

**APPROPRIATIONS COMMITTEE**
MEETING MINUTES

March 24, 2022

7:00 PM

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

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

APPROVAL OF MINUTES – MARCH 10, 2022 REGULAR MEETING

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

REORGANIZATION – ELECTION OF OFFICERS

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

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

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

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

ASSABET VALLEY TECHNICAL HIGH SCHOOL FY2023 BUDGET

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

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

Superintendent Houle reviewed the FY2023 Budget as follows:

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

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

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

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

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

Ms. Silva reviewed the following:

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

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

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

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

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

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

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

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

POLICE DEPARTMENT FY2023 BUDGET PRESENTATION

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

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

Chief Lyver indicated that the FY2023 Capital Projects for the Police Department include \$165,000 for the replacement of 2 patrol vehicles and 1 detective vehicle. Patrol vehicles are typically used for four years/100,000 miles, while detective and administrative vehicles have about a six to eight year/ 100,000 expected useful life. Included in the funding request is the cost of outfitting the vehicles with equipment, including radar, emergency warning lights, prisoner transport cages and radio consoles. Whenever possible, emergency equipment is moved from the old vehicles to the new ones.

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

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

FIRE DEPARTMENT FY2023 BUDGET PRESENTATION

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

In addition to the General Fund appropriation of \$2,216,978 (which includes a transfer in of \$354,487 from the Fire Department Revolving Fund under Article 4 of the Town Meeting Warrant) the departmental budget also includes \$580,743 in planned expenses that are charged directly to the Fire Department Revolving Fund. The Fire Department Revolving Fund is supported primarily by fees for ambulance services. The direct Revolving Fund charges include ambulance billing services, overtime wages, licensing fees, related maintenance and operational expenses of the ambulances and related equipment. The account also pays for the debt service associated with the purchase of ambulances.

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

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

Chief Parenti indicated that the Town operates an Advanced Life Support (ALS) ambulance service, which is physically housed at the Fire Station at 11 Pierce Street. There are three ambulances associated with this service, a front line ambulance, a second due ambulance and a back-up ambulance. Current call volume necessitates having two ambulances available for response whenever possible. The newest ambulance operates as the front-line unit and the older

ambulance serves as the second due. The oldest ambulance serves as a back-up for when one of the two primary units are out of service.

Chief Parenti indicated that the FY2023 Capital Projects for the Fire Department include \$400,000 from the EMS Revolving Fund for the replacement of the 2013 ambulance, at which time the 2019 ambulance will become the second due and the 2016 will become the back-up. Purchase of new ambulances are funded entirely by EMS user fees. The planned, regularly scheduled replacement of emergency ambulances is critical to ensuring public safety.

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

Chief Parenti indicated the need to replace a 2005 Engine 1. At the time of replacement it will have exceeded its expected useful life, including approximately 10 years of front-line service, 5 years back up service and 5 years reserve. The Insurance Services Office (ISO) requires Northborough to maintain 3 pumping apparatus in order to sustain its current ISO rating, which residential and commercial fire insurance rates are based upon. Fire Engine 1 is currently the back-up reserve pumper. The 2016 Fire Engine 2 will become the reserve back-up pumper once the new replacement is purchased and takes over as the new front-line pumper.

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

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

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

NEXT MEETING DATES

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

OTHER BUSINESS

None.

ADJOURNMENT

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

Meeting adjourned at 9:10 p.m.

Respectfully submitted,

John W. Coderre
Town Administrator

Documents used during meeting:

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