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By Karen Wilber/Assistant Town Clerk at 10:06 am, May 02, 2023

FINANCIAL PLANNING COMMITTEE

MEETING MINUTES

63 Main Street

Selectmen's Meeting Room

February 16, 2023

7:00 PM

MEMBERS PRESENT: David DeVries, Chair
John Rapa
Michael Hodge
Thomas Spataro

MEMBER ABSENT: William Peterson, Jr.

At 7pm, Chairman DeVries opened the meeting of the Financial Planning Committee.

APPROVAL OF MINUTES – FEBRUARY 9, 2023 REGULAR MEETING

Mr. Spataro moved the Committee vote to approve the February 9, 2023 Meeting Minutes, Mr. Rapa seconded the motion. Vote 4-0-0.

DISCUSSION REGARDING REVISED FY2024 CAPITAL BUDGET

Mr. Coderre indicated that the projects included in the revised FY2024 Capital Budget have not changed. The Select Board voted at their February 13th meeting to release \$1.7 million in ARPA funds to replace the Proctor School roof, but to not fund the Fire Engine replacement and the DPW Tight Tank compliance project with ARPA funds. The only change is that the funding source for the Fire Engine and the DPW Tight Tank is now from General Fund Bonds rather than ARPA Funds. Mr. Coderre reviewed the FY2024 Capital Budget as follows:

REVISED FY2024 CAPITAL BUDGET 2/16/23				
PROJECTS BY DEPARTMENT		EXPENDITURE	FUNDING SOURCES	
			Free Cash	Enterprise Fund Free Cash
				General Fund Bonds
Police	Police Cruiser Replacements (3)	190,000	190,000	
	Police Station Exterior Repairs & Painting	70,000	70,000	
	Police Subtotal	\$260,000		
Fire	Engine 1 Replacement	900,000		900,000
	Fire Subtotal	\$900,000		
DPW: Highway Division	Roadway Improvements/Maintenance	300,000	300,000	
	20-Ton Dump Truck w/Spread&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	
	Highway Subtotal	\$1,280,000		
DPW: Water & Sewer Enterprise Funds	15-Ton Dump Truck (new addition)	225,000		225,000
	SCADA Phase II (matching grant allocation)	125,000		125,000
	Sewer Enterprise Fund Subtotal	\$350,000		
Schools K-8:	Zeh School Back Walkway Entrance Repairs	40,000	40,000	
	Schools K-8 Subtotal	\$40,000		
TOTAL FY2024 CAPITAL BUDGET		\$2,830,000	\$1,105,000	\$350,000
				\$1,375,000

Mr. Coderre reviewed the proposed FY2024 Free Cash Plan, indicating that the Free Cash certification as of July 1, 2022 is \$2,440,073. The Free Cash plan includes the annual \$175,000 appropriation to the Reserve Account, a contribution of \$500,000 to the FY2024 Operating Budget, a \$200,000 contribution to the Stabilization Fund, and the use of up to \$1,105,073 to pay

for various capital projects. Lastly, the plan contemplates leaving approximately \$500,000 in unappropriated Free Cash, which would remain available if needed.

Mr. Spataro noted that there will be more of a financial impact if the fire engine and the DPW tight tank are funded with the issuance of debt due to the increase in interest rates. Mr. Coderre explained that if the Proctor School roof, fire engine replacement and the DPW tight tank were funded with the issuance of debt, the cost on the average single family tax bill would average about \$61. The issuance of debt at Town Meeting for just the fire engine replacement and the DPW tight tank would cost the average single family tax bill about \$30 per year for the next ten years.

In response to a question from Mr. Rapa, Mr. Coderre explained the purchasing process for the fire engine and its effect on the cost of the bond anticipation notes. Mr. Hodge noted his disappointment in the action taken by the Select Board, despite the fact that ARPA funding was recommended for all three capital projects by both the Appropriations Committee and the Financial Committee. He added that the Select Board's action was financially irresponsible. Mr. Rapa agreed. Mr. Spataro stated that if ARPA funds were used for these three capital projects, future Free Cash could be used to help fund future downtown revitalization projects.

Committee members agreed that the downtown revitalization projects should be fully vetted by going through the same process that every other project is expected to go through under the Six-Year Capital Plan.

REVIEW OF COMMUNITY PRESERVATION COMMITTEE PROJECT REQUESTS AND FINANCIAL UPDATE

Community Preservation Committee (CPC) member Jeff Leland was present. He indicated that for this year's Town Meeting, the Community Preservation Committee (CPC) is working from a budget of \$770,000 projected new revenue with State match + \$1,050,576 in the CPA reserve accounts. The CPC considered 10 applications based on the customary criteria of: 1) Applicability to CPA guidelines and the goals described in the Northborough CPA procedural sheet; 2) Community support; 3) Affordability; and 4) Urgency to fund this year. The CPC also considered the potential future needs for CPA funds to support the White Cliffs re-use proposal or other projects resulting from the Downtown Revitalization study. Mr. Leland reviewed the following CPC warrant articles:

White Cliffs Bond Payment (\$188,000)

This is the 6th payment required for the bond on the White Cliffs purchase, and this also covers the requirement that at least 10% of new revenue be allocated toward Historic Preservation. The CPC voted 7-0 to fund this from new revenue.

CPA Administrative Expenses Account (\$38,500)

In accordance with the CPA legislation, the CPC may allocate up to 5% of new revenue to the administrative account for expenses such as legal fees, appraisals and consultant fees related to CPA projects. Unused amounts from a given year go back to the CPA Unreserved fund. The CPC voted 7-0 to allocate 5% of the projected \$770,000 new revenue.

Affordable Housing Reserve Fund (\$77,000)

Since there is no other application this year for Affordable Housing, the CPC voted 7-0 to allocate the required minimum of 10% of new revenue toward the Affordable Housing Reserve Fund.

Northborough Dog Park (\$347,500)

The CPC believes this application for the construction phase of this project is a top priority to bring to Town Meeting in 2023. This project also covers the minimum 10% allocation required for open space and recreation. The CPC voted 7-0 to fund this from new revenue.

Mr. Coderre reported that the Town of Northborough was awarded a Stanton Foundation Grant in the amount of \$25,000 for the purposes of obtaining required permits, producing final construction-ready design plans and associated bid specifications relative to this project. He added that he is cautiously optimistic that another \$200,000 Stanton Foundation Grant will be awarded for this project, which would be in addition to the \$347,500 in CPA funds.

Construction of ADA Accessible Trail at Senior Center (\$370,000)

The CPC believes this application for the construction phase of this project is a top priority to bring to Town Meeting in 2023. The CPC voted 7-0 to fund this with \$119,000 from new revenue and \$251,000 from the Unreserved fund. Mr. Leland noted that the project will result in the construction of the Town's first ADA accessible trail.

First Parish Church Steeple Repairs (\$200,000)

The CPC felt that the scope of work and cost estimates for this project are not fully defined at this time, and that there is not the same urgency to fund the project this year compared to several other projects and obligations. The CPC voted 7-0 to deny funding for this application.

Window Restoration and Preservation of Historical Society Building (\$71,300)

The CPC felt that there is not the same urgency to fund the project this year compared to several other projects and obligations. The CPC voted 7-0 to deny funding for this application.

Funding the Historic Reserves Account (\$350,000)

In support of the CPC efforts to plan for future needs for CPA funding and allow flexibility across all categories of historic preservation, affordable housing, open space and recreation, the CPC feels it is wise to keep reserves in the Unreserved Fund at this time rather than allocating to just one fund. The CPC voted 7-0 to deny this application. Both the Committee's representative from the Historic District Commission (HDC) and the HDC Chair were in attendance. Both agreed with this decision.

Library Historic Marker (\$5,060)

The CPC has been supportive on prior projects for historic markers, as they contribute to enhancing the community and supporting the goals in the Master Plan and Historic Preservation Plan, all at relatively low cost. The CPC voted 5-2 to fund this from the Unreserved Fund.

Aqueduct Multi Use Trail Feasibility Study (\$100,000)

Although this project has strong community support and has been a priority for the Open Space Committee for several years, a recent communication from the Massachusetts Water Resources Authority (MWRA) states that they will not allow pavement or stone dust surface improvements to the aqueduct at this time. Since the surface improvements are a major element of the proposed trail design study, the applicants withdrew this application.

ARHS Athletic Complex Project – Tennis Court Restorations (\$352,701)

The CPC felt that there is not the same level of urgency and community support to fund the project compared to several other projects and obligations. Also with the CPC's goal of maintaining adequate reserves for the potential needs for White Cliffs and the Downtown Revitalization project, the CPC voted 7-0 to deny funding for this application.

Conservation Fund (\$77,000)

To plan for future needs for CPA funding and allow flexibility across all categories of historic preservation, affordable housing, open space and recreation, the CPC feels it is wise to keep reserves in the Unreserved Fund at this time rather than allocating to just one fund. In addition, the Conservation Fund currently has a balance of approx. \$664,000 from CPA funds approved at prior Town Meetings. The CPC voted 7-0 to deny this application. The Committee's representatives from the Open Space Committee and the Conservation Commission both agreed with this decision.

In response to a question from Mr. Rapa, Mr. Coderre explained that the CPC funds for the bond payments for the White Cliffs purchase would have to be made whole again in the event that the building is not historically preserved. For example, if a developer buys the building and decides to tear it down for another use. In response to a question from Mr. Hodge, Mr. Coderre indicated that the MetroWest Collaborative will present their affordable housing re-use proposal for the White Cliffs to the Board of Selectmen at their meeting on March 13th. He encouraged Committee members to watch this presentation and offer comments if they wish to do so.

Mr. Leland ended his presentation stating that if all of the CPC recommendations are approved at Town Meeting, the amount unallocated from projected new revenue would be \$0 and the amount remaining in the Unreserved Fund would be \$591,653. The Affordable Housing Reserve Fund would increase to \$279,863.

Committee members thanked Mr. Leland for his presentation on the CPC recommendations.

DISCUSSION AND POTENTIAL VOTE REGARDING THE FINANCIAL PLANNING COMMITTEE'S FY2024 CAPITAL BUDGET RECOMMENDATIONS AND TOWN MEETING REPORT

Mr. Coderre noted that the Financial Planning Committee has historically made recommendations only on those projects that, if not funded with CPA funds, would come before the Financial Planning Committee under the Capital Plan. Following a review of the projects, the Committee decided to take up their votes in three motions, one for the Capital Budget projects, one for the qualifying CPA projects, and lastly, the Regional High School's Athletic Complex project.

FY2024 Capital Budget

Mr. Hodge moved the Committee vote to recommend approval of the FY2024 Capital projects as presented in the FY2024 Capital Budget beginning with the Police Cruiser replacements through the Zeh School Rear Entrance Repairs; Mr. Rapa seconded the motion; all members voted in favor.

FY2024 CPC Projects

The Committee discussed the CPC Projects, noting that they historically only comment on projects that would qualify for inclusion in the Capital Improvement Plan (\$25,000 or more with a useful life of at least 5 years).

Mr. Hodge moved the Committee vote to recommend approval of the following FY2024 CPC Projects:

- White Cliffs Bond Payment - \$188,000
- Construction of Northborough Dog Park - \$347,500
- Construction of ADA Accessible Trail at the Senior Center - \$370,000

Mr. Rapa seconded the motion; all members voted in favor.

Algonquin Athletic Complex

Mr. Spataro moved to the audience and recused himself from any discussion regarding the Algonquin Athletic Complex as he is a member of the Athletic Complex Project Committee and does not want the appearance of a conflict of interest.

Mr. Hodge moved the Committee vote to recommend approval of the Algonquin Regional High School Athletic Complex project; Mr. Rapa seconded the motion. Vote 3-0-1 (Mr. Spataro abstained).

Mr. Coderre noted that he will work with the Chair to finalize the Financial Planning Committee's report. The Committee will briefly meet on February 23rd to approve the final report.

Mr. Hodge acknowledged the recent passing of Richard Smith. Mr. Smith served on the Financial Planning Committee for ten years. He extended his sympathy to Mr. Smith's family.

OTHER BUSINESS

None.

ADJOURNMENT

Mr. Hodge moved the Committee vote to adjourn; Mr. Spataro seconded the motion; all members voted in favor. The meeting adjourned at 8:00 p.m.

Respectfully submitted,

Diane M. Wackell
Executive Assistant

Documents used during meeting:

1. February 16, 2023 Meeting Agenda
2. February 9, 2023 Meeting Minutes
3. FY2024 Revised Capital Budget
4. Information packet – CPC Project Requests
5. Draft Financial Planning Committee Town Meeting Report