
Northborough Appropriations Committee

Report

Northborough Annual Town Meeting

April 26, 2010

Northborough Appropriations Committee Report Annual Town Meeting - April 26, 2010

The Northborough Appropriations Committee consists of six (6) members appointed by the Town Moderator for three-year terms.

The role of the Appropriations Committee, by statute and charter, is that of advisory to Town Meeting. All articles in the Town Meeting Warrant involving the appropriation or expenditure of money must be considered by the Appropriations Committee. It must recommend approval or disapproval of same, in whole or in part. Immediately after the presentation of such article at Town Meeting, the Committee must report to the Meeting its recommendation of approval or disapproval of such appropriation or expenditure, together with the reasons therefore.

Please keep in mind that projected tax impact numbers referenced within the report are estimates only and are made independent of any market adjustments to individual property values that the Board of Assessors may make for FY 2011. Any such market adjustments would modify the estimated tax impact on individual properties. The actual Tax Rate will be set by the State Department of Revenue in the fall of 2010 using FY 2011 Assessed Valuation for Properties.

As required by the Charter and Municipal Code and Bylaw of the Town of Northborough, we have made our recommendations to you on each money article based on the information available to us at the time of our deliberation and may be modified or changed on Town Meeting floor if additional information is forthcoming. Town Meeting is the Legislative Body of the Town of Northborough; and the final

decision of approval or disapproval of each warrant article is ultimately up to you, the voters.

This has been an interesting budget cycle for the Committee. For the first time in recent memory, there was little about which to disagree; therefore, on all but two Warrant Articles – Articles 34 and 35 – the Committee was unanimous in recommending approval for requested appropriations. In addition, thanks to the vision, diligence and hard work of our Town Administrator, a new budget format was introduced this year which offers detailed information and transparency. It is easy to read; information is easily located; and it is a true reflection of our community's values, priorities and goals. It is a most welcome addition to the deliberation process and will be available on the Town Website soon. Copies of the budget are available at Town Hall and the Library for your perusal. It's a "good read."

In the line item "free cash" on the Revenue & Expenditure Summary on Page 25 of the Annual Town Meeting Warrant booklet, you will note that the offset amount from free cash/general fund revenues for the FY11 budget is \$600,000, reflecting a downward trend on free cash dependency. For many years, it is and has been the intent of this committee to decrease the use of free cash to fund operating expenses and to move to a sounder financial policy of appropriating free cash to the Stabilization Fund Reserves and to fund one-time expenses, i.e., capital projects to avoid incurring additional debt. It has been difficult to move away from this practice of many years, because of the economic times with which we have been faced; however, our free cash which

peaked in 1998 at \$3,016,151 has dwindled over the years, because replenishing revenues have not kept pace with expenditures from this account. Seven hundred thousand dollars was used to offset the FY2010 budget, but the account was only replenished by \$381,183.

The budget also reflects an anticipated 10% reduction in State Aid funds. The exact number is not known at this time and will probably not be known until well after this Town Meeting adjourns. Although the Governor's budget indicated level funding, the Cherry Sheet for that budget reflected increased State Assessments to the Town; and with the state revenue estimates that have been available, it is best to project these anticipated funds on a conservative basis.

The FY2011 budget is a balanced budget as required by statute; and has evolved through due diligence on the part of the Town Administrator and Department Heads to reduce expenditures and to identify cost savings wherever possible while at the same time protecting core departmental services and missions and minimizing negative impacts on employees. In addition, the new plan design for health insurance benefits implemented last year through negotiations with all municipal and school employees together with the adoption of MGL Chapter 32B, Section 18 at last year's Annual Town Meeting requiring Medicare eligible retirees to move out of the HMO active health plans

and into Medicare supplement of "Senior Plans" has gone a long way to containing our health insurance costs.

We have had to "tighten our belts" and defer some items until a later date; however, Northborough is in "good shape" when compared to the deficit problems some communities are facing in preparing their respective budgets. This is due in great measure to the efforts of working in a collegial manner with all departments – municipal and school – to affect a budget that falls within the confines of Proposition 2½ ; and to all of them, we say a very sincere "thank you."

As always, if you have any questions on our recommendations as a committee or on our votes as individuals, we will be pleased to answer any direct questions posed to us either collectively or individually during debate of a specific article.

Respectfully submitted,

Northborough Appropriations Committee:

Elaine L. Kelly, Chair, (2012)

Richard Nieber, Vice-Chair (2013)

Robert D'Amico (2013)

Janice Hight (2011)

Dan McInnis (2012)

Anthony Poteete (2011)

Table of Contents

	<u>Page</u>
Committee Recommendations	01-08
Selected Definitions.....	09-10
Questions & Answers (Q&A)	11-17

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

Article	Purpose of Article	Vote	Recommendation	Comment
4	Municipal Budget \$ 15,545,243 <i>Less transfer... 991,012</i> <i>Raised by taxation.....</i> \$ 14,554,231	Yes – Unanimous	Approval	<ul style="list-style-type: none"> • Budget increase of \$246,528 is a 1.6% increase and falls within confines of Proposition 2½ • Department budgets are flat; core services have been preserved and are sustainable.
5	Water, Sewer & Solid Waste Funds \$ 3,746,234	Yes – Unanimous	Approval	<ul style="list-style-type: none"> • Operates as an Enterprise Fund • User fees finance these operations • Property Tax not impacted with Water & Sewer • Solid Waste (PAYT) has a General Fund subsidy in the amount of \$301,447 in this budget. <ul style="list-style-type: none"> ○ Sufficient revenue is not generated to cover this expense ○ Eliminates the need to bill a flat fee of up to \$190, in addition to the cost of bags, to the 85% of households participating in this program that would be needed to stabilize the existing program ○ Allows the Solid Waste Advisory Committee sufficient time to pursue the implementation of a modified PAYT program that will meet the criteria of service expectations, affordability, and sustainability
6	Northborough Public Schools \$17,940,566	Yes – Unanimous	Approval	<ul style="list-style-type: none"> • Budget increase of \$282,797 is 1.6% and falls within confines of Proposition 2½ • The Appropriations Committee recognizes and appreciates the effort made by the Superintendent of Schools and the Northborough School Committee to present a core budget that falls within the confines of Proposition 2 ½.

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

Article	Purpose of Article	Vote	Recommendation	Comment
7	Northborough/Southborough Regional School District Assessment (Algonquin) \$8,827,951	Yes – Unanimous	Approval	<ul style="list-style-type: none"> • Budget assessment of \$8,827,951 falls well below the allowable 1.6% increase to remain within the confines of Proposition 2½ • Northborough's assessment for the N/S Regional budget is -0.1% and represents: <ul style="list-style-type: none"> Operating Budget Assessment: \$7,696,524 (-\$265,735 = -3.34%) Algonquin Debt Exclusion: <u>\$1,131,427</u> (+255,555 = +29.18%) \$8,827,951
8	Assabet Valley Regional Vocational School District Assessment \$ 680,836	Yes – Unanimous	Approval	<ul style="list-style-type: none"> • The dollar decrease is \$69,686 representing a percentage increase of 11.40% • Reflects an increase in Northborough student enrollment from 47 to 53 students (+12.77%) • Enrollments drive assessments
9	Authorization for Library Board of Trustees to Accept and Spend Grants	Yes – Unanimous	Approval	<ul style="list-style-type: none"> • No appropriation or expenditure of town funds • Allows Trustees to accept funds available from outside sources • Must be voted on each year – housekeeping article
10	Authorization for Board of Selectmen/Town to Apply for Grant Funds through Federal and/or State Agencies and to expend those funds	Yes – Unanimous	Approval	<ul style="list-style-type: none"> • No appropriation or expenditure of town funds • Allows application by Town for available federal and/or state grants • Must be voted on each year – housekeeping article

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

Article	Purpose of Article	Vote	Recommendation	Comment
11	Combine Articles 12-17 for Reauthorization of Revolving Accounts	Yes – Unanimous	Approval	<ul style="list-style-type: none"> Revolving accounts must be reauthorized annually pursuant to provisions of Massachusetts General Laws, Chapter 44, Section 53E½ - housekeeping article
12-17	Revolving Accounts Authorized under Article 11	Unanimous Approval Under Article 11		<ul style="list-style-type: none"> All Revolving Accounts authorized under vote on Article 11 for Northborough Fire Department; Northborough Police Department; Dog Officer; Community Affairs Committee; Family & Youth Services; Council on Aging
18	Purchase of Voting Machines to replace existing optical scan voting equipment \$27,600	Yes – Unanimous	Approval	<ul style="list-style-type: none"> If not funded through the operating budget, this expenditure would necessitate incurring debt to finance the replacement of our existing voting machines which will be de-certified prior to the next State Election cycle in the fall of 2010 and unavailable for use. <i>Concur with FinPlan Recommendation – 2010 Annual Town Meeting Warrant, Page 33</i>
19	DPW Highway Division – Purchase of a Dump Truck, Sander, and Plow \$165,000	Yes – Unanimous	Approval	<ul style="list-style-type: none"> Replaces 1990 vehicle which has surpassed its useful life of about 15 to 20 years Concur With FinPlan recommendation, 2010 Annual Town Meeting Warrant, Page 33
20	Northborough Public Schools Feasibility Study for the Lincoln Street School	No Vote	To Be Determined	<i>Determination to be made at Town Meeting pending approval of the feasibility study from MSBA (Massachusetts School Building Authority) which is required to act on this request.</i>

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

Article	Purpose of Article	Vote	Recommendation	Comment
21	Northborough Public Schools Roof Repairs at Melican Middle School \$350,000	Yes – Unanimous	Approval	<ul style="list-style-type: none"> • Based on a recent inspection, the 1988 membrane roof is showing blistering and flashing deterioration, which have caused leaks. This has led to problems inside the building affecting the integrity of interior components, which raise safety concerns • <i>Concur With FinPlan recommendation – 2010 Annual Town Meeting Warrant, Page 34</i>
22	Declaratory Judgment Funds to seek determination relative to MSBA reimbursement payments apportionment to member towns \$100,000	Yes – Unanimous	Approval	<ul style="list-style-type: none"> • This is to budget funds to settle our legal dispute over the method used for splitting the ongoing state reimbursement payments for the new high school between the two towns. • Northborough favors Chapter 70B, which is based on a formula based on community per capita income; property wealth; and poverty factor. • Southborough favors the Regional Agreement using the four-year rolling average capital cost sharing formula which appears to be in conflict with MGL Chapter 70B • The difference is estimated to be a loss of \$1.5 million dollars in grant funds to Northborough
23-29	NO APPROPRIATION OR EXPENDITURE OF MONEY REQUIRED – NO ACTION REQUIRED BY APPROPRIATIONS COMMITTEE			

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

Article	Purpose of Article	Vote	Recommendation	Comment
30	Community Preservation Fund revenues to Northborough Town Administrator for repairs to Town Offices <p style="text-align: right;">\$190,000</p>	Yes - Unanimous	Approval	<ul style="list-style-type: none"> • The Town Offices, the former Fraser Junior High School, was built in 1938 as the new Northborough High School. The building was converted to Town Offices in 1978. It is an historical building and qualifies for CPA funds for capital improvements. • A FY2000 building study recommended repairs be made and phased in over a multi-year period. Some repairs were completed in FY2000. That was Phase I. Phases II and III were deferred due to budgetary constraints. • Concur with FinPlan recommendation – 2010 Annual Town Meeting Warrant, Page 35
31	Community Preservation Fund revenues to Northborough Town Clerk for preservation of Town records and maps – 1766 to present <p style="text-align: right;">\$52,000</p>	Yes - Unanimous	Approval	<ul style="list-style-type: none"> • Within Scope of Community Preservation Act (See Appendix, Page 17)
32	Community Preservation Unreserved Fund for renovation of Historical Society kitchen <p style="text-align: right;">\$30,000</p>	Yes - Unanimous	Approval	<ul style="list-style-type: none"> • Within Scope of Community Preservation Act (See Appendix, Page 17)

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

Article	Purpose of Article	Vote	Recommendation	Comment
33	Community Preservation Unreserved Fund to Community Preservation Historic Resources Reserve for future historical property preservation or acquisitions <p style="text-align: right;">\$100,000</p>	Yes - Unanimous	Approval	<ul style="list-style-type: none"> • Within Scope of Community Preservation Act (See Appendix, Page 17)
34	Community Preservation Fund revenues to Northborough Affordable Housing Corporation for acquisition and/or preservation of affordable housing units <p style="text-align: right;">\$150,000</p>	Yes – Majority No Vote: R. Nieber	Approval Subject to agreement between the Town and the NAHC	<ul style="list-style-type: none"> • At the time of this vote, discussions were in process between the Town Administrator and the NAHC. This vote is predicated on a favorable outcome of these discussions • Within Scope of Community Preservation Act (See Appendix, Page 17)
35	Community Preservation Fund revenues to Community Open Space Reserve for future open space preservation or acquisitions <p style="text-align: right;">\$150,000</p>	Yes – Majority No Vote: R. Nieber	Approval	<ul style="list-style-type: none"> • Within Scope of Community Preservation Act (See Appendix, Page 17)

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

Article	Purpose of Article	Vote	Recommendation	Comment
36	Community Preservation Fund revenues to Community Preservation Committee for expenses associated with the implementation of the CPA <p style="text-align: right;">\$24,000</p>	Yes – Unanimous	Approval	<ul style="list-style-type: none"> • Within Scope of Community Preservation Act (See Appendix, Page 17)
37	Approve amendment to Town's administrative code for the creation of a Town Finance Director position to be included within the Finance and Records Division	Yes - Unanimous	Approval	<ul style="list-style-type: none"> • Reorganization of Financial Offices into a formal Finance Department to more effectively coordinate Town's financial operations • No additional personnel; Treasurer/Collector to assume role and title of Finance Director • Over past several years Treasurer/Collector has assumed greater responsibility for coordination and leadership of Finance Team • Recent personnel changes have resulted in a concerted effort to cross train staff in the various finance offices resulting in fewer personnel in FY2010 than in FY2009
38	NO APPROPRIATION OR EXPENDITURE OF MONEY REQUIRED – NO ACTION REQUIRED BY APPROPRIATIONS COMMITTEE			

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

Article	Purpose of Article	Vote	Recommendation	Comment
39	Transfer custody and control of a portion of Town-owned land at 211 Main Street to Board of Selectmen for purpose of leasing same and authorize BOS to enter into a long-term lease agreement of more than three years for the use of a portion of Town-owned land at 211 Main Street for the construction, Installation, Operation and maintenance of a wireless communication tower and accessory equipment, in accordance with MGL, Ch.30B, Section 12(b), and leased area of said land to be used in accordance with the Town of Northborough Zoning Bylaws	Yes - Unanimous	Approval	<ul style="list-style-type: none"> • A Public Safety Communications tower currently exists behind the Police Station at 211 Main Street. This tower was built in 1978 and moved twice before being located at its present location. • The tower is used by the Dispatch Center to communicate via two-way radio with Police, Fire, EMS and DPW personnel. It is unsafe to climb and needs to be replaced. • Replacement for this tower is scheduled in the Capital Improvement Program for 2013 at a cost of \$150,000 • An opportunity presents itself to enter into a leasing agreement for private construction of a new tower to replace the existing one at no cost to the Town with the added benefit of receiving revenues by renting the premises to the private contractor.
49-46	NO APPROPRIATION OR EXPENDITURE OF MONEY REQUIRED – NO ACTION REQUIRED BY APPROPRIATIONS COMMITTEE			

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

Selected Definitions

Excerpted from

Association of Town Finance Committees Finance Committee Handbook

Available Funds - These are funds established through previous appropriations or results of favorable conditions. These may be appropriated to meet emergency or unforeseen expenses, large one-time or capital expenditures. Examples: Free Cash, Stabilization Fund, Overlay Surplus, Water Surplus, and enterprise retained earnings

Enterprise Funds - An accounting mechanism which allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy. With an enterprise fund, all costs of service delivery-direct, indirect, and capital costs-are identified. This allows the community to recover total service costs through user fees if it so chooses. Enterprise accounting also enables communities to reserve the "surplus" or retained earnings generated by the operation of the enterprise rather than closing it out at year end. **M.G.L Chapter 44: Section 53F1/2. Enterprise Funds** states services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

Free Cash - (Also Budgetary Fund Balance) Funds remaining from the operations of the previous fiscal year which are certified by DOR's Director of Accounts as available for appropriation. Remaining funds include unexpended free cash from the previous year, receipts in excess of estimates shown on the tax recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount of remaining funds which can be certified as free cash. The calculation of free cash is made based on the balance sheet, which is submitted by the community's Auditor, Accountant, or Comptroller. Typically, a community will attempt to maintain a free cash balance of between 3 and 5 percent of its total budget as a hedge against unforeseen expenditures, to insure there will be an adequate reserve to prevent sharp fluctuations in the tax rate, and to prevent expensive short-term borrowing. (Maintenance of an adequate free cash level is not a luxury but a necessary component of sound local fiscal management. Credit rating agencies and other members of the financial community expect municipalities to maintain free cash reserves; judgments regarding a community's fiscal stability are made, in part, on the basis of free cash.) Also see Available Funds.

Ratings - Designations used by credit rating services to give relative indications of quality. Moody's ratings range from the highest Aaa down through Aa, A- 1, A, Baa- 1, Baa, Ba, B, Caa, Ca, C. Standard & Poor's ratings include: AAA, AA, A, BBB, BB, B, CCC, CC, C, DDD, DD, and D. *(Bond ratings are key indicators of a Town's financial strength and have a direct impact on the interest rates borne by the bonds.)*

Revolving Fund - Allows a community to raise revenues from a specific service and use those revenues to support the service without appropriation. For departmental revolving funds, **M.G.L. Chapter 44: Section 53E1/2. Revolving funds** stipulates that each fund must be reauthorized each year at annual town

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

meeting or by city council action, and that a limit on the total amount which may be spent from each fund must be established at that time. The aggregate of all revolving funds may not exceed ten percent of the amount raised by taxation by the town or city in the most recent fiscal year, and no more than one percent of the amount raised by taxation may be administered by a single department or board. Revolving funds for other programs as provided by statute are still allowed, and a departmental revolving fund may be implemented in addition to or in conjunction with other existing statutory revolving funds, provided that the departmental revolving fund does not conflict with provisions of other revolving funds.

Stabilization Fund - An account from which amounts may be appropriated for any lawful purpose. Prior to FY92, use of the Stabilization Fund was restricted to purposes for which towns and cities could legally borrow. Revisions to Chapter 40 s 5B removed this restriction and amounts from the Stabilization Fund can now be appropriated for any legal purpose. Towns may appropriate into this fund in any year an amount not to exceed ten percent of the prior year's tax levy. The aggregate of the Stabilization Fund shall not exceed ten percent of the town's equalized value, and any interest shall be added to and become a part of the fund. A two- thirds vote of town meeting or city council is required to appropriate money from the Stabilization Fund.

*Some definitions have been annotated in italics for purposes of clarity.

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

Q&A				
Question	Answer			
What is the <u>estimated</u> projected tax rate impact of the FY 2011 Budget?*	2011 Budget <ul style="list-style-type: none"> • Town • K-8 Schools • Regional High School Budgets' Assessments (Algonquin & Assabet) with expenditure increases within limits of Proposition 2 ½: 			\$ 0.50 per thousand assessed valuation = 3.48%
What is the present tax rate?	FY 2010 tax rate = \$14.38 per thousand dollars assessed valuation -- (FY2009 = \$13.76)			
What is the estimated projected CPA surcharge for FY2011?	\$ 70.69 Estimated	2010 Actual = \$68.31 2009 Actual = \$65.97		
What is the estimated projected tax rate for FY 2011?*	<u>FY2010 Tax Rate</u> \$ 14.38	<u>FY2011 Est. Tax Rate*</u> \$ 14.88	<u>Increase</u> \$ 0.50	<u>% Increase</u> 3.48

*The projected tax rates are estimates only and are made independent of any market adjustments to individual property values that the Board of Assessors may make for FY 2011. Any such market adjustments would modify the estimated tax impact on individual properties. The actual Tax Rate would be set by the State Department of Revenue in the fall of 2010 using FY 2011 Assessed Valuation for Properties.

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

Q&A																				
Question	Answer																			
<p>How will the estimated projected tax impact affect the average homeowner's tax bill?</p>	<p>Estimated FY 2011 Tax Impact on Average property with FY 2010 Assessed Value of \$416,700¹:</p> <ul style="list-style-type: none"> • ... Base Budgets: Tax bill increase of \$208.50 (3.48%)² • ... CPA Surcharge: CPA increase <u>\$ 2.39</u> (Total CPA Surcharge is estimated to be \$70.69) • ... Total: <u>\$210.89</u> <hr style="width: 50%; margin: 10px auto;"/> <p>Estimated Tax Rate is based on FY2010 Assessed Valuation for Properties and Estimated New Growth for FY2010 as well as Revenue Projections for FY2011.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">FY2010 Assessed Valuation for Properties</td> <td style="text-align: right;">\$ 2,478,455,470</td> </tr> <tr> <td>FY2011 Estimated New Growth</td> <td style="text-align: right;"><u>\$ 18,000,000</u></td> </tr> <tr> <td></td> <td style="text-align: right;">\$ 2,496,455,470</td> </tr> </table> <hr style="width: 50%; margin: 10px auto;"/> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 10%; text-align: center;">FY2010 Tax Bill</th> <th style="width: 10%; text-align: center;">FY2011 Estimated Tax Bill</th> <th style="width: 10%; text-align: center;">Increase</th> <th style="width: 10%; text-align: center;">% Increase</th> </tr> </thead> <tbody> <tr> <td>Property with FY2010 Assessed Valuation of \$416,700</td> <td style="text-align: center;">\$5,992</td> <td style="text-align: center;">\$6,200.50*</td> <td style="text-align: center;">\$208.50</td> <td style="text-align: center;">3.48%*</td> </tr> </tbody> </table> <hr style="width: 50%; margin: 10px auto;"/> <p>*CPA Surcharge Not Included</p> <p>¹ Single Family Home Average Assessed Value 2010 = \$416,700600</p> <p>² The projected tax rates are <u>estimates only and are made independent of any market adjustments to individual property values that the Board of Assessors may make for FY 2011</u>. Any such market adjustments would modify the estimated tax impact on individual properties. The actual Tax Rate would be set by the State Department of Revenue in the fall of 2010 using FY 2011 Assessed Valuation for Properties.</p>				FY2010 Assessed Valuation for Properties	\$ 2,478,455,470	FY2011 Estimated New Growth	<u>\$ 18,000,000</u>		\$ 2,496,455,470		FY2010 Tax Bill	FY2011 Estimated Tax Bill	Increase	% Increase	Property with FY2010 Assessed Valuation of \$416,700	\$5,992	\$6,200.50*	\$208.50	3.48%*
	FY2010 Assessed Valuation for Properties	\$ 2,478,455,470																		
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Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

Q&A				
Question	Answer			
How much of the FY2011 Municipal Budget is allocated to benefit and insurance costs?		Municipal Share	K-8 Schools Share	Total
	Health Insurance Expense	\$ 1,041,803	\$ 3,227,507	\$ 4,269,310.00
	Life Insurance Expense	\$ 4,060	\$ 4,665	\$ 8,725.00
	Health Reimbursement Account*	undistributed	undistributed	\$ 50,000.00
	FICA Expense	\$ 86,629	\$ 186,998	\$ 273,627.00
	Retirement Assessment**	744,710	261,655	\$ 1,006,365.00
	Unemployment Compensation	undistributed	undistributed	\$ 50,000.00
	Miscellaneous Benefits***	15,163	0	\$ 15,163.00
	Workers Compensation	41,624	55,176	\$ 96,800.00
	Police/Fire Injured on Duty (IOD)			
	Medical Payments	5,000	0	\$ 5,000.00
	Building & Liability Insurance	112,670	101,285	\$ 213,955.00
	Total	\$ 2,051,659	\$ 3,837,286	\$ 5,988,945
	$[\$2,051,659 + \$3,837,286 + \$100,000(\text{undistributed expenses}) = \$5,988,945]$			
	<p>*New Line Item in FY2010: Town agreed to self insure for increased in-patient and out-patient deductibles due to new insurance plan design at a low cost.</p> <p>**Municipal employees and Northborough K-8 non-teaching employees are in the Worcester Regional Retirement System; Northborough K-8 teachers are not in the WRRS but in the Massachusetts Teachers' Retirement System governed by MGL, Chapter 32.</p> <p>***Includes payment of a portion of sick leave for eligible retiring employees (capped at \$3,000 each), payment of deferred compensation benefit for Town Administrator pursuant to employment contract; and fee assessed by deferred compensation program provider.</p>			

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

Q&A																						
Question	Answer																					
<p>What is the dollar amount expended for schools in the FY2011 Budget</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Northborough K-8 Schools Operating Budget.....</td> <td style="text-align: right; padding-left: 20px;">\$17,940,566</td> <td style="text-align: right; padding-left: 20px;">(+1.6%)</td> </tr> <tr> <td style="padding-left: 20px;">Algonquin Regional High School Assessment</td> <td style="text-align: right; padding-left: 20px;">\$ 7,969,524</td> <td style="text-align: right; padding-left: 20px;">(-3.34%)</td> </tr> <tr> <td style="padding-left: 20px;">Algonquin Debt Exclusion</td> <td style="text-align: right; padding-left: 20px;">\$ 1,131,427</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Assabet Valley Regional Vocational School Assessment ..</td> <td style="text-align: right; padding-left: 20px;">\$ 680,836</td> <td style="text-align: right; padding-left: 20px;">(+11.40%)</td> </tr> <tr> <td style="padding-left: 20px;">School Related Costs in Municipal Budget for Benefit and Insurance Costs Cited Above.....</td> <td style="text-align: right; padding-left: 20px;">\$ 3,837,286</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">School Related Costs in Municipal Budget for Zeh School Debt Exclusion</td> <td style="text-align: right; padding-left: 20px;">\$ 540,830</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Total.....</td> <td style="text-align: right; padding-left: 20px;">\$32,100,469</td> <td></td> </tr> </table>	Northborough K-8 Schools Operating Budget.....	\$17,940,566	(+1.6%)	Algonquin Regional High School Assessment	\$ 7,969,524	(-3.34%)	Algonquin Debt Exclusion	\$ 1,131,427		Assabet Valley Regional Vocational School Assessment ..	\$ 680,836	(+11.40%)	School Related Costs in Municipal Budget for Benefit and Insurance Costs Cited Above.....	\$ 3,837,286		School Related Costs in Municipal Budget for Zeh School Debt Exclusion	\$ 540,830		Total.....	\$32,100,469	
Northborough K-8 Schools Operating Budget.....	\$17,940,566	(+1.6%)																				
Algonquin Regional High School Assessment	\$ 7,969,524	(-3.34%)																				
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Total.....	\$32,100,469																					
<p>What is the net Municipal Budget less school related costs?</p>	<p>Net Municipal Budget less School Related Costs: \$13,130,329</p>																					
<p>What is the Cherry Sheet?</p>	<p>Named for the cherry colored paper on which it was originally printed, the Cherry Sheet is the official notification by the Commissioner of Revenue to municipalities and regional school districts of estimated state aid to be paid and charges to be assessed over the next fiscal year. Cherry Sheets are usually issued each spring, following enactment by the Legislature of the state budget for the following year.</p>																					

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

Q&A	
Question	Answer
<p>What is Proposition 2 ½?</p>	<ul style="list-style-type: none"> • An initiative petition adopted by voters of the Commonwealth in 1980 and effected in 1982 • Places two limitations on the amount of property taxes a city or town can raise by: <ul style="list-style-type: none"> ○ Property tax levy (amount raised) cannot exceed 2 ½% of the full cash value of all taxable property of the city or town (levy ceiling) ○ Property tax levy cannot increase from year to year by more than 2 ½% with certain exceptions for new growth or through overrides (permanent increases) and debt exclusions (temporary increases for life of bond) as adopted by the voters (levy limit) • The levy limit provision affects the total amount of taxes to be raised by a city or town. It does not apply to an individual tax bill
<p>What is Tax Classification and How does it work with Proposition 2 ½?</p>	<ul style="list-style-type: none"> • The Classification amendment allows cities and towns to categorize real estate into different classes and to distribute the tax burden among these classes. • Proposition 2 ½ affects the total amount of tax that can be raised • Classification affects what classes of taxpayers will pay for what specific share of the total amount of tax
<p>How does Proposition 2 ½ affect the tax rate?</p>	<ul style="list-style-type: none"> • Proposition 2 ½ sets the maximum amount of property taxes (the levy) that a city or town can raise • Once the amount is determined, a tax rate is calculated by dividing the amount to be raised by the total valuation of the city or town. • Whether the tax rate for a community will increase or decrease from the prior year will depend upon the levy decided and whether property values appreciate, depreciate or remain steady in a particular community

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

<p>What is a regional school district?</p>	<ul style="list-style-type: none"> • Pursuant to the General Laws, a regional school district is a body politic and corporate with all of the powers and duties conferred by law upon school committees, with additional powers and duties as outlined in G.L. c71, §16. • A regional school district agreement approved and executed by member towns of the regional school district governs the district and its school committee (a public document is available in the Office of the Superintendent of Schools).
<p>What is a Superintendency Union?</p>	<ul style="list-style-type: none"> • An agreement that allows towns to share a Superintendent • Northborough is a member of Superintendency Union #3 which was in place long before the Regional School District was formed • Superintendency Union #3 includes the towns of Northborough and Southborough only. The Northborough-Southborough Regional School District (Algonquin Regional High School) sits and votes independently from the Union Committee, but share the same Superintendent. • The Union does not have a budget, therefore, costs for the Superintendent and the Central Office are apportioned to the member towns of Northborough and Southborough as part of their K-8 school budgets and to the Northborough-Southborough Regional School District Budget Assessment (Algonquin Regional High School) as follows: <ul style="list-style-type: none"> ○ Northborough 40% ○ Southborough 30% ○ Northborough-Southborough Regional School District 30%

Appropriations Committee Report -- Fiscal Year 2011

Northborough Annual Town Meeting, April 26, 2010

<p>What is the Community Preservation Act (CPA) and how does it work?</p>	<ul style="list-style-type: none">• The CPA, created in 2000, is statewide enabling legislation which allows cities and towns to exercise some control over local planning decisions by assisting communities by providing revenues to fund three core areas: acquisition and preservation of open space; creation and support of affordable housing; and acquisition and preservation of historic buildings.• It is funded through a surcharge of up to 3% of the real estate tax levy on real property.• Northborough adopted this Act by ballot vote in November, 2004 at a surcharge of 1.5%• The first \$100,000 of a home's assessed value is exempt from the surcharge• The cost to the average homeowner is approximately \$68.31 in FY2010.• Minimum of 10% of annual revenues of the fund must be used for each of the three core community concerns.• Remaining 70% can be allocated for any combination of allowed uses, or for land for recreational use.
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Note: The Massachusetts Department of Revenue Division of Local Services FY2011 Local Aid Estimates (Cherry Sheets) are not included in this report this year, because the numbers are not finalized. This information can be accessed at the Massachusetts Department of Revenue Division of Local Services website.