFACE Referral Service:** In 2021, the Town contracted with William James College’s Interface Referral Service. Interface is a free, confidential service connecting residents and public-school students to mental health providers. Residents in need of mental health services are typically connected to a licensed clinician specializing in their area of concern within two weeks. Interface referred over fifty cases in FY2022 and connected children and adults in need with counseling services. This service delivery model has been very effective at connecting an unlimited number of residents with ongoing support and therapy, which allows Town resources to remain focused on short-term crisis intervention and resource referral assistance. For more details about Interface service, please visit <http://interface.williamjames.edu/>.

**10. Be Well Northborough Initiative:** Given the extensive resources dedicated to managing the COVID-19 emergency responses, the Town also wanted to address the more general underlying feelings of anxiety and isolation experienced by residents due to the extended nature of the pandemic. The result was the creation of the “Be Well Northborough” wellness initiative.

On March 14, \$100,000 in funding for the Be Well Northborough initiative was approved by the Board of Selectmen. Be Well Northborough is a collaborative health and wellness initiative aimed at helping our community recover from the COVID-19 pandemic. The initiative is focused on curating new and existing health and wellness resources in our community through a shared community calendar and outreach activities with the goal of collaboratively engaging with the community to promote general health and wellness.

The Be Well Northborough Working Group was formed with the goal of collaborating across town departments to offer new programming and raise awareness of existing resources available that will help our community recover from the COVID-19 pandemic and address issues such as social isolation, mental health, substance use, and overall wellness. The Be Well Northborough Working Group includes department heads from Police, Fire, Recreation, Family and Youth Services, Northborough Senior Center/Council on Aging, Health, Library, and Schools, as well as the Assistant Town Administrator/Diversity & Inclusion Committee staff liaison.

To date, the Be Well Northborough Initiative has funded and/or developed numerous programs and is currently in discussions with several additional community partners to discuss funding for future initiatives. For more information on planned programs, future initiatives, or to suggest a program, please visit: <https://www.town.northborough.ma.us/bewell> or visit our newly created Community Calendar at: <https://www.town.northborough.ma.us/>.

### **Local Business Resources and Support**

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Throughout the pandemic, local businesses have dealt with significant challenges in dealing with the effects of COVID-19, including everything from managing the constantly evolving safety measures, significantly reduced demand for services and supply chain issues, as well as changes to available workforce. The State of Massachusetts and Federal Government has been responsive to the needs of small businesses across the Commonwealth. Throughout the pandemic, the Town of Northborough worked closely with the 495 MetroWest Partnership and the Corridor 9 Chamber of Commerce to publicize and share information about these valuable resources. A summary of the key programs is included in an attachment to this memo. While many of the programs are now expired, some could potentially receive an additional round of funding.

Most of the programs detailed in the attachment resulted in direct financial assistance to businesses in the early stages of the pandemic, prior to detailed health data on the spread of the virus, the development of the vaccine, and the curb of the spread. As we move forward, most existing businesses no longer require the acute support provided at the start of the pandemic. Rather, they will likely be seeking long-term partnerships and infrastructure support to ensure that their businesses can fully recover and thrive. To that end, the Town has an important role to play in supporting the next phase of recovery, which we intend to achieve, in part, through a focus on a downtown revitalization initiative. Programs that support the general promotion of a healthy business environment, including wayfinding assistance, shared parking initiatives, walkability improvements, destination focal points, and programs that incentivize

businesses to make the kind of changes or aesthetic improvements to be identified during the upcoming Downtown Master Plan/Visioning process.

There has been a significant amount of State and Federal support provided for small and mid-size businesses through the pandemic. However, the Town recognizes that the availability of ARPA funding provides a unique opportunity to partner with businesses to create mutually beneficial outcomes. As you know, the Master Plan Implementation Committee has been meeting over the last several months and identified downtown revitalization as its top priority. Town Meeting approved \$150,000 in funding to begin the Downtown Visioning process, which will include input from staff, board and committee members, residents, and most importantly, business owners. Through that process, it is our goal to identify partnership opportunities with businesses and possible grant or loan programs to encourage improvements that reflect the agreed upon priorities of all community stakeholders.

**Conclusion:**

As you can see from the information provided, Northborough has done exceedingly well throughout the pandemic and emerged as a regional leader in addressing the critical public health impacts of COVID-19. As we look forward to continued recovery efforts, the proposed ARPA projects and initiatives outlined in this memo seek to restore cuts from prior years related to lost revenues, as well as use other dedicated grants and programs whenever possible in order to save ARPA funds for priorities not eligible for other federal and state assistance programs. Additionally, the Town seeks to follow GFOA best practices and Town's Fiscal Policies regarding use of one-time revenues to avoid creating new programs or add-ons to existing programs that require ongoing financial commitment. We recognize the Board's commitment to hearing public input on how ARPA funding can best serve the community. We welcome that input and look forward to establishing a path forward for obligating and expending the ARPA funds in the best interest of the community.

# ATTACHMENT

The following programs have been available to businesses at various times during the pandemic.

1. **Economic Injury Disaster Loan:** An Economic Injury Disaster Loan (EIDL) can provide up to \$2 million to small businesses impacted by the coronavirus shutdown. Principal and interest payments on the EIDL can be deferred for the first year. Program sunset in December of 2021.
2. **Restaurant Revitalization Fund (RRF):** The American Rescue Plan Act established the Restaurant Revitalization Fund (RRF) to provide funding to help restaurants and other eligible businesses remain open. This program provided restaurants with funding equal to their pandemic-related revenue loss up to \$10 million per business, and no more than \$5 million per physical location. Recipients were not required to repay the funding if funds are used for eligible uses no later than March 11, 2023. Eligible entities must have experienced pandemic-related revenue loss, and included restaurants; food stands, food trucks, and food carts; caterers; cars, saloons, lounges, and taverns; and snack and nonalcoholic beverage bars. Some additional businesses were eligible if onsite sales to the public comprised at least 33% of gross receipts, including bakeries; brewpubs, tasting rooms, taprooms; breweries and/or microbreweries; wineries and distilleries; and inns. SBA began accepting applications for RRF on May 3, 2021. SBA announced the closure of the program on July 2, 2021, as funds were depleted; \$72.2 billion of funds were requested of the \$28.6 billion program.
3. **Paycheck Protection Program (PPP):** The PPP provided a short-term loan to cover certain payroll costs, mortgage interest, rent, and utilities. The maximum loan amount was generally 2.5 times the average of your last 12 months of certain payroll costs, up to \$10 million. Payroll costs were capped at \$100,000 per employee. The interest rate on already distributed loans is 1%. These loans were originally due in two years, but subsequent legislation amending the PPP extended the loan term for loans made on or after June 5, 2020, to five years. Program sunset in May of 2021.
4. **Shuttered Venue Operator's Grant (SVOG):** The SVOG was established by Congress to provide over \$16 billion in grants to shuttered venues. Depending on when an entity started operating, they may be eligible for grants equal to 45% of their 2019 gross earned revenue or \$10 million, whichever is less. Eligible entities for an SVOG include live venue operators or promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theatre operators or owners, and talent representatives. The funds may be used to cover expenses such as payroll costs, rent payments, utility payments. Program sunset in August of 2021.
5. **Small Business Administration Debt Relief:** In April 2020, SBA offered Debt Relief to certain small businesses holding 7(a) loans. Under this relief, the SBA paid the principal and interest for six months beginning March 27, 2020 for qualified new and current holders of 7(a) loans. Businesses who already held a covered 7(a) SBA loan or received a 7(a) SBA loan were eligible to apply prior to September 27, 2020. Awarded relief was applied to covered loans beginning with payments due after March 27, 2020. This debt relief was available only to 7(a) loans and not to loans made under the Paycheck Protection Program, 504 loans, or microloans.

6. **Main Street Lending Program:** The Main Street Lending Program (MSLP) was established by the Treasury Department with \$75 billion from the CARES Act to enhance access to credit for small and medium-sized businesses during the COVID-19 pandemic which were in sound financial condition prior to the pandemic. The program was designed to help credit flow to medium-sized and small businesses that had been in good financial condition but needed loans to subsist until they have recovered from, or adapted to, the impacts of the pandemic. The program offered 4-year loans, with floating rates, and principal and interest payments deferred during the first year to assist businesses facing temporary cash flow interruptions. The loans ranged in size from \$500,000 to \$200 million. Main Street loans were not eligible to be forgiven. The loans were underwritten and approved by eligible lenders.
7. **2020 Small Business Recovery Loan Fund:** In March 2020, the Baker-Polito Administration announced a \$10 million loan fund to provide financial relief to small businesses affected by COVID-19. The \$10 million Small Business Recovery Loan Fund provided emergency capital up to \$75,000 to Massachusetts-based businesses impacted by COVID-19 with under 50 full- and part-time employees, including nonprofits. Loans were immediately available to eligible businesses with no payments due for the first 6 months
8. **CMRPC Small Business Emergency Assistance Grant Program:** In June 2020, the Central Massachusetts Regional Planning Commission (CMRPC) administered a grant assistance program to small businesses in Central Massachusetts impacted by the closure and losses as a result of the COVID-19 pandemic. The grant program was funded by the Attorney General's Office, through the Small Business Relief Partnership Grant Program. CMRPC was awarded \$45,000 to distribute funds to small businesses in Central Massachusetts.
9. **Hire Now Employer Training Grant Program:** HireNow provides funding to eligible Massachusetts employers who hire and retain Massachusetts residents. Funding is awarded at a flat rate of \$4,000 for each eligible newly hired employee. The goal of HireNow is to address hiring challenges experienced by Massachusetts employers because of the COVID-19 pandemic. HireNow provides resources to enable Massachusetts employers to broaden their recruiting practices to include workers who do not meet traditional qualifications but can fulfill job requirements with additional training upon hire. Employers are encouraged to rethink hiring practices, minimum qualifications, and onboarding processes to consider candidates with qualification that may differ from traditional standards to increase staffing levels in a tight labor market. Employers may be approved for up to \$400,000 or 100 eligible newly hired employees. The program is not currently accepting new applications for new employer registrations, but the Commonwealth is committed to reopening the program if additional funding is made available.
10. **2020-2021 Small Business Grant Relief Program:** Applications for a \$668 million state program to provide financial assistance to Massachusetts small businesses were open until January 15, 2021. Eligible businesses could receive up to \$75,000, capped at up to 3 months of operating expenses, as evidenced by 2019 Federal Tax Returns. Eligible uses of the funds included employee payroll and benefit costs, mortgage interest, rent, utilities, and interest on other debt obligations.
11. **Pandemic Unemployment Assistance:** As of April 2020, claimants were able to file for Pandemic Unemployment Assistance (PUA). PUA was available to self-employed individuals, including gig workers, freelancers, and independent contractors; those seeking part-time employment; claimants that had an insufficient work history to qualify for benefits; and

claimants that had been laid off from churches and religious institutions who were not eligible for benefits under state law.

In addition to grant and loan programs made available to businesses throughout the Commonwealth, the Internal Revenue Service (IRS) has provided resources and guidance on several tax credits that businesses may take advantage of to mitigate the financial impacts of COVID-19.

- 12. Employee Retention Tax Credit:** The IRS will give a tax credit to eligible businesses that continue to employ their workers. The credit is applied against the Social Security payroll tax. For wages paid after March 12, 2020 and before January 1, 2021, the credit is equal to 50% of qualified wages paid during the time period and is capped at \$5000 per employee. For wages paid after January 1, 2021, the credit is equal to 70% of qualified wages paid and is capped at \$7000 per employee. If the credit exceeds the Social Security portion of the payroll tax, the excess amount can be paid to the business directly. The credit is not available on salaries paid to business owners or their relatives and the same wages claimed under the credit cannot be used to qualify for PPP loan forgiveness.
- 13. Coronavirus-Related Paid Leave for Workers and Tax Credits for Small-and Mid-Size Businesses:** The Families First Coronavirus Response Act (FFCRA), enacted March 18, 2020, gives all American businesses with fewer than 500 employees funds to provide their employees with paid leave, either for the employee's own health needs or to care for family members. The COVID-related Tax Relief Act of 2020, enacted December 27, 2020, amended and extended the tax credits (and the availability of advance payments of the tax credits) for paid sick and family leave under the FFCRA. Business owners may get immediate access to the credit by reducing the employment tax deposits you are otherwise required to make. If your employment tax deposits are not sufficient to cover the credit, you may request an advance payment from the IRS. The ARPA further amended and extended the tax credits (and the availability of advance payments of the tax credits) for paid sick and family leave.
- 14. Federal Tax Credits for Vaccinations:** A federal tax credit was made available to small and medium-sized businesses to fully offset the cost of paid leave for employees to get vaccinated and recover from any after-effects of vaccination. Funded through the American Rescue Plan, the tax credit offset the cost for businesses and nonprofits with fewer than 500 employees for up to 80 hours, limited to \$511 per day of paid sick leave offered between April 1 and September 30, 2021. The paid leave credits under the ARP were tax credits against the employer's share of the Medicare tax. The tax credits were refundable, meaning the employer was entitled to payment of the full amount of the credits if it exceeded the employer's share of the Medicare tax.

For more information on tax relief for businesses, please visit: <https://www.irs.gov/coronavirus/coronavirus-tax-relief-for-businesses-and-tax-exempt-entities>. This information is not intended to be tax advice and we recommend consulting a tax preparer or accountant prior to applying for any of the programs above.



**APPROPRIATIONS COMMITTEE MEETING SCHEDULE – FY2024 BUDGET**

<b>Meeting Date</b>	<b>Meeting Topics</b>
Monday 12/15/2022 7PM	Joint Meeting with Board of Selectmen, Financial Planning Committee, Appropriations Committee and K-8 School Committee; Financial Trend Monitoring System Presentation and Five-Year Financial Projections (7pm)
Wednesday 2/8/2023 7PM	Election of Officers; Budget Instruction Manual; Preliminary Free Cash Plan; State Aid Update; Senior Center, Library, Health Budget Presentations; Review of Meeting Schedule
Wednesday 2/15/2023 7PM	DPW Ongoing Projects Update and Budget Presentation; Solid Waste, Water Enterprise Fund and Sewer Enterprise Fund Budget Presentations; Reserve Fund Transfers; Draft Town Meeting Warrant Summary
Wednesday 2/22/2023 6PM	Assabet Valley Regional Technical HS; K-8 Schools and ARHS Budget Presentations <u>NOTE: Early starting time at 6PM</u>
Wednesday 3/1/2023 7PM	Finance Office, Debt Budget; Health Insurance; Planning Department and Community Preservation Committee Project Requests; Review of ATM Warrant Articles
Wednesday 3//8/2023 7PM	Police and Fire Budget Presentations; Any Other Presentations, if needed; Discussion regarding Committee Recommendations
Monday 3/27/2023 7PM	Joint Meeting with Board of Selectmen – Budget Hearing (Charter 6-5)
Monday 4/24/2023	6pm at ARHS Auditorium
June 2023	Wrap-Up; Year-end Transfers as needed