



TOWN OF NORTHBOROUGH

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MEMORANDUM

TO: Honorable Chairman and Members of the Board of Selectmen
and the Appropriations Committee

FROM: Town Administrator

SUBJECT: FY2013 Proposed Budget

DATE: March 23, 2012

I am pleased to present the Fiscal Year 2013 Proposed Budget, which incorporates the latest information available regarding revenue projections and departmental expenditure requests. As you know, the Board will be holding its annual joint budget hearing with the Appropriations Committee on March 26th to discuss the FY2013 Proposed Budget.

While the Appropriations Committee has been holding public meetings for months to review departmental budgets, they typically begin voting their recommendations after the joint public hearing. Likewise, the Board of Selectmen will be voting its support for the various budgets and articles at its April 9th meeting.

As previously presented to the Board, the Northborough K-8 School Budget, Algonquin Regional High School (ARHS) Budget and General Government Budget have all been developed in conformance with the goals and objectives established at the December 19, 2011 Board of Selectmen's meeting. By way of background, the FY2013 budgetary goals that were previously established by the Board are as follows:

Goals of the FY2013 Budget:

- Develop a FY2013 Budget that is within the confines of Proposition 2 ½ and in conformance with the Town's comprehensive financial policies.
- Minimize tax increases.
- Maintain a level services budget, while identifying opportunities to improve service delivery efficiency and effectiveness.
- Honor the previously negotiated 0-1% collective bargaining wage increases for Union employees.
- Protect the Board of Selectmen's policy-making ability by ensuring that important policy decisions are not controlled by financial problems or emergencies.



- Protect the Town's ability to finance its services on a continuing basis beyond FY2013—in a word, sustainability!

Recent Developments

During the month of March, several significant budgetary items have been finalized, including Health Insurance, Debt Service, revised State Aid estimates and new growth figures. Collectively, these items represent the final pieces of the FY2013 budget.

- Health Insurance—With regard to health insurance, the FY2013 budget request of \$4.66 million represents a total increase of just \$150,847, or 3.34%, from the amount budgeted last year. While the premiums for some individual health insurance plans may increase significantly, plan design changes and the adoption of Chapter 32B, Section 18 in FY2010 have helped limit budgetary increases again in FY2013. In addition, the Town worked closely with the School Department to increase teacher contributions during FY2012 from 20% to 25% for Health Insurance. Given the reasonable FY2013 premium increases, there are no immediate plans to modify health insurance plans for FY2013. However, all the General Government collective bargaining contracts expire at the close of FY2013, so further discussion about health insurance options will likely take place during FY2013 for possible implementation in FY2014. It should be noted that if health insurance premiums begin increasing again at 10-15%, there will be significant impacts on future operating budgets for all departments.
- Debt Service—The proposed FY2013 debt service budget provides for the payment of principal and interest costs for long and short term bonds issued by the Town for General Fund purposes. For FY2013, the total Debt Service budget for the General Fund is \$2.51 million, a slight increase of \$19,586. The full impact of the completed Senior Center building project was absorbed into the debt service budget during FY2012.

Bond Anticipation Notes were issued last year in the amount of \$1.15 million for various borrowing authorizations to purchase departmental equipment. Additionally, the "Advances in Lieu of Borrowing" for capital items approved at the April 2011 Annual Town Meeting will be added to the current Bond Anticipation Notes (BANs), and the total will be issued for another year. Then in April 2013, the notes will be permanently financed with a bond offering. At that time, our current Aa2 Bond Rating will be evaluated with a very thorough review process by Moody's Investors Service.

It is important to note that throughout the recessionary period, Northborough has maintained its favorable bond rating of Aa2.

Affirmation of our bond rating reflects the rating agency's confidence in the Town's ability to manage through the current economic cycle. At a time of fiscal uncertainty, this independent assessment illustrates how our planning efforts and fiscal discipline produce very real and tangible results—lower rates on bonds resulting in less tax dollars going to pay for interest.

BOND RATING SYMBOLS

Moody's Investor Service
Aaa
Aa1
➔ Aa2
Aa3
A1
A2
A3
Baa1
Baa2
Baa3
Ba1
Ba2
Ba3
B1
B2
B3



- State Aid— Preliminary budget models assumed that State Aid would be level funded at the actual amount received during FY2012. To date, that assumption appears to be on track as the Governor's Budget released on January 25, 2012 has Northborough's State Aid close to level funded at \$4.56 million, once the increase in State assessments are taken into consideration. While the House and Senate still have to make their State Aid figures known, which may not be until well after Town Meeting, the Governor's figures appear reasonable for planning purposes. FY2013 is the first time in four years that the budget has not assumed a decrease in State Aid.
- New Growth—In accordance with Proposition 2½, a municipality is allowed to increase its levy limit each year by an amount based on the value of new development and other growth in the tax base. The purpose of this provision is to recognize that new development results in additional municipal costs. Due to the expansion of existing commercial and industrial businesses, as well as several new development projects, our revenue from New Growth in recent years has been significant. During FY2012 the Town realized \$81 million in new growth. The FY2013 revenue budget estimates a \$38 million increase in valuation and \$588,620 in additional tax revenue due to New Growth. Strong development activity continues to be Northborough's primary source of new revenue in an otherwise stagnant fiscal climate.

Now that these major budgetary components are settled, the remainder of the General Government departmental budgets have been finalized. With the possible exception of a State Aid resolution agreement passing in the Legislature, we do not anticipate any other significant financial information coming forward prior to the April Town Meeting.

Budget in Brief

Similar to prior budgets, the FY2013 Proposed Budget relies on projections regarding available revenue, thereby accepting the limits of the Town's financial resources. The budget is based upon an established ceiling of revenue derived from local property taxes in accordance with Proposition 2½. Added to these revenues are State Aid, Departmental Receipts such as fees, permits, interest earned and Available Funds such as Free Cash and Special Revenues.

At this point in time, based upon our latest projections, the proposed budgets for the key departments are estimated to increase as follows:

- General Government (Town) increases \$702,337 or 4.24% to \$17,279,247
- Northborough K-8 Schools increase \$792,410, or 4.24% to \$19,495,277
- Algonquin Operating Assessment increases \$282,605, or 3.61% to \$8,100,321
- Assabet Vocational HS Assessment increases \$139,157, or 26.89% to \$656,645 due to increased enrollment



FY2013 PROPOSED BUDGET

EXPENDITURES	FY2012 Budget	FY2013 Proposed	Variance	% Change
General Government (Town)	\$16,576,910	\$17,279,247	\$702,337	4.24%
Schools				
Northborough K-8	\$18,702,867	\$19,495,277	\$792,410	4.24%
Algonquin Reg. HS 9-12	\$7,817,716	\$8,100,321	\$282,605	3.61%
HS Debt Exclusion	\$1,267,629	\$1,289,094	\$21,465	1.69%
Assabet Valley	\$517,488	\$656,645	\$139,157	26.89%
Warrant Articles				
Reserve Fund	\$150,000	\$150,000	\$0	0.00%
Free Cash Capital Projects	\$804,000	\$615,000	-\$189,000	-23.51%
Free Cash Emergency Exp	\$0	\$100,000	\$100,000	100.00%
Zeh School Debt	\$520,567	\$501,040	-\$19,527	-3.75%
Colburn St. Debt Service	\$79,997	\$79,963	-\$34	-0.04%
Library Debt Service	\$424,995	\$419,595	-\$5,400	-1.27%
Senior Center Debt Service	\$609,135	\$599,855	-\$9,280	-1.52%
Other Funds	\$392,079	\$373,365	-\$18,714	-4.77%
Adjustments	(\$119,239)	\$0	\$119,239	
Subtotal General Fund	\$47,744,144	\$49,659,402	\$1,915,258	4.01%
Water Enterprise Funds	\$1,922,930	\$2,017,630	\$94,700	4.92%
Sewer Enterprise Fund	\$1,311,875	\$1,368,932	\$57,057	4.35%
Solid Waste Enterprise Fund	\$727,570	\$781,090	\$53,520	7.36%
Subtotal Enterprise Funds	\$3,962,375	\$4,167,652	\$205,277	5.18%
TOTAL ALL FUNDS	\$51,706,519	\$53,827,054	\$2,120,535	4.10%

• **General Government Budget**

The total FY2013 General Government Budget (non-school) is \$17,279,247, which is an increase of \$702,337, or 4.24%. The balance of the document that follows this Budget Message provides great detail regarding each departmental budget. However, it bears noting in this summary section how precarious the budget is year to year. Specifically, the health insurance budget can increase between 5-10% annually, which is \$230,000 to \$460,000 on a \$4.6 million budget. Clearly, the annual renewal of the Town's health insurance premiums is critical to the General Government budget, given that the entire FY2013 budget increase for all non-school departments is only \$702,337. It should also be noted that the health insurance costs for all K-8 School employees is carried within the General Government Budget. For detailed information regarding recent initiatives undertaken by the Town to keep the health insurance renewals to a reasonable level, please refer to Section 6 of this budget document.



- **Northborough K-8**

Based upon the revenue forecasts, it was projected that the Town's General Government Budget and the Northborough K-8 Schools may increase by 4.24% in FY2013. Therefore, the FY2013 amount available for the Northborough K-8 School department is \$19,495,277. This represents an increase of \$792,410 from the \$18.7 million appropriated last year.

- **Algonquin Regional High School (ARHS)**

The total FY2013 budget for ARHS is \$18,525,416, which is an increase of \$906,199, or 5.14% over FY2012. The Town of Northborough's share of that budget is \$9,389,415, which includes the operational budget assessment of \$8,100,321 plus the \$1,289,094 debt exclusion cost for the recent renovation/addition project. This represents a 3.35% increase of \$304,070. The moderate increase was necessary in order to bring the Town of Southborough's assessment to a manageable level. Due to shifting enrollment as well as the State Department of Education's funding formulas, Northborough's total assessment increases just 3.35%, while Southborough's total assessment increases 7.67%.

- **Assabet Valley Regional Technical High School**

Assabet Valley Regional Technical High School is a vocational school composed of the member communities of Berlin, Hudson, Marlborough, Maynard, Northborough, Southborough and Westborough. Northborough's assessment is based upon the number of students from Town attending the school. As of October 1, 2011, 50 Northborough Students attend Assabet Valley, which represents 7.06% of their FY2013 budget, or \$656,645. This assessment is up from 41 students on October 1, 2010, resulting in a FY2013 assessment increase of \$139,157.

- **Special Warrant Articles**

In addition to the individual departmental appropriations, the Town's overall annual financial plan includes warrant articles which draw upon the funds available to the Town. In FY2013 these warrant articles include \$150,000 for the Reserve Fund, \$100,000 for Emergency FY2012 Storm expenditures and the funding for the FY2013 Capital Budget of \$3,086,000. The warrant articles total \$3,336,000.

The warrant articles contain proposed funding for these items using a combination of several sources. The various funding sources include repurposed bond proceeds, Free Cash, municipal bonds, donations, Water and Sewer Enterprise Funds as well as partnering for project funding with both the Massachusetts School Building Authority (MSBA) and the Community Preservation Committee. The use of these funding sources results in a very minimal additional tax impact. A detailed description of the proposed warrant articles, including their funding sources, is provided in Section 6-18 through 6-20 of this budget document. Further detail regarding the capital project warrant articles is contained in Section 9, the Town's Annual Capital Budget and FY2013-2018 Capital Improvement Program (CIP).

Fiscal Year 2013 total operating budget for all funds is \$53,827,054, or a 4.10% increase over FY2012. An in-depth review of revenues and expenditures is provided in the Budget Summaries Section 1 that follows this Budget Message.



Personnel Summary

In a relative sense, the fastest growing cost segment of the budget is personnel and personnel-related expenses such as health insurance, pension costs and Medicare contributions. As vacancies occur, every effort is made to re-examine positions with a view toward restructuring, reducing or eliminating the position, where possible. The table below provides a four year history of Full-time Equivalent (FTE)¹ positions by department, including any proposed changes for FY2013.

TOWN OF NORTHBOROUGH PERSONNEL SUMMARY FY2010–FY2013

Town Government	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE	FY 2013 FTE	Change FY12-FY13
Executive Office	3.75	3.75	3.75	3.75	0.00
Public Buildings	0.50	0.50	0.50	0.50	0.00
Financial Offices	9.25	9.25	9.35	9.35	0.00
MIS/GIS	2.00	2.00	2.00	2.00	0.00
Town Clerk's Office	2.00	2.00	2.00	2.00	0.00
Planning & Engineering	3.21	3.23	3.23	3.73	0.50
Police Department	27.50	27.50	27.50	27.50	0.00
Fire Department	19.73	19.73	19.71	19.67	-0.04
Building Department	2.80	2.80	2.80	2.80	0.00
Health Department	2.20	2.20	2.20	2.20	0.00
Dog Officer	1.00	1.00	1.00	0.00	-1.00
Department of Public Works	16.75	16.75	16.75	16.88	0.13
Senior Center/COA	2.89	2.89	2.86	3.00	0.14
Library	9.19	9.51	9.16	9.15	-0.01
Recreation	2.00	2.00	2.00	2.00	0.00
Family & Youth Services	1.96	1.96	1.96	1.96	0.00
Cable Access TV	1.75	1.75	1.75	1.75	0.00
Veterans' Services	0.29	0.29	0.29	0.29	0.00
Town Subtotal	108.77	109.11	108.81	108.53	-0.28
School Department (K-8)					
K-5 Teachers	62.50	62.50	63.50	64.00	0.50
Grade 6-8 Teachers	34.20	34.20	33.40	33.40	0.00
Specialists	34.30	34.30	35.30	35.80	0.50
Special Education Staff	37.60	37.60	37.60	38.80	1.20
Administration	6.00	6.00	6.00	6.00	0.00
Support Staff	96.60	96.60	96.60	105.60	9.00
K-8 Schools Subtotal	271.20	271.20	272.40	283.60	11.20
Total Town & K-8 FTEs	379.97	380.31	381.21	392.13	10.92

¹ Full Time Equivalents are based upon 40 hours per week (i.e., 30hrs/40hrs = .75 FTE)



Overall, Town Government staffing is down 0.28 FTEs from FY2012. The Town eliminated the full-time Dog Officer position and contracted out the service at significant savings (see Section 3-30 for full details). In an effort to improve effectiveness and efficiency, the FY2013 General Government budget is proposing to add a part-time 19 hour per week Conservation Agent. Previously, there was an Assistant Town Engineer position that was dedicated at 20 hours per week for Conservation Commission work, but the position has been remained unfilled due to financial constraints. The Town Engineer's time has subsequently been taken up by Conservation-related duties at the expense of higher priority engineering projects that require attention. The FY2013 Conservation Budget contains \$13,000 to fund the position beginning January 1, 2013. Further detail on specific positions is provided within the departmental personnel summaries contained in Budget Sections 2 through 5.

With regard to the Northborough K-8 Schools there are 11.20 new FTEs in the FY2013 budget. These are primarily positions that were previously funded through the American Recovery and Reinvestment Act (Stimulus Funding) and the Federal Education Jobs Fund (Ed-Jobs)². The positions include both teachers and special education aides that have been absorbed into the regular K-8 School Budget as part of the 4.24% allowable increase in FY2013.

It is important to note that FY2013 is the last year of the previously negotiated collective bargaining agreements for Police Patrol Officers (0%), Police Sergeants (0%), Fire (1%) and the Northborough Municipal Employees Association (1%).

Capital Budget

Enclosed in Section 9 of this document are the Town's Annual Capital Budget and FY2013-2018 Capital Improvement Program (CIP). The table on the following page represents the Proposed Capital Requests being made by the General Government Departments, as well as the Northborough K-8 School Department for FY2013.

Although the detail for proposed projects has been incorporated as Section 9 of the annual Operating Budget document, funding for all recommended FY2013 projects requires Town Meeting approval of specific Articles contained in the April 2012 Annual Town Meeting Warrant.

The proposed FY2013 Capital Budget totals \$3,086,000, of which only \$260,000 is anticipated to be funded through debt. The balance of the Capital Budget, or 91% of all project expenses, is proposed to be funded using a combination of Free Cash, MSBA grants, available mitigation funds, Community Preservation Funds, Enterprise Funds, donations and repurposed bond proceeds from completed capital projects. The proposed funding approach limits the additional tax impact on residents to just \$260,000 in new debt service.

² The Education Jobs Fund (Ed Jobs) program was a Federal program that provided assistance to States to save or create education jobs for the 2010-2011 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary and secondary education.

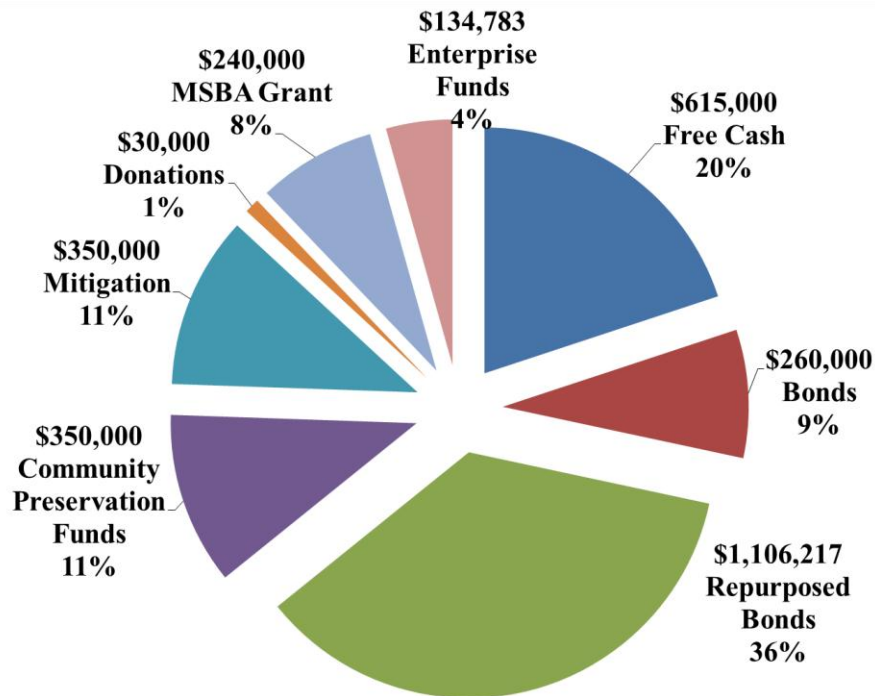


The pie chart below shows the breakdown of funding sources by category for the proposed FY2013 Capital Budget. It is important to note that only a couple of years ago virtually all projects contained in the CIP were funded with debt. Today, there are dedicated funding sources for capital projects, such as Free Cash, as well as relatively new sources such as the Community Preservation Fund, which is contributing \$350,000 toward the Town Offices improvement project.

Section 9 of this budget document contains Project Detail Sheets for every capital project included in the Town's 6-year CIP. Part III of the CIP contains the Financial Planning Committee's review and recommendations on the FY2013 Capital Projects and the CIP as a whole. The Financial Planning Committee's role is to act in an advisory capacity to Town Officials and the citizens at Town Meeting, so its input and comments are an important part of the Town's capital planning process.

It should also be noted that the full CIP included in Section 9 of this budget document contains a question and answer introduction that provides a user-friendly overview of Capital Planning in Northborough.

FY2013 CAPITAL BUDGET FUNDING SOURCES





FY2013 CAPITAL BUDGET

PROJECTS BY DEPARTMENT		EXPENDITURE
Fire		
	Engine 3 Replacement	350,000
	Conversion to Narrow Radio Banding	85,000
	Fire Subtotal	\$435,000
Town Offices		
	Town Offices Repairs	1,152,000
	Town Hall Subtotal	\$1,152,000
Parks & Recreation Commission		
	Ellsworth McAfee Track Replacement	40,000
	Parks & Rec Comm Subtotal	\$40,000
DPW: Highway Division		
	One Ton Service Truck w/Plow	56,000
	Sidewalk Plow	153,000
	Highway Subtotal	\$209,000
DPW: Sewer Enterprise Fund		
	Portable generator	100,000
	Sewer Enterprise Fund Subtotal	\$100,000
DPW: Water Enterprise Fund		
	Lyman Street Well Repairs	250,000
	Water Enterprise Fund Subtotal	\$250,000
Northborough K-8 Public Schools		
Summary of School projects		
Lincoln Elementary	Feasibility Study	500,000
Melican Middle School	Emergency Generator Replacement	400,000
	Northborough K-8 Schools Subtotal	\$900,000
TOTAL FY13 CAPITAL BUDGET		\$3,086,000



FY2012 Goals & Accomplishments

The most important aspect of the budget process is the generation of operational and financial plans, program review and the establishment of goals and objectives that will serve the citizens of the community in this and future years. The financial data that is generated is intended to support the Town's policies, programs and objectives that are identified and articulated during the budget process. The budget serves not only as a financial plan, but also as a short-term strategic plan linked to our more long-term objectives and vision for our community.

During FY2012 several key goals and initiatives were achieved. These include:

1. GFOA Distinguished Budget Award: The Town received its second, consecutive national budget award in FY2012 from the Government Finance Officers Association (GFOA). The award represents a significant achievement by the Town. It reflects the commitment of the Board of Selectmen and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the Town had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well the Town's budget serves as a policy document, a financial plan, an operations guide and a communications device.

The Town's FY2012 Budget document was rated "proficient" in all four categories, as well as the fourteen mandatory criteria within those categories, to receive the award. The FY2012 Budget passed Town Meeting with the unanimous support of the Board of Selectmen, Appropriations Committee, Financial Planning Committee and School Department.

2. Annual Town Report First Place Award: On January 21, 2012, at the Award Ceremony of the Massachusetts Municipal Association's 2012 Annual Meeting, the MMA presented the Town of Northborough with a First Place Award Certificate in Category 1 (population 12,500 and up) of the MMA's Annual Town Report Contest. Town Reports serve to communicate important information to town residents. It is used as an effective and informative tool in promoting an understanding of local government.

MMA judging criteria for the annual town report contest include cover design and layout; logical arrangement of material; basic information, such as Town Meeting warrants and results and reports from boards and commissions; summaries of the town's achievements and evidence of planning for the future; broad reader appeal with concise yet comprehensive information; and graphic presentation, which enhances a citizen's understanding of town government.

3. Clean Annual Audit: The Town closed out FY2011 with \$1.86 million in Free Cash (budget surplus) on June 30, 2011 and no material issues or deficiencies were noted in the annual audit. In fact, the audit is the cleanest review in memory for the Town.



4. FY2012 Capital Budget Approved \$1.96 million in Projects with No Additional Tax Impact: All the capital projects presented at the April 2011 Town Meeting were funded with no additional tax impact to the residents, using a combination of Free Cash, State Grants and Mitigation Funds. The Town was able to invest in new equipment, a school roof and a new Middle School boiler system for a total of \$1.96 million in capital investments. A key source of funding for the FY2012 Capital Budget was the result of the 2010 Free Cash policy which diverts one-time budget surpluses away from the operating budget and towards one-time capital projects.
5. Positive Economic Development: Northborough continues to defy the generally anemic economy when it comes to new growth and economic development activity. With the opening of Northborough Crossing, a 640,000 square foot retail development, the Town's tax base remains strong. During a period when little economic expansion was seen around Central Massachusetts, Northborough added \$81 million in new growth for FY2012, resulting in \$1.2 million in new tax dollars. In addition, Northborough has successfully enhanced its public image as a positive place to do business by coordinating early with major developments in order to ensure a smooth process.
6. Minimized the FY2012 Tax Impact on Residents: The 2011 Annual Town Meeting approved a FY2012 Budget that had an estimated tax impact of \$237 for the average single family home. Due to conservative estimates concerning State Aid and strong economic development (new growth), the actual tax impact for the average single-family home was only \$143, or \$94 less than estimated. This is particularly impressive when it is revealed that \$58 of the \$143 impact was attributable to new debt service for the Senior Center Building project, which the voters approved as a debt exclusion under Proposition 2 ½. In terms of trend, the modest FY2012 tax increase came on the heels of a \$20 decrease to the average single family tax bill in FY2011.

The focus of the Board of Selectmen and Town Administration continues to be on enhancing communication through quality publications, good financial planning and the encouragement of appropriate economic development. These key areas of focus will continue as we move into FY2013.

Major Upcoming Issues or Projects

Looking forward to FY2013, the primary issues likely to continue dominating much of our focus over the next year involve financial planning and various capital projects. The primary projects in FY2013 include:

1. GFOA Distinguished Budget Award Program: Continue to refine the Town's award-winning budget for the FY2013 submission to the Government Financial Officers Association (GFOA) Distinguished Budget Award Program. FY2013 enhancements will focus on more long-range financial planning and the creation of a Fiscal Indicators Report using the International City Manager's Association (ICMA) best



practices model. The data collection portion of the project started in FY2012 and will be completed during FY2013.

2. Downtown Traffic Improvements: The proposed downtown traffic improvement project consists of widening along Route 20 to provide left turn lanes at Church Street (eastbound), South Street (westbound) and Hudson Street (eastbound), with additional widening along Church Street and Hudson Street to provide additional turn lanes. The existing signal equipment at Church Street and South Street will be upgraded and a new traffic signal will be installed at Hudson Street. The three (3) signals will be designed as a coordinated signal system for improved vehicle progression. The design also incorporates provisions for emergency vehicle access and pre-emption for the Fire Department, protected pedestrian crossings at signalized locations and railroad pre-emption for the at-grade crossing of Route 20. After a delay in finding a solution to the Patty Lane component of the redesign, the project began on March 15th. Although the project is not being managed directly by the Town, there will be significant impacts requiring coordination and oversight by various Town Officials.
3. Town Offices Building Improvements: During FY2010 a building assessment was conducted on the Town Offices Building and a series of prioritized improvements were recommended. The first phase of improvements during FY2011 focused on the building envelope and included repairs to the roof as well as the front and side entry ways. Included in the FY2013 Capital Budget are funds to replace the HVAC system and make other related repairs. This project will require significant coordination in order to minimize disruption to the various departments.
4. All Collective Bargaining Agreements to be Negotiated: FY2013 is the last year of the previously negotiated collective bargaining agreements for Police Patrol Officers (0%), Police Sergeants (0%), Fire (1%) and the Northborough Municipal Employees Association (1%). A significant amount of time in FY2013 will be devoted to negotiating fair and sustainable increases for personnel in FY2014, including possible modifications to health insurance plans.
5. Lincoln Street Feasibility Study and Renovation/Addition Project: Following years of advocacy, the Town was finally notified on January 25, 2012 that the Massachusetts School Building Authority (MSBA) voted to move the Feasibility Study for the Lincoln Street School renovation/addition project into its capital pipeline. The Town is working with MSBA on an overall project schedule with the ambitious goal of completing the Feasibility Study in time to bring a building project forward for consideration at next year's April 2013 Town Meeting. However, this goal is dependent upon MSBA's schedule and process, both of which are largely beyond the Town's control. Completion of the Feasibility Study will be a significant project coordinated jointly between the Town and School Department.



Conclusion

The FY2013 Proposed Budget that follows is balanced pending passage of the final State Budget and meets the previously determined budget goals. The FY2013 Proposed Budget is within the budgetary increase allowable under limits of Proposition 2 ½, minimizes the tax impact while maintaining a level services budget, does not impact core services and does not require further reductions in General Government personnel. However, out of necessity, most of the cuts and reductions made since FY2010 persist in the FY2013 Proposed Budget. These impacts are fully detailed in the Departmental Budget pages contained in Sections 2 through 5.

Following this Budget Message is Section 1—Budget Summaries, which contains both the revenue and expenditure highlights of the FY2013 Proposed Budget and further details the challenges and opportunities facing the Town of Northborough.

I would like to take this opportunity to thank the members of the Financial Team—Assistant Town Administrator Kimberly Hood, Finance Director June Hubbard-Ward and Town Accountant Jason Little for their tireless contributions. I would also like to thank Superintendent of Schools Charles Gobron for his excellent communication and cooperation during this past year. The level of professionalism and sense of teamwork exhibited by all the financial Boards and Committees in Northborough is something our community can be proud of.

Respectfully submitted,

John W. Coderre
Town Administrator



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