



TOWN OF NORTHBOROUGH

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RECEIVED

By KWilber/Assistant Town Clerk at 3:21 pm, Mar 27, 2024

FINANCIAL PLANNING COMMITTEE – MEETING MINUTES

Tuesday, February 27, 2024 – 7:00 PM

Select Board Meeting Room

MEMBERS PRESENT: John Rapa
Susan Sartori
Ken Picard
Scott Stocklin
Robert Babcock

MEMBERS ABSENT: NA

TOWN: Timothy McInerney, Town Administrator
Jason Little, Finance Director

OTHER: Greg Martineau, Superintendent of Schools
Kelly Guenette, Chair of Northborough School Committee
Scott Rogers, Chair of Appropriations Committee

The meeting was called to order at 7:05 pm.

1. Election of Officers

Town Administrator, Tim McInerney, initiated the meeting by addressing the first agenda item: the election of officers.

Nomination of Chair: Ken Picard nominated John Rapa for Chair.

Nomination Seconded: By Susan Sartori.

Vote: Nomination of John Rapa as Chair of the Financial Planning Committee resulted in unanimous approval with all present members voting "aye."

Nomination of Vice Chair: John Rapa nominated Susan Sartori.

Nomination Seconded: By Ken Picard.

Vote: Nomination of Susan Sartori as Vice Chair of the Financial Planning Committee resulted in unanimous approval with all present members voting "aye."

Nomination of Clerk: John Rapa nominated Ken Picard.

Nomination Seconded: By Scott Stocklin.

Vote: Nomination of Ken Picard as Clerk of the Financial Planning Committee resulted in unanimous approval with all present members voting "aye."

2. Approval of Minutes: April 24, 2023

John Rapa postponed the approval of the April 24, 2023, minutes to the next meeting.

3. Preliminary Free Cash Plan and 4. Preliminary FY2025 Capital Budget

Prior to Jason Little's discussion on the Preliminary Free Cash Plan and the Preliminary FY2025 Capital Budget, Tim McInerney underscored the Financial Planning Committee's crucial role in providing oversight and balance to the administration's actions. He stressed the significance of carefully assessing departmental needs against the Capital Plan to ensure both fiscal responsibility and alignment with community expectations.

Finance Director Jason Little distributed a memorandum detailing the Preliminary Free Cash Plan along with the Preliminary FY2025 Capital Budget.

(Please see memorandum attached or click [HERE](#) to view online.)

Here are Jason Little's summarized key points:

Free Cash Certified at \$3.57 Million: Detailed the composition of free cash as retained earnings, underscoring its use for capital projects.

Allocation Plan: Proposed utilizing free cash for the Appropriations Committee's Reserve Fund (\$175,000), FY25 operating budget (\$500,000), Stabilization Fund contribution (\$200,000), and capital projects (\$2.2 million).

Stabilization Fund: Maintained at 8% of the operating budget, aligning with fiscal policy guidelines.

Capital Requests and Financing: Discussed capital requests totaling \$4.697 million, including a significant fire station renovation project estimated at \$30 million, to be proposed at a special town meeting.

Funding Sources: Explained the strategy of matching free cash and other available funds with capital projects, including reappropriation and borrowing for larger expenditures.

The summary of the committee's discussion is as follows:

Fire Station Project: Clarified that the \$30 million estimate for the fire station renovation is preliminary and subject to change.

Financial Trend Monitoring: Jason Little mentioned the annual practice of financial trend analysis to guide fiscal health and future projections.

Capital Project Prioritization: Discussed adjusting capital projects based on urgency and availability of funds.

Future Planning: Susan Sartori suggested additional meetings to integrate new projects into the Capital Plan, emphasizing the need for forward-looking financial planning.

5. School Department FY2025 Capital Requests

Before Superintendent Greg Martineau discussed the capital plan for the school's FY2025, he highlighted successes in capital projects funded through ARPA and through partnership with the town. Projects such as the Proctor Elementary roof replacement, the ADA-compliant entrance at Zeh School, and ~~fy&mj%wjltsf&qj{j&mj%ymqjy&h&tr uqj}%fy&f&dtsvz&rs&mlm% Xhmtttq~~ Greg Martineau noted two last-minute changes to the FY2025 capital plan. The request for an acquisition of a truck and the installation of a new camera system at Lincoln Elementary School were deleted from their capital requests.

Greg Martineau explained the remaining capital requests:

Peaslee Elementary School Asbestos Encapsulation – Chimney:

Unfortunately, Peasley school contains asbestos. In compliance with regulations, the building is inspected every three years. During the most recent inspection, asbestos was discovered flaking off the chimney in the boiler room. This poses a hazard, necessitating a repair costing \$30,000, which will be included in this year's capital plan.

Proctor Elementary School Lower Retention Walls, Stairway and Paving:

At Proctor Elementary School, there are projects involving the lower retaining walls and stairway repaving, estimated at \$105,000. These projects are located near the back parking lot. Additionally, a different retaining wall is showing signs of wear. Greg Martineau explained that they have managed to extend its lifespan with minor repairs, allowing them to defer this retaining wall project and not include it in this year's plan.

Melican Middle School Hot Water System Upgrade and Pneumatic Control Repairs:

Regarding Melican Middle School there are plans for a hot water system upgrade and pneumatic control repairs. These will be financed through green repair funds.

Algonquin Regional High School Heating and Lighting:

Algonquin High School stands as a significant asset to both the Northborough and Southborough communities, encompassing 350,000 square feet. It underwent renovations in the early 2000s, with the bond for these renovations set to be fully repaid by June 2028. As we approach the conclusion of this debt, the strategy has been to hold off on any major investments until the renovation project is fully paid for. Moving forward, we will focus on essential capital projects such as roof repairs, window replacements, and heating system upgrades to maintain this valuable community asset.

The five-year capital plan outlines several necessary projects. This year, the school committee has decided to spread the cost of these projects over five years, totaling approximately \$2.5 million. This equates to an annual contribution of about \$400,000 to \$500,000 from each community to fulfill the plan's objectives.

For larger undertakings, such as heating system replacements, roof, and window projects, we will propose specific capital articles. Considering the total budget, allocating roughly \$400,000 of the approximately \$28 million, or 1 to 1.5%, for the upkeep of a 350,000 square-foot building is quite reasonable. Our custodial team's dedication to the building's maintenance is evident, contributing to its excellent condition.

This year's priority projects include boiler motor repairs, adding glycol to the heating loop, updating lighting controls, and fixing a failed rooftop unit above the guidance department. Traditionally, for project approval, we would navigate through town meetings in Southborough followed by Northborough. However, this approach does not guarantee project approval. To ensure more certainty and progress with these smaller projects, we are integrating a \$500,000 assessment into the operating budget for the next five years.

In Addition to the Capital Requests for FY2025, Greg Martineau explained that there has been a submission of a statement of interest to the Massachusetts School Building Authority (MSBA) for the Accelerated Repair Program, which focuses on roofs, boilers, and windows.

Specifically, a statement was submitted for the Zeh School roof, aiming for reimbursement for this and potentially other projects through the MSBA. The Lincoln Street project received a 53% funding rate from the state, with the remaining 47% covered by the town, underscoring the value of advancing projects under the MSBA's Accelerated Repair Program. This program is also exploring opportunities for installing solar arrays on school roofs.

In line with this, we are proposing a warrant article to consider leasing roof space at Proctor Elementary School, Lincoln Street School, and Zeh School (pending a new roof) for solar panels. If these projects proceed, they could significantly cut electricity costs by generating a substantial portion of the schools' electricity needs through solar power. With Proctor's new roof, Lincoln Street's recent renovation, and potentially Zeh's new roof through the MSBA project, these schools are well-positioned for solar installations. This initiative reflects our broader strategy to mitigate the financial impact of capital projects by leveraging renewable energy sources.

6. Review Meeting Schedule

Tim McInerney proposed to the committee that future meetings start at 6:00 p.m. rather than the initially scheduled 7:00 p.m. to accommodate extensive agendas within a tight schedule. The committee agreed. An additional meeting on March 19th was added to discuss police and fire department's capital requests. Jason Little noted that the joint Select Board meeting on March 25th marks a deadline for closing the budget, with town meeting set for April 22nd.

7. Next Meeting Date – March 5, 2024

The committee unanimously agreed on the next meeting date of March 5, 2024, with the new starting time of 6:00 pm.

8. Any Other Business to Come Before the Committee

There was no further business presented to the committee.

Adjournment

Motion to Adjourn Meeting: Initiated by John Rapa.

Motion Seconded: By Susan Sartori.

Vote: John Rapa called for a vote to adjourn; it resulted in unanimous approval with all present members voting "aye."

Meeting adjourned at 8:07 p.m.

Respectfully submitted,



Angie Sowden
Executive Assistant to the
Town Administrator / Select Board

Link to recorded meeting online:

[Financial Planning Committee Meeting – Tuesday, February 27, 2024](#)

Documents used during the meeting:

- [February 27, 2024, Meeting Agenda](#)
- [April 24, 2023, Meeting Minutes](#)
- [Free Cash Plan Memo](#)
- [Draft Capital Plan FY25](#)
- [Financial Planning Committee Proposed Meeting Schedule](#)