

Town of Northborough Massachusetts



Proposed Budget & Capital Improvement Plan

Fiscal Year 2011-2012

John W. Coderre
Town Administrator



This Page Intentionally Blank



GOVERNMENT FINANCE OFFICERS ASSOCIATION



*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Northborough
Massachusetts**

For the Fiscal Year Beginning

July 1, 2010



President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of Northborough, Massachusetts for its annual budget for the Fiscal Year beginning July 1, 2010. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



This Page Intentionally Blank

TOWN OF NORTHBOROUGH MASSACHUSETTS



Annual Budget
For the Fiscal Year
Beginning July 1, 2011 and ending June 30, 2012

Board of Selectmen

Dawn Rand, Chair
Jeff Amberson, Vice-Chair
Leslie Rutan, Clerk
William Pantazis
Fran Bakstran

A CITIZEN'S GUIDE TO THE BUDGET

Congratulations! If you are reading this it means you are interested in better understanding one of the most important documents produced by your community. The Annual Budget document is much more than just numbers; it is a reflection of our community's values, priorities and goals. The Budget document serves as a policy document, a financial guide and a communications device to its residents. To this end, it is designed to be as user-friendly as possible. This guide was created to help orient interested readers by providing a brief overview of the budget process, as well as an explanation of the organization of the budget document itself. We hope you find this introductory guide a useful tool as you better acquaint yourself with the latest financial and planning information for the Town of Northborough.

THE BUDGET PROCESS

The Town of Northborough operates under State statutes and the Home Rule Charter as amended to establish the Selectmen-Town Administrator form of government. The legislative body of Northborough is an Open Town Meeting comprised of all registered voters. Town Meeting has the sole authority to appropriate funds for the operating budget and capital projects except for specific instances where statutes or regulations do not require appropriation. Any amendments to appropriations require Town Meeting vote at either a regular or Special Town Meeting. The procedures for Town Meeting are specified in Chapter 1-80 of the Town of Northborough Code. Annual Town Meeting is always held on the fourth Monday in April.

While this document contains detailed departmental budgets, it should be noted that these details are provided for information purposes only. The final budget vote of Town Meeting constitutes the legal budget authority which ultimately governs the manner and amount of local funding expended during the fiscal year. This budget presents only the General Fund, which is required by state statute to be appropriated by Town Meeting.

Readers should also obtain a copy of the Annual Town Meeting Warrant book which contains the actual budget articles to be voted upon. Town Meeting Warrant Articles contain additional funding sources such as Revolving Funds used to offset specific departmental budgets. A more detailed explanation and overview of the Town's larger fund structure and basis of accounting can be found in Appendix B.

BUDGET CALENDAR

August/September

- Identify Goals & Strategic Needs

October

- Capital Budget Manual sent out to Departments

November

- Capital Requests Submitted & Reviewed by Financial Planning Committee
- Operating Budget Request Manual sent out to Departments

December

- Town Administrator Reviews Requests and Develops Operating Budget
- Town Administrator & Financial Planning Committee Develop Capital Budget

January/February

- Proposed Capital Budget Presented to Appropriations Committee
- Preliminary Operating Budget Presented to Appropriations Committee

February/March

- Appropriations Committee Holds Public Budget Hearings with Departments
- Proposed Budget Presented to Board of Selectmen and Appropriations Committee

April

- Proposed Operating and Capital Budgets Presented to Annual Town Meeting

June/July

- June 30th Current Fiscal Year 2011 Ends
- July 1st Fiscal Year 2012 Begins
- State Budget typically passed with Final State Aid numbers (a/k/a "Cherry Sheets")

November

- Tax Classification Hearing & Final Tax Rate Set

A CITIZEN'S GUIDE TO THE BUDGET

Budget documents are traditionally difficult to read, especially if you are not familiar with the organization. One reason is that most of us do not work with written budgets everyday and thus are uncertain as to where we should focus our attention. For this reason the Town's budget has been consciously organized to provide a "big-picture" overview first, followed by progressively more detailed information. This document respects both your time and your need to understand complex financial issues at a level that allows you to actively participate in the discussion in a meaningful way. In order to address these issues, and to assist interested readers in making the budget understandable, we would like to suggest that it be read in the following order:

HOW TO READ THE BUDGET

First, Appendix C at the back of this document contains a **Glossary of Terms** that the reader may want to refer to when using this document.

Second, the **Town Administrator's Budget Message** contains the overall philosophy upon which the budget was developed as well as an explanation of any significant increases or decreases in the level of services being provided in the current fiscal year as well as what will be provided during the upcoming fiscal year. Immediately following the Budget Message is the Town's **Vision Statement** and a general **Community Profile**.

Third, the budget itself is contained in **Budget Highlights & Summaries Section 1**. This segment provides budget summaries which display revenue and expenditure histories as well as proposed appropriations for the coming fiscal year. This section identifies significant budget issues, and explains the Town Administrator's rationale for budget recommendations.

Fourth, since the budget document is designed to present summary information first, and progressively become more in-depth, Sections 2 through 5 are designed to provide **Departmental Detail** according to functional budget categories such as Public Safety, Community Services, etc.

Included in this detail are departmental mission statements, organizational charts, staffing histories, and goals for the upcoming fiscal year. These sections, explain in detail how the expenditures contained in the Budget Highlights section were arrived at and what services will be provided to Town residents.

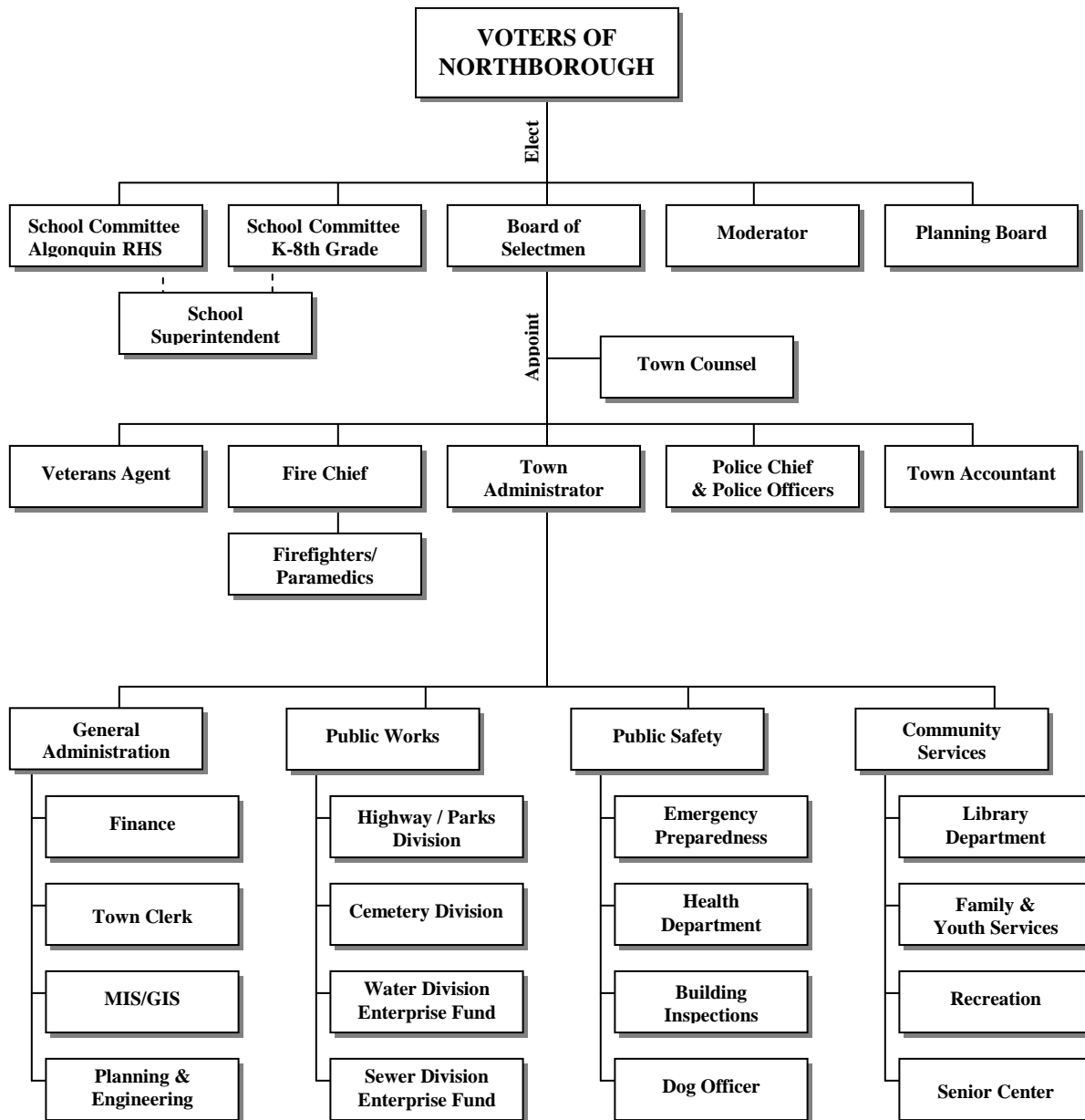
Fifth, Section 6 contains information on **Undistributed Expense Categories** such as Employee Benefits, Long-term Debt, Non-Appropriated Expenses and the FY2012 Warrant Articles.

Sixth, Section 7 contains the basic budgets for Schools. Please refer to the separately published **School Department** budget documents for more detail.

Seventh, Section 8 contains **Water, Sewer and Solid Waste Enterprise Fund budgets**.

Lastly, Section 9 details the FY2012 **Capital Projects Budget** and contains detailed information on the Town's Six-Year **Capital Improvement Program**. This is where the Town comprehensively plans for major projects that typically require funding with debt, such as new or renovated buildings and large equipment acquisitions. Contained within Section 9 is an additional reader's "introduction" guide that explains Northborough's Capital Planning process in a straight-forward manner.

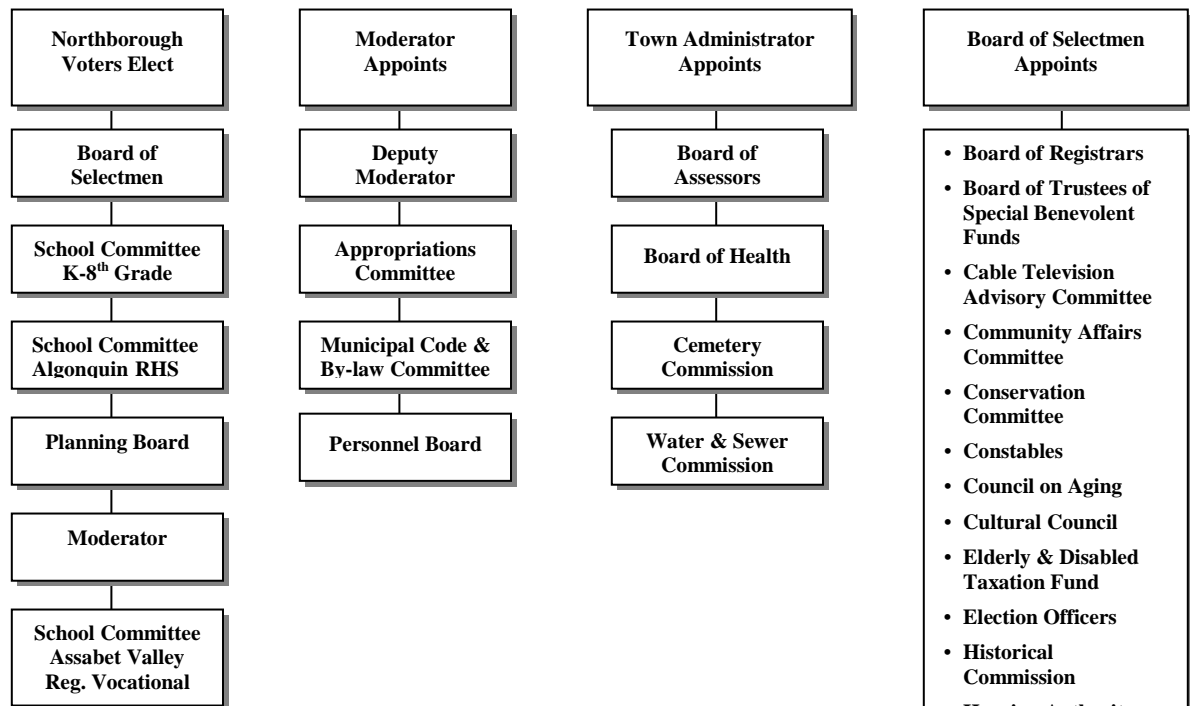
Town Organizational Chart



Personnel Appointing Authority

- Voters elect the Board of Selectmen, School Committees, Planning Board and Town Moderator.
- The Northborough K-8 School Committee and the Algonquin Regional High School Committee appoint the Superintendent.
- The Board of Selectmen appoint the Town Administrator, Fire Chief (Chief appoints firefighters/paramedics), Police Chief, Police Officers, Town Counsel, Town Accountant and Veterans Agent. The Selectmen also appoint the Library Board of Trustees, which operates under their general administrative direction to appoint the Library Director and staff.
- The Town Administrator appoints all other Town Personnel and is responsible for overall budgeting and financial coordination between departments. At the pleasure of the Board of Selectmen the day-to-day activities of Town Counsel, the Town Accountant and the Veterans Agent coordinate through the Town Administrator's Office.

Boards and Committees



Boards & Committees with Multiple Appointing Authorities

- **Financial Planning Committee:** The Financial Planning Committee consists of six members, three appointed by the Moderator, one by the Planning Board, one by the School Committee, and one by the Appropriations Committee for three-year terms.
- **Earth Removal Board:** The Earth Removal Board consists of five members, one each appointed by the Moderator, the Board of Selectmen, the Conservation Commission, the Zoning Board of Appeals and the Planning Board for three-year terms.
- **Groundwater Advisory:** The Groundwater Advisory Committee consists of five members, one each appointed by the Planning Board, the Conservation Commission, the Board of Health, the Board of Selectmen and the Water & Sewer Commission for indefinite terms.
- **Community Preservation Committee (CPC):** The CPC consists of nine members, one each from the Open Space Committee, the Conservation Committee, the Planning Board, the Parks & Recreation Commission, the Historical Commission, the Housing Authority, and three members appointed by the Board of Selectmen for three-year terms.
- **Open Space Committee:** The Open Space Committee consists of seven members, one each from the Planning Board, Conservation Commission, Parks & Recreation Commission, Board of Selectmen, and three members and two alternates appointed by the Board of Selectmen for three-year terms. The **Trails Committee** is a subcommittee of the Open Space Committee.
- **Housing Partnership:** The Housing Partnership Committee consists of nine members, one each from the Board of Selectmen, Planning Board, Housing Authority, Council on Aging and five members appointed by the Board of Selectmen, one of which must be a realtor, for three-year terms.
- **LEPC:** The Northborough Local Emergency Planning Committee is a committee established through the Federal Emergency Planning and Right-To-Know Act (EPCRA) of 1986. Local, State, and Federal members work together to formulate emergency planning for hazardous materials within Northborough, exercise the plan annually, maintain training for hazardous materials emergencies, and provide information on hazardous materials to the public. Membership includes: State and Local Elected Officials, Hospitals, Firefighters, Environmental Groups, Law Enforcement Personnel, News Media, Civil Defense Officials, Community Groups, Public Health Officials, Transportation Resources, and Hazardous Materials Facilities.
- **Various Ad Hoc Committees:** In addition to the Boards and Committees listed here, at any time there may also exist several ad hoc committees formed by various bodies to study specific issues such as building committees, Wind Committee, Solid Waste Advisory Committee, etc.

IN THE CENTER OF IT ALL
NORTHBOROUGH, MASSACHUSETTS

COMMUNITY PROFILE

Incorporated: 1766

Land Area: 18.72 Sq. Miles

Public Roads: 92.76 Miles

County: Worcester

Population: 14,498

Form of Government:

Town Administrator

Five-member Board of Selectmen

Open Town Meeting

FY2011 Tax Rate

per Thousand: \$15.11

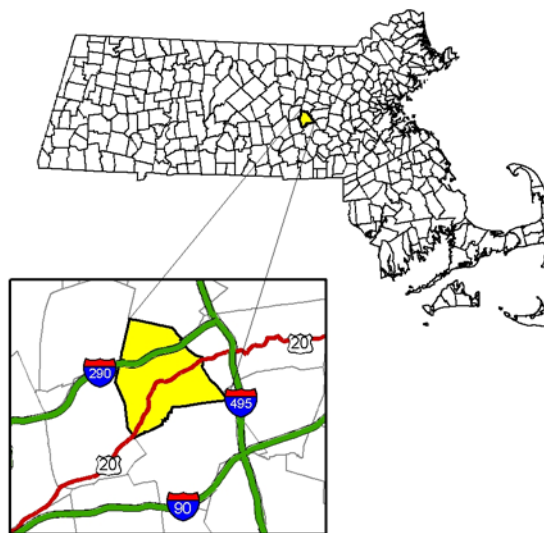
2011 Average Single Family

Home Value: \$395,200

**To find out more about
Northborough's municipal
services, please visit:**

www.town.northborough.ma.us

**Town Offices
63 Main Street
Northborough, MA 01532
Phone: (508) 393 – 5040
Fax: (508) 393 -6996
townadmin@town.northborough.ma.us**



The Town of Northborough is a suburban community which offers classic New England charm while providing access to educational opportunities, a mix of retail establishments and restaurants, a variety of housing options, and a stable and prospering business environment. These attributes make Northborough an attractive community in which to live, shop and work. Because Northborough is centrally located and in close proximity to I-495, I-290 and the Mass Pike I-90, it is a desirable area for travelers heading to Boston, New Hampshire, Rhode Island and Connecticut.

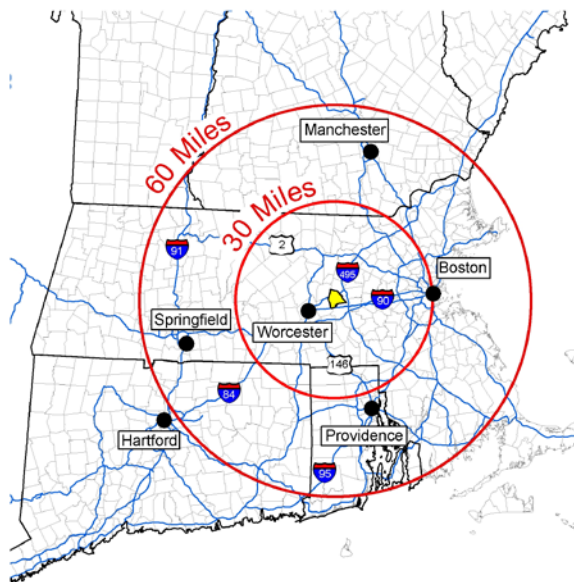


TABLE OF CONTENTS

Title page listing Board of Selectmen	<i>i</i>
Citizen's Guide to the Budget	<i>ii</i>
Town Organizational Chart	<i>iv</i>
Community Profile	<i>vi</i>
 Town Administrator's Budget Message	 1-10
SECTION 1—BUDGET SUMMARIES	
Balanced Budget Summary	1-1
Revenue Budget Summaries	1-5
Expenditure Budget Summaries	1-11
SECTION 2—GENERAL ADMINISTRATION	
Executive Office	2-1
Board of Selectmen	2-6
Town Administrator's Office	2-7
Economic Development (f/k/a Community Development)	2-8
Town Reports	2-8
 Public Buildings	 2-9
 Finance Department	 2-11
Treasurer/Tax Collector	2-17
Assessing	2-18
Accounting	2-19
 Management Information Systems /Geographic Information System (MIS/GIS)	 2-20
 Town Clerk's Office	 2-25
Registrars & Elections	2-30
 Advisory Boards & Services	 2-31
Moderator	2-31
Appropriations Committee	2-32
Financial Planning Committee	2-33
Personnel Board	2-34
Town Counsel/Legal Services	2-35
 Planning and Engineering	 2-36
Town Planner/Planning Board	2-40
Central MA Regional Planning Commission	2-41
Zoning Board of Appeals (ZBA)	2-42
Town Engineer	2-43
Conservation Commission	2-44
Earth Removal Board	2-45
Community Preservation, and Open Space	2-46
Design Review Committee, Affordable Housing & Historic Preservation	2-47
Northborough Housing Authority & Northborough Affordable Housing Corp. ...	2-48

TABLE OF CONTENTS

SECTION 3—PUBLIC SAFETY

Police Department	3-1
Fire Department / Emergency Medical Services (EMS)	3-7
Emergency Preparedness	3-15
Building Inspections Department	3-16
Gas Inspector	3-21
Plumbing Inspector (included in Health Department)	
Electrical Inspector	3-22
Sealer of Weights & Measures Inspector	3-23
Health Agent / Board of Health	3-24
Dog Officer	3-29

SECTION 4—PUBLIC WORKS

Public Works Department	4-1
DPW Administration	4-10
Highway/Parks Division	4-11
Parks	4-12
Cemetery Division	4-13
Water Division Enterprise Fund (see Section 8 for budget detail)	
Sewer Division Enterprise Fund (see Section 8 for budget detail)	
Snow & Ice Removal	4-14
Public Trees	4-15
Street Lighting	4-15

SECTION 5—COMMUNITY SERVICES

Senior Center/ Council on Aging	5-1
Library Department	5-7
Recreation Department	5-13
Family & Youth Services Department	5-18
Public Access Cable Television	5-24
Veteran Services	5-29
Cultural Council	5-33
Community Affairs Committee	5-34
Historical Commission	5-35

TABLE OF CONTENTS

SECTION 6—UNDISTRIBUTED EXPENSES

Employee Benefits & Insurance (includes Northborough K-8 School employees)	6-1
Health Insurance	6-2
Life Insurance	6-5
Other Benefits/FICA	6-6
County Retirement Assessment	6-7
Workers' Compensation	6-8
Building & Liability Insurance (includes Northborough K-8 Schools)	6-9
Debt Service.	6-10
Non-Appropriated Expenses.	6-13
State Assessments	6-13
Reserve for Abatements/Off-sets	6-14
Stabilization Fund Contribution	6-15
Reserve Fund (see also under Warrant Articles)	6-16
Warrant Articles.	6-17

SECTION 7—PUBLIC EDUCATION

Northborough K-8 Public Schools.	7-1
Algonquin Regional High School (ARHS)	7-2
Assabet Valley Regional Technical High School.	7-3
Agricultural High School Assessment	7-4
Charter Schools (Please see Non-Appropriated Expenses)	

SECTION 8—ENTERPRISE FUNDS

Solid Waste Enterprise Fund	8-1
Water Division Enterprise Fund	8-5
Sewer Division Enterprise Fund	8-5

SECTION 9—CAPITAL IMPROVEMENT PROGRAM

Transmittal.	9-1
Introduction.	9-7
Capital Projects Flow Chart.	9-12
Capital Improvement Program (summary of projects requested)	9-13
Project Detail by Functional Areas.	9-19
Financial Planning Committee Report.	9-75

APPENDICES

- A. Financial Management Policies & Objectives
- B. Fund Descriptions and Balances
- C. Glossary of Terms



This Page Intentionally Blank



TOWN OF NORTHBOROUGH

Town Offices
63 Main Street
Northborough, MA 01532-1994
(508) 393-5040 Phone
(508) 393-6996 Fax

MEMORANDUM

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

FROM: Town Administrator

SUBJECT: FY2012 Proposed Budget

DATE: March 28, 2011

I am pleased to present the Fiscal Year 2012 Proposed Budget, which incorporates the latest information available regarding revenue projections and departmental expenditure requests. Since the preliminary budget discussion on February 28nd, several developments have occurred that require discussion. However, the overall FY2012 budget has developed without any major surprises, as most key budgetary impacts were anticipated during our planning process.

Background Work

As you know, we have spent the past six months working on the key factors that will allow the Town to successfully navigate the FY2012 budget process. These include refinement of the Town's Financial Policies in the form of the new Free Cash Policy, negotiation of sustainable collective bargaining agreements, financing of the Solid Waste Enterprise Fund, and development of the six-year Capital Improvement Program.

The key goals at the start of the FY2012 budget process were to:

- Develop the FY2012 Budget within confines of Prop 2 ½
- Maintain level services
- Negotiate financially sustainable collective bargaining agreements
- Mitigate Health Insurance premium increases with increased Teacher contributions
- Implement a financially stable Solid Waste Enterprise funding plan
- Minimize tax increases, given projected increases in debt service
- And, focus on the Town's long-term financial planning and 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 to the FY2012 budget.

- Health Insurance—With regard to health insurance, the FY2012 budget request of \$4.5 million represents a total increase of \$193,938 or 4.5% 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 the budgetary increases in FY2012. Most importantly, the Town has worked closely with the School Department to increase teacher contributions from 20% to 25% for Health Insurance in FY2012, resulting in approximately \$150,000 in savings. The increased contribution rate sets the stage for another possible collaboration with the employees in FY2013 to possibly consolidate plans, provided it makes sense for both the employees and the Town.

- Debt Service—The proposed FY2012 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 FY2012, the total Debt Service budget for the General Fund is \$2.49 million, a significant increase of \$495,559 due primarily to the March 2011 sale of permanent bonds for the construction of the new Senior Center. The Town received a very favorable rate of 3.09% on the bonds resulting in savings of approximately \$100,000 from the estimated rate of 4.75% originally used for budgeting purposes.

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—Since the release of the Governor's House 1 Budget on January 26, 2011, legislators have warned that funding for local aid could be lower than the amounts released in the House 1 Budget. Therefore, in order to maintain a conservative position, we have prepared our FY2012 budget assuming a 5% reduction in Chapter 70 aid from the level in the Governor's House 1 Budget. In total, State Aid is estimated to decrease by 5.83% to \$4.30 million, or \$266,275 below the FY2011 actual of \$4.57 million.
- 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. In FY2012, we are planning for a \$38 million increase in valuation and \$574,180 in additional tax revenue due to New Growth. The positive economic development in Town is one of the main reasons Northborough has been able to weather the repeated annual cuts in State Aid.

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

Budget in Brief

Similar to prior budgets, the FY2012 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.

FY2012 PROPOSED BUDGET

EXPENDITURES	FY2011 Budget	FY2012 Proposed	Variance	% Change
Town	\$15,941,145	\$16,576,910	\$635,765	3.99%
Schools				
Northborough K-8	\$17,985,566	\$18,702,867	\$717,301	3.99%
Algonquin Reg. HS 9-12	\$7,696,524	\$7,817,716	\$121,192	1.57%
HS Debt Exclusion	\$1,131,427	\$1,267,629	\$136,202	12.04%
Assabet Valley	\$680,836	\$517,488	-\$163,348	-23.99%
Warrant Articles				
Reserve Fund	\$0	\$150,000	\$150,000	100%
Capital Improvement Articles	\$0	\$804,000	\$804,000	100%
Election Equipment	\$27,600	\$0	-\$27,600	100%
Declaratory Judgement	\$100,000	\$0	-\$100,000	100%
Zeh School Debt	\$540,830	\$520,567	-\$20,263	-3.75%
Colburn St. Debt Service	\$81,922	\$79,997	-\$1,925	-2.35%
Library Debt Service	\$430,395	\$424,995	-\$5,400	-1.25%
Senior Center Debt Service	\$255,170	\$609,135	\$353,965	138.72%
Other Funds	\$391,012	\$392,079	\$1,067	0.27%
Adjustments	\$10,521	\$0		
Subtotal General Fund	\$45,272,948	\$47,863,383	\$2,590,435	5.72%
Water Enterprise Funds	\$1,725,110	\$1,922,930	\$197,820	11.47%
Sewer Enterprise Fund	\$1,194,677	\$1,311,875	\$117,198	9.81%
Solid Waste Enterprise Fund	\$826,447	\$727,570	(\$98,877)	-11.96%
Subtotal Enterprise Funds	\$3,746,234	\$3,962,375	\$216,141	5.77%
TOTAL ALL FUNDS	\$49,019,182	\$51,825,758	\$2,806,576	5.73%



- **Northborough K-8**

Based upon the revenue forecasts, it is projected that the Town's General Government Budget and Northborough K-8 Schools may increase by 3.99% in FY2012. Therefore, the FY2012 amount available for the Northborough K-8 School department is \$18,702,867. This represents an increase of \$717,301 from the \$17.9 million appropriated last year. In FY2012, the School District will no longer receive any direct aid in the form of Federal Stimulus Funds with the exception of the EdJobs Grant. This grant of approximately \$232,000 was made available in FY2011 but is expected to be used in by the Northborough School Department in FY2012. The expenditures will be from the grant program, so they will not be reflected within the General Fund funded portion of their budget.

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

The total FY2012 ARHS assessment to Northborough is \$9,085,345. This represents a 2.92% increase of \$257,394. 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 assessment increases 2.92%, while Southborough's increases 8.01%.

The assessment amount includes an increase of \$136,203 for the debt service assessment for the ARHS additional/renovation project, as well as a \$121,191 assessment increase for the regional school operating budget. The debt service assessment is a debt-excluded item.

- **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, 2010, 41 Northborough students attend Assabet Valley, which represents 5.94% of its FY2012 budget, or \$517,488. This assessment is down from 53 students on October 1, 2009, resulting in a FY2012 assesment decrease of \$163,348.

- **Special Warrant Articles**

In addition to the individual departmental appropriations, the Town's overall annual financial plan includes additional warrant articles which draw upon the funds available to the Town. In FY2012 these warrant articles total \$954,000 (\$150,000 Reserve Fund and \$804,000 in capital improvement articles) and are all funded using Free Cash, which means no additional tax impact will be incurred when these articles are approved. During November of 2010, the Board of Selectmen adopted a Free Cash Policy, which now provides a funding source for projects, other than municipal bonds. The new Free Cash Policy is on page 2 in Appendix A of this budget document, which contains the Town's comprehensive financial policies. The new Free Cash Policy and plan are discussed at length in the transmittal letter of the Capital Improvement Plan contained in pages Section 9-1 through 9-5 of this document.

Total Fiscal Year 2012 operating budget for all funds is \$51,825,758, or a 5.73% increase over FY2011. An in-depth review of revenues and expenditures is provided in the Budget Highlights 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. No new positions are proposed to be added to General Government although minor adjustments to hours worked are reflected in the summary table below. Similarly, minor changes to the K-8 School FTEs are also noted.

TOWN OF NORTHBOROUGH PERSONNEL SUMMARY FY2009 – FY2012

Town Government	FY 2009 FTE	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE	Change FY09- FY12
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	10.00	9.25	9.25	9.35	-0.65
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	3.21	3.23	3.23	0.02
Police Department	27.50	27.50	27.50	27.50	0.00
Fire Department	19.73	19.73	19.73	19.71	-0.02
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	1.00	0.00
Department of Public Works	16.75	16.75	16.75	16.75	0.00
Senior Center/COA	2.89	2.89	2.89	2.86	-0.03
Library	12.04	9.19	9.51	9.16	-2.88
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	112.37	108.77	109.11	108.81	-3.56
School Department (K-8)	FY 2009 FTE	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE	Change FY09- FY12
K-5 Teachers	67.00	62.50	62.50	63.50	-3.50
Grade 6-8 Teachers	34.60	34.20	34.20	33.40	-1.20
Specialists	33.40	34.30	34.30	35.30	1.90
Special Education Staff	39.45	37.60	37.60	37.60	-1.85
Administration	6.00	6.00	6.00	6.00	0.00
Support Staff	94.10	96.60	96.60	96.60	2.5
K-8 Schools Subtotal	274.55	271.20	271.20	272.40	-2.15
Total Town & K-8 FTEs	386.92	379.97	380.31	381.21	-5.71



Overall, General Government FTEs are down -3.56 and K-8 School FTEs are down -2.15 since FY2009. Further detail on specific positions is provided within the departmental personnel summaries contained in Budget Sections 2 through 5.

At the time of this writing, the Town has successfully negotiated sustainable collective bargaining agreements with Public Safety Dispatchers (1%), Police Sergeants (0%), Fire (1%), and Northborough Municipal Employees Association (1%) in FY2012. The only outstanding negotiation for FY2012 remains the Police Patrol Officers. Non-union employee wage increases are budgeted at 1% in FY2012 and reflected within the departmental operating budgets as presented.

Capital Budget

Enclosed in Section 9 of this document are the Town's Annual Capital Budget and FY2012-2017 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 FY2012.

Excluding the \$500,000 Lincoln Street Elementary School Feasibility Project, which is still awaiting approval by MSBA, the funding sources for the FY2012 Capital Budget rely on only \$150,000 in debt. The balance of the \$2.38 million in project expenses, or 94%, is to be paid for using a combination of Free Cash, State Grants and available mitigation funds. The proposed funding approach limits the tax impact to just \$150,000. The pie chart on page 9-3 of the CIP shows the funding sources for the proposed FY2012 Capital Budget.

With regard to the Northborough K-8 School requests, it is unclear at the time of this writing whether or not the Massachusetts School Building Authority (MSBA) will approve the Lincoln Elementary School Feasibility Project. Without MSBA's approval prior to Town Meeting, it is likely that the Feasibility Project Request will be passed over and delayed to another year. Were the Town to proceed without prior approval, it would risk future State funding assistance on the project. Additional information will be presented at Town Meeting.

Section 9 of this budget document contains Project Detail Sheets for every capital project contained in the Town's 6-year CIP. Part III of the CIP contains the Financial Planning Committee's review and recommendations on the FY2012 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.



FY2012 PROPOSED CAPITAL BUDGET

PROJECTS BY DEPARTMENT		EXPENDITURE
GENERAL GOVERNMENT	<u>Fire Department</u>	
	Ambulance Replacement	230,000
	Pick-up Truck Replacement	60,000
	<u>Police Department</u>	
	Dispatch/Station Phone System	35,000
	<u>DPW: Highway Division</u>	
	Highway Garage Truck Lift	60,000
	One Ton Pick-up Truck w/Plow	39,000
	Street Sweeper	164,000
	One Ton Dump Truck w/Plow	71,000
General Government Subtotal		\$659,000
NORTHBOROUGH K-8 SCHOOLS	<u>Peaslee Elementary School</u>	
	Flat Roof Replacement	525,000
	<u>Melican Middle School</u>	
	Boiler/Window Replacement (MSBA Program)	1,200,000
	<u>Lincoln Elementary</u>	
	Feasibility Study	500,000
Northborough K-8 Public Schools Subtotal		\$2,225,000
CAPITAL PROJECTS TOTAL		2,884,000

FY2011 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 FY2011 several key goals and initiatives were achieved. These include:

1. **GFOA Distinguished Budget Award:** The Town received its first ever national budget award in FY2011 from the Government Finance Officers Association. 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 FY2011 Budget document was rated "proficient" in all four categories, as well as the fourteen mandatory criteria within those categories, to receive the award. The FY2011 Budget passed Town Meeting with the unanimous support of the Board of Selectmen, Appropriations Committee, Financial Planning Committee and the School Department.

2. Comprehensive Financial Policies Expanded: The Board of Selectmen adopted the Town's first set of Comprehensive Financial Policies effective in FY2011. During November of 2010 the Board of Selectmen unanimously adopted a new Free Cash Policy, resulting in \$804,000 in proposed FY2012 capital investments without future tax impacts. Adoption of the policies eliminated several recurring comments in the annual audit pertaining to investments and risk management.
3. Public Safety Communication Tower Bid: Under Article 39 of the April 26, 2010 Annual Town Meeting the Town bid out the rental of space to cell carriers already interested in locating a cell tower near the Police Station. This creative solution has numerous benefits, including: 1) eliminates the estimated cost of \$250,000 from the Capital Improvement Plan to remove the old tower, install a new tower, and outfit the tower with new public safety communications equipment; 2) the Town will receive lease payments from the tower operator totaling \$651,000 over the twenty-year lease term; and 3) the Town will receive as much as \$250,000 in rental revenues from wireless co-locators. In all, the initiative has a value in excess of \$1,000,000, at no cost to Northborough taxpayers.
4. Positive Economic Development: One of Northborough's success stories is the positive economic development in FY2011. During a period when little economic expansion was seen around Central Massachusetts, Northborough added \$68 million in new growth for FY2011, resulting in almost \$1 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.
5. Collective Bargaining: Successfully negotiated sustainable collective bargaining agreements with Police Sergeants (0%), Fire (1%), and NMEA (1%) for FY2012. The only outstanding negotiation for FY2012 remains the Police Patrol Officers.
6. Solid Waste Program Structure & Funding Finalized: Following two budget cycles of policy review and funding research, the Solid Waste Enterprise Fund program structure and financing were finalized. The Solid Waste contract was bid out, and numerous options presented and reviewed, thereby allowing the Board of Selectmen to make an informed policy decision. The existing Pay-As-You-Throw bag program will continue for the next five years at an overall reduced cost with a General Fund Subsidy that eliminates the need for an addition of a flat fee. The positive aspects of the current program that allow our users to control costs and reduce trash remain in effect.



The initiatives and changes made during FY2011 will continue to benefit us as we move into FY2012.

Major Upcoming Issues or Projects

Looking forward to FY2012, 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 FY2012 include:

1. GFOA Distinguished Budget Award Program: Continue to refine the Town's award-winning budget for the FY2012 submission to the Government Financial Officers Association (GFOA) Distinguished Budget Award Program. FY2012 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.
2. Downtown Traffic Improvements: On September 10, 2009 a public hearing was held to review the proposed downtown traffic improvements. The proposed 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, it is anticipated that the project will move forward in 2011 and have significant impacts on staff and resources.
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. Additional review and plans will be developed during FY2012 for necessary HVAC improvements.
4. Algonquin Regional High School MSBA Reimbursement: The April 2010 Town Meeting Warrant included funding to seek a declaratory judgment in order to bring the longstanding disagreement over the manner in which the Massachusetts School Building Authority (MSBA) reimbursement for the Algonquin Regional High School was allocated. The Town of Southborough believes the Regional Agreement is the appropriate method and Northborough is of the opinion that MGL Chapter 70B should apply. Final resolution to this disagreement is expected to take place during FY2012.



5. Fire Department Feasibility Study—With regard to the Fire Station, there is a project placeholder in the FY2013/2014 Capital Improvement Plan that provides for the renovation or relocation of the existing 1974 fire station. Previously appropriated capital funds in the amount of \$75,000 will be used to complete a limited Feasibility Study during the summer of 2011 to better define the proposed project location, design and cost estimates. The study will provide information that is necessary to develop a formalized approach in FY2013.
6. Health Insurance—Lastly, the Town will continue to explore options in FY2012 for possible consolidation of Health plan providers. Working with employees and the Town's Insurance Advisory Committee, any and all options that might result in cost savings will be reviewed.

Conclusion

It is important to note that the FY2012 Proposed Budget as presented assumes ongoing savings due to plan design changes to employee health insurance benefits that were successfully negotiated at the start of FY2010. Those plan design changes, coupled with the adoption of MGL, c.32B, Section 18 at the April 2009 Annual Town Meeting are two key factors that have allowed the Town to sustain the core services residents have come to depend upon.

The FY2012 Proposed Budget that follows is balanced pending passage of the final State Budget, is within the budgetary increase allowable under limits of Proposition 2 ½, 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 during FY2010 and FY2011, persist in the FY2012 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 FY2012 Proposed Budget and further details the challenges and opportunities facing the Town of Northborough.

Respectfully submitted,

John W. Coderre
Town Administrator

Budget Summaries

Section 1

Section 1-2

Balanced Budget

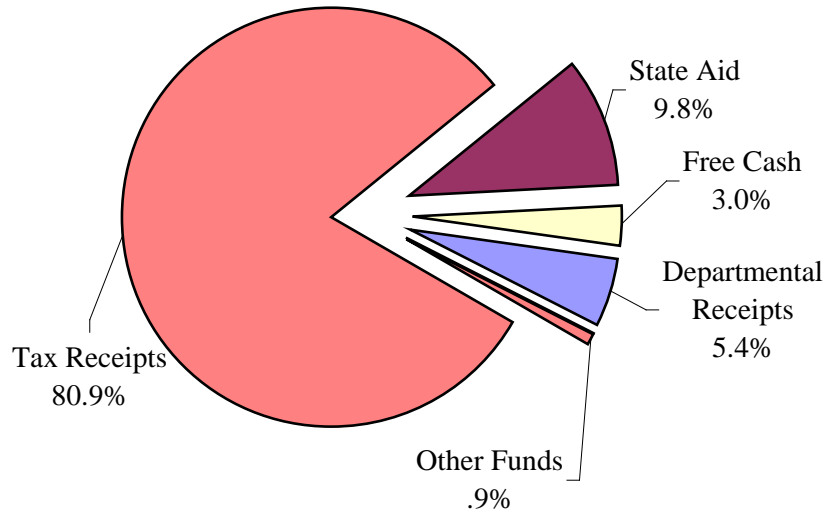


Table 1

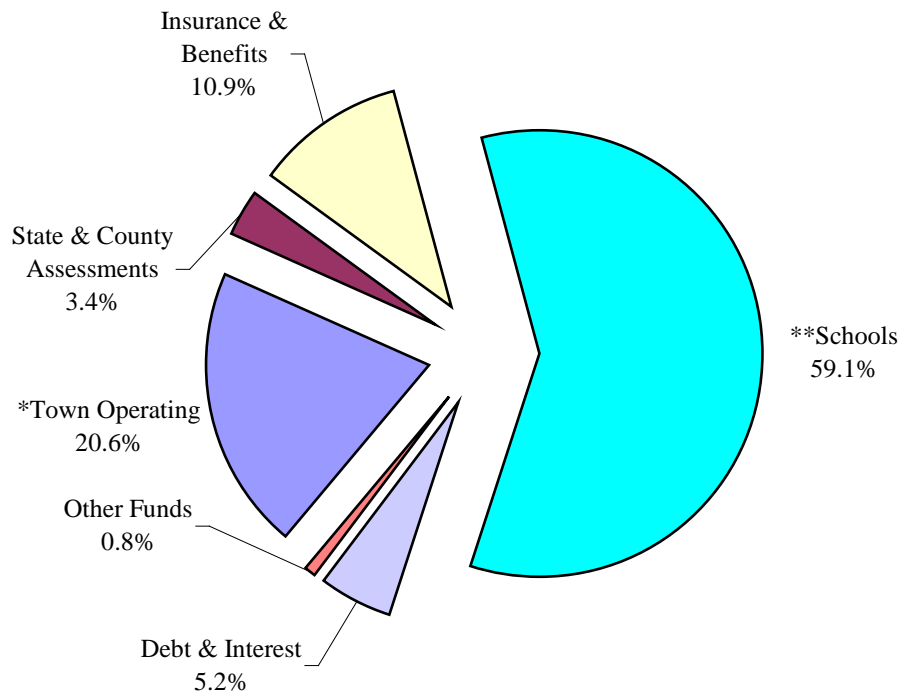
TOWN OF NORTHBOROUGH					
REVENUE & EXPENDITURE SUMMARY FISCAL YEARS 2010--2012					
LEVY LIMIT CALCULATION	FY2010	FY2011	REVISED FY2011	FY2012	% CHANGE
Prior Year Levy Limit	\$32,496,075	\$34,028,610	\$34,028,610	\$35,854,901	
Add 2.5%	\$812,402	\$850,715	\$850,715	\$896,373	
Add New Growth	\$720,133	\$250,000	\$975,576	\$574,180	
Add Overrides	\$0	\$0	\$0	\$0	
True LEVY LIMIT	\$34,028,610	\$35,129,325	\$35,854,901	\$37,325,454	
Add Debt Excl - Zeh School	\$172,383	\$158,287	\$158,287	\$138,024	
Add Debt Excl - Colburn St.	\$38,434	\$41,922	\$13,393	\$29,998	
Add Debt Excl - Library	\$453,702	\$430,395	\$375,191	\$424,205	
Add Debt Excl - Senior Center	\$215,722	\$255,170	\$177,586	\$567,492	
Add Debt Excl - Algonquin	\$875,872	\$1,131,427	\$1,131,427	\$1,267,629	
Adjusted LEVY LIMIT	\$35,784,723	\$37,146,525	\$37,710,785	\$39,752,802	
REVENUES					
Adjusted LEVY LIMIT	\$35,784,723	\$37,146,525	\$37,710,785	\$39,752,802	
Less Unused Levy Limit	(\$144,533)	\$0	(\$1,015,151)	(\$1,008,620)	
Total Tax Receipts	\$35,640,190	\$37,146,525	\$36,695,635	\$38,744,182	5.58%
State Aid	\$4,601,961	\$4,127,540	\$4,572,126	\$4,305,401	-5.83%
MSBA Payments	\$615,941	\$382,543	\$382,543	\$382,543	
Free Cash (Operating)	\$700,000	\$600,000	\$600,000	\$500,000	-16.67%
Free Cash (Capital/Reserve)				\$954,000	
Departmental Receipts	\$3,254,149	\$2,583,178	\$2,631,632	\$2,585,178	
Other Revenue Sources	\$0	\$0	\$0	\$0	
Other Funds	\$408,742	\$391,012	\$391,012	\$392,079	0.27%
TOTAL GENERAL FUND REVENUES	\$45,220,983	\$45,230,798	\$45,272,948	\$47,863,383	5.72%
Water/Sewer Enterprise Funds	\$2,942,839	\$2,919,787	\$2,919,787	\$3,234,805	
Solid Waste Enterprise Fund		\$826,447	\$826,447	\$727,570	
TOTAL REVENUES	\$48,163,822	\$48,977,032	\$49,019,182	\$51,825,758	5.73%
EXPENDITURES					
Town	\$15,393,170	\$15,941,145	\$15,941,145	\$16,576,910	3.99%
Schools					
Northborough K-8	\$17,657,769	\$17,985,566	\$17,985,566	\$18,702,867	3.99%
Algonquin 9-12	\$7,962,259	\$7,696,524	\$7,696,524	\$7,817,716	1.57%
HS Debt Exclusion	\$875,872	\$1,131,427	\$1,131,427	\$1,267,629	12.04%
Warrant Articles					
Declaratory Judgement		\$100,000	\$100,000	\$0	
Election Equipment		\$27,600	\$27,600	\$0	
Reserve Fund				\$150,000	
Capital Articles				\$804,000	
Assabet	\$611,150	\$680,836	\$680,836	\$517,488	-23.99%
Zeh School Debt Service	\$554,926	\$540,830	\$540,830	\$520,567	
Colburn Street Debt Service	\$83,848	\$81,922	\$81,922	\$79,997	
Library Debt Service	\$499,104	\$430,395	\$430,395	\$424,995	
Senior Center Debt Service	\$264,075	\$255,170	\$255,170	\$609,135	
Other Funds	\$408,742	\$391,012	\$391,012	\$392,079	
Adjustments	\$111,600	(\$31,629)	\$10,521	\$0	
TOTAL GENERAL FUND EXPENDITURES	\$44,422,515	\$45,230,798	\$45,272,948	\$47,863,383	5.72%
Water Enterprise Funds	\$1,726,102	\$1,725,110	\$1,725,110	\$1,922,930	11.47%
Sewer Enterprise Funds	\$1,216,737	\$1,194,677	\$1,194,677	\$1,311,875	9.81%
Solid Waste Enterprise Fund	\$798,468	\$826,447	\$826,447	\$727,570	-11.96%
TOTAL ALL FUNDS	\$48,163,822	\$48,977,032	\$49,019,182	\$51,825,758	5.73%



Fiscal Year 2012 Revenue Sources



Fiscal Year 2012 Expenditures



*Town Expenditures include Reserves for Abatements, Warrant Articles and Offsets

**School Expenditures include Northboro K-8 schools operations, Algonquin Regional High School operations, Algonquin Regional High School Debt Service & Assabet Valley Assessment



This Page Intentionally Blank



Revenue Summary

Section 1-5

REVENUE SUMMARY

The Town's General Fund revenue (excluding the Water & Sewer Enterprise and Solid Waste Enterprise Funds) is divided into four main categories: property taxes, state aid, local receipts, and available funds.

Property Taxes:

Property taxes are the single largest revenue source for the Town and historically provide approximately 80% of total operating revenues. Typically, year to year variations of 1% or 2% are the result of external factors beyond the Town's control, such as the level of State Aid, building activity, or fluctuations in interest rates.

Property taxes are levied on real property (land & buildings) and personal property (equipment) used by Northborough's non-manufacturing business firms. In accordance with State law, the Town's Board of Assessors determine the value of all real and personal property, which is revalued at fair market value every three years. Northborough's last revaluation was performed during FY2010; however interim adjustments are performed when a full revaluation is not required.

Under the provisions of Proposition 2 ½, property taxes, in the aggregate, may not exceed 2 ½ percent of their "full and fair cash value." This limit is known as the "levy ceiling." Additionally, annual levy increases may not exceed 2 ½ percent more than the previous year's levy plus the taxes from any new growth value for properties added to the tax rolls. Any Proposition 2½ override or debt exclusion amounts approved on the Annual Election Ballot are also added to the levy limit.

As the Town's primary revenue source, property taxes are expected to increase in FY2012 by approximately \$2.04 million, to \$38.74 million. This increase includes the allowable 2.5% increase of \$896,373 plus \$574,180 in estimated taxes from projected new growth. The value of new growth is budgeted conservatively. A conservative approach is necessary because new growth revenue is derived from the value of new development and other growth in the tax base. The rate of this development is greatly influenced and ultimately determined by economic factors in the private sector.

Table 2

LEVY LIMIT			
CALCULATION	FY2011	FY2012	% Change
Prior Year Levy Limit	\$34,028,610	\$35,854,901	
Add 2.5%	\$850,715	\$896,373	
Add New Growth	\$975,576	\$574,180	
Add Overrides	\$0	\$0	
True LEVY LIMIT	\$35,854,901	\$37,325,454	
Add Net Debt Exclusions	\$1,855,884	\$2,427,348	
Adjusted LEVY LIMIT	\$37,710,785	\$39,752,802	
REVENUES			
Adjusted LEVY LIMIT	\$37,710,785	\$39,752,802	
Less Unused Levy Limit	(\$1,015,151)	(\$1,008,620)	
Total Tax Receipts	\$36,695,635	\$38,744,182	5.58%



State Aid

State Aid is Northborough's second largest revenue source and represents approximately 10% of the General Fund budget (excluding Water & Sewer Enterprise and Solid Waste Enterprise funds). Together, State Aid and local taxes account for approximately 90% of the General Fund budget. Looking forward, this revenue source continues to be one of the most unpredictable items in the FY2012 budget forecasts and, therefore, an area of concern.

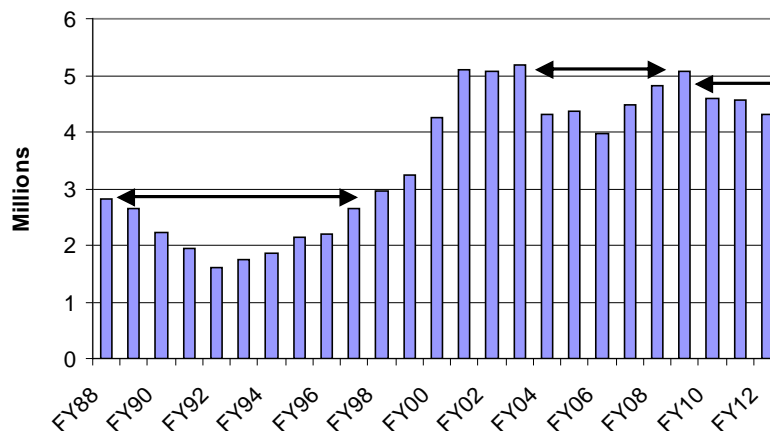
On January 26, 2011, the Governor released his House 1 Budget, which contained his projected FY2012 State Aid figures. Under the Governor's proposed FY2012 budget, Northborough's State Aid would be decreased and at the same time our State Assessments will increase further. Together, this represents loss of \$128,354 in funding.

Since the release of the Governor's House 1 Budget, legislators have warned that funding for local aid could be lower than the amounts released in the House 1 Budget. Therefore, in order to maintain a conservative position, we have prepared our FY2012 budget assuming a 5% reduction in Chapter 70 aid from the level in the Governor's House 1 Budget. In total, State Aid is estimated to decrease by 5.83% to \$4.30 Million, or \$266,275 below the FY2011 actual of \$4.57 million. As you will note in Table 3, our State Aid is still lower than the high of \$5.08 million in FY09, and history shows that it may be six or more years before State Aid returns to pre-recession levels.

Table 3: State Aid in Millions

FY06	FY07	FY08	FY09	FY10	FY11	FY12
3.97	4.47	4.83	5.08	4.60	4.57	4.30
						*Estimated

Northborough State Aid FY1988-2012

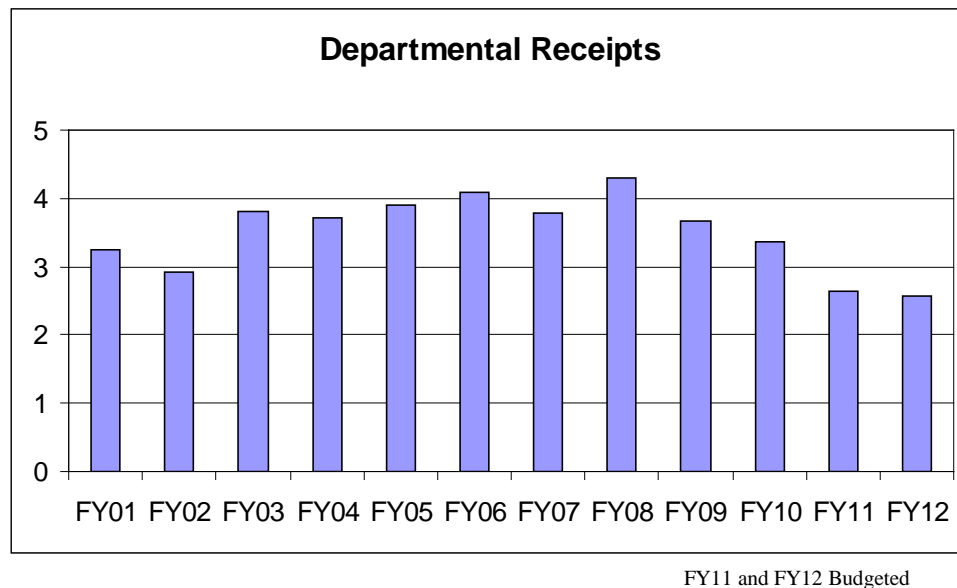


It remains to be seen how closely the Legislature's State Aid figures will align with the Governor's. However, final information regarding State Aid accounts may not be made available until well after April Town Meeting; therefore, a conservative approach is necessary.



Departmental Receipts

The third largest source of revenue for the Town's budget is Departmental Receipts, which include a variety of fees, permits, fines, and license-related monies that the Town receives, as well as interest that is earned on investments or overdue tax bills. The single largest source of funds within this category is Motor Vehicle Excise taxes, which is a State tax collected by the municipality for its own use. The level of miscellaneous receipts is greatly affected by outside economic conditions.



Up until FY2010 Departmental Receipts included revenues from the Town's Pay-as-you-throw (PAYT) trash program, which generated approximately \$500,000 annually in bag sales. Beginning in FY2011, the PAYT revenues were moved into the Solid Waste Enterprise Fund budget. That change in accounting represents a significant part of the reduction shown in the chart above going from FY2010 to FY2011. Interested readers may refer to Section 8 of this budget document for more detailed information regarding the PAYT Solid Waste Enterprise Fund program budget and projected revenues.

Further, in FY2010 the budget for motor vehicle excise and investment income decreased by approximately \$300,000 as fewer new cars were being purchased and the low interest rates, together with our collateralized investments, reduced the Town's investment income. Although the economy is showing signs of recovery, consumer confidence is low and interest rates related to appropriate Town investment vehicles are not projected to improve significantly in the immediate future. For these reasons, overall Department Receipts are projected to remain essentially flat in FY2012, with the one positive area of growth being building permit fees associated with the positive economic development occurring in Town.



Available Funds (including Free Cash)

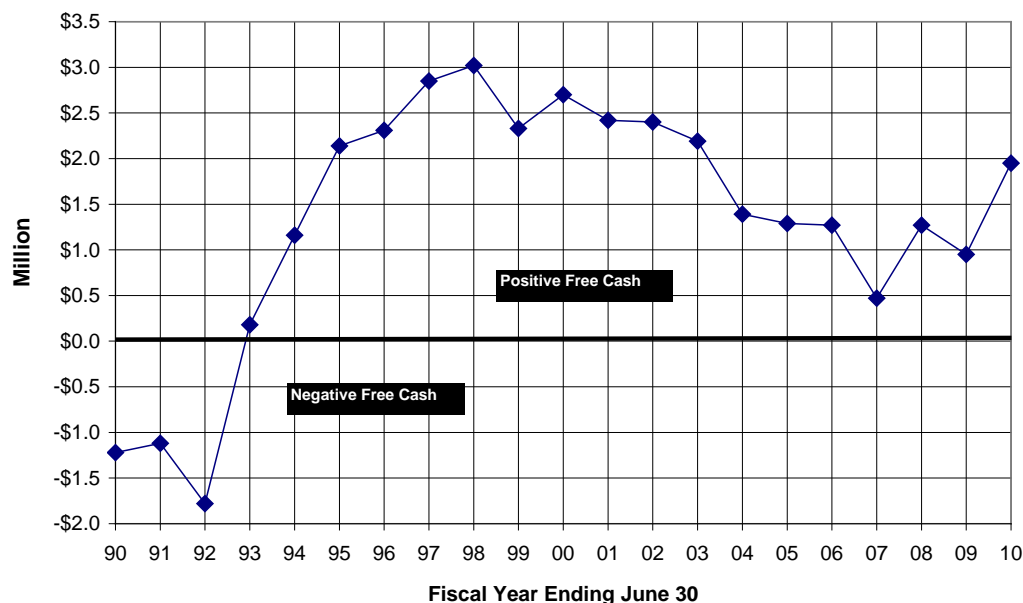
The last category of revenue for the Town is monies in various Special Revenue funds and certified Free Cash available for appropriation from prior years.

By far the single largest source of Available Funds is Free Cash. In FY2012, the budget proposes to use \$500,000 in Free Cash to off-set the operating budget. Free Cash is an available fund that is comprised of the remaining, unrestricted funds from operations of the previous fiscal year, including unexpended Free Cash from the previous year, actual receipts in excess of revenue estimates and unspent amounts in appropriated budget line-items. After the June 30th close of the fiscal year, the Town's Free Cash is certified by the State Department of Revenue and only then is it available for appropriation.

Historically, the Town of Northborough has relied upon over \$1 million dollars of Free Cash to balance the operating budget and it continued this practice for many years. However, the dependency upon one-time available funds to supply a portion of the foundation for the operating budget essentially created a rolling "structural deficit" which became an additional financial burden during the recent recession. Use of Free Cash in the operating budget has been systematically phased down over the past several years from \$700,000 in FY2010, down to \$600,000 in FY2011, and ultimately, \$500,000 FY2012.

The chart below illustrates the unpredictability of Free Cash as a budgeted revenue source since it is heavily influenced by economic activity and political decision-making at the State Legislature. Any amount of Free Cash used in the operating budget must be reasonably expected to recur in subsequent years. If the Town fails to generate sufficient Free Cash to replenish what was used, as was the case in FY2007, a structural deficit materializes that could result in significant service reductions. More importantly, that structural shortfall carries forward into subsequent fiscal years.

Certified Free Cash FY1990-2010



*Source: Massachusetts Department of Revenue



Revenue Summary

Section 1-9

For these reasons, the Board of Selectmen adopted a Free Cash Policy in November 2010 with the unanimous support of both the Appropriations Committee and the Financial Planning Committee. The new policy identifies the acceptable uses of Free Cash for mainly one-time expenses and provides for a maximum level of \$500,000 for use in the operating budget. The new Free Cash Policy can be found on page 2 in Appendix A of this budget document, which contains the Town's comprehensive financial policies. The new Free Cash Policy is also discussed at length in the transmittal letter of the Capital Improvement Plan contained in pages 9-1 through 9-5 of this document.

Other sources of Available Funds to be used in FY2012 are projected to include special revenue offsets in departmental budgets such as \$10,000 in Cemetery Sale of Lots income, \$12,000 in Conservation Commission fees, \$102,500 from the Police Revolving Account, \$76,600 from the Fire/EMS Revolving Account, \$120,000 from the Recreation Revolving Account and \$12,000 from the Dog Control Revolving Account.

The Earth Removal Bond in the amount of \$12,012 for Silas Drive will be transferred to supplement the funds from the Planning Board Bond. These funds will then be made available for the DPW Department to complete the necessary work on this road, which was left incomplete by the private developer.

There will be a transfer of \$954 from Debt Exclusion Premium reserves. These are funds that were received as premiums when bonds or notes were issued for debt excluded projects. The total net premiums are allocated over the term of the obligation, held in reserve and then transferred to offset the amount of the debt exclusion added to the tax rate.

In addition there will also be a request to transfer \$41,479 from the Debt Exclusion Reserve. These are excess funds that were included in the FY2011 Debt Exclusion for the temporary debt service for the Library and Senior Center Construction projects. An estimated debt service was used in the FY2011 budget, the actual amount expended was lower and the difference was reserved. This transfer will serve to lower the amount of the FY2012 debt exclusion added to the tax rate.

A final source of Available Funds is a transfer of \$4,534 from Title V Septic Reserve. This is the amount of the Debt Service due for the Title V loan program for FY2012. The funds have been collected from the special assessments that are apportioned onto the real estate tax bills of homeowners that participated in the program to repair and install septic systems. These funds will pay the FY2012 debt service for the Title V Septic program.

In addition to Free Cash, these "Other" revenue sources total \$392,079 and will be used to off-set the municipal budgets as shown in Article 4 of the Town Meeting Warrant.



This Page Intentionally Blank



Expenditure Summary

Section 1-11

FY2012 EXPENDITURE SUMMARY

Following is a summary of the Town's General Government Budget (non-school), which details the 3.99% increase allowable under current revenue projections.

Table 3

TOWN GENERAL FUND BUDGET SUMMARY				
Department	FY2011 Budget	FY2012 Proposed Budget	\$ Change	% Change
GENERAL ADMINISTRATION				
<u>EXECUTIVE OFFICE</u>				
Selectmen	133,058	137,366	4,308	3.24%
Administrator	202,036	203,936	1,900	0.94%
Economic Development	1,300	1,300	-	0.00%
Town Reports	4,425	4,425	-	0.00%
<u>PUBLIC BUILDINGS</u>				
Town Hall/Public Bldgs.	366,871	388,894	22,023	6.00%
<u>FINANCE</u>				
Treasurer	267,479	270,846	3,367	1.26%
Board of Assessors	235,016	254,548	19,532	8.31%
Town Accountant	121,571	122,342	771	0.63%
<u>MIS/GIS</u>				
MIS/GIS	307,251	324,359	17,108	5.57%
<u>TOWN/CLERKS OFFICE</u>				
Town Clerk	118,970	120,938	1,968	1.65%
Election/Registration	37,209	31,242	(5,967)	-16.04%
<u>ADVISORY BOARDS/SERVICES</u>				
Moderator	500	500	-	0.00%
Appropriations Committee	1,695	1,695	-	0.00%
Town Counsel	85,000	85,000	-	0.00%
Personnel Board	135,895	74,100	(61,795)	-45.47%
<u>PLANNING & ENGINEERING</u>				
Conservation Commission	20,011	19,816	(195)	-0.97%
Planning Board	120,210	121,436	1,226	1.02%
Zoning Board	4,803	4,846	43	0.90%
Earth Removal	1,576	1,645	69	4.38%
Engineering	136,052	136,288	236	0.17%
PUBLIC SAFETY				
Police	2,144,032	2,167,049	23,017	1.07%
Fire	1,244,798	1,286,065	41,267	3.32%
Emergency Preparedness	6,750	6,750	-	0.00%
Building	155,740	157,224	1,484	0.95%
Gas Inspector	10,442	10,547	105	1.01%
Wire Inspector	19,011	19,180	169	0.89%
Sealer of Weights	4,778	5,028	250	5.23%
Board of Health	156,840	159,151	2,311	1.47%
Dog Officer	53,513	53,967	454	0.85%
PUBLIC WORKS				
Highway Admin.	90,236	106,486	16,250	18.01%
Hwy. Const. & Maint.	802,434	817,624	15,190	1.89%
Parks	85,959	109,348	23,389	27.21%
Cemetery	49,267	52,478	3,211	6.52%
Snow & Ice	179,300	189,700	10,400	5.80%
Street Lighting	100,000	100,000	-	0.00%
Trees	8,000	8,000	-	0.00%

Section 1-12

Expenditure Summary



Department	FY2011 Budget	FY2012 Proposed Budget	\$ Change	% Change
COMMUNITY SERVICES				
Council on Aging	194,861	202,507	7,646	3.92%
Library	609,813	653,867	44,054	7.22%
Recreation	113,564	114,579	1,015	0.89%
Youth Services	121,843	121,860	17	0.01%
Veterans Services	34,715	34,899	184	0.53%
Cable TV	0	0	-	
Cultural Council	500	500	-	0.00%
Community Affairs Committee	500	500	-	0.00%
Historical Commission	500	500	-	0.00%
UNDISTRIBUTED EXPENSES				
<u>EMPLOYEE BENEFITS & INSURANCE</u>				
Health Insurance	4,319,310	4,513,248	193,938	4.49%
Life Insurance	8,725	8,730	5	0.06%
Other Benefits/FICA	338,790	356,739	17,949	5.30%
Workers Comp	101,800	101,800	-	0.00%
Retirement Assessments	1,006,365	1,118,192	111,827	11.11%
<u>BUILDING & LIABILITY INSURANCE</u>				
Bldg. & Liability Insur.	213,955	213,955	-	0.00%
<u>DEBT SERVICE</u>				
Debt Service	1,994,339	2,489,898	495,559	24.85%
<u>STATE ASSESSMENTS</u>				
State Assessments	480,217	507,405	27,188	5.66%
<u>STABILIZATION FUND CONTRIBUTION</u>				
Stabilization Fund	0	0	-	
<u>RESERVE FUND</u>				
Reserve Fund	80,000	150,000	70,000	87.50%
<u>SPECIAL WARRANT ARTICLES</u>				
Special Articles	127,600	804,000	676,400	530.09%
Other Financing Uses	301,447	247,570	(53,877)	-17.87%
OTHER NON-APPROPRIATED AMOUNTS				
Reserve for Abatements	342,209	340,000	(2,209)	-0.65%
Offsets	20,514	22,815	2,301	11.22%
ENTERPRISE FUNDS				
Water	1,725,110	1,861,930	136,820	7.93%
Water Appropriation Deficit		61,000	61,000	
Sewer	1,194,677	1,311,875	117,198	9.81%
Solid Waste	826,447	727,570	(98,877)	-11.96%
GROSS TOTAL TOWN	21,569,829	23,520,058	1,950,229	9.04%
CALCULATION OF NET TOTAL TOWN				
Less Water Fund	-1,725,110	-1,861,930		
Less Water Fund Free Cash Article		-61,000		
Less Sewer Fund	-1,194,677	-1,311,875		
Less Solid Waste	-826,447	-727,570		
Less Other Funds	-391,012	-392,079		
Less Overlay Raised on Recap	-117,209			
Less State Assessment Adj	61,688			
Less Debt Exclusion	-1,308,317	-1,634,694		
Less Reserve Fund Article		-150,000		
Less Special Articles	-127,600	-804,000		
NET TOTAL TOWN	\$15,941,145	\$16,576,910		3.99%
CALCULATION OF TOWN APPROPRIATION				
GROSS TOTAL TOWN	21,569,829	23,520,058		
Less County Assessments	-1,006,365	-1,118,192		
Less State Assessments	-480,217	-507,405		
Less Reserve for Abatements	-342,209	-340,000		
Less Offsets	-20,514	-22,815		
Less Reserve Fund Article		-150,000		
Less Special Articles	-127,600	-804,000		
Less Other Financing Use	-301,447	-247,570		
Less Enterprise Funds	-3,746,234	-3,962,375		
Net Town Warrant Article 4	\$15,545,243	\$16,367,701		



Expenditure Summary

Section 1-13

General Administration

The first of the budget categories is General Administration. This category includes the offices and departments which support the direct service departments of the Town through overall management, legal services, financial management (including collecting of revenues and the maintenance of financial records), administration of elections, Management Information Systems/Geographic Information Systems (MIS/GIS), personnel administration, and related ancillary services. General Administration also currently includes planning and engineering services.

General Administration Summary

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED	% CHANGE
<u>EXECUTIVE OFFICE</u>						
Selectmen	\$131,121	\$126,149	\$133,058	\$72,729	\$137,366	3.24%
Administrator	\$212,280	\$192,976	\$202,036	\$91,648	\$203,936	0.94%
Economic Development	\$343	\$375	\$1,300	\$0	\$1,300	0.00%
Town Reports	\$3,998	\$4,023	\$4,425	\$0	\$4,425	0.00%
Subtotal	\$347,742	\$323,523	\$340,819	\$164,377	\$347,027	1.82%
<u>PUBLIC BUILDINGS</u>						
	\$335,111	\$331,393	\$366,871	\$108,530	\$388,894	6.00%
Subtotal	\$348,104	\$335,111	\$366,871	\$108,530	\$388,894	6.00%
<u>FINANCE</u>						
Treasurer	\$266,907	\$251,841	\$267,479	\$123,410	\$270,846	1.26%
Board of Assessors	\$217,366	\$231,385	\$235,016	\$98,092	\$254,548	8.31%
Town Accountant	\$122,429	\$116,073	\$121,571	\$53,261	\$122,342	0.63%
Subtotal	\$606,702	\$599,298	\$624,066	\$274,763	\$647,736	3.79%
<u>MIS/GIS</u>						
	\$248,797	\$230,419	\$307,251	\$114,240	\$324,359	5.57%
Subtotal	\$248,797	\$230,419	\$307,251	\$114,240	\$324,359	5.57%
<u>TOWN CLERKS OFFICE</u>						
Town Clerk	\$112,902	\$115,580	\$118,970	\$55,903	\$120,938	1.65%
Elections/Registration	\$28,735	\$19,377	\$37,209	\$16,094	\$31,242	-16.04%
Subtotal	\$141,638	\$134,957	\$156,179	\$71,997	\$152,180	-2.56%
<u>ADVISORY BOARDS/SERVICES</u>						
Moderator	\$200	\$200	\$500	\$0	\$500	0.00%
Appropriations Committee	\$825	\$918	\$1,695	\$0	\$1,695	0.00%
Personnel Board	\$1,472	\$9,735	\$135,895	\$1,478	\$74,100	-45.47%
Town Counsel	\$58,610	\$68,669	\$85,000	\$9,735	\$85,000	0.00%
Subtotal	\$61,107	\$79,522	\$223,090	\$11,213	\$161,295	-27.70%
<u>PLANNING AND ENGINEERING</u>						
Town Planner/Planning Bd	\$109,227	\$112,178	\$120,210	\$55,071	\$121,436	1.02%
Zoning Board of Appeals	\$2,775	\$2,982	\$4,803	\$584	\$4,846	0.90%
Engineering	\$116,200	\$117,336	\$136,052	\$56,805	\$136,288	0.17%
Earth Removal	\$1,456	\$1,457	\$1,576	\$667	\$1,645	4.38%
Conservation Commission	\$12,646	\$15,489	\$20,011	\$7,977	\$19,816	-0.97%
Subtotal	\$242,304	\$249,442	\$282,652	\$121,105	\$284,031	0.49%



Section 1-14

Expenditure Summary

In FY2012 General Administration is budgeted at \$2.30 Million, which is an overall increase of just 0.20%. The primary reason for the extraordinarily low increase is the reduction in the Personnel Board account, which last year contained the wage increases for all Union and Non-union personnel. At the time of this writing, the Town has successfully negotiated sustainable collective bargaining agreements with Public Safety Dispatchers (1%), Police Sergeants (0%), Fire (1%), and Northborough Municipal Employees Association (1%) in FY2012. The only outstanding negotiation for FY2012 remains the Police Patrol Officers. Non-union employee wage increases are budgeted at 1% in FY2012. Therefore, individual departmental budgets include the wage increases above for the various union and non-union personnel.

There are no proposed changes to the overall level of personnel in the General Administration departments. Following are the key changes of significance:

- **Executive Office**

There are no significant budget changes planned for the Executive Office in FY2012. The only increase beyond the 1% wage adjustments for non-union personnel is an increase in the Selectmen's Budget for the annual audit, which is due to the receipt of Federal Grant Funds that require a separate single audit.

- **Public Buildings**

The Public Buildings account is up slightly due primarily to increased maintenance costs associated with the ongoing Town Office building improvements, as well as increased costs for gasoline and diesel fuel.

- **Finance Department**

In FY2012, the proposed budget restores 4 of the 10 hours per week to the Assistant Accountant position, which was reduced from 40 to 30 hours in FY2010. While the Accounting line for Contractual Services was reduced by \$5,400 resulting in an overall .63% increase to the division. The Assessing Division's Contractual Services line was increased to \$44,450 in order to perform valuation field work for Commercial and Industrial real estate inspections, data collection and sales analysis as well as for tracking personal property updates. While the next recertification must be completed for FY2013, the process begins on January 1, 2012, which is the legal assessment date for the FY2013 taxes. Therefore, the FY2012 budget request includes increased funding to begin the process for the triennial recertification of values in FY2013.

- **Management Information System/Geographic Information Systems (MIS/GIS)**

The increases in the MIS/GIS budget are primary due to equipment purchases related to project goals. FY2012 wage increases for non-union personnel are budgeted at 1%. One significant area of increase in recent years is associated with the Town-wide fiber optic network. The Town's network currently uses a fiber infrastructure for network connectivity between 6 facilities along an approximately 1 mile stretch of Main Street (Police Department, Highway Garage, Town Hall, Library, Senior Center and Fire Department). Starting in 2000, the Town leased this "dark fiber" from Charter Communications with the Town owning and maintaining all of the equipment (switches, routers, etc) at each site. Lease payments being made to Charter have escalated from \$5,265 per year in FY2009 to \$14,880 in FY2010 and \$23,880 in FY2011/FY2012. There is a long-term capital project under review to see if it would



be more cost-effective to build a Town-owned network and end the lease agreement with Charter.

- **Town Clerk/Elections**

There are no significant changes in the Town Clerk's budget; however, there is a \$5,967 decrease in the Elections/Voter Registration Budget due to only 2 elections to be held during FY2012. There were 3 elections budgeted in FY2011 (excluding the unanticipated Special State Senate Primary and Election). FY2012 wage increases for union and non-union personnel are budgeted at 1%.

The FY2012 scheduled elections are as follows:

- Presidential Primary Election March 6, 2012
- Annual Town Election May 7, 2012

- **Advisory Boards/Services**

- **Personnel Board**

The budget account reflects a significant reduction due to the settlement of various collective bargaining agreements. It still includes an allocation for costs associated with outstanding Union contracts and other personnel matters. At the time of this writing, the Police Patrol Officers contract remains unsettled for FY2012. Limited town-wide training, drug testing and legal expenses associated with labor negotiations and merit pay is also included in the account.

- **Town Counsel**

The budget for Town Counsel has been maintained at its FY2011 level of \$85,000.

- **Planning and Engineering**

There are no significant changes to the Planning & Engineering Budgets. FY2012 wage increases for union and non-union personnel are budgeted at 1%.



Section 1-16

Expenditure Summary

Public Safety

Public Safety consists of police, fire, emergency management services, inspections & enforcement, health, and the dog officer.

Public Safety Summary

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED	% CHANGE
<u>PUBLIC SAFETY</u>						
Police	\$2,012,904	\$2,029,638	\$2,144,032	\$986,747	\$2,167,049	1.07%
Fire	\$1,121,058	\$1,189,901	\$1,244,798	\$566,737	\$1,286,065	3.32%
Emergency Preparedness	\$5,500	\$5,000	\$6,750	\$0	\$6,750	0.00%
Building Inspection	\$139,800	\$145,648	\$155,740	\$72,111	\$157,224	0.95%
Gas Inspector	\$9,702	\$9,950	\$10,442	\$5,321	\$10,547	1.01%
Wiring Inspector	\$13,240	\$14,949	\$19,011	\$7,656	\$19,180	0.89%
Sealer Weights/Measures	\$4,539	\$4,643	\$4,778	\$2,148	\$5,028	5.23%
Health/Plumbing Inspector	\$126,789	\$133,931	\$156,840	\$66,404	\$159,151	1.47%
Dog Officer	\$50,246	\$52,234	\$53,513	\$25,520	\$53,967	0.85%
Subtotal	\$3,483,779	\$3,585,895	\$3,795,904	\$1,732,643	\$3,864,961	1.82%

• **Police Department**

Overall, the Police department Budget increased by just \$23,017, or 1.07%, primarily in expense lines associated with building and equipment maintenance that was deferred in recent years. Collective bargaining agreements have been settled with the Police Sergeants (0%) and Dispatchers (1%), and where appropriate, budget increases/adjustments are reflected in the FY2012 budget. The collective bargaining agreement with the Police Patrol Officers remains unsettled.

• **Fire Department**

The budget as presented includes a 1% wage increase for all Union and non-union personnel in FY12. However, the collective bargaining agreement provides for a 2% FY2011 year-end market adjustment for Fire Union employees to bring wages more in line with a recent salary survey. The result is an FY2012 budgetary increase of 3.32%, or \$41,267. FY2012 expenses are level funded.

With regard to the Fire Station itself, there is a project placeholder in the FY2013/2014 Capital Improvement Plan that provides for the renovation or relocation of the existing 1974 fire station. Previously appropriated capital funds in the amount of \$75,000 will be used to complete a limited Feasibility Study during the summer of 2011 to better define the proposed project location, design and cost estimates.

• **Building Department**

There are no significant budgetary changes planned during FY2012.



Expenditure Summary

Section 1-17

- **Health Department**

There are no significant budgetary changes planned during FY2012. However, the Nursing Service line has been slightly increased to satisfy the increased need for communicable disease tracking investigation and follow up.

- **Dog Officer**

There are no significant budgetary changes planned during FY2012.



Section 1-18

Expenditure Summary

Public Works

The Department of Public Works (DPW) consists of multiple Divisions collectively responsible for maintaining and improving the Town's public spaces and infrastructure. This includes the maintenance and development of town roads, sidewalks, public trees, cemeteries, parks, public grounds and buildings, as well as the Town water supply system and wastewater/sewerage system. In addition to general administration the Divisions within the Department include: Highway, Parks, Cemetery, Water and Sewer.

Public Works Summary

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED	% CHANGE
PUBLIC WORKS						
Highway Admin.	\$85,270	\$88,849	\$90,236	\$31,456	\$106,486	18.01%
Hwy. Const. & Maint.	\$744,092	\$783,501	\$802,434	\$359,794	\$817,624	1.89%
Parks	\$85,490	\$81,961	\$85,959	\$36,248	\$109,348	27.21%
Cemetery	\$160,298	\$59,112	\$49,267	\$24,535	\$52,478	6.52%
Snow & Ice	\$387,669	\$236,462	\$179,300	\$36,461	\$189,700	5.80%
Street Lighting	\$90,030	\$91,703	\$100,000	\$47,332	\$100,000	0.00%
Trees	\$7,523	\$8,000	\$8,000	\$290	\$8,000	0.00%
Subtotal	\$1,560,371	\$1,349,589	\$1,315,196	\$ 536,117	\$1,383,636	5.00%

Overall, the DPW budget is up \$68,440, or 5%. The majority of the increase is in equipment and building repairs, which includes \$12,000 for a new mower and a \$14,500 increase for repairs to the highway garage. Lastly, the road maintenance budget includes a \$12,012 increase in FY2012, which is simply a pass-through from the Silas Drive Earth Removal Bond Default (see Town Meeting Article 4). The funds are being taken from the private bond and passed through DPW in order to complete the work defaulted upon by the developer of the roadway.

In terms of personnel expenses, the budget reflects a 1% wage increase for both union and non-union employee. However, there is a small increase of \$13,500 for additional seasonal help in the parks and cemetery division. The additional temporary help is needed because the DPW continues to operate with reduced staffing. During FY2007, the Assistant Director was promoted to DPW Director, and the Assistant position has remained vacant. During FY2009, the Cemetery Superintendent position and a Highway/Parks Heavy Equipment Operator position became vacant and both have remained unfilled due to financial constraints. These reductions in permanent personnel have all been continued in FY2012.



Expenditure Summary

Section 1-19

Community Services

Section 5 of the Budget contains the category of human service, cultural and recreational programs and departments. These include the Senior Center/Council on Aging, Library, Recreation, Family & Youth Services, Cable Access TV, as well as various Boards and Committees.

Community Services Summary

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED	% CHANGE
COMMUNITY SERVICES						
Senior Center/COA	\$149,364	\$160,054	\$194,861	\$88,952	\$202,507	3.92%
Library	\$629,818	\$601,566	\$609,813	\$275,947	\$653,867	7.22%
Recreation	\$105,694	\$110,410	\$113,564	\$53,109	\$114,579	0.89%
Family & Youth Services	\$108,417	\$100,665	\$121,843	\$47,557	\$121,860	0.01%
Veterans Services	\$27,915	\$26,259	\$34,715	\$11,851	\$34,899	0.53%
Cable TV	\$0	\$0	\$0	\$0	\$0	0.00%
Cultural Council	\$500	\$500	\$500	\$0	\$500	0.00%
Community Affairs Comm.	\$500	\$500	\$500	\$500	\$500	0.00%
Historical Committee	\$307	\$150	\$500	\$70	\$500	0.00%
Subtotal	\$1,022,515	\$1,000,104	\$1,076,296	\$477,987	\$1,129,212	5%

- **Senior Center/Council on Aging**

Overall, the FY2012 Senior Center Budget is up \$7,646, or 3.9% to support the increased contractual services associated with the 14,000 square foot facility. During FY2011 the Friends of the Senior Center donated \$30,000 toward the operating budget. In FY2012 the Friends committed to making available previously donated but unused funds in the amount of \$25,000 toward the contractual services line of the budget, which is used to pay for the cleaning of the center. The \$25,000 donation is in addition to the \$10,000 shown in line 52800 of the Senior Center budget.

- **Family and Youth Services Department**

The position of Assistant Family & Youth Services Director that was eliminated in FY07 remains vacant due to budget limitations. The Department continues to seek grant funding to expand counseling services and to rely on graduate-level student interns to meet service demands. There are no significant changes in the FY2012 Family & Youth Services budget. The FY2012 wage increases for non-union personnel are budgeted at 1%.

- **Veterans Services**

The Veterans Services Budget is partially offset by reimbursement received from the Towns of Grafton and Shrewsbury who participate with Northborough in a Veterans District created in 1999. The creation of this District achieved compliance with the State Statute requiring each Town have a full-time Veterans Agent (Northborough's Veterans Agent is scheduled only part-time). The Towns of Grafton and Shrewsbury provide reimbursement for a portion of expenses paid by Northborough for our



Section 1-20

Expenditure Summary

Veterans Agent, who also serves those towns. Reimbursed expenses include health insurance, cellular telephone and professional development. There are no significant changes in the FY2012 Veterans Services budget. The FY2012 wage increases for non-union personnel are budgeted at 1%.

- **Library**

Overall, the FY2012 Library Budget is up 7.2% compared to FY2011, due primarily to an increase in the book and periodicals. During FY2011, the “Friends of the Library” graciously donated \$50,000 toward the books and periodicals line of the budget, which was reduced in FY2011 from \$66,075 to \$16,075 due to the overall financial constraints facing the Town. Since the donation was a planned one-time budget fix, the \$50,000 in funding is being restored in FY2012. Restoration of the book and periodicals budget is necessary to ensure that the Northborough Library is able maintain its State certification and inter-library loan privileges. The Library budget as presented reflects a 1% wage increase for union and 1% wage increase for non-union personnel.

- **Recreation Department**

The Recreation Department is fully self-sufficient and financed by programmatic fees, rather than property taxes. The cost of the salary for the Recreation Director and the Department’s full-time Administrative Assistant, as well as the cost of benefits for these positions, are included in the FY2012 General Fund Budget as an expenditure. All of the costs in the FY2012 General Fund Budget for salaries and benefits will be financed through a transfer from the Recreation Department Revolving Account to the General Fund. The transfer part of Article 4 of the Annual Town Meeting Warrant.

Undistributed Expenses

In its operation the Town budgets certain overhead costs in the aggregate rather than distributing costs by department or program. These overhead costs include employee benefits of health insurance, life insurance, Worcester Regional Retirement contributions, unemployment compensation and worker's compensation insurance; comprehensive building and liability insurance; debt service; non-appropriated expenses such as State Assessments and reserves for abatements; stabilization fund contributions; a reserve fund for extraordinary and unforeseen expenses; and various Town Meeting special warrant articles.

- **Employee Benefits & Insurance**

Employees Benefits and Insurance represent the budgetary requirements for the health and life insurance coverage for both Town and K-8 School employees and retirees as well as other benefits such as FICA expense, Worcester Regional Retirement contributions, unemployment compensation and worker's compensation insurance.

Health Insurance, the most significant employee benefit expense, represents a \$193,938 budgetary increase, or 4.5% in FY2012. 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 the budgetary increases in FY2012. Most importantly, the Town has worked closely with the School Superintendent to increase teacher contributions from 20% to 25% for Health Insurance in FY2012, resulting in approximately \$150,000 in savings. The increased



contribution rate sets the stage for another possible collaboration with the employees in FY2013 to possibly consolidate plans, provided it makes sense for both the employees and the Town.

The second largest category of employee benefit costs after Health Insurance is Worcester Regional Retirement (WRR). The proposed FY2012 budget request for the WRR assessment represents an \$111,826 or 11.1% increase due to our local share of the funding schedule. The assessment is the amount due to WRR for the pension system for our non-teaching employees. School teachers belong to the Massachusetts Teachers Retirement System (MTRS). While the Town is responsible for the WRR assessment, the Commonwealth of Massachusetts is assessed annually by the MTRS.

The Municipal Relief Act enacted last year extended the time frame for fully funding the pension system's liability to the year 2040. To progress toward this deadline, the Worcester Regional Retirement System's FY2012 funding schedule included an overall 6% increase. The required FY2012 assessment is then allocated to the member units based on their total payrolls as of September 30th of the previous year.

- **Building & Liability Insurance**

Building and Liability insurance includes property and liability coverage for all Town owned property as well as all Town officials, elected and appointed. During FY2010 the Town bid out all its Workers' Compensation, Injured-on-Duty (IOD) and Building & Liability Insurance and was able to achieve 0% budgetary increases for both FY2010 and FY2011. Ongoing risk management initiatives are expected to result in premium credits from the Town's insurance carriers and, therefore, no budgetary increase again in FY2012.

- **Debt Service**

The proposed FY2012 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 FY2012, the total Debt Service budget for the General Fund is \$2.49 Million, a significant increase of \$495,559. This increase is driven largely by the issuance of permanent debt for the construction of the new Senior Center. The FY2012 debt service for the Senior Center increased by \$353,965, the debt service for Remediation at 167 Bearfoot Road increased by \$93,758 and the debt service for various other General Fund capital items increased by \$47,836.

The debt service appropriations for the Water & Sewer Enterprise Funds, appear in their respective budgets (Section 8 of this budget document).

- **State Assessments**

The FY2012 State Assessments are projected to increase by \$27,188, based on the Governor's House 1 Budget. The increase is primarily attributable to the \$19,399 increase in the assessment for Northborough students attending Charter schools as well as a \$6,000 increase to School Choice Sending Tuition assessment.

- **Stabilization Fund Contribution**

The FY2012 budget does not provide for a contribution to the Stabilization Fund. Available Free Cash funds that could have been allocated to the Stabilization Fund



Section 1-22

Expenditure Summary

were instead used to fund additional pay-as-you-go capital items, thereby avoiding unnecessary finance charges. The FY2012 Stabilization Fund and overall financial reserves of the Town remain within 8-10% of the operating budget per the Town's policy guideline.

- **Reserve Fund**

Authorized by state statute, the Reserve Fund provides the Town operations with an option for the funding of extraordinary or unforeseen expenditures during the year. Transfers from this account require the approval of the Appropriations Committee. Historically the fund has contained approximately \$118,500 at the start of the budget year. In recent fiscal years the fund has been significantly less due to financial constraints. In FY2012, the Board of Selectmen adopted a Free Cash Policy and identified the Reserve Fund as an appropriate use of Free Cash. Beginning in FY2012 the proposed Reserve Fund will be appropriated from Free Cash as a separate Warrant Article at Town Meeting. The FY2012 proposed Reserve Fund amount is \$150,000.

- **Special Warrant Articles**

In addition to the individual departmental appropriations, the Town's overall annual financial plan includes additional warrant articles which draw upon the funds available to the Town. In FY2012 these warrant articles total \$954,000 and are all funded using Free Cash, which means no additional tax impact will be incurred when these articles are approved. During November of 2010 the Board of Selectmen adopted a Free Cash Policy, which now provides a funding source for projects, other than municipal bonds. The new Free Cash Policy is on page 2 in Appendix A of this budget document, which contains the Town's comprehensive financial policies. The new Free Cash Policy and plan are discussed at length in the transmittal letter of the Capital Improvement Plan contained in pages Section 9-1 through 9-5 of this document. In summary, the FY2012 Town Meeting Warrant Articles include the following:

- \$150,000 for the Appropriation Committee's Reserve Fund
- \$60,000 for a Fire Pick-up Truck
- \$35,000 for a New Public Safety Dispatch Phone System
- \$60,000 for a Replacement DPW Truck Lift
- \$39,000 for a Replacement DPW One-ton Pick-up Truck with Plow
- \$164,000 for a Replacement DPW Street Sweeper
- \$71,000 for a DPW Replacement One-ton Dump Truck with Plow
- \$375,000 in Free Cash toward Replacement of the Flat Peaslee Roof

Public Education

- **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 3.99% in FY2012. Therefore, the FY2012 amount available for the Northborough K-8 School department is \$18,702,867. This represents an increase of \$717,301 from the \$17.9 Million appropriated last year.

In FY2012, the School District will no longer receive direct aid in the form of Federal Stimulus Funds with the exception of the EdJobs Grant. This grant of approximately



\$232,000 was made available in FY2011 but is expected to be used in by the Northborough School department in FY2012. The expenditures will be from the grant program so they will not be reflected within the General Fund portion of its budget.

- **ARHS**

The total FY2012 regional school assessment to Northborough is \$9,085,345. This represents a 2.92% increase of \$257,394. This moderate increase was necessary 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 assessment increases 2.92%, while Southborough's increases 8.01%. The assessment amount includes an increase of \$136,203 for the debt service assessment for the ARHS Additional Renovation as well as a \$121,191 increase for the regional school operating budget. The debt service is a debt-excluded item.

- **Assabet Valley Regional Technical High School**

Assabet Valley Regional Technical High School is a vocational school comprised 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, 2010, 41 Northborough students attend Assabet Valley, which represents 5.94% of their FY2012 budget, or \$517,488. This assessment is down from 53 students on October 1, 2009, resulting in a FY2012 assessment decrease of \$163,348.

- **Norfolk County Agricultural High School**

In prior years the Town has borne the expense of tuition and transportation to the NCAHS in the Town's portion of the budget. This expense is borne by the Town because students have the freedom to seek admission to schools with state-approved vocational technical education programs known as Chapter 74 approved programs. Since the Town of Northborough did not offer the particular vocational technical education program in which the student was interested, either at the high school or the regional vocational technical high school to which the town belongs, the student then had the option to apply to any school which offered such a program. Once accepted the Town is required to bear the cost of both Tuition and Transportation. There are no students expected to attend this school in FY2012.

Enterprise Funds

- **Water and Sewer Enterprise Funds**

The Water and Sewer Funds have been established as Enterprise Funds separate from the General Fund. The expenditures for both the Water and Sewer Funds are financed by Water and Sewer Rate revenues.

Capital improvement projects are underway to complete bringing the Town's wells back online so as to reduce the Town's dependence on the MWRA. The Lyman Street well was reactivated in 2009 and the design of a new treatment facility for the Brigham Street well has also been initiated. Construction of the treatment facility at the Brigham Street well will allow the Town to reduce the volume of water needed from the MWRA and thus, reduce the cost of water in the future.



Section 1-24

Expenditure Summary

The proposed FY2012 Water Enterprise Fund budget of \$1,861,930 is predicated on a transfer of \$64,443 from Water Fund Free Cash and represents a 7.93% increase.

In accordance with our Intermunicipal Agreement, capital improvement projects are also underway to increase the sewer capacity at the Marlborough Westerly Wastewater Treatment Plant. As a result, the near future will present many critical issues for the Sewer Division, including both budgetary considerations and the potential significant rate impact for Northborough's share of this \$30 million expansion project.

The proposed FY2012 Sewer Enterprise Fund budget of \$1,311,875 is predicated on a transfer of \$227,729 from Sewer Fund Free Cash and represents a 9.81% increase.

	FY2011 Budget	FY2012 Budget	% Change
Water Enterprise Fund	\$ 1,725,110	\$ 1,861,930	7.93%
Sewer Enterprise Fund	\$ 1,194,677	\$ 1,311,875	9.81%

• Solid Waste Fund

The Solid Waste Enterprise Fund does not currently generate sufficient revenue to cover all its expenses. Last fall, the Town issued an Invitation for Bids (IFB) for solid waste and recyclable materials collection and disposal. As part of this IFB, alternate prices were sought for a container-based program with single-stream recycling. In January, after much public discussion and resident feedback, the Board of Selectmen voted to retain the current Pay-As-You-Throw (PAYT) program.

Total PAYT fee revenues are estimated in FY2012 to be \$480,000 and the expenses \$727,570, leaving a projected shortfall of \$247,570. As a result of the IFB, a significant savings in the collection cost will be realized through a five-year contract with Central Mass Disposal, Inc. of Auburn, MA which sets the collection costs at \$475,000 annually. This collection cost results in a savings of more than \$31,000 over last year's budget.

As a result of the decision by the Board of Selectmen and prices obtained from the IFB, a \$247,570 General Fund subsidy in FY2012 is being recommended in order to balance the Enterprise Fund. The total PAYT FY2012 budget is \$727,570.

	FY2011 Budget	FY2012 Budget	% Change
Solid Waste Enterprise Fund	\$ 826,447	\$ 727,570	-11.96%

General Administration

Section 2



This Page Intentionally Blank

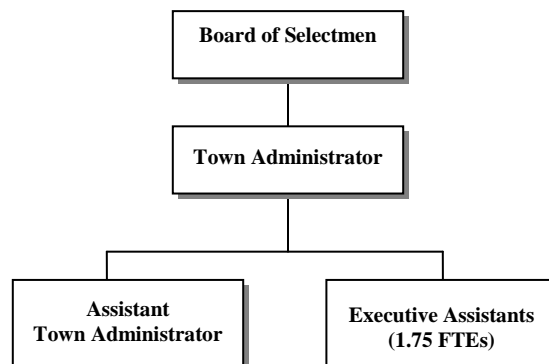


Executive Office Departmental Statement

The Executive Office of the Town of Northborough is made up of the Board of Selectmen and the Town Administrator. The Board of Selectmen is recognized by the General Laws of the Commonwealth of Massachusetts as the Town's body of chief elected officials with the authority to enact rules and regulations establishing Town policies not otherwise governed by bylaw, the Town Charter, or by statute. The Board is composed of five members who are elected to staggered three-year terms. The powers and duties of the Board of Selectmen include appointing the Town Administrator, Police Chief, Fire Chief and Town Accountant, as well as various boards, committees and commissions. The Board of Selectmen also issue certain licenses and permits such as alcohol, car dealerships, common victualler, and entertainment; enforce special sections of the Town Code; and regulate the public ways.

The Town Administrator is appointed by the Board of Selectmen and is the senior appointed officer of the Town. The Town Administrator is responsible for managing the day-to-day operations of municipal government as outlined in Article IV of the Town Charter. The Town Administrator appoints and removes department heads, subordinates and employees, and members of certain boards and commissions for which no other method is provided in the Town Charter or in the general laws. The Town Administrator works closely with the Board of Selectmen to develop and implement policies and goals for the efficient and effective administration of Town government.

Executive Office Organizational Chart





Executive Office FY2011 Initiatives and Accomplishments

1. GFOA Distinguished Budget Award: The Town received its first ever national budget award in FY11 from the Government Finance Officers Association. 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 FY11 Budget document was rated "proficient" in all four categories, as well as the fourteen mandatory criteria within those categories, to receive the award. The FY11 Budget passed Town Meeting with the unanimous support of the Board of Selectmen, Appropriations Committee, Financial Planning Committee and the School Department.

2. Comprehensive Financial Policies Expanded: The Board of Selectmen adopted the Town's first set of Comprehensive Financial Policies effective in FY11. During November of 2010 the Board of Selectmen unanimously adopted a new Free Cash Policy, resulting in over \$800,000 in proposed FY12 capital investments without future tax impacts. Adoption of the policies eliminated several recurring comments in the annual audit pertaining to investments and risk management.
3. Public Safety Communication Tower Bid: Under Article 39 of the April 26, 2010 Annual Town Meeting the Town bid out the rental of space to cell carriers already interested in locating a cell tower near the Police Station. This creative solution has numerous benefits, including: 1) eliminates the estimated cost of \$250,000 from the Capital Improvement Plan to remove the old tower, install a new tower, and outfit the tower with new public safety communications equipment; 2) the Town will receive lease payments from the tower operator totaling \$651,000 over the twenty-year lease term; and 3) the Town will receive as much as \$250,000 in rental revenues from wireless co-locators. In all, the initiative has a value in excess of \$1,000,000, at no cost to Northborough taxpayers.
4. Positive Economic Development: One of Northborough's success stories is the positive economic development in FY11. During a period when little economic expansion was seen around Central Massachusetts, Northborough added \$68 million in new growth for FY11, resulting in almost \$1 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.
5. Collective Bargaining: Successfully negotiated sustainable collective bargaining agreements with Police Sergeants (0%), Fire (1%), and NMEA (1%) for FY12. The only outstanding negotiation for FY12 remains the Police Patrol Officers.
6. Solid Waste Program Structure & Funding Finalized: Following two budget cycles of policy review and funding research, the Solid Waste Enterprise Fund program structure and financing was finalized. The Solid Waste contract was bid out, numerous options presented



and reviewed, thereby allowing the Board of Selectmen to make an informed policy decision. The existing Pay-as-you-throw bag program will continue for the next five years at an overall reduced cost with a General Fund Subsidy that eliminates the need for the addition of a flat fee. The positive aspects of the current program that allow our users to control costs and reduce trash remain in effect.

Executive Office FY2012 Goals and Initiatives

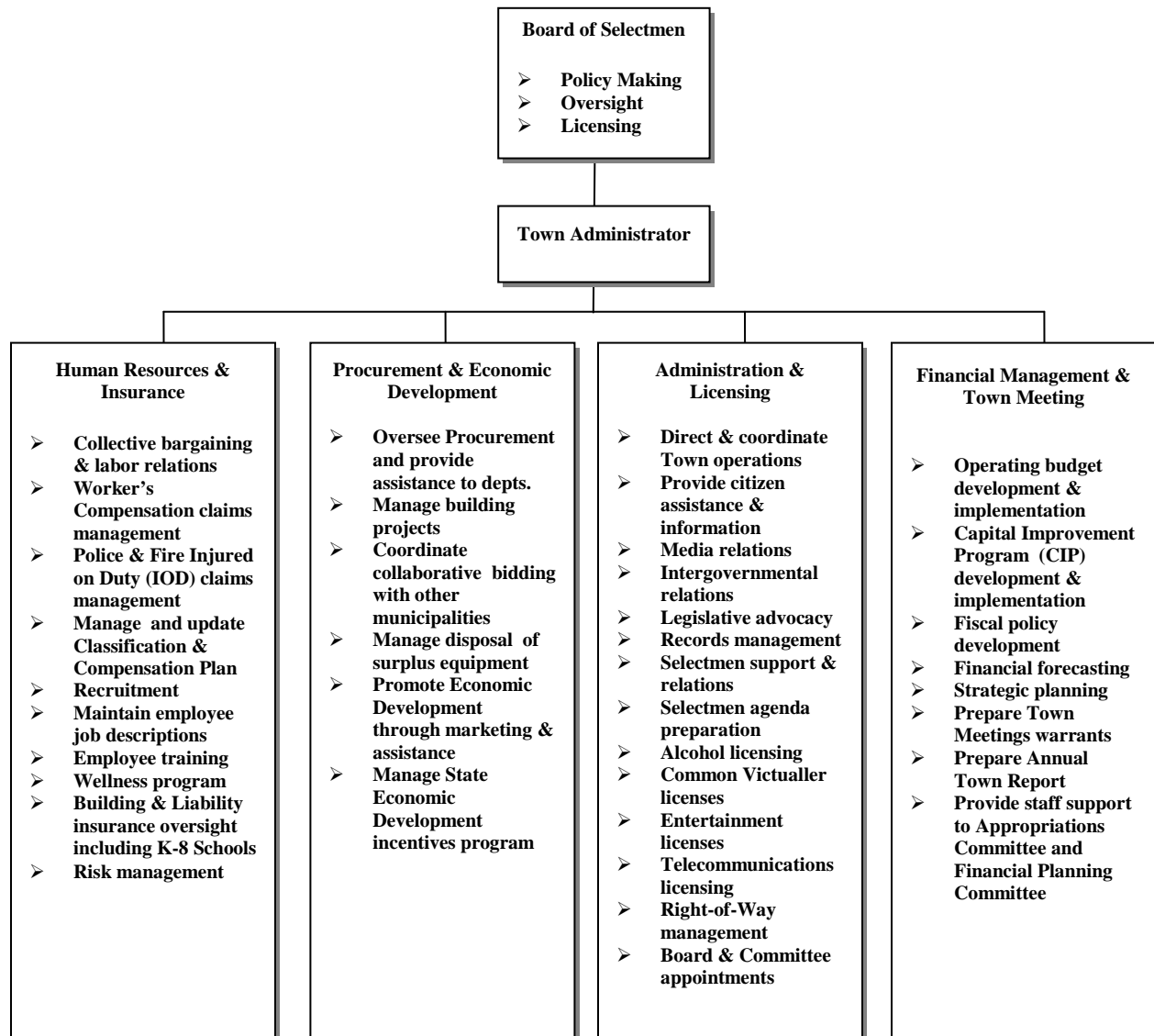
1. GFOA Distinguished Budget Award Program: Continue to refine the Town's Award winning budget for the FY2012 submission to the Government Financial Officers Association (GFOA) Distinguished Budget Award Program. FY2012 enhancements will focus on more long-range financial planning and the creation of a Fiscal Indicators Report using the International City Manager's Association (ICMA) best practices model.
2. Downtown Traffic Improvements: On September 10, 2009 a public hearing was held to review the proposed downtown traffic improvements. The proposed 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, it is anticipated that the project will move forward in 2011 and have significant impacts on staff and resources.
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. Additional review and plans will be developed during FY2012 for necessary HVAC improvements.
4. Algonquin Regional High School MSBA Reimbursement: The April 2010 Town Meeting Warrant included funding to seek a declaratory judgment in order to bring the longstanding disagreement over the manner in which the Massachusetts School Building Authority (MSBA) reimbursement for the Algonquin Regional High School was allocated. The Town of Southborough believes the Regional Agreement is the appropriate method and Northborough is of the opinion that MGL Chapter 70B should apply. Final resolution to this disagreement is expected to take place during FY2012.

Significant Budget Changes or Initiatives

There are no significant budget changes planned for the Executive Office in FY2012. The only increase beyond the 1% wage adjustments for non-union personnel is an increase in the Selectmen's Budget for the annual audit, which is due to the receipt of Federal Funds that require a separate single audit.



Executive Office Programs and Services



**EXECUTIVE OFFICE****Personnel Summary**

Position	FY 2009 FTE	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE
Town Administrator	1	1	1	1
Assistant Town Administrator	1	1	1	1
*Executive Assistants	1.75	1.75	1.75	1.75
Total Full-time Equivalent	3.75	3.75	3.75	3.75

*Personnel Explanation:

Full Time Equivalents based upon 40 hrs per wk (30hrs/40hrs = .75 FTE)

Section 2-6

Executive Office



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
BOARD OF SELECTMEN						
Personnel Services						
51110 Selectmen Stipends	5,528	5,356	5,356	5,356	2,678	5,356
51120 Executive Assistant	64,909	54,450	56,000	57,400	26,748	57,880
51220 Part-Time Executive Assistant	27,901	41,039	41,920	43,051	19,930	43,410
51410 Longevity Pay	0	700	700	700	700	700
SUBTOTAL	98,337	101,545	103,976	106,507	50,056	107,346
Expenses						
52850 Annual Independent Audit	13,360	19,360	19,300	19,940	19,940	24,040
53090 Advertising	134	420	224	250	98	250
56930 Town Meeting Expenses	0	0	326	500	0	500
57320 Subscriptions	1,989	1,881	0	1,250	330	600
57330 Memberships	7,154	6,601	2,255	2,361	2,305	2,380
57340 Meetings	50	193	0	1,250	0	1,250
57810 Unclassified	1,005	1,122	69	1,000	0	1,000
SUBTOTAL	23,692	29,577	22,173	26,551	22,673	30,020
TOTAL: SELECTMEN	122,029	131,121	126,149	133,058	72,729	137,366



Executive Office

Section 2-7

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
TOWN ADMINISTRATOR						
Personnel Services						
51100 Town Administrator	128,293	127,245	118,450	121,412	56,577	122,626
51120 Assistant Town Administrator	78,990	76,860	66,950	68,624	31,978	69,310
51410 Longevity Pay	350	550	200	200	200	200
SUBTOTAL	207,633	204,656	185,600	190,236	88,756	192,136
Expenses						
53110 Printing	1,394	150	765	1,600	0	1,600
54290 Office Supplies	479	1,503	25	1,200	0	1,200
57110 Travel/Mileage	2,400	3,600	3,600	3,600	1,841	3,600
57310 Dues	1,475	1,248	1,247	1,350	287	1,350
57320 Subscriptions	552	289	403	550	405	550
57340 Meetings	2,044	834	1,336	3,500	359	3,500
SUBTOTAL	8,344	7,624	7,376	11,800	2,892	11,800
TOTAL: TOWN ADMINISTRATOR	215,976	212,280	192,976	202,036	91,648	203,936

Section 2-8

Executive Office



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
ECONOMIC DEVELOPMENT						
Expenses						
54290 Office Supplies	797	18	0	200	0	200
57110 Travel/Mileage	0	50	0	235	0	235
57310 Dues	0	275	335	275	0	275
57320 Subscriptions	300	0	0	50	0	50
57340 Meetings	0	0	40	540	0	540
SUBTOTAL	1,097	343	375	1,300	0	1,300
TOTAL: ECONOMIC DEVELOPMENT	1,097	343	375	1,300	0	1,300

ANNUAL TOWN REPORTS

Expenses

52800 CONTRACTUAL SERVICES	1,540	1,386	1,400	1,400	0	1,400
53110 PRINTING	2,785	2,612	2,623	3,025	0	3,025
SUBTOTAL	4,325	3,998	4,023	4,425	0	4,425
TOTAL: ANNUAL TOWN REPORTS	4,325	3,998	4,023	4,425	0	4,425



Public Buildings Departmental Statement

The Public Buildings Account provides for various costs associated with the Town Office Building as well as other Town facilities, including:

1. Gasoline and diesel fuel used by all Town vehicles.
2. The cost of electricity and natural gas to heat the Town Office building (the Town works cooperatively with the Northborough K-8 Schools to purchase fixed rate electricity under an aggregation program overseen by the Massachusetts Municipal Association).
3. The Public Buildings Account provides funds for the payment of Water & Sewer user fees to the Water & Sewer Enterprise Funds for use by Town Buildings and Facilities (Town Hall, Library, Fire Station, Police Station, Public Works Garage, Cemetery, Parks and Senior Center). Also included is water consumption for fire suppression and fire training.
4. The Account provides funds for the payment of Solid Waste fees for solid waste collection and disposal services provided to Town buildings and facilities.

In FY1998 a new position of Facility Manager was originally proposed. The new position would have been responsible for coordinating the maintenance and repair of Town Buildings. To date, that position remains unfilled due to budget limitations. During FY2009 a full-time custodian position was added and split between the Town Office Building and the Police Station. The position replaced a contractual cleaning service.

PUBLIC BUILDINGS				
Personnel Summary				
Position	FY 2009 FTE	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE
Custodian	.5	.5	.5	.5
Total Full-time Equivalent	.5	.5	.5	.5

***Personnel Explanation:**

Full Time Equivalents based upon 40 hrs per wk (30hrs/40hrs = .75 FTE)

There is a full-time custodian that works 20 hours per week (.5 FTE) in the Town Offices Building and 20 hours per week in the Police Station.

Section 2-10

Public Buildings



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
PUBLIC BUILDINGS						
Personnel Services						
51100 Full-time Salaries	9,928	0	0	0	0	0
51970 Part-time Custodian	0	18,461	19,210	19,784	9,248	19,954
SUBTOTAL	9,928	18,461	19,210	19,784	9,248	19,954
Expenses						
52110 Utilities Town Office Building	45,499	56,525	40,143	55,200	15,275	56,990
52460 Office Machine Maintenance	12,271	11,710	11,570	13,952	5,812	13,950
52800 Contractual Services	8,516	0	0	0	0	0
53410 Telephone	28,631	28,889	26,034	30,000	2,483	30,000
53420 Postage	26,830	32,226	32,461	35,000	10,108	35,000
54290 Office Supplies	8,325	5,958	6,197	9,000	2,191	9,000
54490 Repairs and Maintenance	19,542	21,900	31,549	30,435	8,491	31,000
54590 Supplies	9,418	8,270	10,053	8,300	3,965	10,000
54820 Gasoline	148,431	117,259	118,900	123,000	38,736	135,000
58700 Water Charges	7,929	7,234	7,952	13,000	6,344	15,000
58705 Sewer Charges	1,760	1,625	1,829	2,000	1,102	3,000
58708 Solid Waste Charges	21,024	25,053	25,495	27,200	4,775	30,000
SUBTOTAL	338,176	316,650	312,183	347,087	99,282	368,940
TOTAL: PUBLIC BUILDINGS	348,104	335,111	331,393	366,871	108,530	388,894



Finance Departmental Statement

The Finance Department consist of three Divisions that work closely with the Town Administrator's Office to prepare the information needed to reach essential management decisions and formulate fiscal policies. These Divisions include Treasurer/Collector, Assessors and Accounting. Below is a description of each.

Treasurer/Collector's Division

The Treasurer/Collector's Office is responsible for billing and collection of real estate taxes, motor vehicle excise taxes, and various permit or license receipts. In addition, the Division is responsible for reconciliation of bank accounts, warrants, long and short-term investments, long and short-term borrowing, payroll processing, income tax reporting, and benefit administration for active and retired employees (health, dental, disability, and life insurance). The Treasurer/Collector's Division receives, manages and disperses all funds of the Town in accordance with Massachusetts General Laws and the Town of Northborough Financial Policies contained in Appendix A of the Annual Budget Document. The Finance Director serves as the Treasurer/Collector in addition to the position's other responsibilities.

Assessor's Division

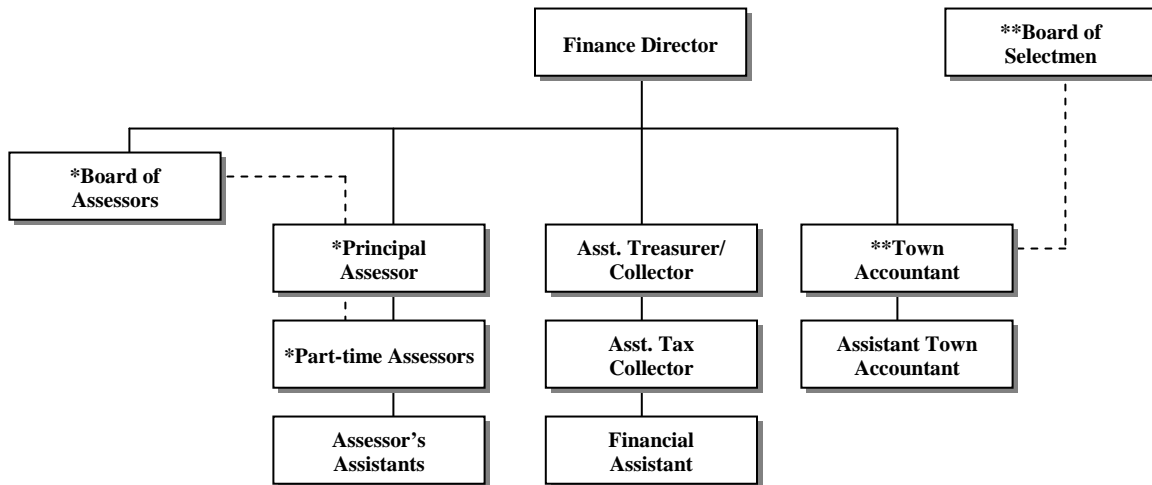
The primary role of the Assessor's Division, under the direction of the Board of Assessors, is the valuation of all real and personal property in the Town. The State Department of Revenue (DOR) requires that all property be valued at full and fair cash value which ensures that all property owners pay their fair share of the yearly tax burden. The Assessor's Division is responsible for meeting and adhering to strict certification requirements of the DOR. To meet these requirements, the Assessors are obligated to revalue all properties yearly and, once every three years, undergo a state recertification audit. In addition to appraisal duties, the Assessor's Division is responsible for the processing of statutory tax exemptions; tax abatement filings for real estate and motor vehicle excise taxes; maintaining and updating records of deeds received from the Registry of Deeds; processing of water and sewer betterments; maintaining records of exempt property, and defending Appellate Tax Board cases.

Accounting Division

The Accounting Division is responsible for record keeping of all financial transactions of the Town; processing of all bills, warrants, receipts, payroll and ledgers; keeps records of all contracts and grants, and supplies departments with financial reports and payroll information. The Accounting Division ensures the Town is in compliance with Generally Accepted Accounting Principles, Federal and State laws, and Town Meeting authorizations.



Finance Department Organizational Chart

Organizational Chart Notes:

*The Board of Assessors consists of three members appointed by the Town Administrator for three-year terms. The Principal Assessor along with two Part-time Assessors serve as the Board of Assessors. The Part-time Assessors are also responsible for performing the field inspection work necessary for the appraisal of all real estate and personal properties in Town.

**In accordance with the Town Charter the Town Accountant position is appointed by the Board of Selectmen, but coordinates on a daily basis through the Finance Director to prepare the financial information needed to reach essential management decisions and formulate fiscal policies. The Board of Selectmen also contracts with a certified public accounting firm annually to conduct an independent audit of all records and accounts of the town. The Assistant Town Accountant position is appointed by the Town Administrator.



Finance FY2011 Initiatives and Accomplishments

Treasurer/Collector's Division:

1. During FY2011 the separate Financial Offices were formally reorganized through a by-law change at April 2010 Town Meeting into a Finance Department with the Treasurer/Collector assuming the position of Finance Director.
2. Instituted a permanent Open Enrollment process with an annual Health Fair for the new Medicare supplement or Senior Plans, which renew each year on a calendar year basis on January 1st.
3. Successfully implemented procedures in accordance with the adoption of Chapter 32B, Section 18 to both track and notify Medicare eligible retirees and their dependents to move out of the HMO active health plans and into Medicare supplement plans upon reaching 65 years of age. These plans are specifically designed for the medical needs of seniors and the enrollment transition will effectively share these health care costs with the Federal Medicare program.
4. Issued demand notices for ten years of overdue and uncollected Personal Property taxes and plan to issue a request for proposals for a collection agency to pursue these obligations. Collection of overdue accounts will increase Town revenue, and information gathered regarding uncollectible accounts will assist in the abatement process.
5. Assisted in the development of the Town's first Free Cash policy and revision to the comprehensive financial policies.
6. Issued a Request for Proposals to obtain banking services for the various municipal accounts and financial services.
7. All Finance Department Divisions actively participated in a Computer Technology Working Group to enhance coordination and promote use of technology.

Assessor's Division:

1. Successfully completed the FY2011 interim-year market adjustments of all personal and real property to establish the tax rate at \$15.11 per thousand.
2. Prepared and presented information to the Board of Selectmen during the Annual Tax Classification Public Hearing resulting in the decision to maintain a single tax rate for all classes of property during FY2011.
3. Monitored and identified the new growth in Town resulting in approximately \$67 million in value added to the tax levy during FY2011 and \$975,576 in new tax revenues.
4. Assisted over 150 Senior Citizens with application filings for real estate tax relief.

**Accounting Division:**

1. Completed the FY2010 annual independent audit resulting in no material deficiencies and addressing critical management letter comments.
2. Submitted reports to the State Department of Revenue in order to accurately certify free cash for the close of FY2010.
3. Assisted in the development of new budget models designed to more effectively track and forecast revenues and expenditures.
4. Assisted in the development of the Town's first Free Cash Policy and the comprehensive financial policies.
5. Created a comprehensive Fund Description appendix for the annual budget document as part of the financial team's effort to achieve the Government Finance Officers Association Distinguished Budget Award.
6. Achieved compliance with Government Account Standards Board (GASB) Statement 45 for second year.

Finance Department FY2012 Goals and Initiatives

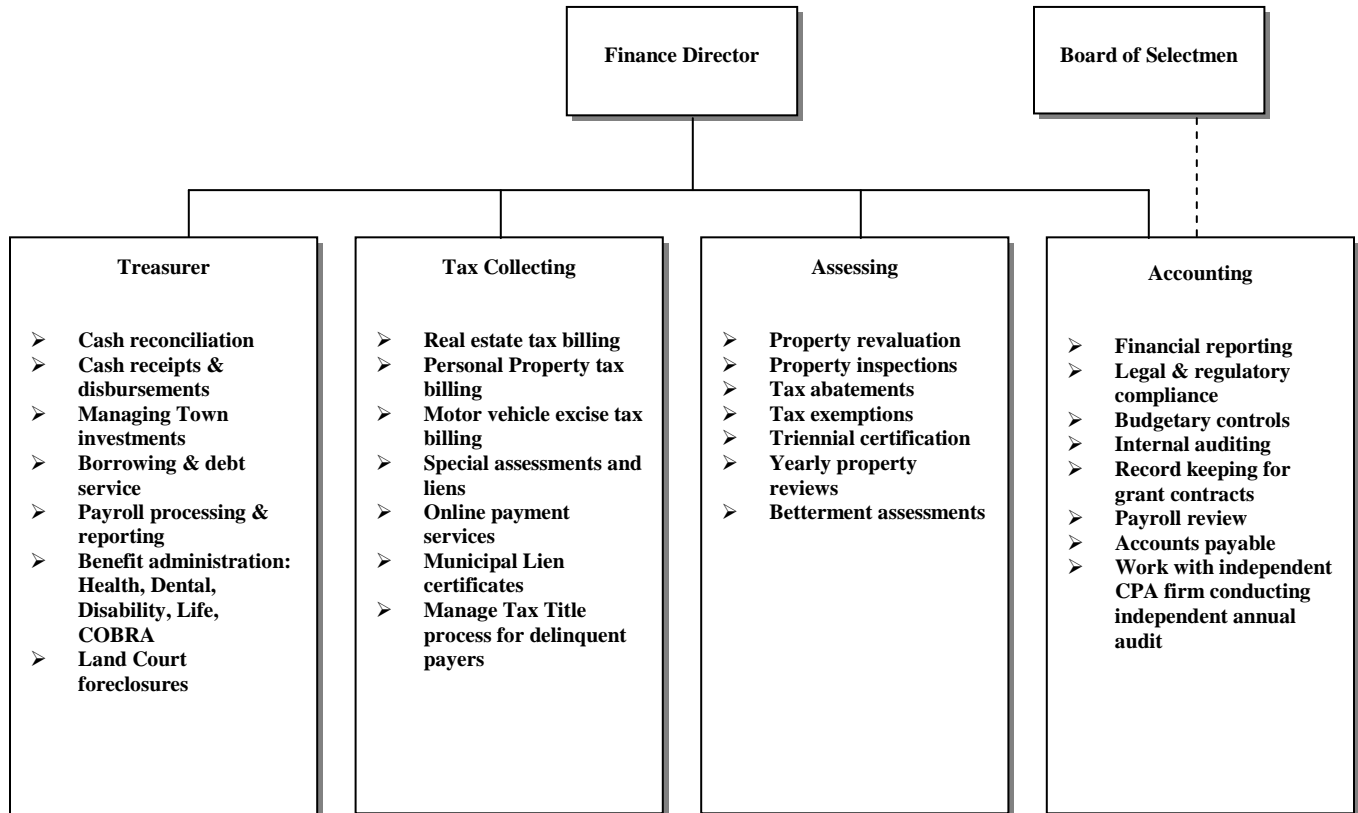
1. Continue to work to improve the budget document and again achieve the Government Finance Officers Association Distinguished Budget Award in FY2012.
2. Continue to refine comprehensive financial and investment policies to improve financial procedures and expand internal controls to efficiently manage our financial resources.
3. Continue to expand utilization of technology and the Town's webpage.
4. Continue to maintain collection rates of at least 95% of current levy pursuant to the Town's financial policies contained in Appendix A of the annual budget document.
5. Complete remaining schedules as required by GASB 34 for the financial statements to address auditor's comments.
6. Participate in Actuarial Update for FY2011 as required by Government Account Standards Board (GASB) Statement 45 for Other Post Employment Benefits (OPEB).

Significant Budget Changes or Initiatives

In FY2012, the proposed budget restores 4 of the 10 hours per week to the Assistant Accountant position, which was reduced from 40 to 30 hours in FY2010. The Assessing Division's Contractual Services line was increased to \$44,450 in order to perform valuation field work for Commercial and Industrial real estate inspections, data collection and sales analysis as well as for tracking personal property updates. While the next recertification must be completed for FY2013, the process begins on January 1, 2012, which is the legal assessment date for the FY2013 taxes. Therefore, the FY2012 budget request includes increased funding to begin the process for the triennial recertification of values in FY2013.



Financial Offices Programs and Subprograms



**FINANCIAL OFFICES****Personnel Summary**

	FY 2009	FY 2010	FY 2011	FY 2012
Position	FTE	FTE	FTE	FTE
<u>Finance Director</u>	0	0	1	1
<u>Treasurer/Collector's Division</u>				
Treasurer/Collector	1	1	0	0
Assistant Treasurer/Collector	1	1	1	1
Assistant Tax Collector	1	1	1	1
* Financial Assistant	1.5	1	1	1
<u>Assessing Division</u>				
Principal Assessor	1	1	1	1
Part-time Assessors (2)	.5	.5	.5	.5
Assessor's Assistants	2	2	2	2
<u>Accounting Division</u>				
Town Accountant	1	1	1	1
* Assistant Accountant	1	.75	.75	.85
Total Full-time Equivalents	10.00	9.25	9.25	9.35

***Personnel Explanation:**

Full-time Equivalents are based upon 40 hrs per wk (34hrs/40hrs = .85 FTE). During FY2010 a part-time, 20 hour per week Financial Assistant position in the Treasurer's Office was eliminated. The Assistant Town Accountant position was also reduced from 40 hours per week to 30 hours per week. In FY2012, the proposed budget restores 4 hours per week to the Assistant Accountant position. The increase in hours is intended to allow our Town Accountant more time to address our higher level professional and managerial needs as a highly valued member of our Financial Team.

During FY2011 the Treasurer/Collector was promoted to Finance Director as part of a Town Meeting approved reorganization.



Finance Department

Section 2-17

	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
	ACTUAL	ACTUAL	ACTUAL	BUDGET	SIX MONTHS	PROPOSED
TREASURER/COLLECTOR						
Personnel Services						
51100 Finance Director Salary	79,990	81,360	83,801	91,909	42,331	92,828
51120 Treasurer Office Staff Salaries	157,880	165,568	148,478	152,946	71,272	154,249
51410 Longevity Pay	950	1,100	1,050	1,200	1,200	1,400
51970 Treasurer's Stipend	0	1,000	1,000	1,000	1,000	1,000
SUBTOTAL	238,820	249,028	234,328	247,055	115,803	249,477
Expenses						
52800 Contractual Services	1,352	1,265	1,239	1,500	583	1,500
53040 Computer Services	5,667	5,678	5,620	5,938	2,584	5,938
53090 Advertising	296	862	623	750	710	1,000
53110 Printing	7,970	5,697	5,427	6,943	163	6,943
53160 Banking Services	1,036	665	1,233	750	262	1,250
54290 Office Supplies	1,015	1,020	631	675	164	675
57110 Travel/Mileage	659	301	307	758	76	758
57310 Dues	315	192	255	280	430	475
57340 Meetings	1,210	414	370	990	265	990
57810 Unclassified	1,332	1,785	1,807	1,840	2,100	1,840
SUBTOTAL	20,851	17,879	17,512	20,424	7,607	21,369
TOTAL: TREASURER/COLLECTOR	259,672	266,907	251,841	267,479	123,410	270,846

Section 2-18

Finance Department



		FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGET	FY2011 SIX MONTHS	FY2012 PROPOSED
ASSESSOR							
Personnel Services							
51100	Principal Assessor Salary	78,990	81,360	83,801	85,896	40,027	86,755
51120	Assessor Asst. Salaries	81,589	82,015	77,180	86,548	40,331	87,279
51130	PT Assessors Salaries	26,497	22,228	26,977	27,898	13,227	30,535
51410	Longevity	650	650	650	650	650	1,000
	SUBTOTAL	187,727	186,253	188,608	200,992	94,234	205,569
Expenses							
52800	Contractual Services	16,848	28,660	39,203	29,500	1,826	44,450
53090	Advertising	0	0	561	75	0	150
53110	Printing	193	177	281	275	0	285
54290	Office Supplies	295	27	10	350	415	200
57110	Travel/Mileage	1,059	858	1,015	1,200	259	1,200
57310	Dues	409	409	356	409	409	409
57320	Subscriptions	659	724	1,027	1,015	724	1,085
57340	Meetings	1,002	259	323	1,200	225	1,200
	SUBTOTAL	20,466	31,114	42,777	34,024	3,857	48,979
TOTAL: ASSESSOR		208,192	217,366	231,385	235,016	98,092	254,548



Finance Department

Section 2-19

		FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
		ACTUAL	ACTUAL	ACTUAL	BUDGET	SIX MONTHS	PROPOSED
ACCOUNTING							
Personnel Services							
51100	Accountant Salary	96,202	54,619	72,100	73,903	34,438	74,642
51120	Asst. Accountant Salary	29,383	23,417	35,987	37,068	17,273	42,375
51410	Longevity	500	0	200	200	200	200
	SUBTOTAL	126,085	78,036	108,287	111,171	51,911	117,217
Expenses							
52800	Contractual Services	3,991	42,857	4,785	6,400	834	1,000
53110	Printing	0	0	159	450	92	450
54290	Office Supplies	2,178	698	212	200	0	200
57310	Dues	0	70	105	150	125	150
57320	Subscriptions	0	0	0	0	0	125
57340	Meetings	615	767	2,525	3,200	298	3,200
	SUBTOTAL	6,784	44,392	7,786	10,400	1,349	5,125
TOTAL: ACCOUNTING		132,869	122,429	116,073	121,571	53,261	122,342



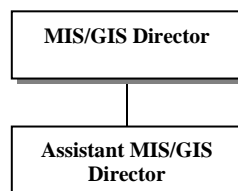
Management Information Systems (MIS) & Geographic Information Systems (GIS) Departmental Statement

The MIS/GIS Department is charged with coordinating the implementation and application of information technology throughout Town. The Department was formed in 1997 in order to manage a number of warrant articles passed at previous Town Meetings. The articles sought to modernize the technology in use at Town Offices as well as to implement a Geographic Information System (GIS). GIS is a system of hardware and software used for storage, retrieval, mapping, and analysis of geographic data. In the simplest terms, GIS is the merging of cartography and database technology.

The mission of MIS is to enhance public service by improving interdepartmental communication and providing efficient and effective information for decision-making purposes. This enhancement is accomplished by proactively maintaining all network systems to minimize downtime and maximize employee productivity.

The mission of GIS is to improve access to spatially related information for decision-making purposes for Town staff, various Boards/Committees and the general public by making various maps and information layers such as wetlands, utilities and topography readily available in a user friendly format.

MIS/GIS Organizational Chart





MIS/GIS FY2011 Initiatives and Accomplishments

1. The Town's GIS Online Viewer was updated with a new design and to provide access to newly acquired aerial photography, revised planimetric and topographic data. Additional benefits include direct links to Property Record Cards and the ability for the Assessor's Office to update ownership information online as needed, instead of once annually.
2. The Town's financial suite of applications, known as MUNIS, successfully underwent a significant upgrade during FY2011.
3. During the first half of FY2011 a new e-mail server was deployed, replacing a server dating back to 2001. The new server offers a 10-fold increase in storage and processing ability.
4. The Town's CAMA server was replaced. The CAMA system is used by the Assessor's office for the assessment and appraisal of all real property in the Town. The previous server was 7 years old and at capacity.
5. Office licenses were updated during FY2011, completing a 2-year plan to upgrade users from Microsoft Office 2000 and Office XP. A staff training program will commence during the summer of 2011.

MIS/GIS FY2012 Goals and Initiatives

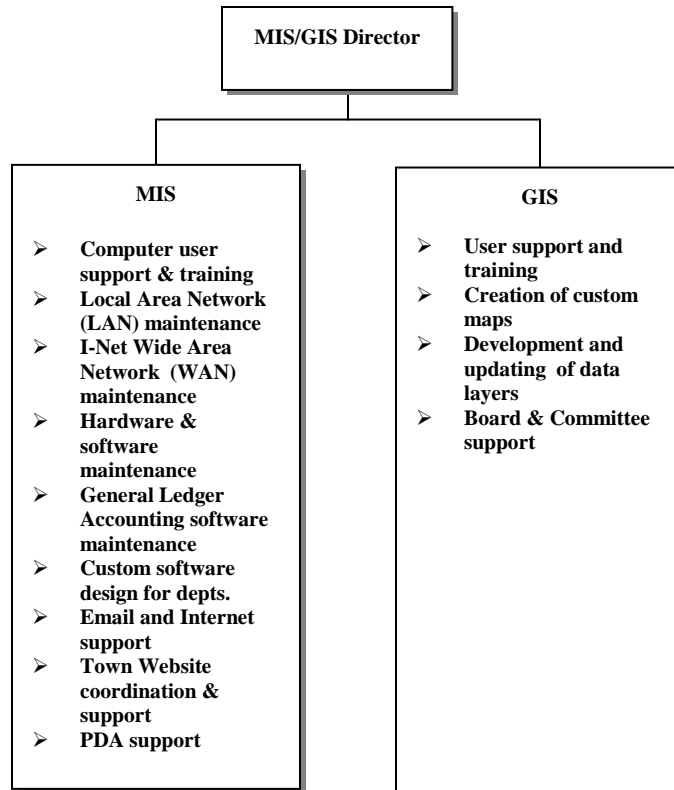
1. In an effort to continue the development of an already excellent resource, the MIS/GIS Department will work with various Town departments to enhance existing and offer new services and resources on the Town's website.
2. Mapping of the Town's utility systems (potable water, sanitary sewer and storm drainage layers) will be completed in FY2012. This effort will allow the Town to be compliant with various state and federal mandates. Further, it serves as the basis for planning the efficient replacement and extension of these systems to meet the needs of growth and development.
3. In FY2012 the MIS/GIS Department will be implementing an e-mail archiving solution to comply with data security mandates and e-mail management best practices.
4. The MIS/GIS Department will continue to integrate various databases with other applications and systems to allow for greater benefit to the various datasets utilized by the Town.
5. Efforts to maximize the benefits of the Town-wide network which links together the Town Offices, Police Department, Fire Department, Library, Highway Garage, Water/Sewer Garage and the Senior Center will continue.

Significant Budget Changes or Initiatives

The increases in the MIS/GIS budget are primary due to equipment purchases related to the project goals listed above. FY2012 wage increases for non-union personnel are budgeted at 1%.



MIS/GIS Programs and Services



**MIS/GIS DEPARTMENT****Personnel Summary**

Position	FY 2009 FTE	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE
* MIS/GIS Director	1	1	1	1
Assistant MIS/GIS Director	1	1	1	1
Total Full-time Equivalent	2	2	2	2

*Personnel Explanation:

Full Time Equivalents based upon 40 hrs per wk (30hrs/40hrs = .75 FTE).

The MIS/GIS Director's time and salary is shared between the General Fund and the Water/Sewer Enterprise Funds. The FY12 salary total is \$86,755 (\$66,755 in the General Fund Budget, \$12,000 in the Water Enterprise Fund Budget and \$8,000 in the Sewer Enterprise Fund Budget).

Section 2-24

MIS/GIS



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
MIS/GIS DEPARTMENT						
Personnel Services						
*51110 MIS/GIS Director Salary (GF)	58,990	61,360	63,801	65,896	20,027	66,755
51120 Asst. MIS/GIS Director Salary	71,351	73,492	75,697	77,590	36,156	78,366
51410 Longevity Pay	400	550	550	550	550	700
SUBTOTAL	130,741	135,402	140,047	144,036	56,733	145,821
Expenses						
52800 Contractual Services	725	4,398	491	15,000	0	15,000
53040 Computer Services	18,204	16,504	27,609	40,350	9,237	42,630
53190 Training	8,425	5,725	0	5,000	0	9,300
53720 Computer Maintenance	42,558	44,809	41,635	56,809	43,256	56,567
54290 Office Supplies	12,846	13,952	11,796	13,480	4,994	14,770
57110 Travel/Mileage	174	35	95	233	0	637
57310 Dues	175	175	100	175	0	175
57320 Subscriptions	497	322	140	250	20	375
57340 Meetings	5,394	3,511	0	968	0	1,184
58690 New Equipment	8,000	23,964	8,506	30,950	0	37,900
SUBTOTAL	96,997	113,395	90,372	163,215	57,507	178,538
TOTAL: MIS/GIS	227,739	248,797	230,419	307,251	114,240	324,359

* The MIS/GIS Director's salary is shared between the General Fund and the Water/Sewer Enterprise Funds. The FY12 salary total is \$86,755 (\$66,755 in the General Fund Budget above, \$12,000 in the Water Enterprise Fund Budget and \$8,000 in the Sewer Enterprise Fund Budget).

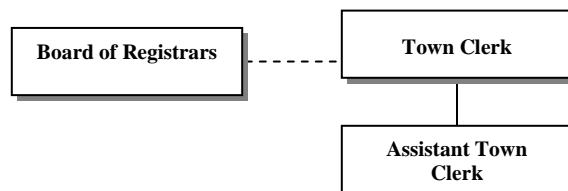


Town Clerk's Office Departmental Statement

The Town Clerk's Office is responsible for maintaining vital public records and information so that they are easy to locate, up-to-date, accurate and preserved for future generations. The Town Clerk is also the chief election official and supervises the Town's election activities including the development of the ballots, managing election equipment and set-up, hiring and training election officials, certifying, reporting, and recording election results. The Town Clerk is an ex officio member of the Board of Registrars.

The Registrar Board consists of three members appointed by the Board of Selectmen to three-year terms. The members of the Board of Registrars of Voters shall represent the two leading political parties, and in no case shall an appointment be made so as to cause the Board to have more than two members, including the Town Clerk, of the same political party. The Board of Registrars of Voters supervises the qualification of persons to vote; certifies the names of voters on nomination papers and petition forms; and holds hearings and decides all disputes relating to these matters.

Town Clerk's Office Organizational Chart





Town Clerk's FY2011 Initiatives and Accomplishments

1. Successfully managed the mid-term elections
2. Implemented changes required under the new Open Meeting Law for the posting of meeting notices and agendas. All meeting notices for boards, committees, and commissions are physically posted in the Town Clerk's Office and posted on the Town's Website at least 48 hours prior to the meeting.
3. Continue to manage the Meeting Calendar on the homepage of the Town's website, which displays all Board and Committee meetings, along with agendas, and minutes when available.
4. Distribute and track Conflict of Interest/Ethics training documentation for all employees and Town Officials as required.

Town Clerk's FY2012 Goals and Initiatives

1. Implement an online payment option for the purchase of dog licenses and vital records (birth, death, marriage certificates). This will allow residents to renew their dog license online and pay with a credit card or electronic check. The general public will also be able to order birth, death, and marriage certificates online using the same payment method. The requested record will then be mailed.

Significant Budget Changes or Initiatives

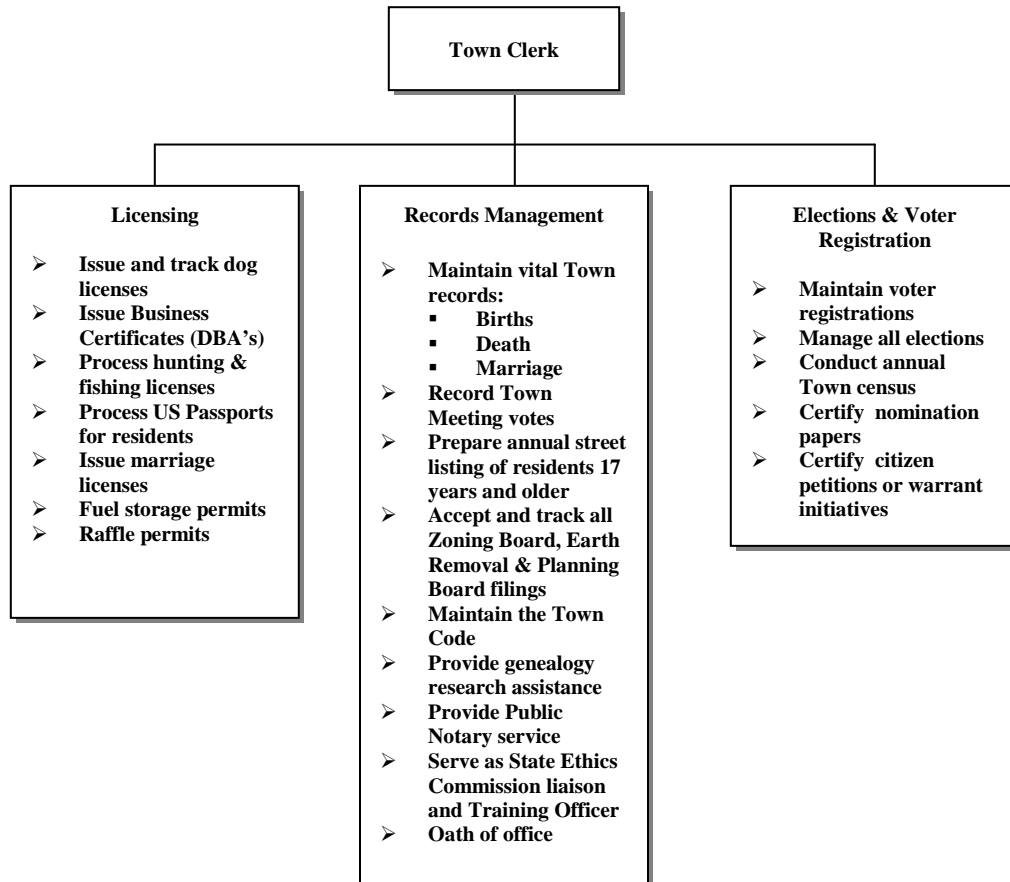
There are no significant changes in the Town Clerk's budget; however, there is a \$5,967 decrease in the Elections/Voter Registration Budget due to only 2 elections to be held during FY2012. There were 3 elections budgeted in FY2011 (excluding the unanticipated Special State Senate Primary and Election).

The FY2012 scheduled elections are as follows:

- Presidential Primary Election March 6, 2012
- Annual Town Election May 7, 2012



Town Clerk's Programs and Services



**TOWN CLERK'S OFFICE****Personnel Summary**

	FY 2009	FY 2010	FY 2011	FY 2012
Position	FTE	FTE	FTE	FTE
Town Clerk	1	1	1	1
* Assistant Town Clerk	1	1	1	1
Total Full-time Equivalent	2	2	2	2

***Personnel Explanation:**

The Assistant Town Clerk's annual salary is split between the Town Clerk budget and the Elections/Registration budget. Thirty-five hours are reflected in the Town Clerk's budget and five hours per week are reflected in the Elections budget under Census Worker.

In addition to the two full-time staff in the Town Clerk's Office, there are three Registrars, ten Town Meeting workers and approximately forty election workers (wardens, clerks, tellers, counters) that staff the four voting precincts during each election. Voting precincts are located at the elementary schools. The cost of these election workers is reflected in the Elections budget, in addition to expenses for school custodians that work during the elections. Election Workers are not considered permanent employees and must be appointed annually by the Board of Selectmen.



Town Clerk's Office

Section 2-29

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
TOWN CLERK'S OFFICE						
Personnel Services						
51110 Town Clerk Salary	63,344	64,864	67,480	69,168	32,232	69,860
*51120 Assistant Town Clerk Salary	40,039	43,025	44,268	45,602	21,250	45,993
51410 Longevity Pay	1,000	1,000	1,000	1,000	1,000	1,000
51970 Stipend	0	1,000	1,000	1,000	0	1,000
SUBTOTAL	104,383	109,889	113,748	116,770	54,482	117,853
Expenses						
52800 Contractual Services	0	0	200	200	0	500
53190 Training	800	790	0	500	0	900
57110 Travel/Mileage	839	653	512	300	228	400
57310 Dues	365	340	200	200	150	285
57340 Meetings	1,739	1,230	920	1,000	1,043	1,000
SUBTOTAL	3,743	3,013	1,832	2,200	1,421	3,085
TOTAL: TOWN CLERK	108,126	112,902	115,580	118,970	55,903	120,938

* The Assistant Town Clerk's annual salary is split between the Town Clerk budget and the Elections/Voter Registration budget. Thirty-five hours are reflected in the Town Clerk's budget and five hours per week are reflected in the Elections budget under Census Worker.

Section 2-30

Town Clerk's Office



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
ELECTIONS/VOTER REGISTRATION						
Personnel Services						
51240 Registrars	1,478	1,250	1,450	1,250	1,025	1,250
51250 Census Workers	5,824	6,155	6,124	6,515	3,036	6,571
51260 Town Election Workers	8,162	9,981	3,310	14,562	7,490	9,717
51270 Town Meeting Workers	511	452	0	512	0	512
SUBTOTAL	15,975	17,838	10,884	22,839	11,551	18,050
Expenses						
52720 Film Storage	197	194	198	550	198	200
52800 Contractual Services	1,694	4,090	2,665	7,500	2,865	6,500
53110 Printing	1,638	1,590	1,066	1,600	0	1,600
54290 Office Supplies	0	54	0	325	0	650
55820 Street Listing	1,050	1,100	1,931	1,000	0	1,200
55830 Census	1,078	1,018	1,003	1,200	0	1,200
55840 Election Expenses	1,631	2,098	977	1,800	1,350	1,200
57110 Travel/Mileage	126	132	155	45	90	92
57340 Meetings	167	621	498	350	40	550
58690 New Equipment	0	0	0	0	0	0
SUBTOTAL	7,581	10,897	8,493	14,370	4,543	13,192
TOTAL: ELECTIONS/VOTER REG	23,557	28,735	19,377	37,209	16,094	31,242



Town Moderator

The Moderator is the presiding officer at Town Meeting. This is an elective office held for a one-year term. It is the responsibility of the Moderator to conduct the meeting so that all issues are discussed and voted upon in a business-like manner. The Moderator appoints the Appropriations Committee, Personnel Board and three of the six members of the Financial Planning Committee. The Moderator also appoints a deputy moderator to serve in the event of his/her absence or disability, subject to approval by Town Meeting.

		FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
		ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
MODERATOR							
Personnel Services							
51110	Moderator Stipend	150	150	150	150	0	150
51130	Deputy Moderator Stipend	50	50	50	50	0	50
	SUBTOTAL	200	200	200	200	0	200
Expenses							
57810	Moderator Expenses	0	0	0	300	0	300
	SUBTOTAL	0	0	0	300	0	300
TOTAL:	MODERATOR	200	200	200	500	0	500



Appropriations Committee

The Appropriations Committee consists of six members appointed by the Town Moderator for three-year terms. Under the Town Charter and bylaws, the role of the Appropriations Committee is to advise Town Meeting regarding all articles involving the appropriation or expenditure of money. Immediately following the presentation of a monetary 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.

		FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
		ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
APPROPRIATIONS							
Expenses							
53110	Printing	656	572	572	900	0	900
57310	Dues	0	0	200	240	0	240
57340	Meetings	0	0	146	555	0	555
57810	Unclassified	246	253	0	0	0	0
	SUBTOTAL	902	825	918	1,695	0	1,695
TOTAL:	APPROPRIATIONS	902	825	918	1,695	0	1,695



Financial Planning Committee

The Financial Planning Committee consists of six members, three appointed by the Moderator, one by the Planning Board, one by the School Committee, and one by the Appropriations Committee for three-year terms. The Financial Planning Committee serves in a research, study and advisory capacity to the Board of Selectmen, the Appropriations Committee and the Town Administrator on long-range and short-range financial planning matters, and assists the Town Administrator in the development of a five-year capital improvement program as provided for in the Town Charter.

		FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
		ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
FINANCIAL PLANNING							
Expenses							
53110 Printing		0	0	0	0	0	0
57310 Dues		0	0	0	0	0	0
57340 Meetings		0	0	0	0	0	0
57810 Unclassified		0	0	0	0	0	0
SUBTOTAL		0	0	0	0	0	0
TOTAL:	FINANCIAL PLANNING	0	0	0	0	0	0



Personnel Board

The Personnel Board consists of six members appointed by the Moderator for three-year terms. The Board is responsible for the administration of the classification and compensation plans and exercises this responsibility through the Town Administrator according to the provisions of the Consolidated Personnel Bylaw for the Town of Northborough, as amended. This budget account reflects allocation for costs associated with outstanding Union contracts and other personnel matters. At the time of this writing the Patrol Officers remain unsettled for FY2012. Limited town-wide training, drug testing and legal expenses associated with labor negotiations and merit pay is also included in the account

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
PERSONNEL BOARD						
Expenses						
51980 Compensation Adjustments	0	0	0	131,655	0	70,000
52800 Contractual Services	0	0	0	0	0	0
53170 Drug & Alcohol Testing	1,946	1,159	730	2,000	645	2,000
53190 Training	1,730	0	204	1,000	200	1,000
57310 Dues	273	250	385	240	353	400
57320 Subscriptions	170	0	0	300	0	0
57340 Meetings	159	63	420	700	280	700
SUBTOTAL	4,279	1,472	1,739	135,895	1,478	74,100
TOTAL: PERSONNEL BOARD	4,279	1,472	9,735	135,895	1,478	74,100



Town Counsel

Town Counsel is appointed by the Board of Selectmen for an indefinite term. Town Counsel serves as counsel to Town Officers and Committees and attends to the Town's legal affairs at the request of the Town Administrator. Under the Town bylaws, Town Counsel reviews all Warrant Articles prior to Town Meeting and serves as a resource during all Town Meeting proceedings.

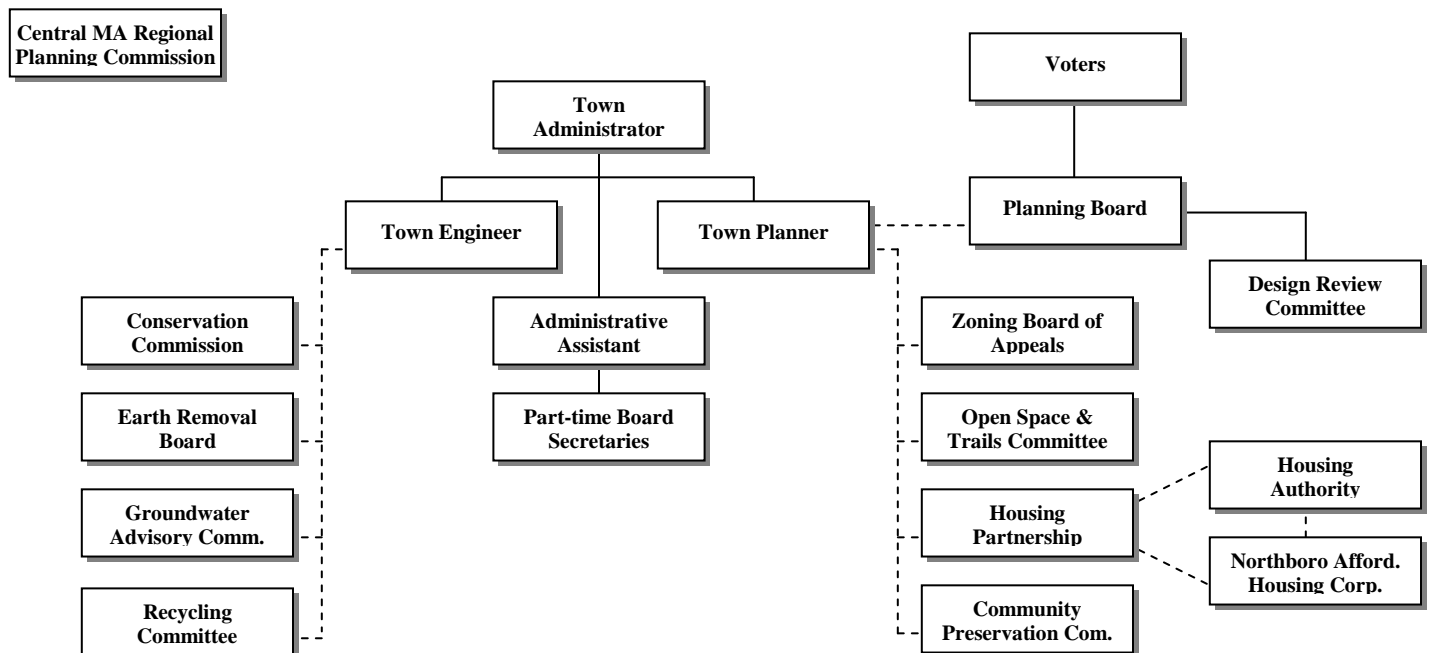
		FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
		ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
TOWN COUNSEL							
Expenses							
53020	Legal Services	69,199	58,610	68,669	85,000	9,735	85,000
	SUBTOTAL	69,199	58,610	68,669	85,000	9,735	85,000
TOTAL:	TOWN COUNSEL	69,199	58,610	68,669	85,000	9,735	85,000



Planning & Engineering Departmental Statement

The Planning and Engineering Offices encompass a number of Boards, Commissions, Committees, and affiliated organizations which together manage growth and promote the highest quality of development within the Town. These bodies are served by the Town Planner and Town Engineer who provide technical support and information regarding land use and development to the Planning Board, Zoning Board of Appeals, Conservation Commission, Earth Removal Committee, Groundwater Advisory Committee, Open Space Committee, Trails Committee, Northborough Housing Partnership, and Community Preservation Committee. The Town Engineer also oversees the Solid Waste Enterprise Fund and works with the Recycling Committee to minimize waste. Affiliate organizations include the Central Massachusetts Regional Planning Commission (CMRPC), the Northborough Housing Authority, and the Northborough Affordable Housing Corporation (NAHC). Below is an organizational chart that provides a graphic representation of their relationship to Town staff and each other. A detailed description of each is included in the pages that follow.

Planning & Engineering Organizational Chart



Organizational Chart Notes:

- Voters elect the Planning Board.
- The Town Administrator appoints all staff positions.
- The Northborough Affordable Housing Corporation (NAHC) is a registered 501(c)(3) non-profit corporation that is a legally separate entity from Town Government, but works in close relationship with the Northborough Housing Authority and the Northborough Housing Partnership. NAHC has received funding from the Town through the Community Preservation Committee to develop affordable housing in Northborough.
- All other Boards and Committees are appointed by either the Selectmen or a combination of various Boards as detailed in the descriptions on the following pages.
- Central MA Regional Planning Commission has a Representative appointed by the Selectmen and a representative appointed by the Planning Board.



Planning & Engineering FY2011 Initiatives and Accomplishments

Planning

1. The Town Planner and Open Space Committee completed a comprehensive update of the Open Space & Recreation Plan with assistance from the Central Massachusetts Regional Planning Commission. The Plan was funded in part by Community Preservation Act funds and has been submitted to the State for final approval.
2. The Town Planner and Housing Partnership are writing an Affordable Housing Needs Analysis and Housing Production Plan with assistance from Community Opportunities Group, Inc. This Plan is funded entirely by Community Preservation Act funds.
3. A \$200,000 Environmental Protection Agency Brownfields Grant was awarded to the Town for environmental remediation at 167 Bearfoot Road.
4. The Town received a \$60,000 implementation grant from the MetroWest Community Health Care Foundation for phase II of its Childhood Obesity Initiative called *Building A Healthy Northborough*. The Town Planner, Health Agent, Recreation Director and Family & Youth Services Director worked collaboratively to complete the Phase I Needs Assessment and Strategic Plan, which was the basis for the phase II grant application.
5. As part of the comprehensive Zoning Bylaw rewrite and reorganization project, the Town Planner worked with the Planning Board to develop Planning Board Rules and Regulations, which the Board adopted in January, 2011.
6. As part of the Zoning Bylaw rewrite and reorganization project, the Town Planner is working with the Design Review Committee on the creation of Design Guidelines.

Engineering

1. The Town Engineer solicited bids from solid waste contractors for solid waste and recycling services. The invitation for bids included various options including a container based program and the continuation of the current Pay As You Throw (PAYT) bag program.
2. The Town Engineer worked with the Wind Committee to secure the services of a wind energy consultant, Sustainable Energy Development, Inc. (SED). In July of 2010, SED installed a meteorological (met) tower at the Tougas Family Farm to start gathering data as the first step towards the completion of a feasibility study and business plan.
3. The Town Engineer, working with the Massachusetts Department of Transportation (Mass DOT) and the traffic consultant Greenman-Pedersen, Inc. (GPI), submitted 100% design drawings for the Downtown Traffic Improvement for final review. During the summer of 2010 the Engineering Department worked with the traffic consultant GPI and the landowners at the intersection of Patty Lane and Main Street to create an acceptable solution to avoid the left turn restrictions previously proposed at Patty Lane as part of the 25% design plans.

**Planning & Engineering FY2012 Goals and Initiatives****Planning**

1. Using the large-scale scanner purchased with Community Preservation Funds in 2011, begin creating an electronic archive/master file for historical maps, subdivision maps, site plans, and ANRs and provide public access to the files via the Town's website.
2. Complete the Housing Needs Analysis and Housing Production Plan, and work with the Housing Partnership to implement goals.
3. Work with Open Space Committee to implement Action Plan items detailed in the Open Space and Recreation Plan.
4. Complete Design Review Guidelines.

Engineering

1. Downtown Traffic Improvements: The proposed project consists of widening along Route 20 to provide left turn lanes at Church Street (eastbound), South Street (westbound) and Hudson Street (eastbound) and 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. The project is expected to go out to bid by the end of 2011 with construction starting either late in 2011 or during the spring of 2012.
2. Solid Waste Program: continue to work with the Recycling Committee to find ways to improve the program and to meet the needs of the community and work towards the goal of achieving financial self sufficiency.

Significant Budget Changes or Initiatives

There are no significant budget changes planned for the Planning Department or the Engineering Department in FY2012. FY2012 wage increases for non-union personnel are budgeted at 1%.

**PLANNING & ENGINEERING****Personnel Summary**

	FY 2009	FY 2010	FY 2011	FY 2012
Position	FTE	FTE	FTE	FTE
Town Planner	1	1	1	1
Town Engineer	1	1	1	1
Assistant Town Engineer	0	0	0	0
Administrative Assistant	1	1	1	1
Part-time Board Secretaries for				
Conservation Commission	.13	.13	.15	.15
Earth Removal	0.03	0.03	0.03	0.03
Zoning Board of Appeals	0.05	0.05	0.05	0.05
Total Full-time Equivalent	3.21	3.21	3.23	3.23

***Personnel Explanation:**

- Full Time Equivalents are based upon 40 hrs per wk (30hrs/40hrs = .75 FTE).
- The Town Planner and Town Engineer share one full-time Administrative Assistant. The salary is divided as follows: 5 hours per week for Conservation, 15 hours per week for Engineering and 20 hours per week for Planning. The Administrative Assistant also takes the minutes at the Planning Board meetings. The individual budgets reflect this division of salary.
- There are two part-time Board Secretaries that take minutes at the meetings of the Conservation Commission, Earth Removal Board, and Zoning Board of Appeals.
 - Conservation was budgeted at 5hrs/wk in FY10 and was increased to 6 hours per week in FY11, or 0.15 FTE (6hrs/40hrs = 0.15 FTE)
 - Earth Removal is budgeted at 5.5 hrs per month, or 0.03 FTE (averages 1.27 hours per week/40hrs)
 - ZBA is budgeted at 8 hrs per month, or 0.05 FTE (averages 1.85hrs wk/40hrs)
- The Assistant Town Engineer position remains vacant due to fiscal constraints. The position was previously dedicated at 20 hours per week for Conservation Commission work.



Town Planner

The Town Planner provides technical support to all Town Departments, Boards, and Committees as requested. The Town Planner serves as staff liaison to the Planning Board, Zoning Board of Appeals, Open Space Committee, Trails Committee, Community Preservation Committee and the Housing Partnership. The position is also responsible for oversight of the Zoning Bylaw, Subdivision Rules & Regulations, Master Plan, Community Development Plan, Open Space & Recreation Plan, and Housing Plan. The Town Planner works with various state agencies as a Town representative on local issues (e.g., Central Mass Regional Planning Commission, and MA Department of Housing and Community Development).

Planning Board

The Planning Board is the regulatory agency most responsible for ensuring that development occurs in a manner that is beneficial to the Town. The Planning Board is responsible for enforcing the Zoning Act (MGL c. 40A), Subdivision Control Law (MGL c. 41, section 81K-81GG), the Northborough Zoning Bylaw, and the Northborough Subdivision Rules and Regulations. The Planning Board reviews all plans for subdivisions, common driveways, wireless communication facilities, and site plans; works with the Town Planner in accomplishing goals as set forth in the Master Plan, Community Development Plan, and Open Space & Recreation Plan; and maintains the Zoning Bylaw and Subdivision Rules & Regulations. The Board consists of five officials elected by the voters of Northborough for three-year terms.

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
PLANNING DEPARTMENT						
Personnel Services						
51100 Town Planner Salary	71,352	76,097	78,412	81,469	37,964	82,284
51120 Administrative Assistant wages	22,429	23,447	24,419	25,150	11,720	25,365
51410 Longevity Pay	650	650	650	650	650	800
SUBTOTAL	94,430	100,193	103,481	107,269	50,334	108,449
Expenses						
52800 Contractual Services	0	200	0	200	0	200
53090 Advertising	2,705	685	1,441	1,560	131	1,560
53110 Printing	0	2,134	75	2,250	0	2,250
54290 Office Supplies	969	488	457	600	219	660
*56820 Central MA RPC Assessment	3,213	3,294	3,376	3,461	3,376	3,377
57110 Travel/Mileage	1,455	1,479	1,602	1,740	417	1,775
57310 Dues	515	170	450	375	450	400
57320 Subscriptions	723	113	542	655	85	665
57340 Meetings	1,313	471	755	2,100	60	2,100
SUBTOTAL	10,894	9,033	8,697	12,941	4,738	12,987
TOTAL: PLANNING DEPARTMENT	105,324	109,227	112,178	120,210	55,071	121,436

* The Planning Board budget contains an assessment for the Central Massachusetts Regional Planning Commission.



Central Massachusetts Regional Planning Commission (CMRPC)

The Planning Board budget includes an assessment for the Central Massachusetts Regional Planning Commission (CMRPC). The Board of Selectmen and Planning Board each appoint a representative to the CMRPC each year as do other member communities. The CMRPC, formed in 1963, is the designated regional planning entity for the Central Massachusetts region, which includes the City of Worcester and the surrounding 39 communities. This region encompasses the southern two-thirds of Worcester County. CMRPC provides municipal and regional planning for Land Use and Transportation, as well as a variety of Community Development services, Transit Planning for the region's transit authority, Geographic Information Services (GIS), staffing for MORE (Municipalities Organized for Regional Effectiveness), and other programs. CMRPC collaborates with local, regional, state and federal officials, as well as with legislators, in order to bring a regional perspective and a coordinated approach to the planning and development that occurs in this region. The ultimate goal of this agency is to improve the quality of life for those who work and live in the Central Massachusetts region.

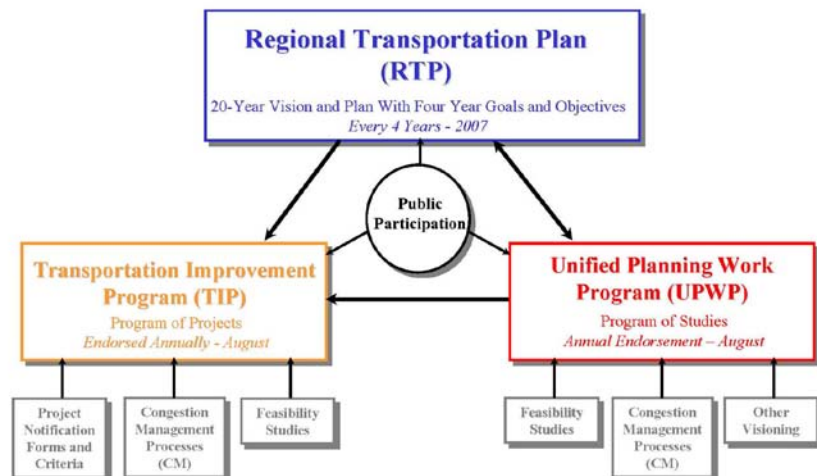
Central Massachusetts Metropolitan Planning Organization¹ (CMMPO)

The Central Massachusetts Metropolitan Planning Organization (CMMPO) was established in 1976 to undertake the comprehensive, continuing, and cooperative transportation planning process required by the United States Department of Transportation. The Central MA Regional Planning Commission (CMRPC) is one of ten members of the CMMPO and it is the staff to this organization as well.

The CMMPO is responsible for preparing and updating the Regional Transportation Plan (RTP), the Transportation Improvement Program (TIP), the Unified Planning Work Program (UPWP) and the Public Outreach Plan (POP) for the Central Massachusetts region that includes the City of Worcester and the surrounding 39 communities.

The RTP is a long-range planning document that describes the region's current transportation system and how that system should be maintained or modified over the next 20 years. The new federal planning provisions passed in August of 2005, requires the CMMPO to update the RTP every 4 years, since it presides over a region that does not meet federal air quality standards for ozone. The TIP lists federal-aid eligible highway, bridge and transit projects that are expected to be implemented over the next 5 years. A new list is compiled over the course of every year and endorsed by the CMMPO.

Relationship of CMMPO Documents to One Another



¹ Description and graphic taken directly from the CMRPC website located at <http://www.cmrpc.org>



Zoning Board of Appeals (ZBA)

The Zoning Board of Appeals consists of five members and two alternates appointed by the Board of Selectmen for three-year terms. The ZBA hears petitions and applications for variances, special permits, comprehensive permits, and other appeals under the Zoning Act (MGL c. 40A), the Anti-Snob Zoning Act (MGL c. 40B) and the Northborough Zoning Bylaw. The ZBA hears all appeals of actions taken by the Building Inspector on matters which arise out of the enforcement of Town Bylaws relating to the construction, reconstruction, demolition or repair of buildings and other structures within the Town. The ZBA also hears and decides all appeals of actions taken by the Planning Board and other Town officers under the Zoning Bylaws.

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
ZONING BOARD OF APPEALS						
Personnel Services						
51140 Part-time Board Secretary wages	1,790	1,466	1,056	2,153	191	2,176
SUBTOTAL	1,790	1,466	1,056	2,153	191	2,176
Expenses						
53090 Advertising	1,743	870	1,926	2,200	393	2,200
53110 Printing	3	60	0	60	0	80
54290 Office Supplies	50	30	0	30	0	30
57310 Dues	60	59	0	60	0	60
57320 Subscriptions	0	0	0	0	0	0
57340 Meetings	300	290	0	300	0	300
SUBTOTAL	2,156	1,309	1,926	2,650	393	2,670
TOTAL: ZONING BOARD OF APPEALS	3,945	2,775	2,982	4,803	584	4,846



Engineering

The Town Engineer provides technical support to all Town Departments, Boards, and Committees as requested. The Town Engineer reviews a variety of projects for the Planning Board, Conservation Commission, Earth Removal Board, Groundwater Advisory Committee and Zoning Board of Appeals. The position is also responsible for oversight of the Town Pay-As-You-Throw solid waste program which is shown separately under the Solid Waste Enterprise Fund portion of this budget document. The Town Engineer works with various state agencies as a Town representative on local issues (e.g., Mass Highway, Central Mass Regional Planning Commission, MA Executive Office of Environmental Affairs, and US Department of Environmental Protection). The Town Engineer serves as the primary staff liaison to the Conservation Commission, Earth Removal Board, Groundwater Advisory Committee and the Recycling Committee.

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
ENGINEERING						
Personnel Services						
51100 Town Engineer Salary	89,628	92,317	95,087	97,464	45,418	98,439
51120 Administrative Assistant wages	16,692	17,760	18,314	18,863	8,790	19,024
51410 Longevity Pay	200	350	350	350	350	550
SUBTOTAL	106,520	110,428	113,751	116,677	54,558	118,013
Expenses						
52800 Contractual Services	2,550	2,550	0	13,700	0	13,700
54290 Office Supplies	1,695	312	302	365	99	365
55980 Field Supplies	3	59	0	100	0	100
57110 Travel/Mileage	2,462	2,475	2,895	3,500	1,247	3,000
57310 Dues	221	166	231	360	176	360
57320 Subscriptions	0	0	96	150	0	150
57340 Meetings	250	210	60	1,200	725	600
SUBTOTAL	7,181	5,772	3,585	19,375	2,247	18,275
TOTAL: ENGINEERING	113,702	116,200	117,336	136,052	56,805	136,288



Conservation Commission

The Conservation Commission consists of seven members appointed by the Board of Selectmen for three-year terms. The purpose of the Commission is to promote and develop the natural resources and to protect the watershed resources of the Town as provided for under MGL Ch. 40, Section 8C, as amended. The Conservation Commission's charge is to protect the wetlands, related water resources and adjoining land areas in Northborough as mandated by the Wetlands Protection Act and the Northborough Wetlands Bylaw. ²This is achieved through a permitting process designed to minimize the impact of activities on wetland values, including public or private water supply, groundwater, flood control, erosion and sedimentation control, storm damage prevention, water pollution prevention, fisheries, freshwater shellfish, wildlife habitat, recreation, aesthetics, agriculture and aquaculture values. Activities proposed within 100 feet of any resource area are subject to review by the Commission. Resource areas include freshwater wetlands, bordering vegetated wetlands, marshes, wet meadows, bogs or swamps; any bank, beach, lake, river, pond, stream or any land under said waters; any land subject to flooding or inundation by groundwater. Any project in any riverfront area is also subject to review by the Commission. The Commission adheres to the existing regulations of MGL Chapter 131, Section 40, the Wetlands Protection Act.

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
CONSERVATION COMMISSION						
Personnel Services						
51120 Administrative Assistant wages	5,564	5,803	6,105	6,288	2,930	6,342
51140 Part-time Board Secretary wages	4,760	5,408	5,839	6,983	2,832	7,084
SUBTOTAL	10,324	11,211	11,944	13,271	5,762	13,426
Expenses						
52800 Contractual Services	0	0	0	0	0	0
53090 Advertising	466	590	579	1,200	186	1,200
53110 Printing	0	0	0	400	0	400
54290 Office Supplies	0	16	13	450	12	100
55980 Field Supplies	56	0	0	100	0	100
57310 Dues	414	449	483	550	518	550
57340 Meetings	360	380	1,470	1,540	0	1,540
57840 Conserv. Property Maintenance	1,875	0	1,000	2,500	1,500	2,500
SUBTOTAL	3,171	1,435	3,545	6,740	2,216	6,390
TOTAL: CONSERVATION COMMISSION	13,495	12,646	15,489	20,011	7,977	19,816

² The Conservation Commission charges permit fees to all applicants. These fees return to the General Fund budget under "Other Funds" and have the effect of an off-set to the Conservation Commission budget.



Earth Removal Board

The Earth Removal Board consists of five members, one each appointed by the Moderator, the Board of Selectmen, the Conservation Commission, the Zoning Board of Appeals and the Planning Board for three-year terms. The Earth Removal Board was created in 1971 to implement the Earth Removal Bylaw which, at the time, was passed primarily to prevent soil stripping and the creation of unsafe and unsightly conditions in Town. The Earth Removal Board conducts hearings and issues permits for the removal of earth material from any land not in public use in accordance with Town Bylaws.

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
EARTH REMOVAL BOARD						
Personnel Services						
51140 Part-time Board Secretary wages	1,873	1,456	1,445	1,476	667	1,495
SUBTOTAL	1,873	1,456	1,445	1,476	667	1,495
Expenses						
53090 Advertising	0	0	12	50	0	50
53110 Printing	0	0	0	50	0	0
57320 Subscriptions	0	0	0	0	0	100
SUBTOTAL	0	0	12	100	0	150
TOTAL: EARTH REMOVAL BOARD	1,873	1,456	1,457	1,576	667	1,645



Community Preservation Committee

The Town Planner is the staff liaison to the Community Preservation Committee (CPC) which is responsible for the expenditures authorized by the adoption of the Community Preservation Act (CPA). The Committee evaluates community preservation needs, develops a long-range community preservation plan, and makes recommendations for the CPA Fund expenditures at Town Meeting.

The CPC consists of nine members, one each from the Open Space Committee, the Conservation Committee, the Planning Board, the Parks & Recreation Commission, the Historical Commission, the Housing Authority, and three members appointed by the Board of Selectmen for three-year terms. The CPA is a funding tool to assist communities with the protection and acquisition of open space, preservation of historic resources, and the creation of affordable housing. The CPA provides for local autonomy in deciding where and how funds will be spent. It is the responsibility of the Committee (CPC) to consult with Town departments and boards and community organizations; evaluate community preservation needs, develop a long-range community preservation plan; and make recommendations for CPA fund expenditures at Town Meeting.

For an explanation of CPC funding please refer to the individual Town Meeting Warrant Articles, as the revenues and expenditures for the CPC are outside this budget. The expenses associated with the Board Secretary for the CPC meetings are paid for directly from CPA funds and not reflected in the Planning & Engineering budget.

Open Space Committee

The Open Space Committee consists of seven members, one each from the Planning Board, Conservation Commission, Parks & Recreation Commission, Board of Selectmen, and three members and two alternates appointed by the Board of Selectmen for three-year terms. The Open Space Committee is responsible for the identification and preparation of proposals for Town Meeting of properties to be acquired for open space and/or recreational use. The Open Space Committee also considers alternative methods for open space preservation, including but not limited to grants, donations, and conservation easements.

➤ Trails Committee

The Northborough Trails Committee is a subcommittee of the Northborough Open Space Committee. The Trails Committee works to develop and maintain a viable recreational trail system in Northborough on public and private property by utilizing volunteers from the community.

Both the Open Space Committee and the Trails Committee have received funding through individual Town Meeting Warrant Articles funded by the Community Preservation Committee.



Design Review Committee

The Design Review Committee is a five member board appointed by the Planning Board per Section 7-03-050 E of the Zoning Bylaw. The DRC consists of a member of the Planning Board, an architect, a landscape architect, a member nominated by the Chamber of Commerce, and an interested resident, or a balance as close to that representation as possible. The DRC works with applicants in an advisory capacity in reviewing the design review components of the site plan such as design of building, landscaping, and placement of building on the site. Written recommendations are then provided to the applicable board.

Affordable Housing

There are several affordable housing agencies active within the Town of Northborough, each serving separate functions, but sharing the mutual goal of addressing the affordable housing needs in the community. Some of these agencies are direct agents of the Town, while others are affiliated with the Town in some way, but legally separate from Town Government. The Town Planner serves as the liaison to these various affordable housing organizations, which are described below.

Housing Partnership Committee

The Housing Partnership Committee consists of nine members, one each from the Board of Selectmen, Planning Board, Housing Authority, Council on Aging and five members appointed by the Board of Selectmen, one of which must be a realtor, for three-year terms. The purpose of the Northborough Housing Partnership is to formulate and implement a Housing Policy for the Town of Northborough that will work toward the provision of decent, safe and affordable housing for all of Northborough's residents.

The local housing partnership was established by the Board of Selectmen to allow the community to gain control of the process of affordable housing development by initiating a process that will combine growth management with affordable housing initiatives in a positive way. Rather than simply react to the imposition of comprehensive permit proposals under MGL c. 40B, which might burden services, disrupt neighborhoods and be otherwise inappropriate to the community and environment, the Partnership may establish pro-active guidelines for the preservation and production of acceptable and appropriate affordable housing development and support and encourage housing initiatives that meet these criteria.

The primary objectives of the Partnership are: to facilitate an increase in the supply of affordable housing in the Town; establish a housing policy and a housing action plan; survey the current housing stock to determine specific unmet needs for varying categories of housing; identify and research available sites including town-owned land; and recommend and coordinate specific procedures for the implementation of its objectives with other entities, including the Board of Selectmen, the Town Administrator, the Zoning Board of Appeals, the Planning Board, and other appropriate boards, committees, agencies or for-profit or non-profit organizations such as the Housing Authority and the Affordable Housing Corporation.



Northborough Housing Authority

The Northborough Housing Authority (NHA) consists of four members appointed by the Board of Selectmen and one governor-appointed member for five-year terms. The Director is appointed by the Housing Authority. The Housing Authority is a public agency which provides housing for low-income, elderly and handicapped and families. The Housing Authority is regulated by the Commonwealth of Massachusetts through the Department of Housing and Community Development (DHCD) and must adhere to their regulations and funding requirements. The Authority has the local management responsibilities for housing for the elderly under its jurisdiction in the Town, and is responsible for the clearance of substandard, decadent or blighted open areas or the provision of housing for families of low income or engaging in land assembly and redevelopment, including the preservation, restoration or relocation of historical buildings.

The NHA developed and manages one hundred four (104) senior housing units located in two areas of town and twenty-six (26) units of family housing scattered throughout town.

Northborough Affordable Housing Corporation (NAHC)

The Northborough Affordable Housing Corporation exists for the purpose of assessing the housing needs of the Town of Northborough and to create housing to be made available to low and moderate income people. The corporation may acquire land on which appropriate housing could be built or may acquire existing buildings which could be converted into appropriate housing. The corporation is a private, non-profit entity which exists independent of any other organization and is empowered to raise funds and to own and transfer property in a manner consistent with its mission to increase the supply of affordable housing in the town of Northborough. The NAHC is not controlled by the Department of Housing and Community Development (DHCD) as the Northborough Housing Authority is, and can apply for funding as well as develop property without DHCD restrictions.

To date, the only source of funding to the NAHC has been Community Preservation Funds voted by Town Meeting and transferred to the NAHC to pursue its mission. Town Meeting appropriated \$303,000 in April 2008, \$150,000 in April 2009 and \$150,000 in April 2010 to NAHC, pursuant to the Community Preservation Act. The use of these funds is at the sole discretion of NAHC and does not require any further approvals or input from any Town Board or Committee.

Public Safety

Section 3



This Page Intentionally Blank

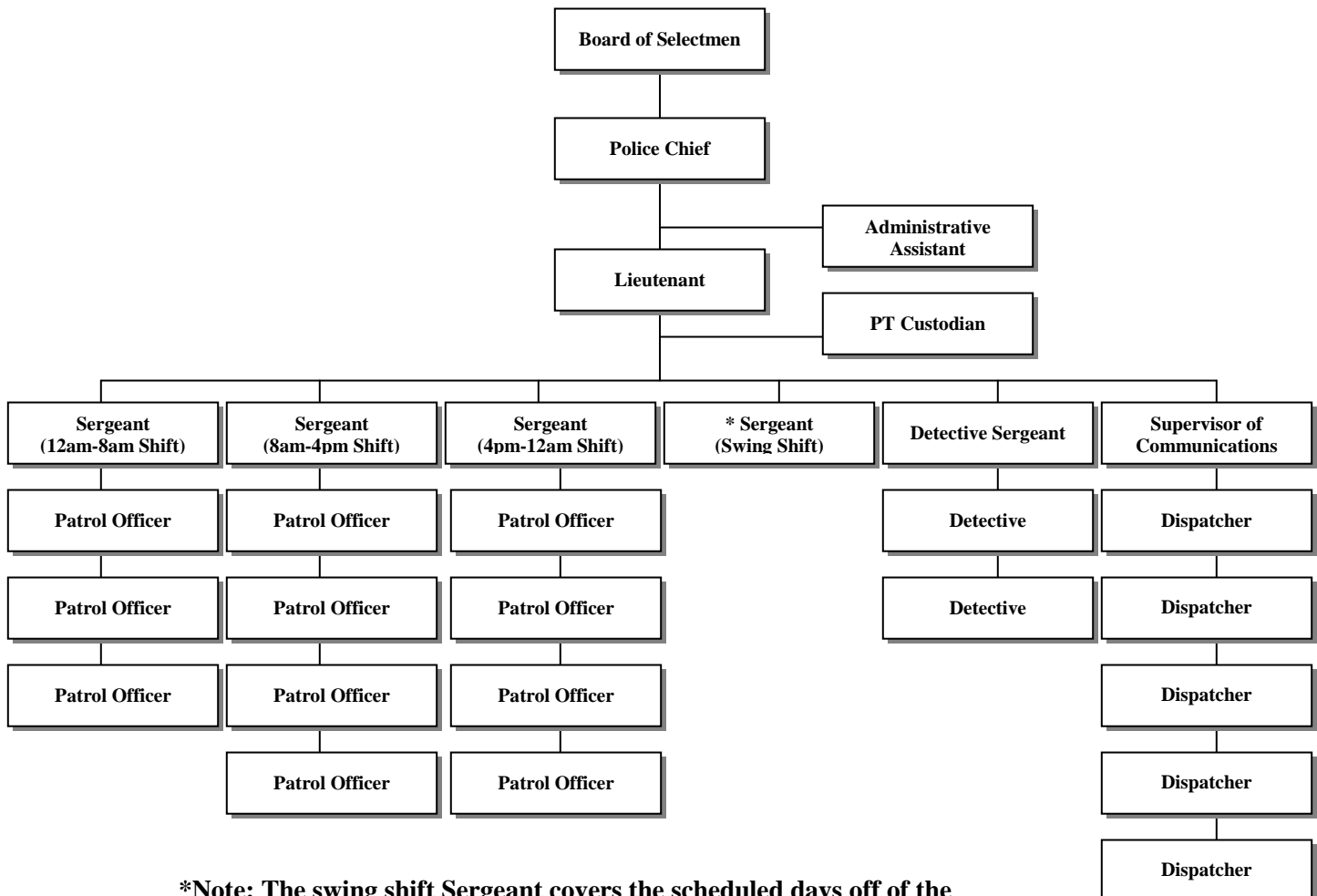


Police Department Mission Statement

The Northborough Police Department will provide for the residents and visitors to the Town of Northborough the highest level of public safety which restores and preserves a quality of life that makes this community a desirable place within which to live, visit or work, by:

- Emphasizing a pro-active, preventative and problem solving approach to policing; protecting people and property; preserving the peace, order and dignity of individuals, and providing fair and equitable enforcement of all laws.
- Establishing community-wide partnerships around issues of public safety and fostering the trust and confidence of the citizenry while working on solutions to root causes of problems.
- And by instituting a process of integrity and responsiveness that provides timely investigations and dispositions to all complaints of employee conduct.

Organizational Chart



***Note: The swing shift Sergeant covers the scheduled days off of the supervisors on the evening and midnight shifts**



Police Department FY2011 Initiatives and Accomplishments

1. In these austere fiscal times and, with the complete loss of Community Policing Grant funds from the Commonwealth of Massachusetts, we continued to provide the citizens of Northborough with:
 - a. **"DARE"** (Drug Abuse Resistance Education) in our Elementary School fifth grade classes, completely funded by private contributions
 - b. **"Officer Phil"**, a child personal safety program offered in grades K-3, completely funded by local businesses
 - c. **"RUOK"**, a free, daily telephone call to check on the welfare of senior citizens and shut-ins
 - d. Child Safety Seat Installations by our trained and certified Police Officer installer, a free service
 - e. **"Kid Kare ID"**, a free child fingerprinting and photo service provided by the members of our **"CERT"** (Community Emergency Response Team) and **"STOP"** (Special Teams on Patrol) Team Members
 - f. Continue to support the aforementioned **"CERT"** and **"STOP"** Teams
 - g. Support town functions, such as:
 - i. Applefest
 - ii. Big Truck Day
 - iii. Memorial Day parade
 - iv. Recreation Department functions
2. Saw a 8.9% increase total calls for service.
3. Saw a 36% increase in proactive crime prevention patrols of buildings, parks, schools and related properties.
4. Saw a 7.7% decrease in larcenies through the same aggressive building and property check program.
5. Continued our participation in the Massachusetts Police Accreditation Program, having won our third State Accreditation Award in May, 2010. As one of only thirty police departments in Massachusetts achieving full accreditation, we are very proud of this coveted status.

Police Department FY2012 Goals and Initiatives

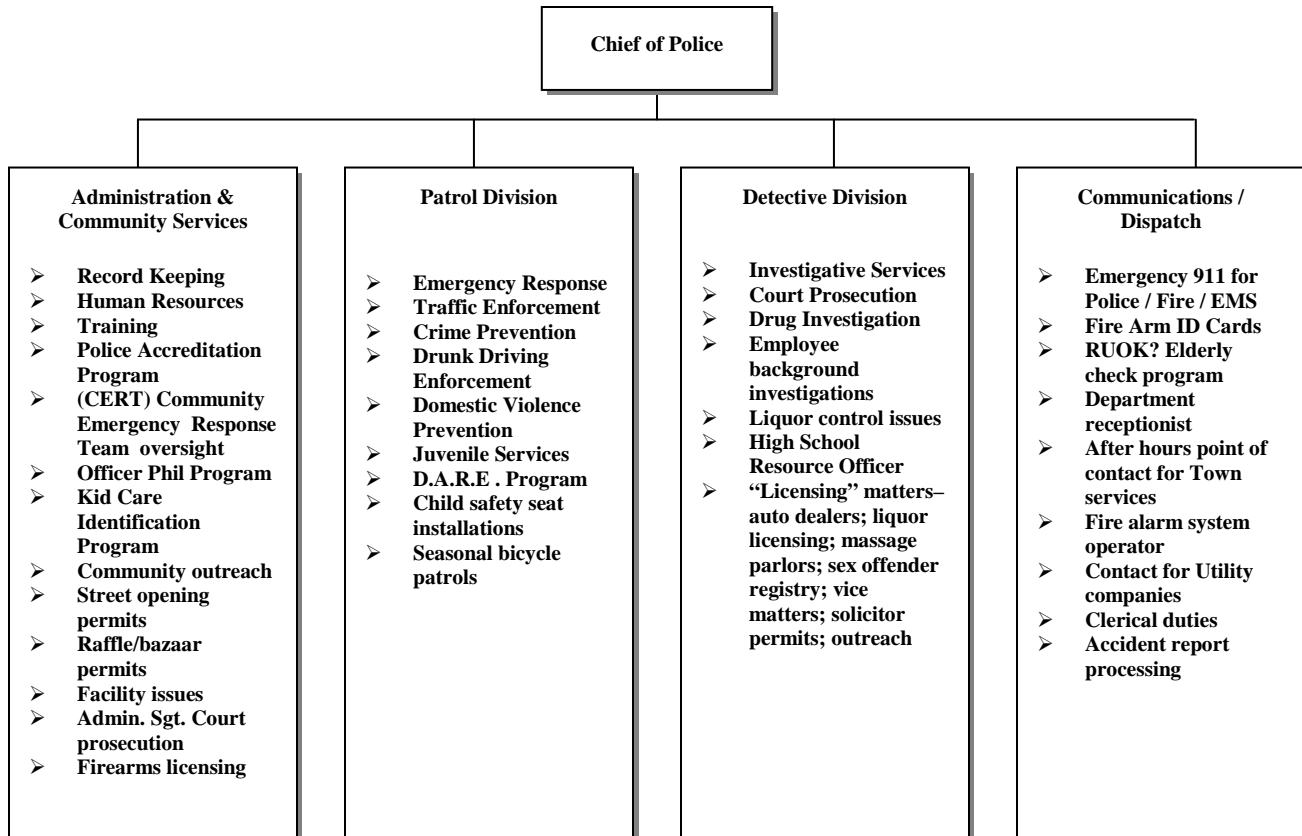
1. Maintain our high-profile involvement in Items 1a through 1g above.
2. Maintain our aggressive building and property check program.
3. Continue our participation in the Massachusetts Police Accreditation Program.
4. Implementation of a voluntary professional development incentive program that facilitates the identification and attainment of personal development and career goals.
5. Conduct a comprehensive review of the communications function, to include policy and procedure review and continued identification of areas in need of improvement.

Significant Budget Changes or Initiatives

Collective bargaining agreements have been settled with the Police Sergeants (0%) and Dispatchers (1%), and where appropriate, budget increases/adjustments are reflected in this budget. The collective bargaining agreement with the Patrolmen's Union remains unsettled.



Police Programs and Services



**POLICE DEPARTMENT****Personnel Summary**

	FY 2009	FY 2010	FY 2011	FY 2012
Position	FTE	FTE	FTE	FTE
Chief of Police	1	1	1	1
Lieutenant	1	1	1	1
Sergeant	5	5	5	5
Patrol Officers	13	13	13	13
Supervisor of Communications	1	1	1	1
Dispatcher	5	5	5	5
Administrative Assistant	1	1	1	1
Custodian	0.5	0.5	0.5	0.5
Total Full-time Equivalent	27.5	27.5	27.5	27.5

*Personnel Explanation:

Full Time Equivalents based upon 40 hrs per wk (30hrs/40hrs = .75 FTE).

The Custodian position is one full-time position split 20 hours per week at the police station and 20 hours per week at the Town Offices building. The other half of this position is reflected in the Public Buildings account.

There are 20 sworn Officers in the Department including the Chief of Police.



Police Department

Section 3-5

	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
POLICE DEPARTMENT						
Personnel Services						
51100 Police Chief Salary	100,117	103,121	106,214	108,870	50,472	109,959
51120 Administrative Assistant Salary	48,609	50,070	51,574	52,869	24,510	53,397
51150 Sergeant Salaries	279,488	299,492	318,711	315,665	145,880	315,665
51160 Patrol Officer Salaries	585,971	635,545	675,945	692,942	318,610	683,363
51170 Dispatcher Salaries	250,481	223,780	236,757	277,851	78,825	285,391
51200 Detective Pay	6,445	15,794	7,899	8,558	4,263	8,559
51210 Lieutenant Salary	81,687	81,360	83,801	85,896	39,821	86,754
51300 General Overtime	126,812	93,787	88,260	85,000	56,934	88,000
51310 Dispatcher Overtime	16,297	30,493	19,719	18,149	16,325	19,500
51320 Christmas Overtime	2,013	1,897	2,225	2,592	0	2,277
51330 Dispatcher Christmas Overtime	1,275	699	709	816	0	558
51400 Longevity pay	9,825	10,150	10,350	10,675	7,950	7,900
51410 Dispatcher Longevity Pay	1,200	1,350	1,350	1,350	950	950
51420 Holiday Pay	36,291	42,947	45,233	42,483	20,520	45,790
51430 Dispatcher Holiday Pay	10,120	10,178	10,928	11,702	4,467	12,041
51440 Shift Differential	2,266	1,010	2,732	2,190	1,926	2,190
51450 Court Time	8,637	10,574	10,868	9,000	1,952	10,500
51460 Quinn Bill Educational Incentive	160,540	179,703	125,910	205,212	102,751	210,037
51920 Uniforms	37,850	30,374	30,190	29,925	19,120	33,925
51930 In-service Training	5,703	4,868	2,090	4,000	0	4,000
51940 Fitness Incentive	18,500	18,000	18,736	21,400	8,600	21,400
51950 Roll Call	0	0	395	0	0	0
51960 Dispatcher Differential	2,515	946	3,005	2,044	1,000	2,044
51965 Officer In Charge Pay	2,404	2,434	3,077	1,799	1,504	2,200
51970 Part-time Custodian	15,655	18,462	18,474	19,784	9,172	19,982
SUBTOTAL	1,810,699	1,867,034	1,875,149	2,010,772	915,551	2,026,382

Section 3-6

Police Department



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
POLICE DEPARTMENT						
Expenses						
52110 Utilities	33,048	29,581	33,309	32,613	13,310	32,613
52690 Radio Equipment Maintenance	2,767	2,800	4,421	3,000	815	3,000
52800 Contractual Services	20,225	13,674	13,188	15,000	8,255	15,000
53110 Printing	938	1,488	326	500	450	500
53190 Training	10,764	9,302	2,641	2,500	1,294	2,500
53410 Telephone	11,018	13,689	13,918	11,718	5,345	13,500
53420 Postage	134	540	560	500	224	500
53430 Radio Line Rentals	4,663	5,257	5,228	5,554	2,314	5,554
53720 Computer Services	30,400	20,342	16,050	20,000	15,452	20,000
54290 Office Supplies	2,345	2,729	2,925	1,000	1,612	2,000
54490 Repairs & Maintenance	17,094	4,825	15,966	10,000	6,334	10,000
54590 Custodial Supplies	5,651	5,896	7,790	4,000	1,907	5,500
54840 Oil	0	0	0	0	0	0
54850 Vehicle Maintenance	27,667	24,179	30,901	16,875	10,092	20,000
55970 Special Investigations	0	300	0	0	0	0
55980 Field Supplies	8,541	3,849	2,955	4,000	1,649	4,000
57810 Unclassified	2,252	1,412	2,355	1,500	515	1,500
58690 New Equipment	12,682	6,008	1,958	4,500	1,628	4,500
SUBTOTAL	190,190	145,870	154,489	133,260	71,196	140,667
TOTAL: POLICE	2,000,889	2,012,904	2,029,638	2,144,032	986,747	2,167,049



Fire Department Mission Statement

“To promote and deliver life safety by providing efficient, professional, high quality, cost effective, and timely protective services including fire suppression, emergency medical services, fire prevention, disaster response management, public safety education, and code enforcement.”

The Northborough Fire Department is charged with the protection of life and property from fire through direct fire suppression efforts, prevention, inspectional services, self-inspection programs, fire code enforcement, and public fire education. The department also provides a Fire Investigation Unit of trained fire investigators to determine the cause and origin of fires. These department investigators work closely with the Town's Police Department, Office of the State Fire Marshal's Fire and Explosion Investigation Unit and the Federal Bureau of Alcohol, Tobacco and Firearms.

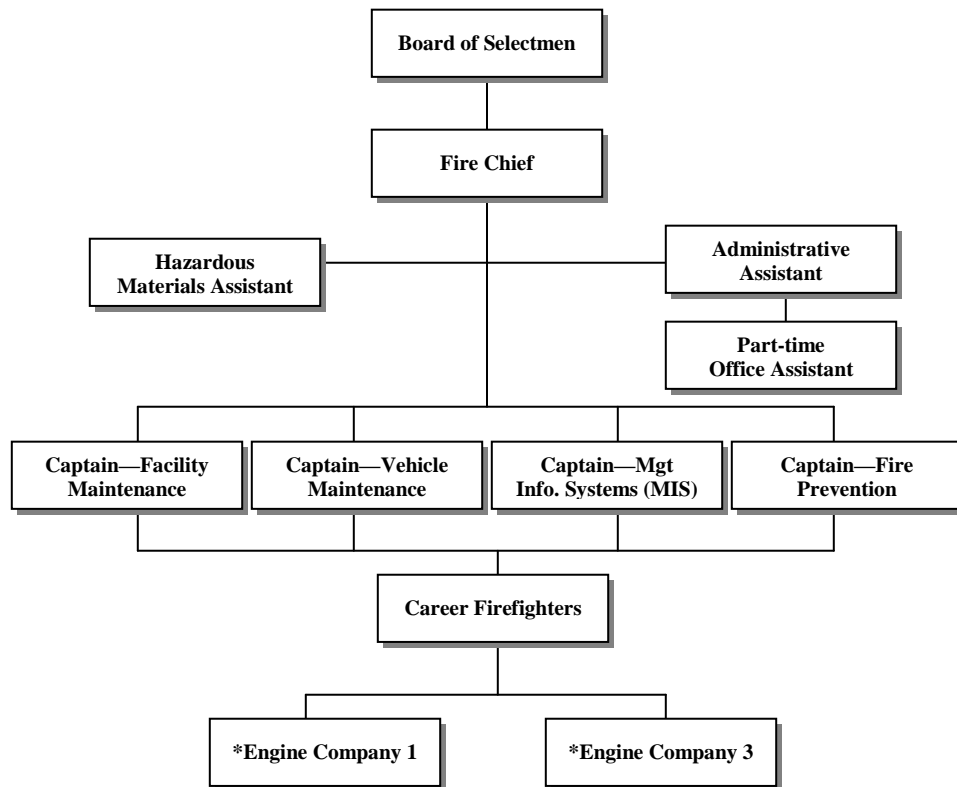
In keeping with the protection of life as our highest priority, the department is licensed by the state to operate its emergency medical ambulance service at the advance life support paramedic level. Through the department's paramedics, intermediates, and EMTs, the highest standard of pre-hospital emergency care is provided to those in need.

The department also is equipped to handle a wide variety of rescue services ranging from motor vehicle extrication to water and ice rescue. Fire and EMS mutual aid is coordinated through Massachusetts Fire District Fourteen with hazardous materials response and mitigation provided on a regional basis through the Massachusetts Department of Fire Services.

Through an all-hazards approach to manmade and natural disasters, the department provides and prepares for a planned response and coordination effort by all town departments through the town's Comprehensive Emergency Management Plan and Hazardous Materials Plan approved by the Massachusetts Emergency Management Agency. The department also plays the lead role for the framework of the Local Emergency Planning Committee.



Organizational Chart



*Engine Company

For the purpose of emergency recall, the Fire Department is broken down into two on-call engine companies to respond when staffing or additional resources are required to supplement on-duty career personnel. The off-duty personnel are recalled through alerting radios and alpha-numeric pagers. Career members are also issued two-way portable radios.

These engine companies are on call for rotating two-week periods and consist of twelve personnel - two Captains, four career Firefighter/Paramedics or EMTs, and six on-call Firefighters or Firefighter/EMTs. In the event of multiple/serious incidents or a working fire requiring all off-duty personnel, a First Alarm is transmitted recalling both Engine Company One and Three as well as the Chief of the Department.

Through a combination department of career and on-call personnel, the department provides these fire, EMS, and rescue services. Career Firefighters cover the fire station on a 24/7 basis with the on-duty staffing consisting of one Captain/EMT, two Firefighter/Paramedics, and a Firefighter/EMT or EMT Intermediate.



Fire Services FY 2011 Initiatives and Accomplishments

1. Placed into service a new 114-foot articulating aerial platform truck with 2,000 gallon per minute pump, replacing a 1984 refurbished 106-foot aerial ladder truck.
2. Maintained service levels and response times through a budget authorization of sixteen career positions or four full-time employees per shift.
3. Working with the Massachusetts Emergency Management Agency and Federal Emergency Management Agency, received 75 percent reimbursement to the Town for departmental protective measures and damage to town property resulting from March and April 2010 floods.
4. Submitted a grant request to the Assistance to Firefighters' Grant Program for the replacement of Engine 3, a 1982 pumper.
5. The department's two advanced life support paramedic ambulances were inspected and re-licensed by the Massachusetts Department of Public Health's Office of Emergency Medical Services.
6. The Local Emergency Planning Committee (LEPC) was certified by the Massachusetts Emergency Management Agency. A town-wide table top exercise based on the Department of Homeland Security's exercise objectives was conducted as part of the recertification process.
7. Expanded the department's interoperable communications capabilities with the addition of VHF-Tactical (V-TAC), UHF-Tactical (U-TAC), Massachusetts Emergency Management Agency frequencies. V-TAC and U-TAC are country-wide designated disaster and interoperable radio channels.
8. The department continued to provide resources and assistance to the Boy Scouts of America Explorer Fire Post 25. The Explorer Scout Program provides a steppingstone for the scouts to become call or career firefighters and/or emergency medical technicians.

Fire Services FY 2012 Goals and Initiatives

1. Within the available budget resources, plan proactively to provide continued cost effective and consistent service levels of fire, rescue, ambulance, and disaster planning to the community in an "all hazards" approach.
2. Encourage the participation and acknowledge the value of our call firefighters and expand call department membership in conformance with unfunded state physical and medical mandates.
3. Foster open and positive communication and interaction with all of the department's members with an emphasis on their value and on firefighter safety and survival.



4. Explore and develop alternative funding sources for departmental operation, capital needs, as well as life safety and fire prevention programs through private and public partnerships.
5. Advocate and communicate for the maintenance and increase of staffing within limited resources while recognizing the present above average service demand and anticipated service increases resulting from residential and commercial development.
6. Support the department's Explorer Scout Program as this group serves as a pool for future call firefighters.
7. Using a customer service evaluation tool, receive direct input from the department's end users by evaluation of the fire and EMS services provided to our customers.
8. Address mutual aid needs, specialized equipment, and training to augment departmental incidents through Massachusetts Fire District Fourteen and the Massachusetts Department of Fire Services.

Significant Budget Changes or Initiatives

The budget as presented includes a 1% wage increase for all Union and non-union personnel in FY12. However, the collective bargaining agreement provides for a 2% FY2011 year-end market adjustment for Fire Union employees to bring wages more in line with a recent salary survey. The result is an FY2012 budgetary increase of 3.32%, or \$41,267. FY2012 expenses are level funded.

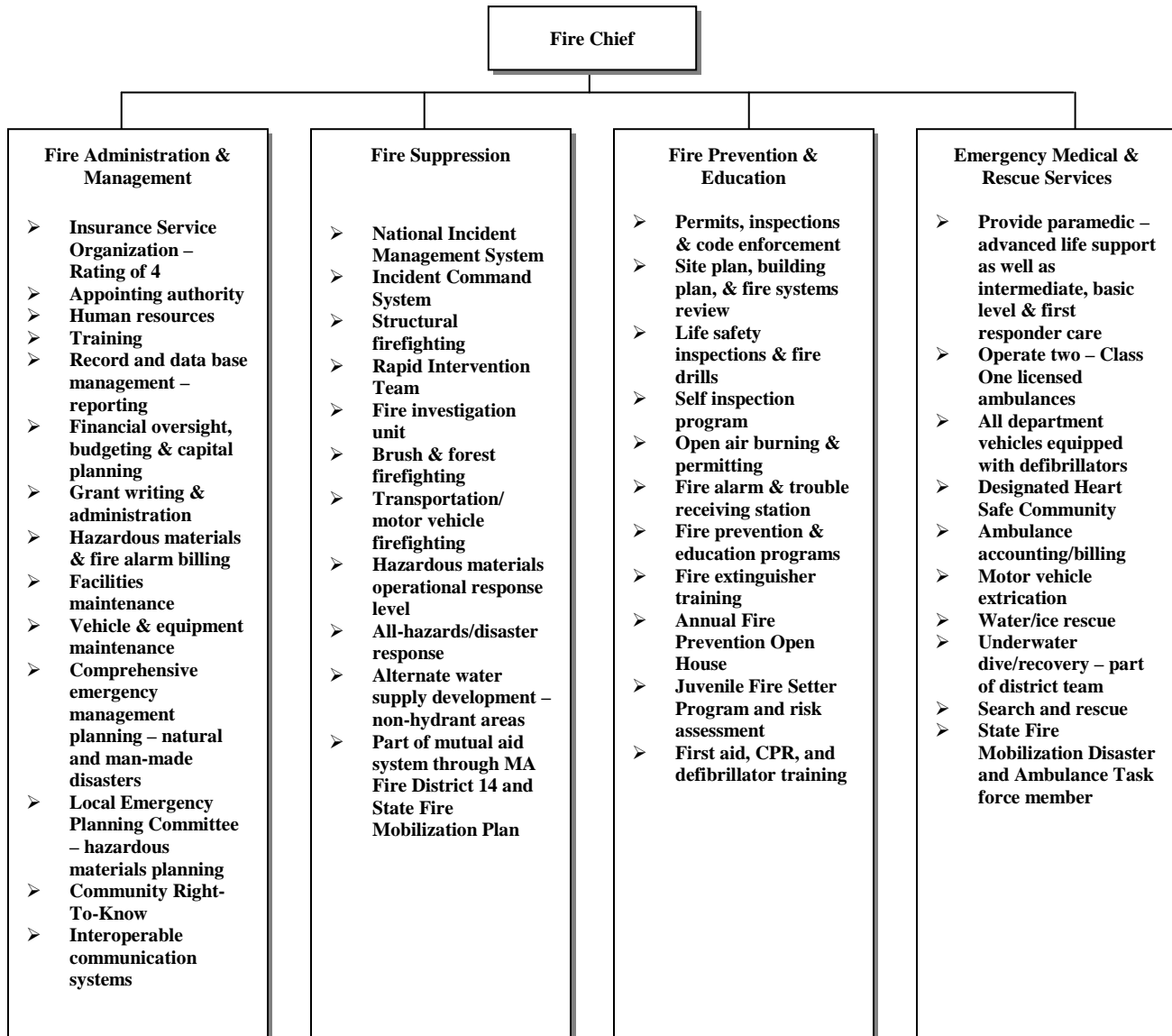
Collective Bargaining Wage Adjustments

- Fiscal Year 2011—Effective 7/1/10 Base Pay Increase of 2%, plus 2% June 30, 2011
- Fiscal Year 2012—Effective 7/1/11 Base Pay Increase of 1%
- Fiscal Year 2013—Effective 7/1/12 Base Pay Increase of 1%

With regard to the Fire Station itself, there is a project placeholder in the FY2013/2014 Capital Improvement Plan that provides for the renovation or relocation of the existing 1974 fire station. The projected life span of the current building was twenty-five years and the bathrooms, kitchens, and dormitory spaces are in need of significant expansion. The roof membrane will be approaching nineteen years old, and the sewer connection is in need of improvement. Hose storage, maintenance, and self-contained breathing apparatus maintenance areas are inadequate. Increased service demands on staff and equipment have resulted in increased fire suppression, prevention, and emergency medical services that need to be provided to insure that the mission of the Town's fire services is met. Previously appropriated capital funds in the amount of \$75,000 will be used to complete a limited Feasibility Study during the summer of 2011 to better define the proposed project location, design and cost estimates.



Fire Programs and Services



**FIRE DEPARTMENT****Personnel Summary**

	FY 2009	FY 2010	FY 2011	FY 2012
Position	FTE	FTE	FTE	FTE
Fire Chief	1	1	1	1
Fire Captain	4	4	4	4
Firefighter / EMT Basic	2	2	2	2
Firefighter / EMT Intermediate	1	1	1	1
Firefighter / Paramedic	9	9	9	9
Fire Marshal	0.25	0.25	0.25	0.25
Administrative Assistant	1	1	1	1
Office Assistant (ambulance billing)	0.18	0.18	0.18	0.18
Hazardous Materials Assistant	0.48	0.48	0.48	0.48
Call Firefighters	0.82	0.82	0.82	0.80
Total Full-time Equivalent	19.73	19.73	19.73	19.71

***Personnel Explanation:**

- Full Time Equivalents are based upon 40 hrs per wk (30hrs/40hrs = .75 FTE).
- Current Fire Department staffing is comprised of 17 full-time career members consisting of a Fire Chief, four Captain/EMTs, and twelve Firefighter/EMTs of which nine are Paramedics. Northborough Firefighters provide a dual role in both fire suppression/prevention and fire-based emergency medical ambulance transportation. In 2000, a comprehensive plan to upgrade the Department's standard of pre-hospital ambulance care from the intermediate level to the paramedic advanced life support level was approved. As part of its Massachusetts license and staffing waiver, the Department has hired only Firefighter/Paramedics in an attempt to provide two Firefighter/Paramedics on each of the four, rotating twenty-four hour work shifts.
- In addition to the full-time professional Firefighters, there are approximately 10 active Call Firefighters that work on an as-needed basis. During FY2012 Call Firefighter wages average \$20.89/hr and the total budget for Call wages is \$34,582 (\$13,833 included in the General Fund budget Line 51230 and \$20,749 paid for from the EMS revolving account). The result is the full-time equivalent of approximately 0.80 FTEs ($\$34,582 / \$20.89 = 1,656$ hrs per year/ 52 weeks = 31.84 hrs per week / 40hrs per week = .80 FTEs).
- The Building Inspector serves as the Fire Marshal for 10 hrs per wk (10hrs/40hrs = .25 FTE). Half the position is paid by the General Fund and half from the EMS account.
- The Hazardous Materials Assistant works 19 hrs per week (19hrs/40hrs = .48 FTE) and is funded from the EMS revolving account and the Hazardous Materials revolving account.
- The Office Assistant that handles ambulance billing works approximately 7 hrs per week, or 0.18 FTE. The position is funded by the EMS revolving fund.



Fire Department

Section 3-13

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
FIRE DEPARTMENT						
Personnel Services						
51100 Fire Chief's Salary	94,819	99,587	103,602	106,192	49,638	107,254
51110 Administrative Salary	42,441	43,723	45,036	46,388	21,683	46,844
51120 Firefighters Salaries	734,915	714,093	792,699	822,150	383,627	853,665
51130 Part-time Salaries	5,960	6,237	6,462	6,625	3,096	6,690
51132 Hazardous Materials Assistant	5,639	5,904	0	0	0	0
51230 Call Firefighter wages	10,647	10,933	6,111	13,696	1,706	13,833
51300 Overtime	82,046	89,706	77,635	80,217	31,684	85,455
51410 Longevity Pay	5,400	5,550	5,800	10,050	10,050	10,950
51420 Fire Holiday Pay	18,308	17,551	15,302	15,355	7,002	16,204
51460 Educational Incentive	5,550	5,450	5,888	7,275	1,538	7,625
51930 In-service Training	20,582	15,736	17,475	16,736	6,931	17,431
51940 Participation Incentive	225	301	303	1,000	0	1,000
SUBTOTAL	1,026,532	1,014,771	1,076,313	1,125,684	516,956	1,166,951

Section 3-14

Fire Department



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
FIRE DEPARTMENT						
Expenses						
52110 Utilities	26,359	25,750	21,181	29,500	7,119	29,500
52410 Equipment Maintenance	11,233	16,056	16,266	18,500	10,212	18,500
53110 Printing	232	204	119	500	0	500
53190 Training Expenses	1,881	1,027	271	750	70	750
53210 Fire Prevention Education	2,509	464	134	1,850	337	1,850
53410 Telephone	2,974	2,676	2,453	2,950	2,133	2,950
53420 Postage	521	892	824	1,200	99	1,200
53720 Computer Services	9,142	8,599	11,460	11,622	8,902	11,622
54290 Office Supplies	1,365	1,509	1,022	1,755	463	1,755
54490 Building Maintenance	8,456	9,275	10,108	9,000	2,595	9,000
54590 Custodial Supplies	2,360	2,879	2,325	2,000	852	2,000
55130 Uniforms	38,994	18,809	13,515	18,700	10,585	18,700
55990 Materials & Supplies	18,956	10,647	14,894	11,900	4,743	11,900
57110 Travel / Mileage	645	646	167	490	0	490
57310 Dues	2,250	2,375	2,049	2,565	1,450	2,565
57320 Subscriptions	865	1,026	1,055	1,103	138	1,103
57340 Meetings	199	291	109	604	84	604
57360 NFPA 1500 Compliance	3,001	1,436	1,606	1,625	0	1,625
58530 Capital Outlay	20,289	1,727	14,032	2,500	0	2,500
SUBTOTAL	152,232	106,287	113,589	119,114	49,782	119,114
TOTAL: FIRE	1,178,763	1,121,058	1,189,901	1,244,798	566,737	1,286,065

In addition to the total General Fund budget above of \$1,286,065 the Fire/EMS budget also received funding from fees charged for ambulance services. The EMS Revolving Fund directly contributes financially to the salary, benefits, operation, and capital purchases relating to the operation of the Town's paramedic ambulance service. There are two types of expenditures from the Fund, a budgeted transfer to the General Fund and expenses that are charged directly to the Fund. The budgeted transfer to the General Fund captures the cost of one firefighter/paramedic FTE salary and fringe benefits to be paid from the General Fund. For FY2012 this amount is \$76,600. Expenses that are paid directly from the Revolving Fund are administrative wages (12.5%), ambulance billing services, overtime wages (70%), training wages (50%), holiday pay (60%), Firefighter/EMT stipends (50%), call firefighter wages (60%), call firefighter supplies and equipment, licensing fees, related maintenance and operational expenses of the ambulances and equipment, rescue pumper, and extrication equipment are paid for directly from the Revolving Fund. The account also provides for the capital purchase of ambulances. With the inclusion of these expenses paid from the Revolving Fund the total expenditures for the Fire Department are anticipated to be \$1,900,294.



Fire Department

Section 3-15

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
EMERGENCY PREPAREDNESS						
Personnel Services						
11130 Stipend for EP Director	5,000	5,000	5,000	5,500	0	5,500
SUBTOTAL	5,000	5,000	5,000	5,500	0	5,500
Expenses						
52690 Equipment Maintenance	0	0	0	0	0	0
53410 Telephone	0	0	0	0	0	0
55980 Field Supplies	0	500	0	1,250	0	1,250
58690 New Equipment	0	0	0	0	0	0
SUBTOTAL	0	500	0	1,250	0	1,250
TOTAL: EMERGENCY PREPAREDNESS	5,000	5,500	5,000	6,750	0	6,750

The Northborough Local Emergency Planning Committee (LEPC) is a Northborough committee established through the federal Emergency Planning and Right-To-Know Act (EPCRA) of 1986. Local, State, and Federal members work together to formulate emergency planning for hazardous materials within Northborough, exercise the plan annually, maintain training for hazardous materials emergencies, and provide information on hazardous materials to the public.

The Fire Chief is the Emergency Preparedness Director for the Town and coordinates the LEPC. The budget for Emergency Preparedness includes a stipend for this position. Membership in the LEPC includes State and Local Elected Officials, Hospitals, Firefighters, Environmental Groups, Law Enforcement Personnel, News Media, Civil Defense Officials, Community Groups, Public Health Officials, Transportation Resources, and Hazardous Materials Facilities. This committee maintains the Town of Northborough Hazardous Materials Plan. Input from all of the groups within the LEPC membership is incorporated into hazardous materials planning.

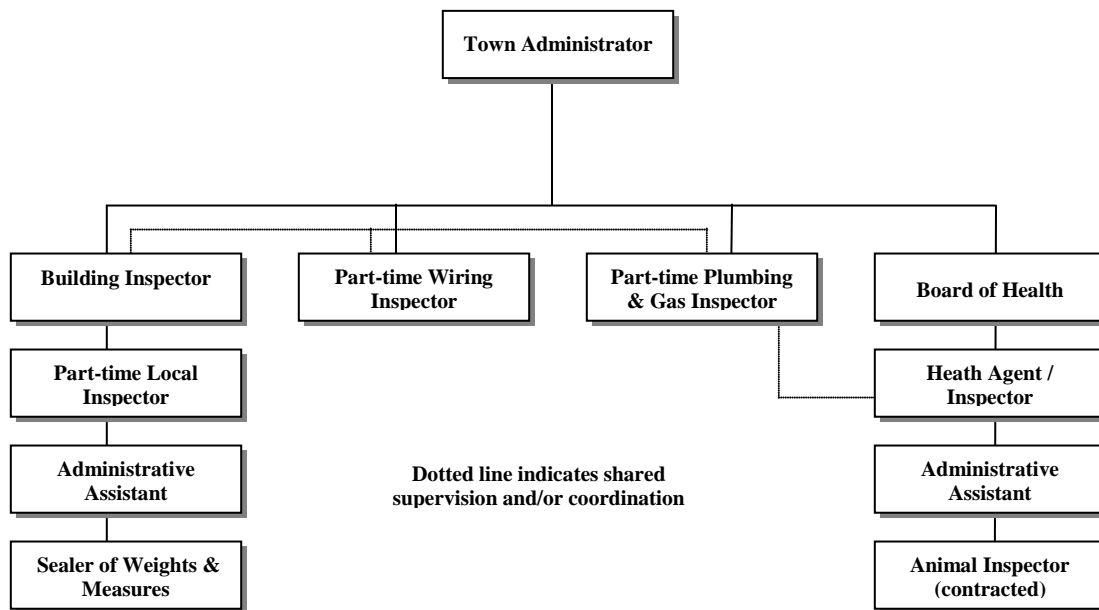
The Northborough LEPC is a fully certified Stand-Alone Local Emergency Planning Committee by the MA SERC. Re-Certification was issued on 9/11/09. Certification is given for a three year period.



Building Department Mission Statement

The Building Department is responsible for administering and enforcing Massachusetts Codes regarding building, plumbing, gas, and electrical work; as well as the rules and regulations of the Massachusetts Architectural Access Board. In addition, the department administers and enforces all Town of Northborough Zoning By-laws. It is the mission of the Building Department to strive to ensure public safety, health and welfare through inspection activities and continuous enforcement of all codes, rules and regulations designed to detect and correct improper and/or unsafe building practices and land uses within the Town.

Organizational Chart



Note: The Building Department and the Health Department share an office suite and two Administrative Assistants that are cross-trained. The Health Agent also has some oversight responsibilities with regard to the Plumbing Inspector.



Building Department FY2011 Initiatives and Accomplishments

1. The Building Department continues to work with the developers of the 382-unit Avalon Bay apartment complex and adjoining Northborough Crossing (formerly known as Shops 9@20) to review plans, issue permits and conduct inspections. Construction of Avalon Bay's 22 units was completed in the fall of 2010.
2. Coordinated inspections for several large developments in Town including a \$15 million research and development lab at Saint Gobain on Goddard Road, major renovations at the \$11.6 million National Grid facility on Bearfoot Road, and a \$44 million renovation of existing warehouse space by Genzyme Corporation on Forbes Road.
3. Continue to work with developers of Laurence Falls (30 residential units); Church Street Village (40 residential units); Cyrus Brook Estates (14 residential units); and Lydia's Way (41 residential units).
4. Continue education and enforcement regarding the Town's local sign bylaw.

Building Department FY 2012 Goals and Initiatives

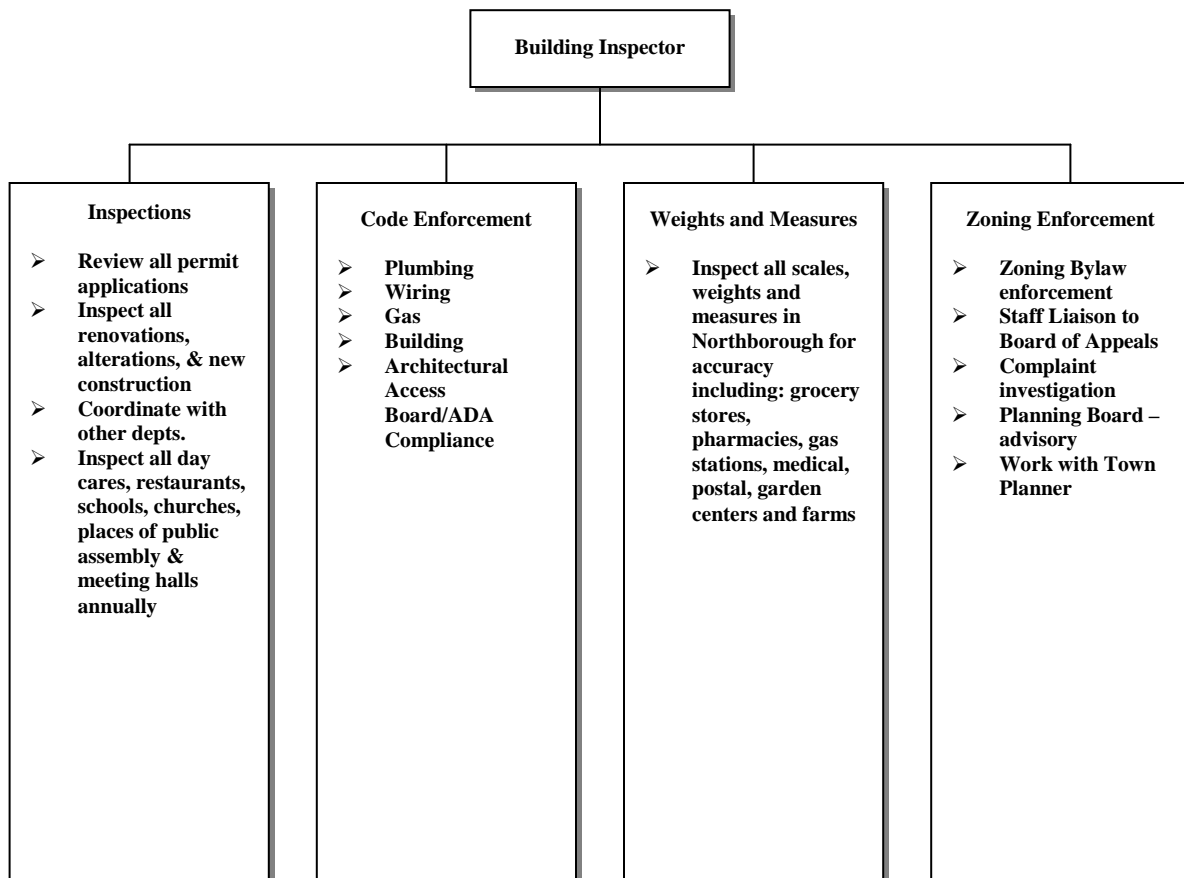
1. The Building Department will, to the best of its ability, maintain public safety and ensure compliance with all applicable codes and by-laws.
 - Provide careful review all permit applications
 - Inspect building, electrical, plumbing, and gas projects in a timely manner
 - Enforce local zoning by-laws
 - Investigate reports of code or zoning violations
 - Educate the public on the permit process and changes to the State building code
 - Provide Zoning Bylaw recommendations to the Planning Board as necessary
2. The Building Department will provide the public with accurate code and zoning information.
 - Inspectors will be available to answer questions during posted office hours
 - Continue to participate in professional development activities to remain current on code and zoning issues
 - Refer public to appropriate resources to obtain code and zoning information
 - Consult with other town officials and legal counsel as necessary to ensure accuracy
3. The Building Department will efficiently provide the public with accurate records
 - Maintain up-to-date listings of all permits pulled for public viewing
 - Better organize existing storage area for large building plans
 - Continue computerization of permitting information

Significant Budget Changes or Initiatives

There are no significant budgetary changes planned during FY2012. The budget reflects a 1% wage increase for both union and non-union personnel.



Building Department Programs and Services



**BUILDING DEPARTMENT****Personnel Summary**

Position	FY 2009 FTE	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE
Building Inspector	1	1	1	1
Part-time Local Building Inspector	0.40	0.40	0.40	0.40
Part-time Wiring Inspector	.25	.25	.25	.25
Part-time Gas Inspector	0.15	0.15	0.15	0.15
Part-time Plumbing Inspector	See	Health	Dept	
Administrative Assistant	1	1	1	1
PT Sealer of Weights & Measures	Stipend	Stipend	Stipend	Stipend
Total Full-time Equivalent	2.80	2.80	2.80	2.80

***Personnel Explanation:**

- Full Time Equivalents are based upon 40hrs per wk (30hrs/40hrs = .75 FTE).
- One individual serves as both the Part-time Plumbing Inspector 8hrs per week (0.20 FTE) and the Part-time Gas Inspector 6hrs per week (0.15 FTE). The Part-time Plumbing Inspector's wages are reflected in the Health Department budget.
- The Sealer of Weights and Measures is a stipend position at \$4,000 annually.

Section 3-20

Building Department



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
BUILDING INSPECTOR						
Personnel Services						
51100 Building Inspector Salary	67,568	70,980	73,843	75,689	35,271	76,446
51120 Part-time Local Inspector wages	17,664	18,540	19,115	24,773	11,315	24,987
51130 Part-time Salaries	0	0	0	0	0	0
51140 Administrative Assistant	44,834	47,852	49,705	51,188	23,853	51,626
51220 Temporary Part-time Wages	426	0	0	0	0	0
51410 Longevity Pay	700	700	700	775	775	850
SUBTOTAL	131,192	138,072	143,363	152,425	71,214	153,909
Expenses						
53190 Training	50	100	206	600	20	600
54290 Office Supplies	787	205	359	350	276	350
54850 Vehicle Maintenance	886	449	1,081	1,000	171	1,000
55980 Field Supplies	81	0	0	100	0	100
57110 Travel / Mileage	938	633	420	600	239	600
57310 Dues	265	165	165	165	165	165
57340 Meetings	87	176	55	500	25	500
58690 New Equipment	0	0	0	0	0	0
SUBTOTAL	3,095	1,728	2,285	3,315	897	3,315
TOTAL: BUILDING INSPECTOR	134,287	139,800	145,648	155,740	72,111	157,224



Building Department

Section 3-21

	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
GAS INSPECTOR						
Personnel Services						
51130 Gas Inspector Salary	8,733	8,995	9,265	9,497	4,748	9,592
SUBTOTAL	8,733	8,995	9,265	9,497	4,748	9,592
Expenses						
53190 Training	150	80	30	125	0	125
54290 Office Supplies	223	0	105	155	74	155
57110 Travel / Mileage	437	407	426	475	424	485
57310 Dues	25	140	125	90	75	90
58690 New Equipment	0	80	0	100	0	100
SUBTOTAL	835	707	686	945	573	955
TOTAL: GAS INSPECTOR	9,568	9,702	9,950	10,442	5,321	10,547

Section 3-22

Building Department



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
WIRING INSPECTOR						
Personnel Services						
51130 PT Wiring Inspector Wages	12,014	11,128	12,715	15,411	6,819	15,544
51140 PT Permanent wages	1,058	639	467	1,000	299	1,000
SUBTOTAL	13,072	11,767	13,182	16,411	7,118	16,544
Expenses						
53190 Training	189	0	0	250	0	250
54290 Office Supplies	692	271	260	550	60	550
57110 Travel / Mileage	1,293	1,202	1,507	1,800	478	1,836
SUBTOTAL	2,174	1,473	1,767	2,600	538	2,636
TOTAL: WIRING INSPECTOR	15,245	13,240	14,949	19,011	7,656	19,180



Building Department

Section 3-23

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
SEALER OF WEIGHTS & MEASURES						
Personnel Services						
51130 Sealer Salary	4,000	4,000	4,000	4,000	2,000	4,000
SUBTOTAL	4,000	4,000	4,000	4,000	2,000	4,000
Expenses						
53190 Training	0	0	0	100	0	100
54290 Office Supplies	575	54	115	100	0	350
57110 Travel / Mileage	408	485	528	528	148	528
57310 Dues	0	0	0	50	0	50
SUBTOTAL	983	539	643	778	148	1,028
TOTAL: SEALER WEIGHTS/MEASURES	4,983	4,539	4,643	4,778	2,148	5,028



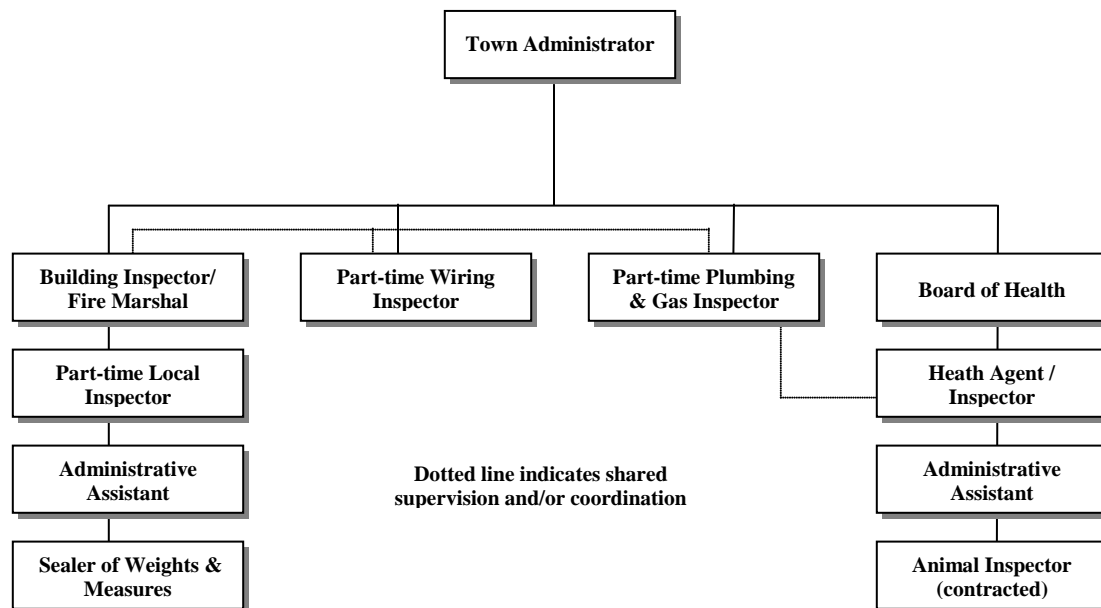
Health Department Mission Statement

The Health Department and the Board of Health are dedicated to keeping the Town of Northborough a healthy and environmentally safe place to live. We strive to do this through the development and implementation of programs that seek to prevent the outbreak of infectious diseases and by controlling environmental health hazards. Through enforcement of State statutes and regulations regarding on-site sewerage treatment and disposal systems (Title V), restaurant sanitation and tobacco control we further endeavor to protect, preserve and improve the health of our citizens. We promote sanitary living conditions for all our residents and strive to protect the environment from damage and pollution.

Board of Health

The Board of Health is composed of three members appointed by the Town Administrator. Each member shall serve a term of three years. The Board of Health shall work under the general policy direction of the Board of Selectmen and shall have the responsibility for the formulation and enforcement of regulations affecting the environment and the public health. The Board shall have all the powers and duties and obligations that boards of health may have under the Constitution and laws of the Commonwealth and the State Sanitary Codes, the Town Charter, Town Bylaws and the Administrative Code.

Organizational Chart



Note: The Building Department and the Health Department share an office suite and two Administrative Assistants that are cross-trained. The Health Agent also has some oversight responsibilities with regard to the Plumbing Inspector.



Health Department FY2011 Initiatives and Accomplishments

1. The Town received a \$60,000 implementation grant from the MetroWest Community Health Care Foundation for phase II of its Childhood Obesity Initiative called "Building a Healthy Northborough." The Health Agent, Recreation Director, Family & Youth Services Director and Town Planner worked collaboratively to complete the Phase I Needs Assessment and Strategic Plan, which was the basis for the phase II grant application.
2. Conducted outreach and educational efforts to promote awareness of seasonal flu and how to reduce its spread. Held flu clinics to vaccinate the public.
3. Conducted education and enforcement of new State Allergen Regulation regarding protection of those with celiac disease or life-threatening allergies in all licensed food establishments.
4. Reviewed plans for new food service establishments at Northborough Crossing and other locations throughout Town.
5. Continued wellness promotion through Employee Health & Wellness Committee.

Health Department FY 2012 Goals and Initiatives

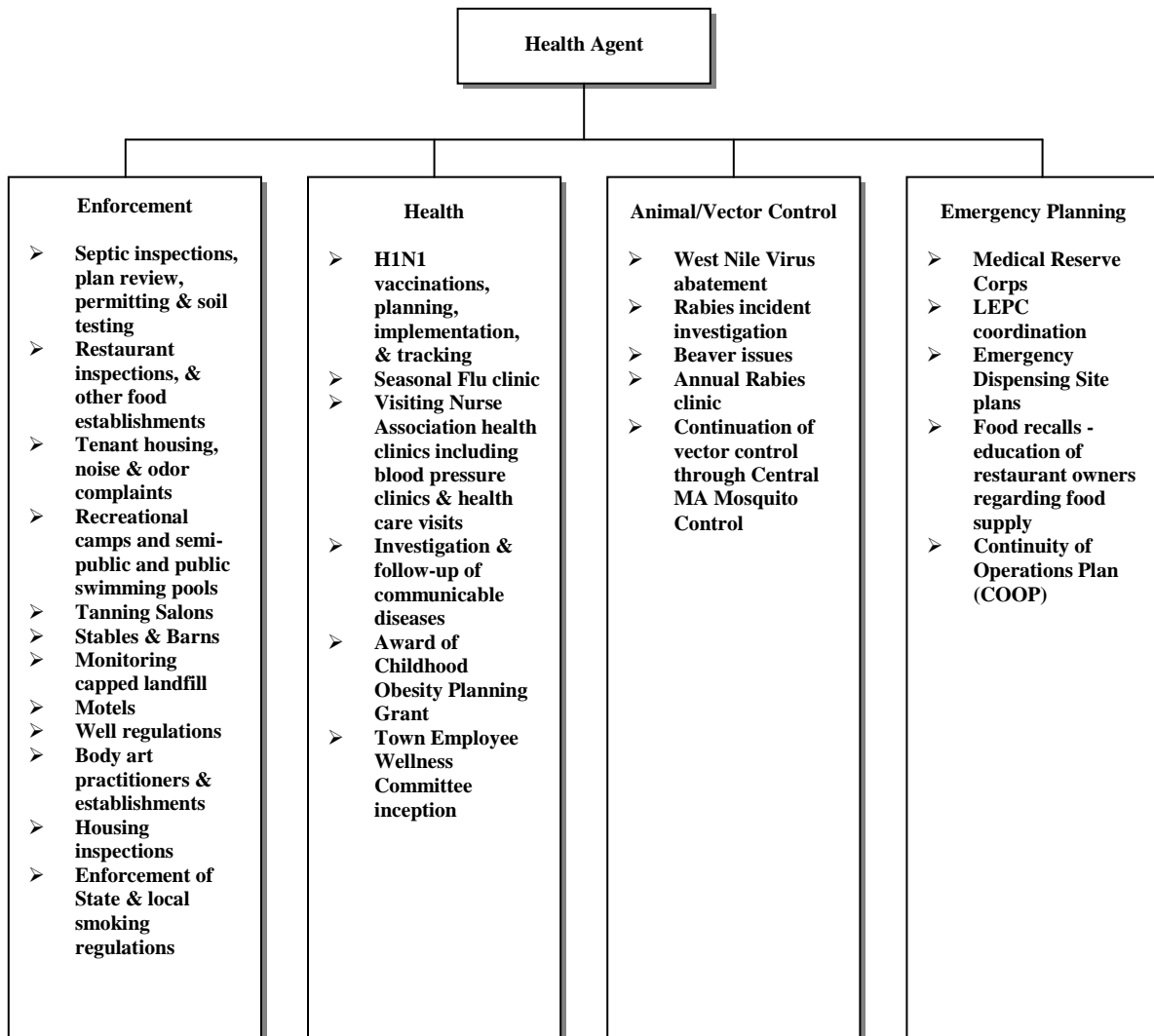
1. Further develop plans for the Emergency Dispensing Site, including new ways to distribute medications quickly and effectively.
2. Actively recruit and expand our volunteer base for the Medical Reserve Corp, which provided significant support during H1N1 vaccination efforts.
3. Promote healthy eating and activity throughout the community through the *Building a Healthy Northborough* initiative.
4. Continue to assist new and existing homeowners and business establishments with code compliance including food, septic, well and tobacco regulations.
5. Continue to build relationships with schools to effectively monitor and track absenteeism.

Significant Budget Changes or Initiatives

There are no significant budgetary changes planned during FY2012. The budget reflects a 1% wage increase for both union and non-union personnel. The Nursing Service line has been slightly increased to satisfy the increased need for communicable disease tracking investigation and follow up.



Health Department Programs and Services





HEALTH DEPARTMENT

Personnel Summary

Position	FY 2009 FTE	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE
Health Agent	1	1	1	1
Administrative Assistant	1	1	1	1
Part-time Plumbing Inspector	0.20	0.20	0.20	0.20
Animal Inspector	contractual	contractual	contractual	contractual
Total Full-time Equivalent	2.20	2.20	2.20	2.20

*Personnel Explanation:

- Full Time Equivalents are based upon 40 hrs per wk (30hrs/40hrs = .75 FTE).
- One individual serves as both the Part-time Plumbing Inspector 8hrs per week (8hrs/40 hrs = 0.20 FTE) and the Part-time Gas Inspector 6hrs per week (6hrs/40hrs = 0.15 FTE). The Part-time Plumbing Inspector's wages are reflected in the Health Department budget. The part-time Gas Inspector's wages are reflected in the Building Department's Budget.
- The Animal Inspector is a contractual position.

Section 3-28

Health Department



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
HEALTH DEPARTMENT						
Personnel Services						
51020 Part-time Animal Inspector	6,426	6,000	3,136	6,000	860	6,000
51130 Health Agent & Plumbing Inspect	67,505	62,427	72,582	76,258	35,622	77,005
51140 Administrative Assistant wages	44,834	47,852	49,705	51,188	23,853	51,626
51220 Temporary wages	0	0	0	0	0	0
51410 Longevity Pay	200	200	200	200	275	350
SUBTOTAL	118,965	116,479	125,623	133,646	60,610	134,981
Expenses						
52800 Contractual Services	0	0	0	0	0	0
53090 Advertising	410	118	0	250	27	250
53170 Testing	4,550	2,268	0	12,480	1,438	12,480
53990 Nursing Services	5,280	5,325	4,326	6,000	2,850	6,500
54290 Office Supplies	716	584	593	690	203	690
57110 Travel / Mileage	1,454	1,686	2,763	2,637	921	2,958
57310 Dues	207	160	361	437	171	492
57320 Subscriptions	0	0	0	0	0	0
57340 Meetings	635	113	145	500	0	500
57810 Unclassified	15	57	103	100	184	100
58690 New Equipment	0	0	16	100	0	200
SUBTOTAL	13,267	10,310	8,308	23,194	5,793	24,170
TOTAL: HEALTH DEPARTMENT	132,232	126,789	133,931	156,840	66,404	159,151



Dog Officer Mission Statement

The Dog Officer manages dog licensing, investigates complaints, responds to calls, and supervises the maintenance of the kennel located on Rte. 20 at 314 Southwest Cutoff. The service is committed to giving compassionate and quality care to all stray animals in its custody. The Dog Officer works to provide an atmosphere of safe coexistence between the human and canine residents of the community by:

- Impartially enforcing state and local dog laws.
- Educating the public about responsible pet ownership.
- Mediating complaints promptly and efficiently.
- Providing crisis intervention, recognizing that extremely emotional situations can result from the strong human/animal bond relationship.

Dog Officer FY2012 Goals and Initiatives

1. Continue to write the text for the overall Northborough Emergency Animal Plan.
2. Continue networking with the Central MA and the State of MA Animal Response Teams to improve the Town's local preparedness program.
3. Complete re-certification training with the Animal Control Officers Association of MA for the use of pepper spray and bite stick/tactical baton.
4. Continue working with the Friends of the Northborough Dog Park to select a site and develop a plan to build a dog park in Town.

Significant Budget Changes or Initiatives

There are no significant budgetary changes planned during FY2012. The budget reflects a 1% wage increase for the Dog Officer.

It should be noted that the Dog Officer budget is funded through a combination of General Fund Revenues (taxes) and Revolving Fund Revenues (fee & fine revenues). The combination of these two sources of funding represents the total level of resources being expended for the Dog Officer service (see "Dog Officer's Revolving Fund Explanation" on page 3-31).



Dog Officer				
Personnel Summary				
Position	FY 2009 FTE	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE
Dog Officer	1	1	1	1
Assistant Dog Officer	as needed	as needed	as needed	as needed
Total Full-time Equivalent	1	1	1	1

*Personnel Explanation:

- There are two on-call Assistant Dog Officers that serve on an “as-needed” basis to cover absences of the full-time Dog Officer. The Assistant Dog Officers are compensated in accordance with the Personnel By-law, Schedule D—Miscellaneous Compensation as follows: per call \$4/phone call, \$20/call-out, \$30/kennel call. The costs associated with the Assistant Dog Officers are funded through the Dog officer’s Revolving Fund. The Revolving Fund is where dog license fees and related fines are collected and deposited for use in support of the service.
- The Dog Officer’s salary is budgeted 35 hours per week from the General Fund and 5 hours per week from the Dog Officer’s Revolving Fund.



Dog Officer

Section 3-31

	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
DOG OFFICER						
Personnel Services						
51130 Dog Officer Salary (35hrs/wk)	46,925	49,296	51,284	52,563	24,570	53,017
51410 Longevity Pay	950	950	950	950	950	950
SUBTOTAL	47,875	50,246	52,234	53,513	25,520	53,967
Expenses						
51920 Uniforms	75	0	0	0	0	0
SUBTOTAL	75	0	0	0	0	0
TOTAL: DOG OFFICER	47,950	50,246	52,234	53,513	25,520	53,967

The Dog Officer budget above reflects only the General Fund contribution, which supports 35 hours per week of the Dog Officer's salary. An additional 5 hours per week of the salary is paid directly from the Dog Officer's Revolving Fund. The Revolving Fund is where dog license fees and related fines are collected and deposited for use in support of the service.

Dog Officer's Revolving Fund Explanation:

The Dog Officer's Revolving Fund contributes \$12,000 directly to the General Fund to subsidize the FY2012 Dog Officer Budget (See Article 4 of the Annual Town Meeting Warrant). In addition, charges paid directly from the Dog Officer's Revolving Fund include 5 hours per week of the Dog Officer's salary, all the wages for the on-call Assistant Dog Officers, supplies and all other expenses associated with operating the kennel and caring for the impounded animals.

The kennel facility is located on Rte. 20 in Northborough at 314 Southwest Cutoff, but is actually shared with the Town of Westborough. The total annual rent for the kennel is \$10,800 (\$900 per month) of which Westborough pays half, resulting a \$5,400 expense for Northborough.

The full FY2012 budget for the Dog Officer service is the combination of the General Fund Budget of \$53,967, plus the Revolving Fund Budget contribution of \$25,598, for a total of \$79,565.



This Page Intentionally Blank

Public Works

Section 4



This Page Intentionally Blank



Public Works Departmental Statement

The Department of Public Works (DPW) consists of multiple Divisions collectively responsible for maintaining and improving the Town's public spaces and infrastructure. This includes the maintenance and development of town roads, sidewalks, public trees, cemeteries, parks, public grounds and buildings, as well as the Town water supply system and wastewater/sewerage system. In addition to general administration, the Divisions within the Department include: Highway, Parks, Cemetery, Water and Sewer. For budget information regarding the Water and Sewer Divisions, please see Enterprise Funds, Section 8 of this document.

Highway Division

The Highway Division is responsible for all repairs, street openings, new construction of public ways, sidewalk construction and repair, drainage, snow removal and other matters having to do with the proper maintenance and development of the Town's road system. The Highway Division also maintains the trees within the right-of-way along the public roads.

Parks Division

The Parks Division is responsible for maintaining and developing public playgrounds, parks and related facilities. Given the reduction in staffing over the years, there has become very little distinction between Highway Division employees and Parks Division employees.

Cemetery Division

The Cemetery Division operates, maintains and develops the public burial grounds of the Town and related facilities. There is a small cemetery on Brigham Street which has few headstones and is often referred to as the old "Indian Burial Ground". The main burial ground in Town is the Howard Street Cemetery which has two portions: the older, historic section and the north section, or the Kizer cemetery, named for the family from whom the land was purchased. The old section is 18.65 acres and the active North section is 21.71 acres.

Water and Sewer Divisions (Enterprise Funds)

The Water and Sewer Divisions operate, maintain and develop the town's public water and sewer systems and related facilities. The Water and Sewer Divisions are operated as enterprise funds. Briefly, an enterprise fund as authorized under MGL Ch. 44 §53F½ is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It 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, if any. With an enterprise fund, all costs of service delivery—direct, indirect, and capital costs—are identified. This allows the community the option to recover total service costs through user fees.

For purposes of providing a departmental overview and personnel summary, the Water & Sewer Division is included here within the DPW Section 4 of the budget. The actual budgets associated with the Water and Sewer enterprise funds are contained in Section 8 of this budget document.



Related Advisory Boards and Commissions

In addition to the various DPW Divisions, there are several advisory Boards and Commissions related to the DPW's mission and functions. These include:

Cemetery Commission

The Cemetery Commission consists of three members appointed by the Town Administrator for three-year terms. The Commission is responsible for the development of policies, fees, rules and regulations pertaining to the care, superintendence and management of all public burial grounds. The DPW Director serves as the staff liaison to the Cemetery Commission.

Parks & Recreation Commission

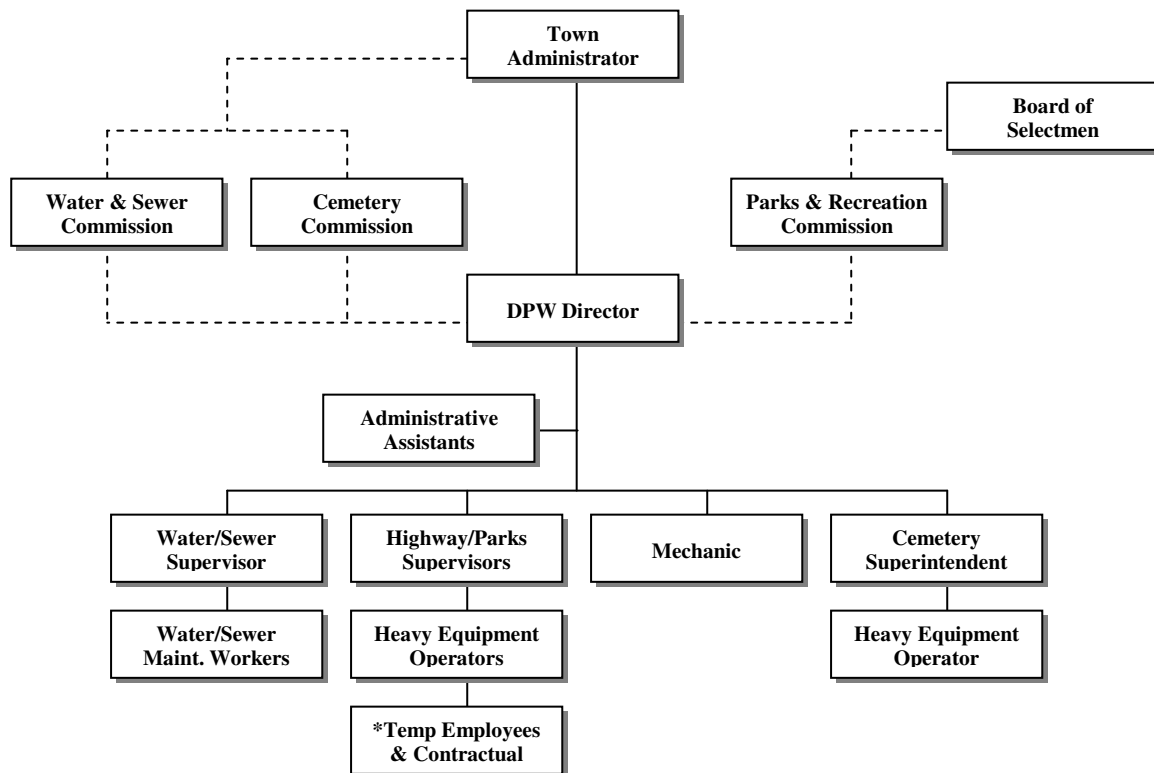
The Parks & Recreation Commission consists of five members appointed by the Board of Selectmen for three-year terms. The Commission is responsible for the development of policies, rules and regulations pertaining to the care, superintendence and management of the public recreation programs, facilities and public parks and playgrounds under its control. The DPW Director serves as one of the staff liaisons to the Parks & Recreation Commission and is responsible for the physical maintenance of the facilities. The other staff liaison is the Recreation Director, who is responsible for the Recreation Department programs on those facilities.

Water & Sewer Commission

The Water & Sewer Commission consists of three members appointed by the Town Administrator for three-year terms. The Commission is responsible for the development of policies, fees, rules and regulations pertaining to the care, superintendence, development and management of the Town's water supply and facilities and the Town's sewerage system. The DPW Director serves as the staff liaison to the Water & Sewer Commission.



DPW Organizational Chart



Organizational Chart Notes:

*The Highway/Parks Division and Cemetery Division use temporary, seasonal employees to augment park maintenance in the summer months and contractual snow plow operators to supplement DPW staff during winter operations.

**DPW FY2011 Initiatives and Accomplishments****Administration:**

1. Continuously updated DPW web pages on the Town's website, including online forms which allow residents to submit requests and comments directly to DPW (e.g., reporting of potholes, missing street signs and problem manhole covers; requests for tree service; requests for sewer mark outs, etc.). This has become a very popular method of communicating with the Department.
2. Continued to sell grave plots and input Cemetery burial records into a searchable computer data base so as to document historic burial information.
3. Successfully implemented quarterly billing for water bills without additional staffing.

Highway Division:

1. Continued to maintain Town properties and public roadways in spite of extremely reduced staffing. This includes rebuilding over 50 drainage structures, resurfacing the Fisher Street bridge, pavement projects, and responding to citizen requests.
2. The Highway Division cleared land at the Highway Garage to continue to prepare for the removal of the existing underground fuel tanks.
3. Continued Federally mandated street sign replacements. Installations are scheduled to be completed in calendar year 2011, one year prior to Federal requirements.
4. Conducted snow plowing and/or sanding operations for 25 snow events occurring between December 5th and March 1st.
5. Continued to assist Eagle Scout candidates with their projects.

Parks Division:

1. The Parks Division assisted the Middle School staff in replacement the bleachers and paving of the walkways.
2. Increased and enhanced the landscaped slope area adjacent to basketball court at Assabet Park. Repaired damaged equipment and structures caused by vandalism.
3. Continued guard rail replacement around the parking areas at Ellsworth-McAfee Park. Repaired damage to equipment and structures caused by vandalism.



Cemetery Division:

1. Prepared the Cemetery and war memorials for Memorial Day observations. Continuously maintained the Howard St and Kizer Cemetery properties.

Water Division:

1. Quarterly billing was successfully implemented, which required two additional meter readings per year.
2. The Water Division continued to work to balance the water chemistry and to ensure the Lyman Street well water is compatible with the MWRA's water supply.
3. The Water Division continued the permitting process required under Department of Environmental Protection (DEP) regulations for the construction of a water treatment plant for the new Brigham Street well. The Division is working toward adding additional water capacity to the well, which will allow the Town to build only one treatment facility, instead of two separate ones for the Brigham Street well and the Crawford Street well. The expanded well at Brigham Street will allow the Town to further reduce its reliance on water purchased from the MWRA and is expected to reduce costs to the Water Enterprise Fund.
4. Inspected all utility installations at the Avalon Bay apartments and Northborough Crossing retail developments.

Sewer Division:

1. Initiated design of sewer project for the Brigham Street/Milk Porridge/Sunset/Rustic area.
2. Inspected the Avalon Bay apartments and Northborough Crossing retail developments.

Department of Public Works FY 2012 Goals and Initiatives

Administration:

1. Continue to provide the best possible public service, while billing and collecting utility bills, selling cemetery plots, coordinating burials, working with the labor staff to insure they have materials and equipment necessary for them to do their work, coordinating contractor contact with the labor staff, paying vendor billings, determining public tree locations, working with consultants and receiving and processing permit requests to access to the public right of way.

Highway Division:

1. Continue to maintain public properties and roadways to the best conditions possible.
2. Finalize installation of street signs that comply with Federal standards.

**Parks Division:**

1. Continue to work with Recreation staff to provide safe facilities for programs.
2. Continue replacement of guard rails at Ellsworth-MacAfee Park.
3. Provide assistance to citizen groups seeking a location to establish a dog park.
4. Work with Police Department to investigate the possibility of installing of security cameras in parks to reduce vandalism.

Cemetery Division:

1. Continue efforts to move burial data to an electronic format that will be searchable by the public.

Water Division:

1. Complete the conversion of all water meters to radio read meters.
2. Complete permitting of the expanded Brigham Street well.

Sewer Division:

1. Plan for the budgetary impact of the Marlborough Westerly Wastewater Treatment Plant expansion and develop a public information campaign to communicate the impact to the users.

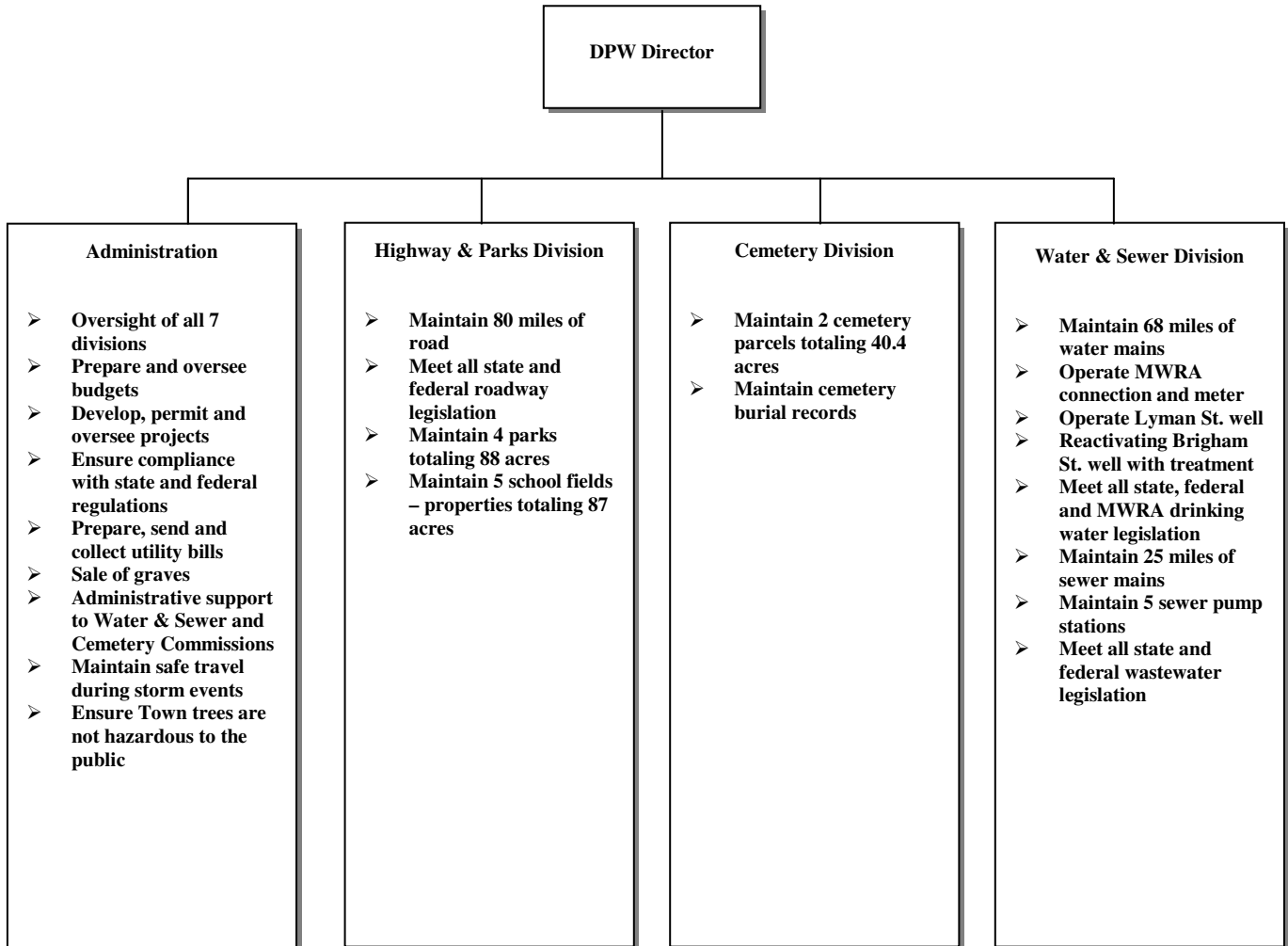
Significant Budget Changes or Initiatives

Overall, the DPW budget is up \$68,440, or 5%. The majority of the increase is in equipment and building repairs, which includes \$12,000 for a new mower and a \$14,500 increase for repairs to the highway garage. Lastly, the road maintenance budget includes a \$12,012 increase in FY2012, which is simply a pass-through from the Silas Drive Earth Removal Bond Default (see Town Meeting Article 4). The funds are being taken from the private bond and passed through DPW in order to complete the work defaulted upon by the developer of the roadway.

In terms of personnel expenses, the budget reflects a 1% wage increase for both union and non-union employee. However, there is a small increase of \$13,500 for additional seasonal help in the parks and cemetery division. The additional temporary help is needed because the DPW continues to operate with reduced staffing. During FY2007, the Assistant Director was promoted to DPW Director, and the Assistant position has remained vacant. During FY2009, the Cemetery Superintendent position and a Highway/Parks Heavy Equipment Operator position became vacant and both have remained unfilled due to financial constraints. These reductions in permanent personnel have all been continued in FY2012.



DPW Programs and Subprograms





DEPARTMENT OF PUBLIC WORKS				
Personnel Summary				
Position	FY 2009 FTE	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE
<u>Administration</u>				
DPW Director	1	1	1	1
Assistant DPW Director	0	0	0	0
Administrative Assistants	1.75	1.75	1.75	1.75
<u>Highway/Parks Division</u>				
Highway/Parks Supervisors	2	2	2	2
Mechanic	1	1	1	1
Heavy Equipment Operators	6	6	6	6
Light Equipment Operator	0	0	0	0
<u>Cemetery Division</u>				
Cemetery Superintendent	0	0	0	0
Heavy Equipment Operator	1	1	1	1
<u>Water & Sewer Division</u>				
Water/Sewer Supervisor	1	1	1	1
Water/Sewer Maintenance Workers	3	3	3	3
Total Full-time Equivalents	16.75	16.75	16.75	16.75

*Personnel Explanation: Full-time Equivalents are based upon 40 hrs per wk (30hrs/40hrs = .75 FTE).

- During FY2007 the Assistant Director was promoted to DPW Director and the Assistant Position was left unfilled. During FY2009 the Cemetery Superintendent position and a Highway/Parks Heavy Equipment Operator position became vacate and both were left unfilled due to financial constraints. These reductions in personnel have all been continued in FY2012.
- The Highway/Parks Division and Cemetery Division use temporary, seasonal employees to augment park maintenance in the summer months and contractual snow plow operators to supplement DPW staff during winter operations. The FY2012 budget contains funding in the Parks budget that may be used to hire additional seasonal help or possibly hire a permanent Light Equipment Operator if revenues appear stable enough to sustain the position in subsequent fiscal years.
- The DPW Director's salary is budgeted 20 hrs/week (.5 FTE) in the General Fund (under Highway Administration), 12 hrs/week (.3 FTE) in the Water Enterprise Fund and 8 hrs/week (.2 FTE) in the Sewer Enterprise Fund budget (See Section 8 of this budget document for Enterprise Fund detail). The 70 hrs/week (1.75 FTEs) of Administrative Assistants are budgeted 21hrs/week (.53 FTE) in the Water Enterprise Fund, 14 hrs/week (.35 FTE) in the Sewer Enterprise Fund and 35 hrs/week (.875 FTE) in the DPW Highway Division. The Water/Sewer Maintenance Workers wages are budgeted 60% in the Water Enterprise Fund budget and 40% in the Sewer Enterprise Fund budget.



****DPW Personnel Table of FTEs by Division Budgets****

DEPARTMENT OF PUBLIC WORKS				
Personnel Summary				
Position	FY 2009 FTE	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE
<u>Administration</u>				
Budgeted in Divisions below				
<u>Highway/Parks Division</u>				
DPW Director	.5	.5	.5	.5
Administrative Assistant	.87	.87	.87	.87
Highway/Parks Supervisors	2	2	2	2
Mechanic	1	1	1	1
Heavy Equipment Operators	6.25	6.25	6.25	6.25
Light Equipment Operator	0	0	0	0
<u>Cemetery Division</u>				
Cemetery Superintendent	0	0	0	0
Heavy Equipment Operator	.75	.75	.75	.75
<u>Water Division Enterprise Fund</u>				
DPW Director	.3	.3	.3	.3
Administrative Assistant	.53	.53	.53	.53
Water/Sewer Supervisor	.6	.6	.6	.6
Water/Sewer Maintenance Workers	1.8	1.8	1.8	1.8
<u>Sewer Division Enterprise Fund</u>				
DPW Director	.2	.2	.2	.2
Administrative Assistant	.35	.35	.35	.35
Water/Sewer Supervisor	.4	.4	.4	.4
Water/Sewer Maintenance Workers	1.2	1.2	1.2	1.2
Total Full-time Equivalents	16.75	16.75	16.75	16.75

The table above represents how the personnel in the table on the previous page are budgeted, as opposed to how many full-time equivalents exist by position title. The distinction is important due to the existence of the Water and Sewer Enterprise Funds and the accounting required to capture all of the costs associated with these services, so that the fee structures may be set to cover 100% of the direct and indirect costs. In other words, there is one full-time DPW Director, but that individual's time is spend 50% on general DPW matters, 30% on water and 20% on sewer, so from a budgeting standpoint the position salary expense is divided and accounted for among the Divisional budgets.

For more detail on enterprise fund budgets, please refer to Section 8 of this budget document.

Section 4-10

Department of Public Works



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
HIGHWAY ADMINISTRATION						
Personnel Services						
151100 DPW Director Salary (50%)	24,355	49,340	52,205	53,511	24,936	54,046
51410 Longevity Pay	250	250	250	325	325	325
SUBTOTAL	24,605	49,590	52,455	53,836	25,261	54,371
Expenses						
52110 Utilities	9,220	9,148	9,162	9,000	2,534	10,000
52140 Fuel	23,874	21,043	19,747	20,000	240	20,000
53090 Advertising	710	501	150	250	414	250
53410 Telephone	3,246	3,209	3,146	3,440	1,150	3,440
54290 Office Supplies	168	408	227	250	208	250
54490 Building Maintenance	4,450	289	2,633	2,500	1,010	17,000
54590 Custodial Supplies	1,004	907	1,155	800	640	1,000
57310 Dues	160	175	175	160	0	175
SUBTOTAL	42,831	35,680	36,394	36,400	6,196	52,115
TOTAL: HIGHWAY ADMINISTRATION	67,437	85,270	88,849	90,236	31,456	106,486

¹ Line 5110 includes 50% of the DPW Director's Salary with 30% carried in the Water Enterprise Fund Budget and the other 20% included in the Sewer Enterprise Budget (see Section 8 of this Budget Document for detail on the Enterprise Budgets)



Department of Public Works

Section 4-11

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
HIGHWAY DIVISION CONSTRUCTION & MAINTENANCE						
Personnel Services						
51010 Labor Wages	439,720	486,997	493,909	511,378	234,878	515,730
² 51100 Salaries Full-time	23,885	0	0	0	0	0
³ 51140 Wages Part-time Permanent	43,483	44,823	46,198	47,693	22,109	47,872
51300 Overtime	116,819	76,753	111,844	83,913	34,374	81,960
51410 Longevity Pay	3,875	4,275	4,275	4,950	5,100	5,250
51970 Stipends	0	0	0	0	0	1,500
SUBTOTAL	627,782	612,848	656,227	647,934	296,460	652,312
Expenses						
51920 Uniforms	7,442	6,337	6,474	7,500	2,371	6,300
52690 Equipment Maintenance	70,837	61,183	60,547	57,000	20,476	59,000
52800 Contractual Services	7,378	6,091	4,079	5,000	799	5,000
54840 Oil	3,203	2,542	2,982	3,000	2,289	3,000
55320 Supplies	11,813	12,304	3,672	12,000	3,045	10,000
55420 Materials	0	0	0	0	0	0
58690 New Equipment	5,000	5,000	5,638	5,000	0	5,000
58710 Roadway Maintenance	35,124	37,788	42,959	50,000	25,240	62,012
58715 Drainage	5,868	0	923	15,000	9,114	15,000
SUBTOTAL	146,664	131,244	127,274	154,500	63,334	165,312
TOTAL: HIGHWAY CONST & MAINT.	774,446	744,092	783,501	802,434	359,794	817,624

² Line 51100 represents the vacant Assistant DPW Director position's salary

³ Line 51140 represents 35 hours per week of Administrative Assistant time dedicated to the Highway Division

Section 4-12

Department of Public Works



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
PARKS DIVISION						
Personnel Services						
⁴ 51130 Labor Wages	41,942	30,914	30,000	41,667	12,960	39,930
51220 Miscellaneous Labor	12,635	19,784	14,700	11,200	10,036	24,700
51300 Overtime	9,764	3,891	4,167	4,167	0	3,993
51410 Longevity Pay	0	0	0	0	0	0
SUBTOTAL	64,341	54,589	48,867	57,034	22,996	68,623
Expenses						
51920 Uniforms	800	700	696	700	0	500
52110 Utilities	2,588	1,810	1,998	2,000	1,062	2,000
52610 Building Maintenance	3,738	3,987	3,225	3,225	1,251	3,225
52650 Equipment Maintenance	2,052	2,230	5,708	3,500	1,780	3,500
52800 Contractual Services	2,400	1,000	2,498	2,500	0	2,500
54610 Grounds care	20,322	20,309	15,529	15,000	7,605	15,000
54710 Supplies	0	865	3,439	2,000	1,554	2,000
58690 New Equipment	0	0	0	0	0	12,000
SUBTOTAL	31,899	30,900	33,094	28,925	13,252	40,725
TOTAL: PARKS DIVISION	96,240	85,490	81,961	85,959	36,248	109,348

⁴ Line 51130 contains funding that may be used to hire additional seasonal help or possibly hire a permanent Light Equipment Operator if revenues appear stable enough to sustain the position in subsequent fiscal years.



Department of Public Works

Section 4-13

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
CEMETERY DIVISION						
Personnel Services						
51010 Labor Wages	29,428	21,057	35,029	36,079	20,617	36,357
⁵ 51100 Superintendent's Salary	60,871	37,340	0	0	0	0
51300 Overtime	2,742	1,182	3,503	3,503	2,192	3,636
51410 Longevity Pay	1,150	200	200	200	200	200
SUBTOTAL	94,192	59,779	38,732	39,782	23,009	40,193
Expenses						
51920 Uniforms	1,570	788	700	700	668	700
52110 Utilities	1,015	885	945	1,260	59	1,260
52140 Fuel	1,783	12,886	1,318	1,675	0	1,675
52690 Equipment Maintenance	1,985	2,758	2,429	2,000	800	2,000
54290 Office Supplies	147	40	100	100	0	0
54490 Building Repair	0	133	452	300	0	300
54590 Custodial Supplies	142	41	0	0	0	0
54690 Material & Supplies	912	1,600	1,090	1,000	0	1,000
54840 Oil	149	152	150	150	0	150
57310 Dues	0	0	0	0	0	0
58690 New Equipment Capital	5,254	81,236	13,196	2,300	0	5,200
SUBTOTAL	12,956	100,519	20,380	9,485	1,526	12,285
TOTAL: CEMETERY DIVISION	107,148	160,298	59,112	49,267	24,535	52,478

⁵ During FY2009 the Cemetery Superintendent position became vacate and has been left unfilled since due to financial constraints.

Section 4-14

Department of Public Works



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
SNOW & ICE						
Personnel Services						
51220 Miscellaneous Labor	0	53,327	0	0	0	0
⁶ 51300 Overtime	11,421	11,055	8,074	7,200	0	7,200
SUBTOTAL	11,421	64,382	8,074	7,200	0	7,200
Expenses						
⁷ 52800 Contractual Services	66,815	56,880	43,560	36,000	0	36,000
55350 Salt	129,793	202,618	135,961	100,000	28,854	110,000
55360 Sand	75,383	54,430	41,635	29,600	2,615	30,000
57810 Unclassified	2,818	9,359	7,232	6,500	4,993	6,500
SUBTOTAL	274,808	323,287	228,388	172,100	36,461	182,500
TOTAL: SNOW & ICE	286,229	387,669	236,462	179,300	36,461	189,700

⁶ Line 51300 contains Overtime funds for Water & Sewer employees that plow snow for the Highway Division during winter operation

⁷ The DPW uses contractual snow plow services to supplement Town staff and equipment during winter operations



Department of Public Works

Section 4-15

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
TREES						
Expenses						
52690 Equipment Maintenance	200	2,518	581	500	290	500
52800 Contractual Services	7,780	4,588	6,500	6,500	0	6,500
54700 Supplies	0	417	919	1,000	0	1,000
SUBTOTAL	7,980	7,523	8,000	8,000	290	8,000
TOTAL: TREES	7,980	7,523	8,000	8,000	290	8,000

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
STREET LIGHTING						
Expenses						
52130 Utilities	94,050	90,030	91,703	100,000	47,332	100,000
SUBTOTAL	94,050	90,030	91,703	100,000	47,332	100,000
TOTAL: STREET LIGHTING	94,050	90,030	91,703	100,000	47,332	100,000

NOTE: Please see Section 8 Enterprise Fund of this document for the detailed Water & Sewer Division budgets.



This Page Intentionally Blank

Community Services

Section 5



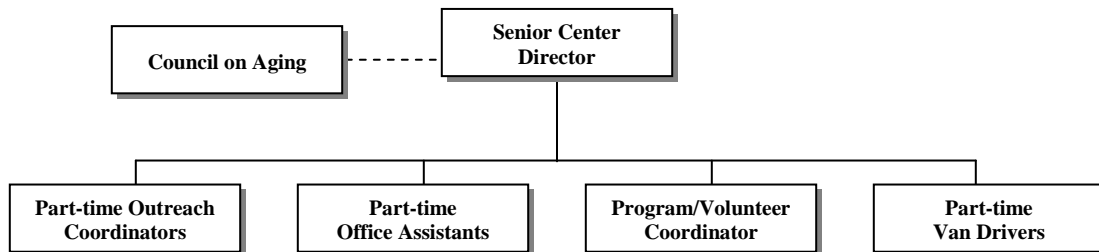
This Page Intentionally Blank



Senior Center/Council on Aging Departmental Statement

The role of the Senior Center/Council on Aging is to improve the quality of life for the mature citizens of our community. We do this through support, advocacy, planning, coordination, and implementation of programs that bring mature citizens together for social, recreational, and educational purposes. We seek to educate the entire community and enlist its support and participation. The Council on Aging consists of nine members appointed by the Board of Selectmen for three-year terms.

Senior Center Organizational Chart



**Senior Center FY2011 Initiatives and Accomplishments**

1. Expanded programs and class schedules to incorporate new and innovative programs that were not possible at the former Senior Center (Acrylic Painting, Watercolor Painting, Walking Club exploring the trails, Computer classes, Belly Dancing, Ballroom Dancing, etc.)
2. Extended hours on Tuesday evenings until 9:00 p.m. to allow seniors who may remain in the workforce to participate in classes. The evening hours also allows Community groups meeting space (ie: Garden Club, Cub Scouts, Helping Hands, etc.)
3. The Center was awarded two grants from BayPath Elder Services, Inc. One grant allowed the continuation of funding for the Volunteer Coordinator position. The other grant allowed for the creation of a "Medley of Movement" 12 week series targeting younger seniors who may still be in the workforce to sample 6 different types of exercise already offered at the Senior Center during the day (Aerobics, Line Dancing, Yoga, Tai Chi, Zumba Gold, Weight Training).
4. Opened the Bistro @119. The Bistro is open Monday – Thursday from 12:00 – 1:00 pm. Our menu consists of light fare (sandwiches, soups, salads, fruit and cookies). Coffee, tea and cold drinks are available. Dining in or take-out, the Bistro is open to the public. The menu changes daily and can be found on the Senior Center page of the Town website. The Bistro is staffed by Senior Center employees as well as dedicated volunteers.
5. Introduced a brand new 16 page color newsletter that is mailed every month to every household that has a member over 60 years of age. This newsletter replaces a 6 page black and white issue. The new version allows expanded descriptions of activities and news that is important to senior citizens.

Senior Center FY2012 Goals and Initiatives

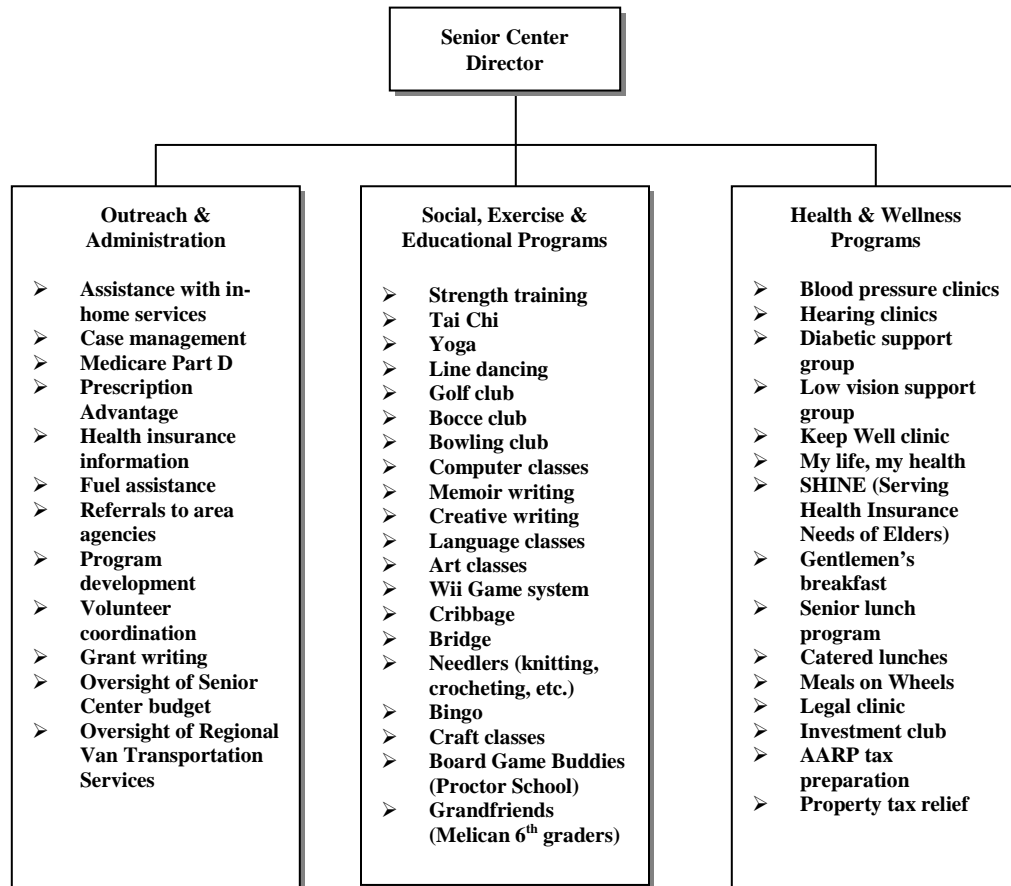
1. Increase and enhance programs and activities at the Senior Center.
2. Increase the number of volunteers and participants at the Senior Center
3. Seek grant opportunities to expand programs and maintain/expand non-municipally funded staff positions. In particular, fund a staff position for the newly created Bistro @119.
4. Expand revenue producing programs to help provide financial sustainability.

Significant Budget Changes or Initiatives

Overall, the FY2012 Senior Center Budget is up 3.9% to support the increased contractual services associated with the 14,000 square foot facility. During FY2011 the Friends of the Senior Center donated \$30,000 toward the operating budget. In FY2012 the Friends committed to making available previously donated but unused funds in the amount of \$25,000 toward the contractual services line of the budget, which is used to pay for the cleaning of the center. The \$25,000 donation is in addition to the \$10,000 shown in line 52800 of the Senior Center budget.



Senior Center Programs and Services



**SENIOR CENTER****Personnel Summary**

	FY 2009	FY 2010	FY 2011	FY 2012
Position	FTE	FTE	FTE	FTE
Director	1	1	1	1
Part-time Office Assistants	1.03	1.03	1.03	1.03
Part-time Outreach Coordinators	0.86	0.86	0.86	0.86
Total Full-time Equivalent	2.89	2.89	2.89	2.89

***Personnel Explanation:**

- There are two part-time Office Assistants. One works 27hrs per week ($27\text{hrs}/40\text{hrs} = 0.68$ FTE) and the other works 14hrs per week ($14\text{hrs}/40\text{hrs} = 0.35$ FTE).
- There are two part-time Outreach Coordinators. One works 19hrs per week ($19\text{hrs}/40\text{hrs} = 0.48$ FTE) and the other works 15hrs per week ($15\text{hrs}/40\text{hrs} = 0.38$ FTE).

In addition to the personnel table above, there are positions funded outside of the General Fund. Please refer to the table on the next page for an explanation of those positions not carried in the official personnel count.

**Additional staffing funded outside the General Fund (tax revenues):**

SENIOR CENTER				
Personnel Summary				
Position	FY 2009 FTE	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE
Part-time Program/Volunteer Coord.	0	0.48	0.48	TBD
Part-time Van Drivers	1.69	1.69	1.69	1.69
Total Full-time Equivalent	1.69	2.17	2.17	1.69

- In addition to the staffing included in the General Fund, there was a 19hr/wk (.48 FTE) part-time Program/Volunteer Coordinator position funded during FY11 through a grant from BayPath Elder Services, Inc. and a donation from the Friends of the Northborough Senior Center, Inc. It is unclear at the time of this writing if the position will be refunded in FY12.
- There are also four part-time Van Drivers that work approximately 15 hours per week each for a total average of 67.5 hours per week ($67.5\text{hrs}/40\text{hrs} = 1.69$ FTEs). The vans are owned by the Worcester Regional Transit Authority (WRTA), which also pays the wages for the drivers.

Prior to July 2008 the WRTA contracted with AVCOA (Assabet Valley Council on Aging) to provide transportation for senior citizens and handicapped individuals. AVCOA existed for 23 years and previously provided transportation services to Northborough, Westborough, Boylston, Southborough and Marlborough. During 2008 the City of Marlborough and the Town of Southborough decided to leave WRTA and join the newly created MetroWest Regional Transit Authority.

Due to fiscal constraints, the WRTA decided not to renew their contract with AVCOA which expired on June 30, 2008. The WRTA approached Northborough to be the lead agency in providing transportation to the three remaining towns of Northborough, Boylston and Westborough. On July 1, 2008 the Town entered into a contract with the WRTA to provide administrative oversight for the transportation service. According to the contract, the Town uses three WRTA vehicles to provide service to Northborough five days per week, and two days a week to the Towns of Boylston and Westborough. Residents book their trips through PBSI (Paratransit Brokerage Services, Inc.) of Worcester and the drivers report to the Senior Center daily to pick up their schedule for the day. The full cost of providing this service to the three towns is reimbursed by the WRTA to the Town of Northborough.

Section 5-6

Senior Center/COA



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
SENIOR CENTER						
Personnel Services						
51100 Director Salary	56,541	59,312	61,792	63,338	29,606	63,971
51120 Administrative Staff Wages	37,023	37,216	39,565	40,936	16,205	41,158
51140 Outreach Worker Wages	28,620	31,481	26,333	38,547	14,039	40,408
51220 Part-time wages	0	0	0	0	0	0
51290 Custodian Wages	13,310	8,261	0	0	0	0
51410 Longevity Pay	525	578	350	700	700	700
SUBTOTAL	136,019	136,848	128,041	143,521	60,549	146,237
Expenses						
52110 Utilities	3,373	3,096	17,010	39,200	16,613	39,200
52730 Transportation	1,915	0	0	0	0	0
52770 Special Trips	0	0	0	0	0	0
52800 Contractual Services ¹	4,116	6,487	11,717	7,570	10,515	10,000
53110 Printing	227	238	284	300	0	300
53420 Postage	802	338	425	400	103	400
54490 Repairs & Maintenance	714	200	0	0	0	2,000
54590 Custodial Supplies	471	551	626	1,200	564	1,700
55990 Senior Center Programs	1,011	496	707	1,000	258	1,000
57110 Travel/Mileage	1,013	775	588	850	50	850
57310 Dues	449	243	572	300	262	300
57340 Meetings	288	93	83	520	38	520
SUBTOTAL	14,380	12,516	32,013	51,340	28,403	56,270
TOTAL: SENIOR CENTER	150,399	149,364	160,054	194,861	88,952	202,507

¹ FY2012 Contractual Services line does not include the \$25,000 in donated funds from the Friends of the Northborough Senior Center, Inc.

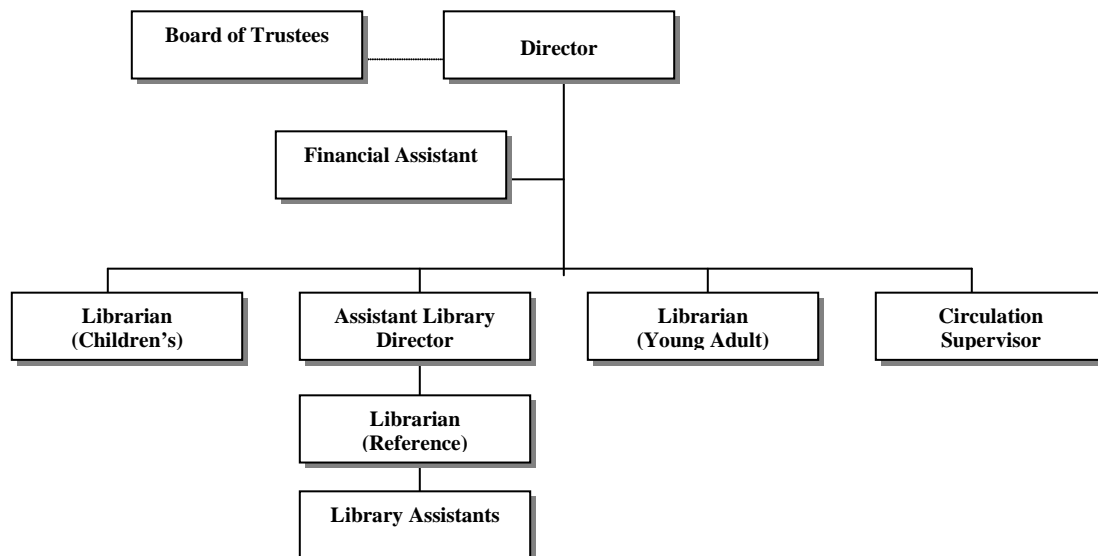


Library Departmental Statement

The Mission of the Northborough Free Library is to provide its customers with a selection of printed, recorded, or electronic materials for all ages. Materials are purchased for recreation, independent learning, and vocational and educational support. In addition, the Library provides access to materials and information in other libraries or organizations, and from remote electronic databases. The Library also serves as a center of community activity, with programs for preschoolers to the elderly; a meeting place for civic, cultural, social, and other non-profit organizations; and a distribution point for local information.

The Library Trustees consists of nine members appointed by the Board of Selectmen for three-year terms. The Trustees have the responsibility for the care, superintendence and management of the Northborough Free Library.

Library Organizational Chart





Library FY2011 Initiatives and Accomplishments

1. Wrote and submitted Long-Range Plan FY12—FY15 to Massachusetts Board of Library Commissioners (MBLC) by October 1, 2010 deadline. Having the Long Range Plan on file at the MBLC keeps the library eligible for both state and federal grants administered by our state agency. The Long Range Plan included results of a small electronic survey from SurveyMonkey, our first venture into using this on-line tool, with a link from our website.
2. Addressed collection development/maintenance needs, cataloging, and reference services that had been largely neglected since December 2008, the last time we had a full-time professional librarian in that area of the library. This was made possible with the hiring of a full-time professional reference librarian in May 2010.
3. Evaluated the print reference collection (for in-house use only) with reference staff to determine whether to keep or update the print titles or to move them to the circulating collection. Discarded outdated materials to make room for items from Local History Room.
4. Enlisted the help of a volunteer to move six shelves of Vital Records from the Local History Room to make room for materials still in boxes.
5. Added e-books to the C/W MARS catalog to help develop this growing collection. The Board of Trustees approved the purchase of 4 Kindle readers for circulation; library staff is working on policies, procedures, and suggested titles for availability in early 2011. Preparing a Sony eReader for demonstration purposes at our Reference Desk. Scheduled a representative from Barnes & Noble to demonstrate the Nook reader.
6. Prepared annual financial report for the MBLC, and with solicited materials from the Town Accountant and Town Administrator, applied for a waiver of the Municipal Appropriation Requirement for certification for state aid.
7. Introduced 5 Trail Packs with the cooperation of the Trails Committee and funding from the now discontinued Central Massachusetts Regional Library System. The packs consist of backpacks with a walking stick, compass, field guides, binoculars, flashlight, and other useful items. The Packs can be checked out and used on Northborough Trails or elsewhere.
8. Enrolled 614 children in our Children's Summer Reading Program and held 46 programs with an attendance of 1208. Children "read for a cause" and donated funds to Heifer International, collected 16 pounds of can tabs for Ronald McDonald House, collected food for the Food Pantry and supported two Girl Scout projects: backpacks for Fresh Air children and clothing drive for Haiti. Fifty-five teens enrolled in an on-line summer reading program as well.
9. Discontinued post-card notices on first reminders for overdue materials, after a year-long campaign to encourage patrons to provide e-mail addresses for automatic library notices. The switch is saving both postage and staff time.



10. Conducted a job-search program, emphasizing use of websites.
11. Purchased furniture for three offices from fundraising account, and set them up. Purchased a cabinet enclosed whiteboard for the conference room, and a podium for the meeting room.

Library FY2012 Goals and Initiatives

1. Migrate to open-sourced software, Evergreen, along with the C/W MARS network. Train staff in use, and prepare for the instruction of library users. Using Evergreen software saves the network a substantial sum of money, keeping member library network charges down, and allowing more flexibility in updates and enhancements.
2. Offer at least one adult program per month, either with an outside speaker/performer, or conducted by library staff or volunteer.
3. Launch a Reader's Advisory service on our website, in which patrons would fill out a reading preference profile, and staff would offer suggestions based on the profile.
4. Increase the number of e-mail address in our distribution list to 1700 in Constant Contact by end of FY2012, to better communicate library news and further reduce the paper costs of our newsletter.

Significant Budget Changes or Initiatives

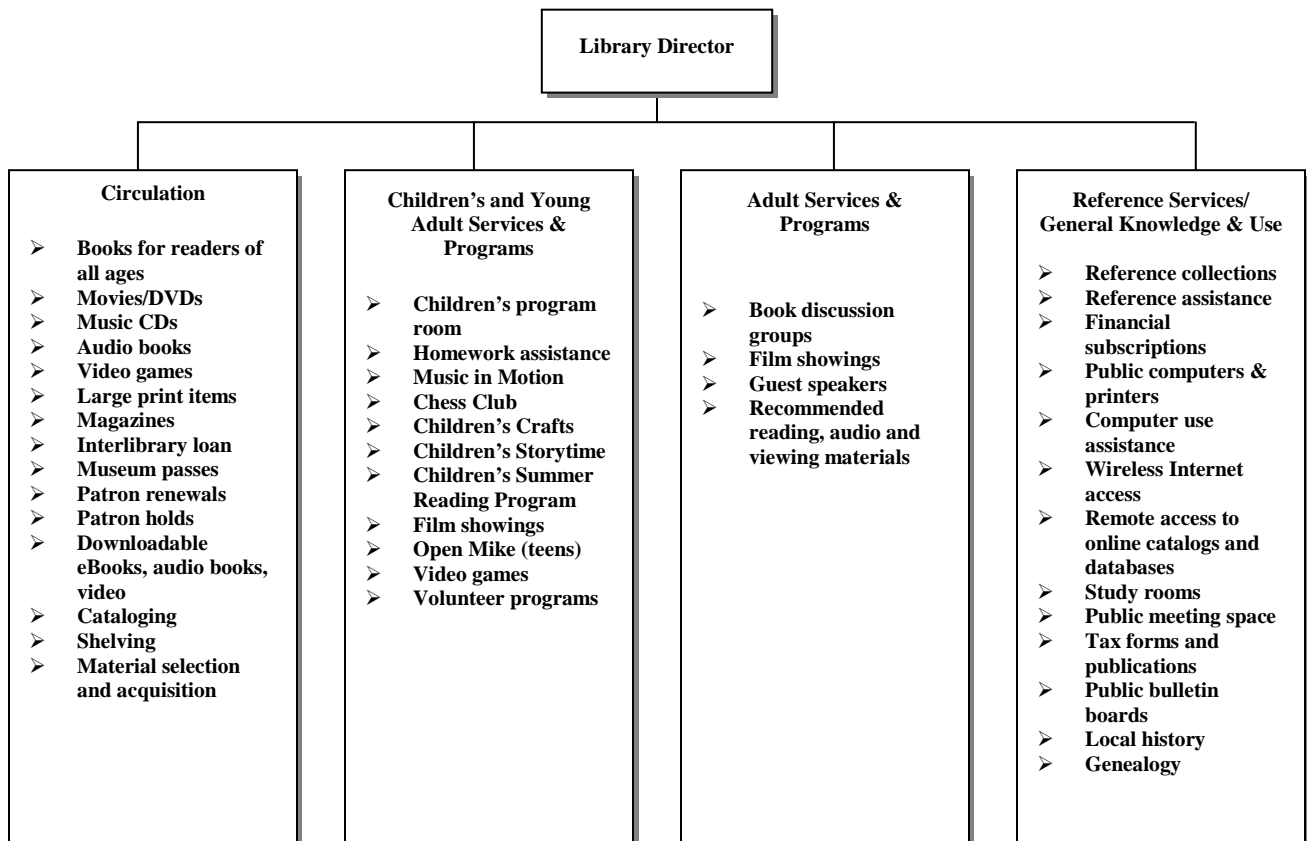
Overall, the FY2012 Library Budget is up 7.2% compared to FY2011, due primarily to an increase in the book and periodicals. During FY2011, the "Friends of the Library" graciously donated \$50,000 toward the books and periodicals line of the budget, which was reduced in FY2011 from \$66,075 to \$16,075 due to the overall financial constraints facing the Town. Since the donation was a planned one-time budget fix, the \$50,000 in funding is being restored in FY2012. Restoration of the book and periodicals budget is necessary to ensure that the Northborough Library is able maintain its State certification and inter-library loan privileges.

The Library budget as presented reflects a 1% wage increase for union and 1% wage increase for non-union personnel.

In FY2010 and FY2011, the Library reduced its hours on Monday mornings and Thursday evenings. The reduced schedule will continue by necessity during FY2012, with the Library open to the public 53 hours per week.



Library Programs and Services



**LIBRARY****Personnel Summary**

	FY 2009	FY 2010	FY 2011	FY 2012
Position	FTE	FTE	FTE	FTE
Director	1	1	1	1
Assistant Library Director	1	0	0	0
Librarians	2	2	3	3.48
Circulation Supervisor	.88	.88	.88	.88
Library Assistants	4.33	4.33	3.65	2.82
Financial Assistant	0.98	0.98	0.98	0.98
Custodian	0.65	0	0	0
Pages	1.2	0	0	0
Total Full-time Equivalent	12.04	9.19	9.51	9.16

***Personnel Explanation:**

- Full Time Equivalents based upon 40 hrs per wk (30hrs/40hrs = .75 FTE)
- During FY2011 various part-time Library Assistant positions either went unfilled or became vacant. FY2012 proposes to reallocate budget resources from the open Library Assistant positions to add another 0.48 FTE Librarian position. The reduction in total FTEs is a function of the higher wage rates for Librarians.
- Custodial services are provided through a contractual cleaning service.

Section 5-12

Library



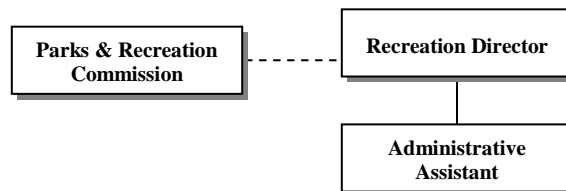
	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
LIBRARY						
Personnel Services						
51100 Professional Librarian Salaries	238,369	214,991	196699.1	237,631	110,096	259,616
51120 Library Assistant Salaries	215,182	218,022	201303.15	210,925	92,924	192,588
51140 Pages Salaries	18,691	16,668	3423.6	0	0	0
51290 Part-time Custodian Wages	24,718	14,887	0	0	0	0
51300 Overtime	0	0	0	0	0	0
51410 Longevity Pay	3,025	2,323	2200	2,200	2,200	1,700
SUBTOTAL	499,985	466,891	403,626	450,756	205,220	453,904
Expenses						
52110 Utilities	19,786	19,754	24933.13	38,137	13406.23	30,000
52140 Fuel	1,353	4,848	5424.73	15,000	523.64	6,000
52640 Equipment Maintenance	648	466	695	1,000	47.74	1,000
52680 HVAC Maintenance	0	0	0	6,869	400	7,569
52800 Contractual Services	13,901	13,658	55018.83	38,813	21063	39,406
53090 Advertising	804	779	222.96	0	87.32	0
53410 Telephone	2,259	1,079	1562.72	1,380	727.31	1,689
54290 Office Supplies	8,335	9,022	10002.27	9,000	4718.35	10,950
54490 Building Maintenance	1,604	1,058	5115.84	10,000	4424.18	9,300
54590 Custodial Supplies	808	1,013	1019.9	1,176	247.98	1,164
54690 Materials & Supplies	0	81	245.33	200	0	200
55120 Books and Periodicals	90,569	83,417	68468.61	16,075	16073.86	66,075
55130 Supplies	5,059	2,647	3463.07	2,350	1558.47	4,175
55290 Non-print Media	25,845	23,838	20214.85	18,107	7033.78	21,410
57110 Travel Mileage	527	161	0	0	415	0
57210 Out of State Travel	1,306	0	0	0	0	0
57310 Dues	1,060	724	680	680	0	775
57340 Meetings	170	80	490	0	0	0
57810 Unclassified	300	300	74.89	270	0	250
58690 New Equipment	5,640	0	308.31	0	0	0
SUBTOTAL	179,973	162,927	197,940	159,057	70,727	199,963
TOTAL: LIBRARY	679,959	629,818	601,566	609,813	275,947	653,867



Recreation Departmental Statement

The mission of the Northborough Recreation Department is to provide Northborough and area residents with comprehensive programs, activities, and facilities that encourage health, fitness, cultural, recreational, educational, and social opportunities in our community. The Department offers a wide variety of programming opportunities for individuals of all ages, from infants through seniors. We utilize all of our Town parks, Recreation Center, Town Hall Gym, schools, library, and private locations in providing programs for the public.

Recreation Department Organizational Chart



**Recreation Department FY2011 Initiatives and Accomplishments**

1. Leased an additional 2,300 square feet of program space at 38 Southwest Cutoff and expanded programming offerings for all ages.
2. Formed a *Friends of Northborough Recreation* committee to raise funds to provide scholarships for children to attend summer camp.
3. Worked collaboratively with the school department to implement afterschool programming in all four elementary schools and the middle school.
4. Partnered with the schools to run the Proctor School Road Race and Melican Middle School Road Race and Fun Day.
5. Increased Recreation Department revenue.

Recreation Department FY2012 Goals and Initiatives

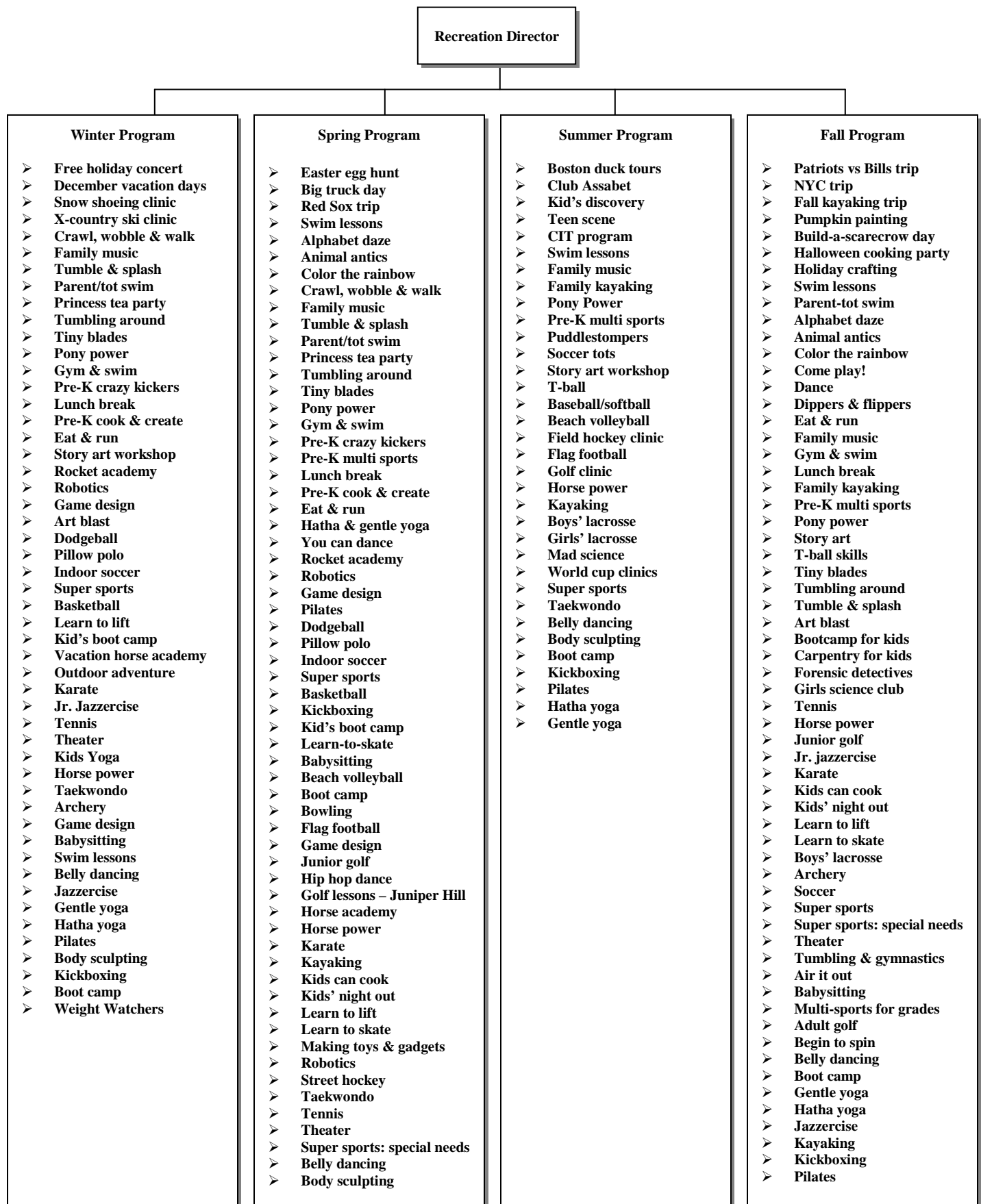
1. To meet the ever-changing needs and abilities of residents and non-residents by providing comprehensive, quality recreational activities and programming.
2. To encourage the redevelopment of existing recreational facilities and the development of facilities that are not currently available in the area.
3. To encourage the continued cooperation amongst the Recreation Department, neighboring governmental and civic agencies, and the school district.
4. To educate Northborough residents and those in surrounding towns about existing recreational opportunities available through the Recreation Department through direct mailing of four seasonal brochures, promotion of the website, and utilization of our growing e-mail distribution list.
5. To increase revenue in the revolving account.

Significant Budget Changes or Initiatives

The Recreation budget as presented reflects a 1% wage increase for union and non-union personnel. There are no significant changes in the Recreation budget. However, the classification of a new Program Coordinator position is being proposed at Town Meeting. At some point in the future, a part-time Coordinator may be hired to further expand programmatic options, provided departmental fee revenues can support the addition of such a position. FY2009 was the first year that the Recreation Department became totally self-sufficient by way of program fees. All existing and future staff in the Recreation Department will continue to be financed through program user fees without a tax subsidy.



Recreation Department Programs and Services




RECREATION DEPARTMENT
Personnel Summary

	FY 2009	FY 2010	FY 2011	FY 2012
Position	FTE	FTE	FTE	FTE
Recreation Director	1	1	1	1
Full-time Administrative Assistant	1	1	1	1
Total Full-time Equivalent	2	2	2	2

***Personnel Explanation:**

FY2009 was the first year that the Recreation Department became totally self-sufficient by way of program fees. Salaries and benefits for the Recreation Director and Administrative Assistant are funded through the Revolving Account, as well as payroll for all part-time seasonal staff. Under Article 4 of the Town Meeting Warrant there is a transfer of \$120,000 from the Recreation Revolving Fund to the General Fund sufficient to cover these costs as well as various overhead expenses.

The Recreation office also employs approximately 30 part-time, seasonal temporary staff for their programs throughout the year. All seasonal staff is paid directly out of the Revolving Account. The funds in the Revolving Account are generated from program fees. These include the Club Assabet Summer Camp staff and the Kid's Discovery & Teen Scene Summer Camp staff.



Recreation Department

Section 5-17

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
¹RECREATION DEPARTMENT						
Personnel Services						
51100 Director & Asst Dir salaries	93,271	104,576	109,292	113,164	52,709	114,179
51140 Part-time Permanente wages	0	0	0	0	0	
51410 Longevity Pay	200	200	200	400	400	400
SUBTOTAL	93,471	104,776	109,492	113,564	53,109	114,579
Expenses						
52800 CONTRACTUAL SERVICES	0	918	918	0	0	0
53090 ADVERTISING	0	0	0	0	0	0
54710 SUPPLIES	0	0	0	0	0	0
57110 TRAVEL/MILEAGE	0	0	0	0	0	0
57310 DUES	0	0	0	0	0	0
57340 MEETINGS	0	0	0	0	0	0
SUBTOTAL	0	918	918	0	0	0
TOTAL: RECREATION DEPARTMENT	93,471	105,694	110,410	113,564	53,109	114,579

¹ Salaries and benefits for the Recreation Director and Administrative Assistant are funded through the Revolving Account, as well as payroll for all part-time seasonal staff. Under Article 4 of the Town Meeting Warrant there is a transfer of \$120,000 from the Recreation Revolving Fund to the General Fund sufficient to cover these costs as well as various overhead expenses.



Family & Youth Services Departmental Statement

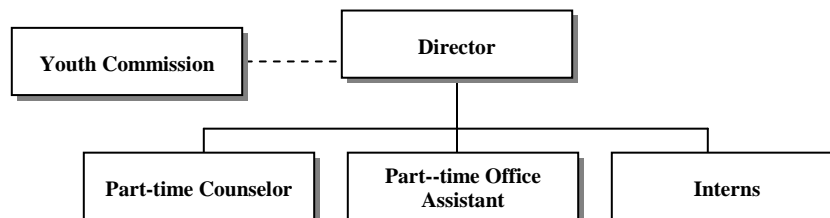
The mission of the Family & Youth Services (FYS) Office is to identify and respond to the Town's human service needs to support and enhance the quality of life for Northborough families and individuals of all ages. FYS services are shaped by community need and developed through ongoing collaboration with the schools, Police Department, Youth Commission and several other Town departments and organizations.

Youth Commission

The Youth Commission consists of seven members appointed by the Board of Selectmen for three-year terms. The Commission investigates and conducts programs for the youth of the Town, and is responsible for the care, superintendence and management of such programs. The Commission also evaluates community needs and advocates for the development and support of resources for Northborough families.

The Commission is a vehicle to carry out programs which may be designed or established to meet the opportunities, challenges and problems of the youth and their families of Northborough and in conjunction with any similar or related programs of any agency of the Commonwealth or any agency of the federal government. Members of the clergy in Northborough serve as honorary members of the Youth Commission and are entitled to all the privileges of the members except the right to vote. Associate members shall be elected by a majority vote of the members of the Youth Commission from those persons in the Town indicating their desire to be so associated. Associate members shall be entitled to all the privileges of members except the right to vote.

Family & Youth Services Organizational Chart



*The Office Assistant and Counselor positions are part-time positions (19 hours per week).



Family & Youth Services FY2011 Initiatives and Accomplishments

1. In FY2011, service demand remained high due, in large part, to the continued economic downturn. As a result, staff worked diligently to find creative ways to address this increased demand through expanded community partnerships.
2. Received three grants through the MetroWest Community Health Care Foundation:
 - \$20,500 Basic Health Needs Grant
 - \$20,000 Childhood Obesity Grant (to conduct a Needs Assessment)
 - \$54,465 Childhood Obesity Implementation Grant
3. The Basic Health Needs grant funded an additional 12 hours of clinical support per week. With this additional support, and through the use of graduate-level interns, we were able to eliminate our waiting list for counseling services that included 15 families.
4. The Health Agent, Town Planner, Recreation Director and Director of Family & Youth Services completed the Childhood Obesity Assessment awarded to the Town through the MetroWest Community Health Care Foundation. This assessment resulted in a comprehensive document including a strategic plan. Consequently, the Town was then awarded the Childhood Obesity Implementation grant to carry forth with the recommendations from the assessment.
5. The Department explored new avenues to help address the current housing crisis. As a result, it has worked closely with other community agencies that have the capacity to address the prevention and intervention for residents facing homelessness.
6. The Departmental web page on the redesigned Town website continues to be maintained with current and useful information. Updates have included the additional of several local, state and federal resources for homelessness prevention and homelessness intervention for residents.



Family & Youth Services FY2012 Goals and Initiatives

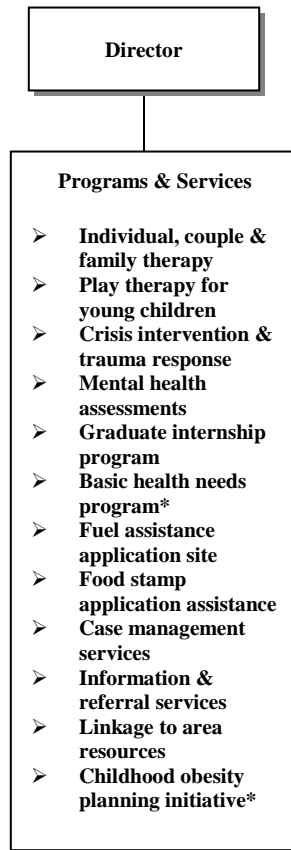
1. Administer the Childhood Obesity Implementation Grant received from MetroWest Community Health Care Foundation. This involves working closely with other Coalition Members to administer the following community-wide initiatives:
 - Implement the Catch Program through the Northborough Extended Day Program, Inc. (NEDP). Performance measured by NEDP staff members attending a 3 day CATCH Training; followed by the implementation of CATCH in all four of the Northborough Elementary Schools.
 - Implement the Take 10 Program at the Zeh Elementary School. Performance measured by our Childhood Obesity Consultant training the Zeh School Staff; with the ultimate goal of implementing the Take 10 Program in classrooms.
 - Planting 15 Community Gardens throughout the Town of Northborough. Success measured by the completion of the preparation work required before the actual planting of the 15 Gardens.
 - Recruit new Coalition Members in order to expand community participation of the Childhood Obesity Implementation Program. Performance measured by the actual number of new community members added to the Coalition.
2. Continue to recruit Graduate Interns. Performance measured by the staff's outreach efforts to colleges with the ultimate goal of recruiting two graduate interns.
3. Continue to identify possible opportunities for additional revenue. Performance measured by an increase in revenue within the Department.
4. Continue to administer and update the Department's web page.
5. Invite community members to attend a Youth Commission Meeting with the goal of increasing awareness about the Department's mission and programs. Performance measured by community members attending a Youth Commission Meeting

Significant Budget Changes or Initiatives

There are no significant changes in the FY2012 Family & Youth Services budget. The FY2012 wage increases for non-union personnel are budgeted at 1%.



Family & Youth Services Programs and Services



* These programs are funded through the MetroWest Community Health Care Foundation.


FAMILY & YOUTH SERVICES
Personnel Summary

	FY 2009	FY 2010	FY 2011	FY 2012
Position	FTE	FTE	FTE	FTE
Director	1	1	1	1
Assistant Director*	0	0	0	0
Administrative Assistant**	0	0	0	0
Office Assistant**	.48	.48	.48	.48
Counselor***	.48	.48	.48	.48
Total Full-time Equivalent	1.96	1.96	1.96	1.96

***Personnel Explanation:**

*The Assistant Director position has been held vacant since 2006 due to the Town's financial limitations.

**The full-time Administrative Assistant position was reduced to a 19 hours per week (19hrs/40hrs = .48 FTE) Office Assistant position in FY2008. The position is partially funded through an agreement with Northborough Extended Day Program (NEDP), a private non-profit entity which shares office space with FYS.

***The part-time Counselor position was reduced during FY2008 from 24 hour per week (24hrs/40hrs = .6 FTE) to 19 hours per week (19hrs/40hrs = .48 FTE).



Family & Youth Services

Section 5-23

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
FAMILY & YOUTH SERVICES						
Personnel Services						
51100 Director Salary	65,016	68,005	69,380	72,832	33,939	73,560
51120 Part-time Counselor	18,199	21,726	11,077	26,601	3,317	25,513
51130 Asst. Director Salary	8,623	0	0	0	0	0
51140 Part-time Admin. Asst Wages	8,924	15,851	16,196	17,466	7,819	17,619
51410 Longevity Pay	0	0	0	0	0	0
SUBTOTAL	100,762	105,583	96,653	116,899	45,074	116,692
Expenses						
53080 Clinical Consultants	1,600	800	1,775	3,000	1,750	3,000
53190 Training	1,236	149	763	450	260	600
53580 Program Supplies	3,691	623	639	400	152	525
57110 Travel/Mileage	1,718	912	610	869	223	758
57320 Subscriptions	240	350	225	225	97	285
SUBTOTAL	8,485	2,834	4,011	4,944	2,482	5,168
TOTAL: FAMILY & YOUTH SERVICES	109,247	108,417	100,665	121,843	47,557	121,860



Cable Access TV Departmental Statement

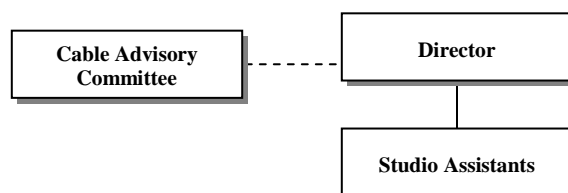
The Cable Access TV Department, under the direction of the Cable Access Director, is responsible for the operations of the three local access television stations, which are Public Access, Educational Access and Government Access Television. The Director is also responsible for overseeing the provisions of the Town's Cable TV contracts with Charter Communications and Verizon.

Northborough Community Access Television is a public television cablecast forum to facilitate the non-commercial expression of its member community for educational, entertainment and informational use. It actively promotes and provides all necessary training and assistance to encourage the creation of diverse and unique local programming for Northborough cable television subscribers and the community as a whole.

Cable Advisory Committee

The Cable Advisory Committee consists of seven members appointed by the Board of Selectmen for three-year terms. The purpose of the Committee is to act on behalf of the issuing authority of the Town; to formulate and publish operating rules for the local access channels; and to promote the use of local access cable television within the Town.

Cable Access TV Department Organizational Chart





Cable Access TV Department FY2011 Initiatives and Accomplishments

1. Substantially increased local educational programming including sports, performance, informational and classroom activities.
2. Amended Charter Communications cable contract to simplify calculation of operational funding for Public, Educational and Government Channels.
3. Completed television studio equipment build-out to enable easier and more professional appearing local programming.
4. Installed cabling and equipment to enable live cablecast of programs at Algonquin Regional High School from multiple locations in the building.

Cable Access TV Department FY2012 Goals and Initiatives

1. With increased use and programs at the Senior Center, cameras and equipment will be purchased for the Senior Center to produce television shows of interest to the seniors in the community.
2. Continue to increase website information and Video on Demand availability related to Public, Educational and Government programming.
3. Begin ascertainment proceedings (community needs) leading to re-negotiation of Charter's cable contract expiring in 2013.
4. Promote public awareness of producer class offerings, studio facilities, and community television offerings.
5. Upgrade equipment in Selectmen's Meeting Room to more efficiently utilize space and improve quality of the video footage.

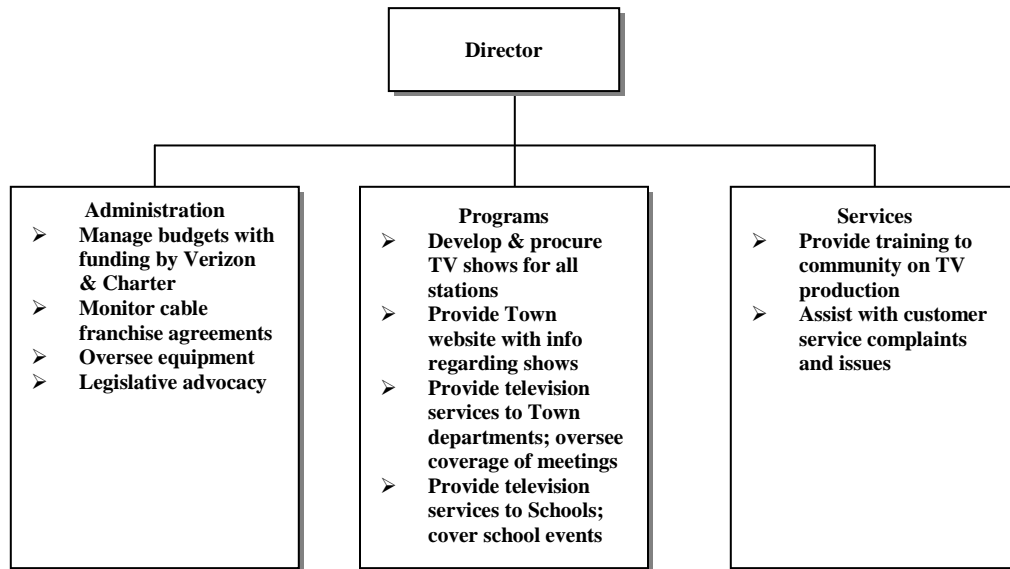
Significant Budget Changes or Initiatives

Contracted capital payments received from Charter Communications and Verizon provide funding for further substantial equipment upgrades that allow for the opportunity for more advanced and expanded community programming. These include audio and video equipment at the Senior Center as well as upgrades to equipment in Selectmen's Meeting room.

FY2012 will continue to reflect only a small increase in the operating budget with stable personnel hours and minimal increase of operating funding provided through the cable contracts with Charter and Verizon.



Cable Access TV Department Programs and Services



**CABLE ACCESS TV DEPARTMENT****Personnel Summary**

	FY 2009	FY 2010	FY 2011	FY 2012
Position	FTE	FTE	FTE	FTE
Director	1	1	1	1
Studio Assistant	.50	.50	.50	.50
Seasonal Studio Assistants	.25	.25	.25	.25
Total Full-time Equivalent	1.75	1.75	1.75	1.75

*Personnel Explanation:

The Studio Assistant works 20hrs per week (20hrs/40hrs = .50 FTE).

The Seasonal Studio Assistants work part-time for a total of 10hrs per week (10hrs/40hrs = .25 FTE).

Section 5-28

Cable Access TV



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
CABLE ACCESS TV						
Personnel Services						
51110 Director Salary	50,080	52,607	54,728	56,096	26,140	56,757
51120 Studio Assistant	3,888	10,847	14,827	18,589	7,893	22,304
51410 Longevity Pay	200	200	350	350	350	350
SUBTOTAL	54,168	63,655	69,904	75,035	34,384	79,411
Expenses						
52800 Contracted Services	15,303	12,414	200	650	336	1,650
53040 Computer Services	1,277	430	1,540	1,680	653	11,680
53720 Maintenance	870	275	0	140	0	250
53410 Telephone	907	1,217	1,011	1,020	807	1,211
54290 Office Supplies	4,347	5,947	8,099	3,750	2,840	3,750
57110 Travel	0	0	0	0	0	0
57310 Dues	100	100	130	165	165	165
57320 Subscriptions	79	143	24	0	0	0
51750 Health Insurance	0	16,304	16,304	17,282	17,282	16,876
58220 Retirement Assessment	4,000	5,106	5,578	5,756	5,756	6,396
58690 New Equipment	2,805	115,190	40,805	52,566	16,490	68,000
SUBTOTAL	29,686	157,126	73,690	83,009	44,329	109,978
TOTAL: CABLE ACCESS TV	83,854	220,780	143,595	158,044	78,713	189,390
GENERAL FUND EXPENSE (TAX DOLLARS)	0	0	0	0	0	0

Cable Access TV Special Revenue Fund Explanation:

The budget shown above reflects the total budget for this department, as well as the General Fund appropriation, which is zero, since the revenue and expenses for the Cable Access TV are entirely received and paid from a Special Revenue Fund. The sources of funding are solely those received in relation to the Town's Cable Franchise contracts with Charter Communications and Verizon, and the limits for expenditures are imposed based on funds on hand.

The table above does reflect the categories of funds expended from the Special Revenue Fund, for which the full-time director's salary, health insurance benefits, and retirement assessment are accommodated. In addition, the capital expenses, utility, and maintenance costs for the cable studio are paid from the fund. The budget table above is provided for informational purposes only and is not subject to Town Meeting appropriation. No tax dollars are used to directly support the Cable Access TV Department.



Veterans' Services Department

The Department of Veterans' Services program is established in accordance with Massachusetts General Law, Chapter 115. The purpose of the program is to provide information, advice and assistance regarding benefits to veterans, as well as their spouses and dependents.

On July 1, 1999 the Town of Northborough entered into a District (D26) together with the Towns of Grafton and Shrewsbury as part of the Commonwealth of Massachusetts, Department of Veterans' Services. The Veterans' Agent for the Town of Northborough is appointed by the three member towns as the District Director of Veterans' Services, Veterans' Officer and Burial Agent.

The Veterans' Services Department is supervised by the Office of the Commissioner of Veterans' Services. The Veterans' Agent works with veterans to procure benefits including employment, vocational or other educational opportunities, hospitalization, medical care, burial and other veterans' benefits. The approved benefits paid to Northborough veterans are subject to a 75% reimbursement from the Commonwealth's Department of Veterans' Services. Administrative costs, including salary are not reimbursable and the reimbursement is received as state aid revenue approximately twelve to fifteen months after the expenditure.

Veterans' Services FY2012 Goals and Initiatives

The Veterans' Services Department is planning to meet the needs of both our resident veterans as well as those returning from active service. We intend to enhance our website to ensure current and up to date information is available and to continue our outreach to resident veterans and their families.

We hope to have all resident veterans file a copy of their discharge and DD214 with the Veterans' Agent.

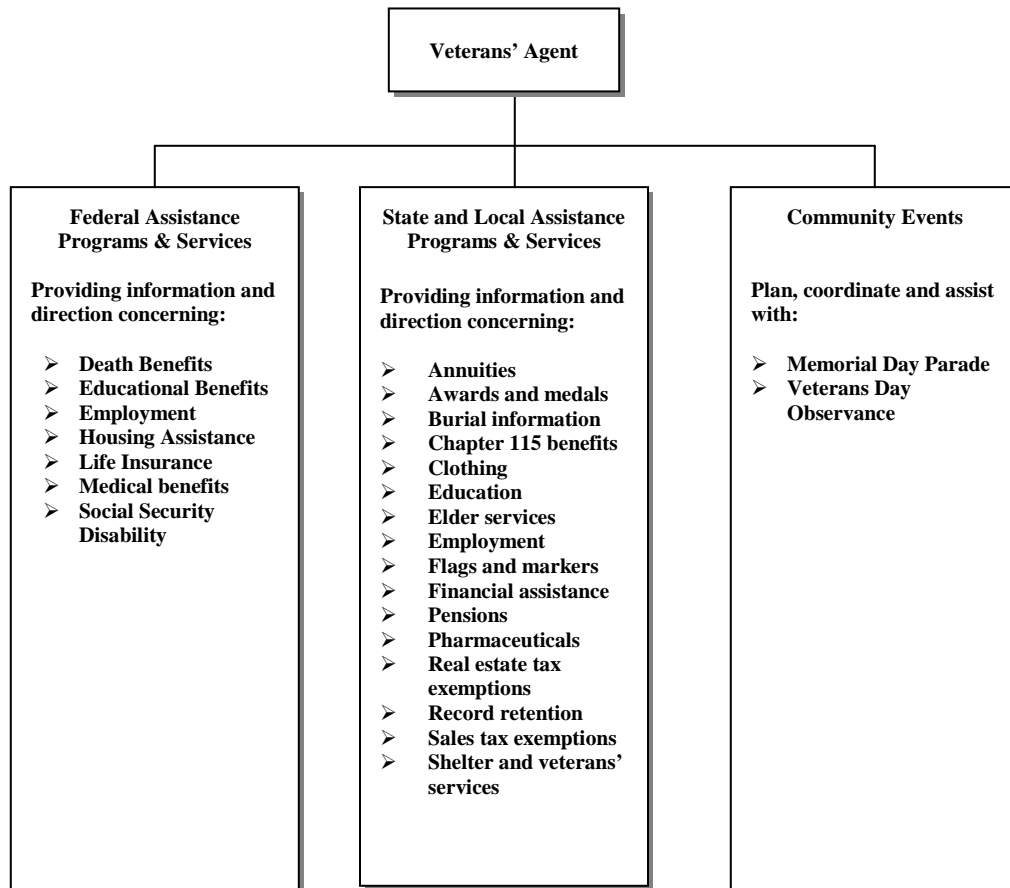
Additionally, the Department is open to any veteran or service personnel who wishes to talk about any matter pertaining to his or her well being. Visitations are made to those veterans or veterans' spouses unable to visit the office.

Significant Budget Changes or Initiatives

There are no significant changes in the FY2012 Veterans' Services budget. The FY2012 wage increase for non-union personnel is 1%.



Veterans' Services Programs and Services





VETERANS' SERVICES

Personnel Summary

Position	FY 2009 FTE	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE
Veterans' Agent	.29	.29	.29	.29
Total Full-time Equivalent	.29	.29	.29	.29

*Personnel Explanation:

The Veterans' Agent works 11.67hrs per week ($11.67\text{hrs}/40\text{hrs} = 0.29 \text{ FTE}$) in Northborough, however this is a shared position with the Towns of Grafton and Shrewsbury. The Veterans' Agent is available on a full-time basis to respond to inquiries by any Northborough Veterans.

Section 5-32

Veterans' Services



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
VETERANS' SERVICES						
Personnel Services						
51130 Director Salary	16,884	17,390	17,912	18,360	9,180	18,544
SUBTOTAL	16,884	17,390	17,912	18,360	9,180	18,544
Expenses						
55030 Ordinary Benefits	2,764	3,497	4,501	10,500	2,285	10,500
55090 District Expenses	680	2,575	890	1,155	218	1,155
57340 Meetings	0	0	0	200	0	200
57810 Unclassified	4,169	4,453	2,956	4,500	168	4,500
SUBTOTAL	7,612	10,525	8,347	16,355	2,671	16,355
TOTAL: VETERANS' SERVICES	24,496	27,915	26,259	34,715	11,851	34,899



Community Service Committees

Section 5-33

Cultural Council

The Cultural Council consists of seven members appointed by the Board of Selectmen for three-year terms. The Cultural Council plans, coordinates and monitors funding for community arts programs in the Town of Northborough. Funding, which is received on a limited basis from the State, is augmented through various fundraising events.

		FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
		ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
CULTURAL COUNCIL							
Expenses							
57810	Unclassified	500	500	500	500	0	500
	SUBTOTAL	500	500	500	500	0	500
TOTAL:	CULTURAL COUNCIL	500	500	500	500	0	500



Community Affairs

The Community Affairs Committee consists of nine members appointed by the Board of Selectmen for three-year terms. The purpose of the Committee is to promote community life and publicity for the Town by holding functions such as social events, heritage days, parades, and other Town events for the enjoyment of the citizens.

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
COMMUNITY AFFAIRS						
Expenses						
57810 Unclassified	0	500	500	500	500	500
SUBTOTAL	0	500	500	500	500	500
TOTAL: COMMUNITY AFFAIRS	0	500	500	500	500	500



Historical Commission

The Historical Commission consists of not less than three nor more than seven members appointed by the Board of Selectmen for three-year terms. The Commission conducts research into places of historic value and seeks to coordinate the activities of unofficial bodies organized for similar purposes. The Commission may acquire by gift, purchase or otherwise, artifacts, books, paintings, and other materials of historic value and provides a proper place for the storage and display of any such materials. The Commission may recommend the certification of places of interest as historical landmarks to the Town Meeting for the purpose of protecting and preserving such places. The Commission may acquire in the name of the Town by gift, purchase, grant, bequest, devise, lease or otherwise the fee or lesser interest in real or personal property of significant historical value and may manage the same. (MGL Ch. 40, Section 8D)

The Commission compiles and maintains an inventory of the Town's historic assets; initiates and encourages activities to educate and to broaden community awareness of Northborough's historical heritage; works with individuals, public and private groups to promote preservation; encourages and supports local historic districts; provides preservation information and guidance; maintains a close working relationship with the Northborough Historical Society; and solicits preservation funding from local, state and private agencies. Its mission is to identify, evaluate and preserve the historical heritage of the town of Northborough.

	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
HISTORICAL COMMISSION						
Expenses						
52800 Contractual Services	0	0	0	0	0	0
53090 Advertising	32	0	0	0	0	0
53110 Printing	43	220	115	0	0	0
57340 Meetings	155	40	35	500	70	500
58690 New equipment	0	47	0	0	0	0
SUBTOTAL	229	307	150	500	70	500
TOTAL: HISTORICAL COMMISSION	229	307	150	500	70	500



This Page Intentionally Blank

Undistributed Expenses

Section 6



This Page Intentionally Blank



Undistributed Expenses

Section 6-1

Undistributed Expenses

In its operation the Town budgets certain overhead costs in the aggregate rather than distributing costs by department or program. These overhead costs include employee benefits of health insurance, life insurance, Worcester Regional Retirement contributions, unemployment compensation and worker's compensation insurance; comprehensive building and liability insurance; debt service; non-appropriated expenses such as State Assessments and reserves for abatements; stabilization fund contributions; a reserve fund for extraordinary and unforeseen expenses; and various Town Meeting special warrant articles. In the pages that follow each of these undistributed expenses are explained in more detail. A summary of these expenses is shown below.

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
UNDISTRIBUTED EXPENSES SUMMARY						
EMPLOYEE BENEFITS& INSURANCE						
Health Insurance	3,744,525	4,155,041	3,795,744	4,319,310	2,420,698	4,513,248
Life Insurance	8,420	7,101	7,004	8,725	3,441	8,730
Other Benefits/FICA	318,045	273,244	312,663	338,790	185,300	356,739
County Assessments	773,438	892,411	974,865	1,006,365	1,006,365	1,118,192
Workers Comp	91,633	77,989	85,828	101,800	76,573	101,800
SUBTOTAL EMPLOYEE BENEFITS	4,936,061	5,405,786	5,176,104	5,774,990	3,692,377	6,098,709
Building & Liability Insurance	202,481	198,515	166,126	213,955	125,094	213,955
Debt Service	1,405,402	1,696,637	2,265,276	1,994,339	257,449	2,489,898
State Assessments	195,234	352,490	459,224	480,217	191,670	507,405
Reserve for Abatements¹	249,386	215,351	284,717	342,209	0	340,000
Cherry Sheet Offset Items²	28,560	30,571	22,263	20,514	0	22,815
Stabilization Fund Contribution	0	0	0	0	0	0
Reserve Fund	0	0	0	80,000	0	150,000
Special Warrant Articles	0	0	0	127,600	0	804,000
TOTAL: UNDISTRIBUTED EXPENSES	7,045,254	7,899,350	8,373,710	9,033,824	4,266,590	10,626,782

¹ Amounts displayed reflect an offset to revenue rather than actual expenditures and reflect what was provided for abatements and exemptions from the property tax levy as determined by the Assessors in each year.

² Amounts displayed reflect an offset to revenue rather than actual expenditures. The amounts are the portion of total budgeted state aid that is restricted to uses in other funds, and will be received outside of the general fund (i.e. School Lunch and Library programs).



Employee Benefits and Insurance Statement

The employee benefits and insurance provided to the employees of the Town of Northborough (including those who work for the Northborough K-8 Public Schools) include both the required and contractually agreed upon benefits to protect their health, provide for their income security if they are injured on the job, and provide for their eventual retirement from the Town. Employee benefits represents the cost of providing health and life insurance for Town and K-8 School employees as well as for workers' compensation, unemployment, FICA/Medicare tax, and the Town's assessment from the Worcester Regional Retirement System.

Health Insurance

Pursuant to MGL Chapter 32B, as a benefit of employment, any active, permanent employee of the Town who works in excess of twenty hours per week is eligible for group health insurance coverage.

The Town offers the choice of four health insurance plans to its active employees: Fallon HMO, Fallon PPO, Harvard/Pilgrim and Tufts. As a benefit of retirement, former Town employees are also eligible for group health insurance coverage. Retirees under the age of 65 are covered on the active employee plans with the same contribution as the Town employees. The Town offers four senior plans for Medicare eligible retirees: Fallon Senior, Tufts Complement, Tufts Premier and MEDEX.

As of March 1, 2011 a total of 287 active employees (77 Town and 210 K-8 School), 107 retirees (31 Town and 76 K-8 School) and 32 dependents (8 Town and 24 School) were enrolled in one of the Town's health insurance plans.

The following estimated rate schedule was used in budgeting for FY2012.

Health Insurance Plan		7/1/2011 Renewal Monthly Rates	Town Employees				School Employees			
			7/1/2011 Town Monthly Expense	7/1/2011 Employee Monthly Expense	7/1/2011 Town Monthly Expense	7/1/2011 Employee Monthly Expense	7/1/2011 Town Monthly Expense	7/1/2011 Employee Monthly Expense	7/1/2011 Town Monthly Expense	7/1/2011 Employee Monthly Expense
Fallon	Ind	698.56	66%	463.64	34%	234.92	75%	523.92	25%	174.64
	Fam	1,816.25	66%	1,204.69	34%	611.56	75%	1,362.19	25%	454.06
Fallon Pref Care PPO	Ind	1,014.45	50%	507.23	50%	507.22	50%	507.23	50%	507.22
	Fam	2,637.59	50%	1,318.80	50%	1,318.79	50%	1,318.80	50%	1,318.79
Harvard/Pilgrim	Ind	722.87	68%	490.08	32%	232.79	75%	542.15	25%	180.72
	Fam	1,879.46	68%	1,273.20	32%	606.26	75%	1,409.60	25%	469.86
Tufts	Ind	665.05	68%	450.63	32%	214.42	75%	498.79	25%	166.26
	Fam	1,729.09	68%	1,171.58	32%	557.51	75%	1,296.82	25%	432.27



Undistributed Expenses

Section 6-3

Beginning in FY2012, the Town's contribution will decrease from 80% to 75% of the monthly HMO premiums for School department employees, and between 66% to 68% of the monthly HMO premiums for Town Employees. In accordance with Chapter 32B, the Town pays 50% of the monthly premium for the Preferred Provider Plan or PPO for both School and Town employees. The employees pay the remaining premium through bi-weekly payroll deductions.

The FY2012 budget was prepared using an estimated 6% increase effective with the Senior plan renewal on January 1, 2012. The following rate schedule was in place until the calendar year renewal.

Health Insurance Plan		1/1/2011 Renewal Monthly Rates	Medicare Eligible Ret Empl*			
			1/1/2011 Town Monthly Expense		1/1/2011 Retiree Monthly Expense	
Fallon Senior	Ind	277.00	70%	193.90	30%	83.10
	Ind x2	554.00	70%	387.80	30%	166.20
Tufts Medicare	Ind	390.00	70%	273.00	30%	117.00
Complement	Ind x2	780.00	70%	546.00	30%	234.00
Tufts Medicare	Ind	249.00	70%	174.30	30%	74.70
Preferred	Ind x2	498.00	70%	348.60	30%	149.40
MEDEX	Ind	562.84	51%	287.05	49%	275.79
	Ind x2	1,125.68	51%	574.10	49%	551.58

* Enrollment in the Senior Plans require participation in Medicare Parts A & B

The Town pays 70% of the monthly Senior Plan HMO premiums for all the retirees. In accordance with Chapter 32B, the Town pays 51% of the monthly premium for the MEDEX Plan. The retirees pay the remaining premium through monthly deductions from their retirement allowances.

In the past, the Town had experienced significant increases in our Health Insurance premiums. In order to address these rising costs, during FY2010 the Town successfully negotiated Health Insurance plan design changes with all employee groups that resulted in approximately \$400,000 in FY10 budgetary cost avoidance. With the adoption of new plan design changes in FY10, the Town experienced a nearly flat budget increase. In FY10, the Town also moved to new plans with higher co-payments for office visits and prescription drugs, and for the first time deductibles for inpatient and outpatient services. A Flexible Spending Account was established to allow employees to make contributions to their account through payroll deductions and pay for dependent care and medical expenses on a pre tax basis. A health insurance reimbursement account was created to reimburse employees for deductible payments made to health care plans for in-patient and out-patient hospital visits. These plan design changes and programs remain in place for FY2012.



Section 6-4

Undistributed Expenses

The Town unanimously adopted MGL Chapter 32B, Section 18 at the Annual Town Meeting in April 2009. The adoption of Chapter 32B, Section 18 requires Medicare eligible retirees to move out of the HMO active health plans and into Medicare supplement or “Senior Plans,” which are specifically designed for the medical needs of seniors and will effectively share these health care costs with the Federal Medicare program. By adopting Section 18 the Town’s GASB³ 45 Actuarial Accrued Liability (AAL) for Other Post Employment Benefits (OPEB) for retiree medical benefits was greatly reduced from \$90.4 million to \$34.3 million. By introducing these Senior Plans the Town continues to realize savings as Medicare eligible retirees and their spouses are required to transition to these lower cost Senior Plans.

The FY2012 budget request of \$4.5 Million represents a total increase of \$193,938 or 4.5% from the amount budgeted last year.

	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
HEALTH INSURANCE						
Expenses						
51750 Town Health Insurance	960,495	973,251	932,021	1,041,803	584,036	1,146,641
51800 School K-8 Health Insurance	2,784,031	3,181,790	2,857,803	3,227,507	1,834,573	3,356,607
51850 Health Reimbursement Account	0	0	5,920	50,000	2,089	10,000
SUBTOTAL	3,744,525	4,155,041	3,795,744	4,319,310	2,420,698	4,513,248

³ The Governmental Accounting Standards Board (GASB) is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. Established in 1984 by agreement of the Financial Accounting Foundation (FAF) and 10 national associations of state and local government officials, the GASB is recognized by governments, the accounting industry, and the capital markets as the official source of generally accepted accounting principles (GAAP) for state and local governments.



Undistributed Expenses

Section 6-5

Life Insurance

The Town provides a group life insurance program available to all employees and contracts with Boston Mutual Life. All Town and K-8 School employees who choose to enroll are insured for \$5,000. In addition, Town and School Retirees are insured for \$2,000. This budget covers the Town's 50% portion of the premium. Employee payroll deductions and retiree contributions fund the balance of the premium costs. This budget also covers term life insurance policies for the Police Chief and the Town Administrator pursuant to their respective employment contracts.

	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
LIFE INSURANCE						
Expenses						
51740 Town Life insurance	3,992	2,537	2,452	4,060	840	4,244
51745 School k-8 Life Insurance	4,429	4,564	4,552	4,665	2,601	4,486
SUBTOTAL	8,420	7,101	7,004	8,725	3,441	8,730



Other Benefits / Federal Insurance Contributions Act (FICA) Tax

Federal Insurance Contributions Act (FICA) tax is a payroll (or employment) tax imposed by the Federal Government on both employees and employers. As a result of Federal legislation, all local government employees hired after March 31, 1986 are considered Medicare Qualified Government Employees or MQGE and are required to be covered under the Medicare program. The Town is responsible for a matching Medicare payroll tax of 1.45% on all these employees. Annual increases in this tax liability have been reflective of a rise in total Town payroll subject to this tax, as more senior employees whose wages were not subject to the tax depart and are replaced by newly hired employees whose wages are now fully subject to this tax liability.

Unemployment Assistance

The Town does not pay unemployment insurance, but instead, is assessed by the State Division of Unemployment Assistance (DUA) on a pay-as-you-go basis for the cost of any and all benefits actually paid to its former Town and K-8 School employees. Presently, the Town is liable for up to 46 weeks of benefits per claimant – up to 26 weeks of regular benefits and up to 20 weeks of additional federally-legislated “extended benefits”. Claimants receive a weekly benefit payment that is typically about half of their average weekly wage, up to a maximum benefit amount which is currently \$625/week, plus a dependency allowance of \$25 per week for each dependent child. The Town is responsible for reimbursing the State for 100% of the benefits paid to former employees. There is an inherent complexity in tracking unemployment costs and estimating liability given that an employee’s “benefit year” may cross fiscal years, claimants may be subject to partial benefits if they have other earnings, and claimants who become unemployed more than once during a benefit year may reactivate a prior claim and resume collecting benefits.

Miscellaneous benefits

Miscellaneous benefits include payment of a portion of sick leave for eligible retiring employees (capped at \$3,000 each), payment of the deferred compensation benefit for the Town Administrator pursuant to the employment contract, and the fee assessed by the deferred compensation program provider.

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
OTHER BENEFITS/FICA						
Expenses						
51730 FICA Town Share	78,435	75,494	79,008	86,629	39,794	193,903
51733 FICA School Share	171,629	165,217	183,479	186,998	92,615	87,673
51735 Unemployment Compensation	52,085	18,454	42,569	50,000	49,246	60,000
55090 Miscellaneous Benefits	15,895	14,079	7,607	15,163	3,645	15,163
SUBTOTAL	318,045	273,244	312,663	338,790	185,300	356,739



Undistributed Expenses

Section 6-7

Worcester Regional Retirement Assessment

Retirement contributions are made to the Worcester Regional Retirement System which bases its assessment upon actual payroll plus a state-approved full funding schedule. The Town's assessment is calculated by their actuarial consultant to cover pension costs for all Town and Northborough K-8 School retirees covered by this retirement system (non-teaching positions), and also to amortize over time the previous unfunded pension liability created by insufficient contributions by member units over a number of years. It should be noted that Northborough K-8 School teachers are not part of the Worcester Regional Retirement System, but are instead covered by the Massachusetts Teachers' Retirement System which is governed by MGL, Chapter 32. Teacher retirement costs are funded directly by an appropriation by the Commonwealth of Massachusetts.

The total FY2012 Worcester Regional Retirement Assessment is \$1,173,542. The \$1,118,192 portion included in the General Fund budget below does not include the retirement costs contained in the Water Enterprise Fund (\$29,372), the Sewer enterprise Fund (\$19,583) or the Cable Access TV (\$6,396)⁴.

	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
WORCESTER REGIONAL RETIREMENT						
Expenses						
56220 Retirement Assessment	773,438	892,411	974,865	1,006,365	1,006,365	1,118,192
SUBTOTAL	773,438	892,411	974,865	1,006,365	1,006,365	1,118,192

⁴ The Water & Sewer Enterprise Funds are designed to capture all costs associated with the service and are fully explained in Section 8 of this budget document. The Cable Public Access TV Department is funded by fees added to the cable TV subscriber bills, which pay for the related retirement costs of the Cable Access Director (see Section 5 of the budget for more information regarding Public Access TV.)



Worker's Compensation Insurance

Worker's Compensation is available to those employees injured on the job. The Town is insured through the Massachusetts Interlocal Insurance Agency (MIIA) which is owned and operated by the municipalities of Massachusetts⁵. Employees injured on the job receive 60% of their pay tax-free and the Town is responsible for 100% of associated medical bills.

Also included in this budget are medical payments to cover separated police and fire personnel. MGL, Chapter 41, Section 100B requires the Town to continue to pay for related medical payments and associated expenses for retired police and fire employees injured on duty. The actual Injured on Duty (IOD) insurance premiums for police and fire personnel is contained in the Building & Liability Insurance budget.

	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
WORKERS' COMPENSATION INSURANCE						
Expenses						
51710 Workers' Compensation	88,404	74,700	82,965	96,800	75,894	96,800
53080 Police/Fire Injured on Duty (IOD) Medical Payments	3,229	3,289	2,863	5,000	679	5,000
SUBTOTAL	91,633	77,989	85,828	101,800	76,573	101,800

⁵ Massachusetts Interlocal Insurance Association (MIIA) was incorporated by the Massachusetts Municipal Association in 1982 as a nonprofit organization to provide insurance services to the cities, towns and other governmental entities in Massachusetts that are members of the MMA. MIIA insures approximately 300 cities and towns across Massachusetts.



Undistributed Expenses

Section 6-9

Building & Liability Insurance

This budget category also includes property and liability coverage for all Town owned property as well as all Town officials, elected and appointed.

In addition, because fire and police personnel are not eligible under Massachusetts law for regular worker's compensation coverage, a separate insurance policy with premiums based largely on claims experience is purchased to cover these personnel for injuries incurred in the line of duty. The police and fire MGL Chapter 41 Section 111F Injured on Duty (IOD) premium is also included here. Under this statute, public safety employees injured on duty receive 100% of their regular earnings. These IOD earnings are considered non-taxable wages by both the Department of Revenue and the Internal Revenue Service.

Due to a favorable loss history, the Town's Building and Liability insurance premiums reflect a 0% budgetary increase for FY2012.

	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
BUILDING & LIABILITY INSURANCE						
Expenses						
57410 Building & Liability Ins.	202,481	198,515	166,126	213,955	125,094	213,955
SUBTOTAL	202,481	198,515	166,126	213,955	125,094	213,955



Debt Service

Debt Service appropriations provide for the payment of principal and interest costs for long and short term bonds issued by the Town for capital projects for General Fund purposes. The debt service appropriations for the Water & Sewer Enterprise Funds appear in their respective budgets (Section 8 of this budget document).

In March 2011, the permanent \$8.6 Million bonds were sold containing \$5.2 Million for the debt- excluded Senior Center project. Moody's Investors Service affirmed our Aa2 Bond Rating and we were fortunate to receive a very favorable 3.09% True Interest Cost with ten (10) qualified bidders for these bonds. Moody's noted Northborough's "history of sound financial management" and cited that our reserves "...have averaged nearly \$4.4 million or a sound 10.5% of General Fund revenues over the past five years and are expected to remain stable given judicious management practices." Moody's also cited Northborough's moderately-sized tax base with above-average wealth indicators and manageable debt burden as positive factors in affirming the Town's Aa2 bond rating.

For FY2012, the total Debt Service budget for the General Fund is \$2.49 Million. The significant increase of \$495,559 from FY2011 is primarily attributable to the issuance of permanent bonds for the construction of the new Senior Center. The FY2012 debt service for the Senior Center increased by \$353,965, the debt service for Remediation at 167 Bearfoot Road increased by \$93,758 and the debt service for various other General Fund capital items increased by \$47,836.

	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
DEBT SERVICE						
Expenses						
59100 Principal/Long-term Debt	967,534	1,176,097	1,617,021	1,398,396	64,534	1,094,148
59150 Interest/Long-term Debt	378,363	324,324	484,940	384,660	192,915	350,458
59270 Interest/Temporary Loans	59,505	196,216	163,314	211,283	0	1,045,292
SUBTOTAL	1,405,402	1,696,637	2,265,276	1,994,339	257,449	2,489,898

Typically, larger projects such as the Senior Center are bonded for twenty years, while the financing for other General Fund projects and equipment is retired within five to ten years. Our goal is to finance the capital projects for the shortest feasible term over the useful life of the project in accordance with the terms outlined in the Massachusetts General Laws. This ensures that our debt burden will remain manageable. Additionally in a recent ratings review, Moody's Investors Service indicated its expectation that the Town's debt position should remain manageable. Moody's cited Northborough's overall debt burden at 1.8% of our Equalized Valuation and average rate of 71.4% principal amortization within the next ten years as indicators of a manageable debt burden.



Undistributed Expenses

Section 6-11

The aggregate level of the Town's outstanding debt obligation is limited by State law. The statutory debt limit is established by Massachusetts General Laws, Chapter 44, Section 10 at 5% of a community's total Equalized Valuation (EQV).

<u>Statutory Debt Limit</u>	
Northborough's 2010 EQV	\$2,596,178,600
Debt Limit (5% of EQV)	\$ 129,808,930

Northborough's total issued and outstanding long term debt principal, both inside and outside the debt limit as of June 30, 2011, is \$26,266,258, significantly below the statutory debt limit.

Further we have a local limit placed on our debt obligation through our Debt Policy adopted by the Board of Selectmen in September 2000. The Town's Debt Policy provides for the following specific Gross and Net debt limits for the annual General Fund debt service expressed as a percentage of the proposed budget:

- Gross GF Debt Limit: Not to Exceed 15%
- Net GF Debt Limit: Not to Exceed 8% – 10%

The FY2012 estimated Gross Debt is 8.38% and the estimated Net Debt is 7.56% of the proposed budget, and are well under the Town's debt policy limits.

Municipal Bonds

In order to comply with complex tax regulations, secure access to the municipal bond market and assure a competitive climate for bids, we use the services of Bond Counsel, a Financial Advisor and a private credit rating agency to prepare for the issuance of our bonds.

Our credit rating agency, Moody's Investors Service recently recalibrated municipal bond ratings to a global scale which is now comparable with corporate bond ratings. This recalibration brought our previous rating of Aa3 up to a bond rating of Aa2.

Newly Recalibrated Bond Rating Aa2 -----

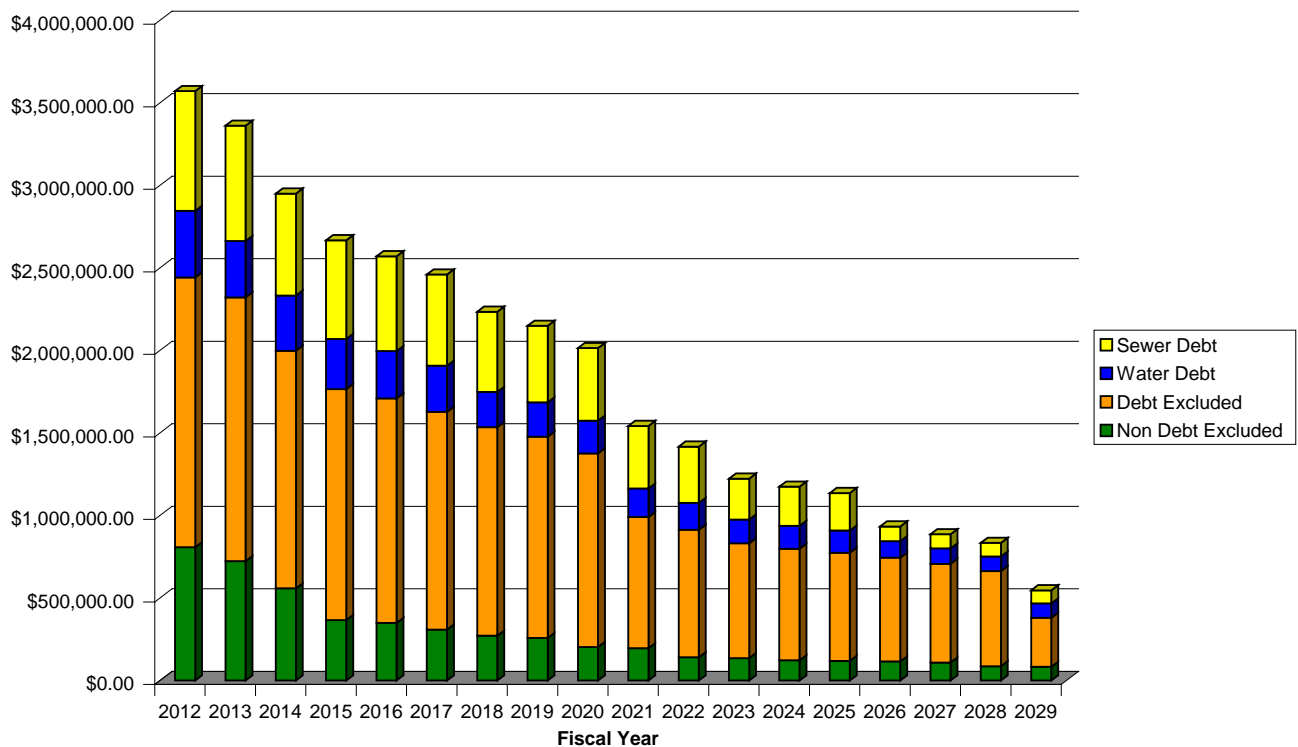
Moody's Bond Rating Symbols
Aaa
Aa1
Aa2
Aa3
A1
A2
A3
Baa1
Baa2
Baa3
Ba1
Ba2
Ba3



Long Term Debt Service- All Funds

The total long term annual debt service, from FY2012 through FY2029, including both principal and interest is shown below. The chart indicates the amount of long term debt service for the General Fund; both Debt Excluded and Non-Excluded; as well as the long term debt service for the Water and Sewer Enterprise Funds.

Total Long Term Annual Debt Service By Fund



Total Long Term Annual Debt Service By Fund

Fiscal Year Due	General Fund	General Fund Debt Excluded	Water Enterprise Fund	Sewer Enterprise Fund	Total Debt Service
2012	807,113	1,634,695	403,172	725,821	3,570,801
2013	722,814	1,598,453	341,451	698,944	3,361,662
2014	558,674	1,439,055	335,095	617,304	2,950,127
2015	366,627	1,399,096	304,041	597,723	2,667,487
2016	348,447	1,360,272	286,997	574,488	2,570,204
2017	308,585	1,319,481	278,938	553,078	2,460,082
2018	271,541	1,263,024	214,003	485,377	2,233,945
2019	257,546	1,218,877	208,722	463,819	2,148,964
2020	203,474	1,172,466	198,767	439,092	2,013,799
2021	195,694	794,315	172,981	379,356	1,542,346
2022	140,514	772,488	162,776	340,956	1,416,734
2023	135,884	695,633	143,691	248,050	1,223,258
2024	122,166	675,818	139,189	237,485	1,174,658
2025	118,686	655,568	134,649	226,770	1,135,673
2026	115,020	629,404	99,983	89,110	933,516
2027	109,168	597,511	93,465	85,880	886,024
2028	86,400	576,044	89,075	82,650	834,169
2029	83,200	296,400	87,581	79,325	546,506
	4,951,553	18,098,597	3,694,576	6,925,229	33,669,955



Undistributed Expenses

Section 6-13

Non-Appropriated Expenses

Beyond the specific appropriations contained within the Budget Article and other Town Meeting articles, the Town must account for those expenses which do not require votes for appropriations. This category of mandated expenditures and assessments are automatically added to the tax rate without appropriation. Such costs include various state assessments for services such as: charter schools, county services, prior year budget overdrafts in snow and ice removal, court judgments, and an amount estimated for tax abatements and exemptions or the overlay.

State Assessments

Three categories of State assessments account for over 92% of the expenses—Mosquito Control, MBTA and Charter Schools.

1. Mosquito Control Assessment

Pursuant to MGL Ch. 252, §5A (Ch. 2, §41, Acts of 1986) there are eight mosquito control districts whose costs are apportioned to member municipalities on the Cherry Sheet. Each district is also allocated a proportional share of expenses for the State Reclamation Board that administers these programs.

2. Massachusetts Bay Transportation Authority (MBTA)

For services rendered to those cities and towns within the Authority, an assessment will be administered in order to maintain and operate regional public transportation.

3. Charter School Assessment

To assess the sending municipality or regional school district for pupils attending charter schools. Charter school tuition charges are assessed against the sending district and paid to the charter school district. Charter Schools shall receive per-pupil payments from sending districts equal to the average cost per student in that district, plus a capital funding share equal to the state average of what districts pay per pupil in principal and interest for land and buildings.

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
STATE ASSESSMENTS						
Expenses						
56390 Mosquito Control Assessment	43,012	44,901	44,730	44,376	22,188	45,346
56400 Air Pollution Assessment	4,292	4,387	4,439	4,539	2,270	4,744
56410 County Assessment ch. 35	26,255	26,255	13,524	0	0	
56420 MBTA	73,722	72,111	73,790	75,790	37,896	75,090
56430 Regional transportation Ch 161 B	20,966	20,966	19,272	16,871	8,436	17,265
56440 Charge Against Receipts--SPED				0	0	
56450 Parking Surcharge Ch 90	8,640	8,840	9,180	9,180	5,050	10,100
56455 School Choice Sending Tuition	0	9,500	0	0	2,000	6,000
56460 Charter School Sending Tuition	18,347	165,530	294,289	329,461	113,830	348,860
SUBTOTAL	195,234	352,490	459,224	480,217	191,670	507,405



Reserve for Abatements

The Reserve or Allowance for Abatements and Exemptions or Overlay is an account established annually to fund anticipated property tax abatements, exemptions and uncollected taxes in that year. The overlay reserve need not be funded by the normal appropriation process, but rather is raised on the tax rate recapitulation sheet.

The Board of Assessors process a variety of statutory exemption applications for elderly, veteran, blind and hardship taxpayers. If approved, the exemptions are funded by the Overlay Reserve for Abatements and Exemptions.

Additionally, the taxpayers may file for an abatement of their property taxes. If approved, the exemptions are funded by the Overlay Reserve for Abatements and Exemptions. Typically in a full revaluation year, the amount required to be funded for the Overlay is higher than in a non-revaluation year due to an increase in the volume of abatement applications. In FY2012 our proposed funding for the Overlay Reserve for Abatements and Exemptions is \$340,000.

Cherry Sheet Offset Items

Cherry Sheet Offset Items are local aid that may be spent without appropriation in the budget, but which must be spent for specific municipal and regional school district programs.

Current offset items for FY2012 include \$7,809 for school lunch grants and \$15,006 for public libraries grants.



Stabilization Fund Contribution

The Stabilization fund is designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (MGL Ch. 40 §5B). Communities may establish one or more stabilization funds for different purposes and may appropriate into them in any year an amount not to exceed ten percent of the prior year's tax levy. The total of all stabilization fund balances shall not exceed ten percent of the community's equalized value, and any interest shall be added to and become a part of the funds. A two-thirds vote of town meeting or city council is required to establish, amend the purpose of, or appropriate money into or from the stabilization fund.

Historically the budget has provided for an annual appropriation of \$100,000 to be added to the Stabilization Fund. However, in recent fiscal years the appropriation has not been possible due to financial constraints. The table below shows past year "actuals" as zero in FY2008 even though a \$100,000 appropriation was made in both of those fiscal years, because the budgeted funds were transferred out and into the Stabilization Fund.

	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
STABILIZATION FUND CONTRIBUTION						
Expenses						
59950 Stabilization Fund	0	0	0	0	0	0
SUBTOTAL	0	0	0	0	0	0
TOTAL: STABILIZATION FUND CONTR.	0	0	0	0	0	0



Reserve Fund

Authorized by state statute, the Reserve Fund provides the Town operations with an option for the funding of extraordinary or unforeseen expenditures during the year. Transfers from this account require the approval of the Appropriations Committee. Historically the fund has contained approximately \$118,500 at the start of the budget year. In recent fiscal years the fund has been significantly less due to financial constraints. In FY2012, the Board of Selectmen adopted a Free Cash Policy and identified the Reserve Fund as an appropriate use of Free Cash. Beginning in FY2012 the proposed Reserve Fund will be appropriated from Free Cash as a separate Warrant Article at Town Meeting (see page 6-17). The FY2012 proposed Reserve Fund amount is \$150,000.

Most commonly, the Reserve Fund account has been used to make up for any snow and ice budget overdrafts. The table below shows past year “actuals” as zero because the budgeted funds were transferred into other accounts in order to balance them.

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
RESERVE FUND						
Expenses						
59810 Reserve Fund	0	0	0	80,000	0	See warrant
SUBTOTAL	0	0	0	80,000	0	Articles
TOTAL: RESERVE FUND	0	0	0	80,000	0	0



Warrant Articles

In addition to the individual departmental appropriations, the Town's overall annual financial plan includes additional warrant articles which draw upon the funds available to the Town. In FY2012 these warrant articles total \$954,000 and are all funded using Free Cash, which means no additional tax impact will be incurred when these articles are approved. During November of 2010 the Board of Selectmen adopted a Free Cash Policy, which now provides a funding source for projects, other than municipal bonds. The new Free Cash Policy is on page 2 in Appendix A of this budget document, which contains the Town's comprehensive financial policies. The new Free Cash Policy and plan are discussed at length in the transmittal letter of the Capital Improvement Plan contained in pages Section 9-1 through 9-5 of this document. In summary, the FY2012 Town Meeting Warrant Articles include the following:

1. \$150,000 for the Appropriation Committee's Reserve Fund—Authorized by state statute, the Reserve Fund provides the Town operations with an option for the funding of extraordinary or unforeseen expenditures during the year (see full explanation on page 6-16).
2. \$60,000 for a Fire Pick-up Truck—This project seeks to replace a 2005, three-quarter ton, four-wheel-drive pick-up truck. This vehicle is used to carry personnel, equipment, and bulk supplies. It is also used for performing inspections and investigations, and will be seven years old at the time of the requested replacement. This vehicle responds to over thirteen hundred emergency responses and over two thousand inspections, investigations, and fire alarm service calls each year.
3. \$35,000 for a New Public Safety Dispatch Phone System—The Northborough Police Department building, which also houses the Town's Public Safety Dispatch Center, was built in 1989. At that time a new telephone system was installed. All 9-1-1 emergency calls for the Northborough Police and Fire Departments (including the ambulances) are received there 24/7. The phone system is approximately 20 years old, lacks modern functionality that would better serve dispatch personnel, and requires replacement parts that are no longer newly available. During 2010 the Dispatch Center handled more than 23,000 calls for service. Given the critical Public Safety component to this project, it is recommended for replacement in FY2012.
4. \$60,000 for a Replacement DPW Truck Lift—This request is to replace the existing truck lift in the highway garage. This is the only lift for all vehicles larger than a one-ton truck. It is original to the building (1984) and required constant maintenance before becoming completely inoperable during FY2011. Without the lift, required maintenance and repairs cannot be done in-house. This project is recommended for immediate funding. Replacement of the lift had been contemplated as part of the larger garage construction project slated for FY2014.
5. \$39,000 for a Replacement DPW One-ton Pick-up Truck with Plow—This request is for a one-ton pick-up truck that will replace a 1999 Ford F350 one-ton dump truck that has surpassed its useful life of 10 years.
6. \$164,000 for a Replacement DPW Street Sweeper—This request is to replace the existing 1999 Elgin Pelican street sweeper. The useful life of a sweeper is 10-12 years.

Section 6-18

Undistributed Expenses



7. \$71,000 for a DPW Replacement One-ton Dump Truck with Plow—This request is to replace an existing 1999 Ford F 350 one-ton dump truck with the same model truck. The one-ton dumps are the most utilized pieces of equipment in the fleet. These are the primary vehicles used to transport DPW staff along with small equipment and materials. The one-ton dump trucks are also paired with large dump trucks to plow the streets. The useful life of these trucks is 10 to 12 years.
8. \$375,000 in Free Cash toward Replacement of the Flat Peaslee Roof—This project represents the need to repair the rubber membrane on all flat roofs at the Peaslee School. The peaked roof was replaced in 2005 and the flat roof was installed in 1985 with a 20 year expected life span. While the flat roof has exceeded its expected life span, it has deteriorated at a faster rate than originally forecast resulting in leaks during heavy rain or snow. This project represents the need to maintain current infrastructure and carries a life expectancy of 35 years. The total project cost of \$525,000 is to be financed using \$375,000 in Free Cash and \$150,000 in municipal bonds.

TOWN MEETING SPECIAL WARRANT ARTICLES

Expenses

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
52022 Declaratory Judgment ARHS	0	0	0	100,000	0	
58018 Voting Machines	0	0	0	27,600	0	
59810 Reserve Fund ART 19	0	0	0	0	0	150,000
Fire Pickup ART 21	0	0	0	0	0	60,000
Police Phone System ART 22	0	0	0	0	0	35,000
DPW Truck Lift ART 23	0	0	0	0	0	60,000
DPW Pickup w/ Plow ART 24	0	0	0	0	0	39,000
DPW Street Sweeper ART 25	0	0	0	0	0	164,000
DPW Hwy Dump Truck ART 26	0	0	0	0	0	71,000
Peaslee School Roof ART 27	0	0	0	0	0	375,000
SUBTOTAL	0	0	0	127,600	0	954,000

Public Education

Section 7



This Page Intentionally Blank

**Northborough K-8 Public Schools**

It is the mission of the Public Schools of Northborough to maximize academic achievement, social responsibility and lifelong learning by attending to the intellectual and developmental needs of individual students in supportive classroom environments.

The Northborough School Committee consists of five (5) members elected by the voters of the Town of Northborough. The Northborough Public School Systems serves children in grades Kindergarten through 8. There are four elementary schools: the Fannie E. Proctor School, the Lincoln Street School, the Marion E. Zeh School, and the Marguerite E. Peaslee School. These four schools house children from Kindergarten through grade 5. There is also one middle school, the Robert E. Melican Middle School, which serves grades 6, 7, and 8.

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
NORTHBOROUGH K-8 SCHOOLS						
51100 K-8 School Department	16,413,650	16,544,801	17,450,696	17,985,566	6,269,492	18,702,867
TOTAL	16,413,650	16,544,801	17,450,696	17,985,566	6,269,492	18,702,867

****For detailed information regarding the Northborough K-8 Public School budget, initiatives and goals, please see the School Superintendent's FY2012 budget.****



Northborough Southborough Regional High School

The Northborough Southborough Regional High School Committee consists of five (5) members from Northborough and five (5) members from Southborough. The Northborough-Southborough Regional School District houses students from grades 9 through 12 in Algonquin Regional High School. Algonquin is a comprehensive high school; that is, a school designed to meet the needs of a variety of students, including students preparing to enter a four-year college or university, students who will continue their education for a shorter period of time in a junior college, vocational or technical school, and students preparing to enter the world of work. The school is organized in a Lower School for grades 9-10 and an Upper School for grades 11-12. An Instructional Support Unit serves all students in all grades. Approximately 90% of Algonquin graduates enter post-secondary education institutions

		FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
ALGONQUIN REGIONAL HIGH SCHOOL							
19981	Algonquin Regional Assessment	7,579,206	7,838,259	7,962,259	7,696,524	3,848,262	7,817,716
19981	Debt- Exclusion – Prop 2 1/2	1,634,731	1,404,375	875,871	1,131,427	565,714	1,267,629
19981	Debt – Not Excluded	11,049	0	0	0	0	0
TOTAL		9,224,986	9,242,634	8,838,130	8,827,951	4,413,976	9,085,345

****For detailed information regarding the Northborough/Southborough Regional High School budget, initiatives and goals, please see the School Superintendent's FY2012 budget.****



Public Education

Section 7-3

Assabet Valley Regional Technical High School

Assabet Valley Regional Technical High School is a vocational school comprised of the member communities of Berlin, Hudson, Marlborough, Maynard, Northborough, Southborough and Westborough. Northborough's assessment is based upon the number of student from Town attending the school. As of October 1, 2010, 41 Northborough Students attend Assabet Valley, which represents 5.94% of their FY2012 budget, or \$517,488. This is down from 53 students on October 1, 2009.

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
ASSABET VALLEY REG TECH HIGH SCH						
53260 Assabet Regional Assessment	697,394	643,760	600,335	680,836	340,418	517,488
TOTAL	697,394	643,760	600,335	680,836	340,418	517,488

****For more information regarding the Assabet Valley Regional Technical High School budget, initiatives and goals, please see the Assabet Valley's School Superintendent's FY2012 budget.****



Norfolk County Agricultural High School

Norfolk County Agricultural High School is a public high school that offers academic and vocational training to 460 students from the 28 towns, one city and more than 40 out of county (tuition) towns.

In prior years the Town has borne the expense of tuition and transportation to the NCAHS in the Town's portion of the budget. This expense is borne by the Town because students have the freedom to seek admission to schools with state-approved vocational technical education programs pursuant to M.G.L. c. 74 603 CMR 4.00 and are known as Chapter 74 approved programs. Since the Town of Northborough did not offer the particular vocational technical education program in which the student was interested, either at the high school or the regional vocational technical high school to which the town belongs, the student then had the option to apply to any school which offered such a program.

In this case the student applied for admission and was accepted, under the Chapter 74 non-resident option, to the NCAHS program. Once accepted the Town is required to bear the cost of both Tuition and Transportation.

There are no students expected to attend this school for the next fiscal year.

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
NORFOLK AGRICULTURAL HIGH SCHOOL						
56470 Norfolk Agricultural Assessment	35,434	27,117	33,277	0	0	0
TOTAL	35,434	27,117	33,277	0	0	0

Enterprise Funds

Section 8



This Page Intentionally Blank



Solid Waste Enterprise Fund Statement

On January 1, 2003 the Town began a fee-based solid waste program commonly referred to as "Pay-As-You-Throw" (PAYT). The PAYT program is overseen by the Town Engineer and requires residents to use Town of Northborough designated trash bags in order to have their trash collected at curbside by the Town's contractor. The PAYT program is operated as an enterprise fund intended to generate fee revenue to cover all solid waste and recycling collection and disposal costs previously provided within the tax base.

An enterprise fund, authorized by MGL Ch. 44 §53F½, is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It 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, if any. With an enterprise fund, all costs of service delivery—direct, indirect, and capital costs—are identified. This allows the community the option to recover total service costs through user fees. Enterprise accounting also enables communities to reserve as unrestricted the "surplus" or net assets generated by the operation of the enterprise rather than closing it out to the General Fund at year-end. Services that may be treated as enterprises include, but are not limited to, solid waste, water and sewer services.

Significant FY2012 Budget Changes or Initiatives

The Solid Waste Enterprise Fund does not currently generate sufficient revenue to cover all its expenses. Total fee revenues are estimated in FY2012 to be \$480,000 and the expenses \$727,570, leaving a projected shortfall of \$247,570. Last fall the Engineering Department issued an Invitation for Bids (IFB) for solid waste and recyclable materials collection and disposal. As part of this IFB, alternate prices were sought for a container-based program with single-stream recycling. In January, after much discussion and a significant amount of feedback from the residents, the Board of Selectmen voted to retain the current Pay-As-You-Throw (PAYT) program. As a result of the IFB, a significant savings in the collection cost is being realized. A new contract with Central Mass Disposal, Inc. of Auburn, Massachusetts is currently being prepared and will set the collection costs at \$475,000 per year for the next five (5) years. This collection cost results in a savings of more than \$31,000 over last year's budget. As a result of the decision by the Board of Selectmen and prices obtained from the IFB, a \$247,570 General Fund subsidy in FY2012 is being recommended in order to balance the Enterprise Fund. The total PAYT FY2012 budget is \$727,570. Below is a detailed explanation regarding overhead costs, projected waste tonnage tip fees, and collection cost.

PAYT Revenues and Overhead Costs:

The Town continues to offer two sizes of bags and anticipates the possibility of a significant increase in the cost of the bags from the manufacturer, due to the effect of increases in fuel costs and other factors affecting the resin used in the manufacture of the bags.

The bag fee was last revised in January of 2007 to better cover costs associated with the program and is currently set at \$3.00/large bag and \$1.50/small bag. Additional fees were also created to help reduce the shortfall between revenues and expenditures. A fee of \$10 per box was instituted for the disposal of hazardous waste at the annual Household Hazardous Waste Day event in September of 2005. In addition, a sticker fee of \$10 per item for the disposal of large/bulky items set out at the curb was instituted in March of 2006.



In an effort to minimize additional staff workload the Town has also contracted with Niman Paper Supply for the distribution of bags to the authorized retailers. The distribution cost is \$.02 per bag.

Total projected FY2012 overhead costs for the Pay-As-You-Throw program (purchase of bags, stickers and their distribution) is estimated at \$75,000.

In the past the Town has received various grants from the Massachusetts Department of Environmental Protection (DEP) for a number of items in support of the recycling program such as bins, calendars and flyers. However, due to potential state budget cuts these grants may no longer be available and are anticipated to be paid by the Town. The approximate value of these items is \$4,000.

Disposal Costs and Projected Tip Fee:

In accordance with the new Waste Disposal Agreement with Wheelabrator Millbury, Inc. the tip fee is adjusted each year on July 1st based upon the amount of change in the Consumer Price Index for urban wage earners and clerical workers-Northeast Urban. As outlined in the agreement the current tip fee is \$70.87/ton. Based upon the most recent information from the Bureau of Labor and Statistics and the formula in the agreement, the tip fee for FY2011 has been estimated at \$73.35/ton, which will apply to the amount of trash disposed of between 7/1/11 and 6/30/12.

Although the costs associated with solid waste disposal at Wheelabrator Millbury, Inc. have increased substantially due to the tip fee formula as outlined above, the new contract also included several changes which have resulted in some savings for the Town. The contractual clause regarding "pass through" costs resulting from regulatory changes has been removed, and therefore, the costs previously associated with ash processing, bag house improvements, mercury-bearing waste separation and the Section 4 landfill liner upgrade have all been eliminated resulting in a savings of approximately \$16,000 per year.

Projected Tonnage for FY2012:

Actual tonnage for the last 12 months (calendar year 2010) is 2084 tons (which is actually a 3.3% decrease from the previous 12 months). Based on the number of new building permits for single family homes during the last 12 months, the growth rate for this year was 69 new units ÷ 4747 existing homes = 1.5%. Projected Tonnage: $(2084 \times 1.015) = 2116$, which is rounded to 2200 tons for budgeting purposes.

Collection Costs:

On July 1, 2011 the Town will begin a new five year contract with Central Mass Disposal, Inc. of Auburn, Massachusetts for solid waste and recycling collections, each of the following years will be at the same price with no increase. Below is a breakdown of the FY2012 total collection contract cost of \$475,000:

Trash Collection:	\$265,000
Recycling Collection:	\$210,000



Solid Waste Enterprise Fund

Section 8-3

		FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
		ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
SOLID WASTE ENTERPRISE FUND							
Expenses	Services						
52810	Unclassified	49,794	69,639	19,735	125,200	24,238	91,200
52910	Trash Collection/Hauler	513,706	517,506	530,444	543,705	252,442	475,000
57810	Trash Disposal-Wheelabrator	121,877	153,552	147,927	157,542	63,259	161,370
	SUBTOTAL	685,377	740,698	698,106	826,447	339,938	727,570
TOTAL:	SOLID WASTE	685,377	740,698	698,106	826,447	339,938	727,570

Additional Solid Waste Budget Detail

Unclassified :

Newsletter, training and misc. supplies:	\$4,000
Disposal of illegal dumping:	\$2,000
Household Hazardous Waste Day:	\$10,000
Pay-As-You-Throw costs:	\$75,000
SWANA Membership	\$100
SWANA Meetings	<u>\$100</u>
Sub-total	\$91,200

Solid Waste & Recycling Collection - Pellegrino Trucking:

Trash Collection:	\$265,000
Recycling:	<u>\$210,000</u>
Sub-total	\$475,000

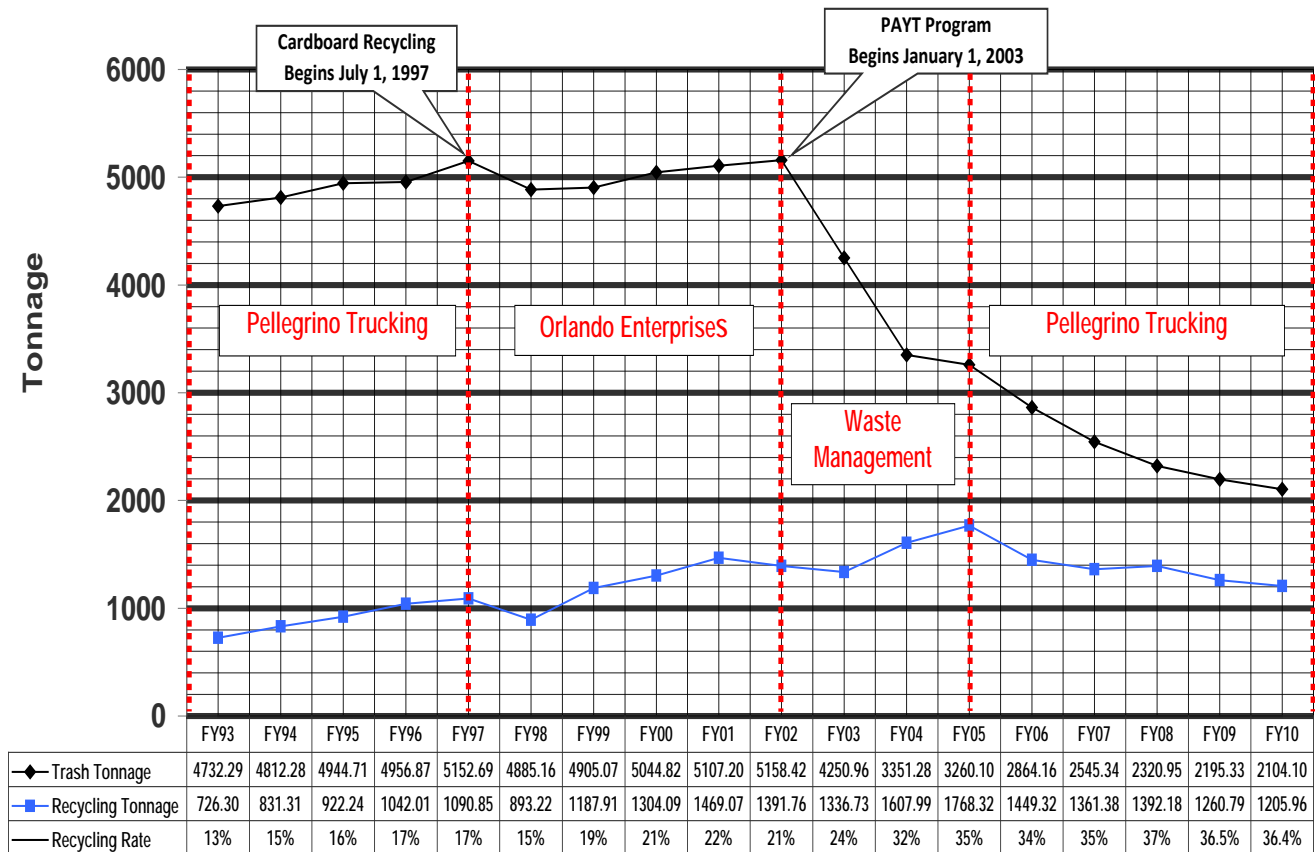
Trash Disposal - Wheelabrator Millbury, Inc.:

7/1/11 - 6/30/12: 2200 tons x \$73.35	<u>\$161,370</u>
Sub-total	\$161,370

Grand Total \$727,570



Waste & Recycling Trends from FY1993 to FY2010



Since its inception on January 1, 2003 the PAYT program has provided significant incentive to participants to reduce waste and increase recycling. Trash went from a high of 5,158 tons in FY2002 steadily downward to 2,104 tons in FY2010. In addition, recycling rates over the same time period went from 21% in FY2002 to over 36% in FY2010. The difference between 5,158 tons of trash and 2,104 tons of trash is 3,054. In FY2012 that difference, multiplied by the projected tonnage disposal rate of \$73.35, represents approximately \$224,011 in cost avoidance. That cost avoidance will become increasingly more important as disposal costs continue to rise in the future.



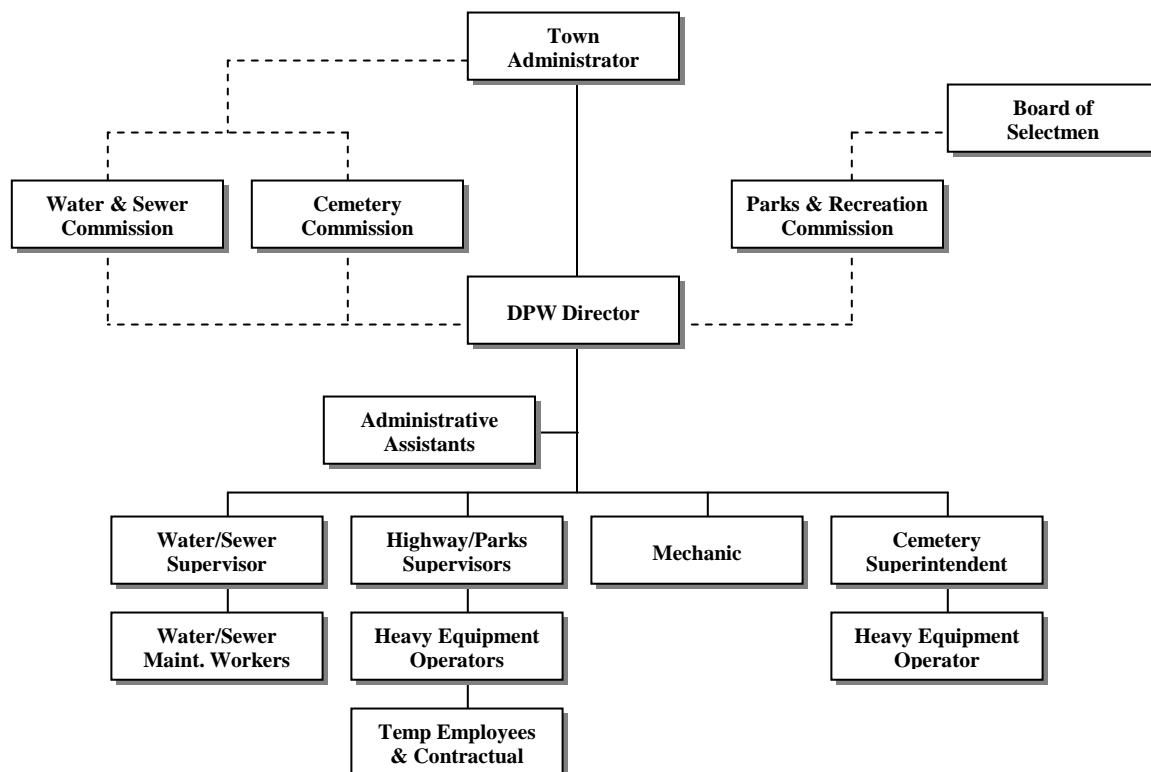
Water & Sewer Enterprise Funds

The Water and Sewer Divisions operate, maintain and develop the town's public water and sewer systems and related facilities. The Water and Sewer Divisions are operated as enterprise funds. Briefly, an enterprise fund as authorized under MGL Ch. 44 §53F½ is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It 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, if any. 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 chooses. For purposes of providing a departmental overview, personnel summary and goals/objectives, the Water & Sewer Divisions are included within Department of Public Works (DPW) Section 4 of the budget. The actual line item budgets associated with the Water and Sewer enterprise funds are contained here in Section 8 of this budget document.

Water & Sewer Commission

In addition to the DPW staff, the Water & Sewer Commission provides advisory oversight to the enterprise funds. The Water & Sewer Commission consists of three members appointed by the Town Administrator for three-year terms. The Commission is responsible for the development of policies, fees, rules and regulations pertaining to the care, superintendence, development and management of the Town's water supply and facilities and the Town's sewerage system. The DPW Director serves as the staff liaison to the Water & Sewer Commission.

DPW Organizational Chart





Background on the Northborough Water System

Northborough's Water System was first authorized by the State Legislature in 1882. A small portion of Town was originally served from the Northborough Reservoir located in Shrewsbury and Boylston before it was taken out of service in 1955. The connection to what is now called the Massachusetts Water Resources Authority (MWRA)¹ was initiated in 1954. The Town's four wells came online later. The Brigham Street well was brought online in 1956; the Lyman Street well was brought online in 1964; the Crawford Street well was brought online in 1969; and the Howard Street well was brought online in 1994.

In the past, the Town operated its own wells and supplemented production from the wells with water purchased from the MWRA. The MWRA water was originally provided directly from the Wachusett Aqueduct. When the Wachusett Aqueduct was shut down for repair in 2000, the water provided by the MWRA to the Town came through a connection in Bartlett Street. This is connected to the new MWRA Carroll Water Treatment facility in Marlborough.

From 2000 to 2009, all the Town's water was being purchased from the MWRA because the well water was chemically incompatible with the water being provided by the MWRA. The Town well water has a pH of 6.5, and the new MWRA water source has a pH of 9. The higher pH in the MWRA water causes the Town's well water to drop the naturally occurring iron and manganese out of solution and turn the water red.

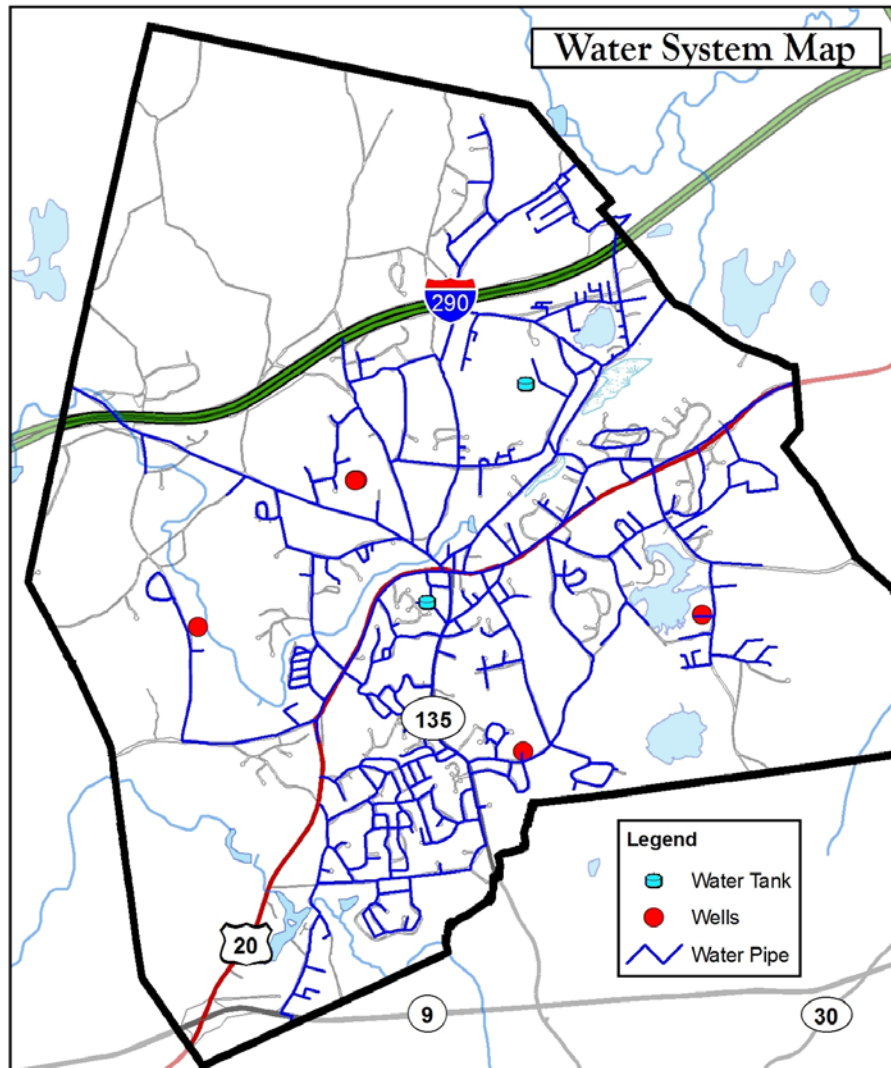
To address requirements of the Safe Drinking Water Act and to make the Town's water compatible, treatment alternatives were evaluated. The Town's consultant, Tata & Howard Inc., designed a new chemical addition facility at the Lyman Street well which the Town subsequently built. The Lyman Street well was reactivated in 2009 and produces approximately 225,000 gallons per day of the necessary 1 million gallons per day of average daily water usage in Northborough. The design of a new treatment facility for the Brigham Street well has also been initiated. Construction of the treatment facility at the Brigham Street well will allow the Town to reduce the volume of water needed from the MWRA and thus, reduce the cost of water.

Design money was authorized by Town Meeting in 2008 and in April 2009 Town Meeting approved a \$4 million request to fund the construction and reactivation of the well site. All costs associated with the construction and reactivation of the Brigham Street well will be paid for by user fees from the Water Enterprise Fund.

¹ MWRA is the Massachusetts Water Resources Authority. It is a public authority established by an enabling act enacted in 1984. The enabling act is Chapter 372 of the Acts of 1984. MWRA is an independent authority that provides wholesale water and sewer services to its customer communities, and funds its operations primarily through user assessments and charges. The MWRA was created by the legislature in 1984 and inherited operations and facilities beginning in 1985 from the Metropolitan District Commission, a century-old department of state government.



Approximately 80% of the Town receives water from the public water supply system. The map below shows the water system service area.



Significant FY2012 Budget Changes or Initiatives

The most important initiative for the DPW Water Division Enterprise Fund continues to be the reactivation of the Brigham Street well at a capacity that will restore the Town's water production to our registered level of .76 million gallons per day. Since there is a significant cost to the water currently purchased from the MWRA, by pumping and treating our own well water in the future, the Town can minimize the amount of water purchased from MWRA and thereby reduce our Water Enterprise Fund expenses. The Brigham Street well treatment project has an estimated payback of approximately 10 years.

Section 8-8

Water & Sewer Enterprise Funds



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
WATER ENTERPRISE FUND						
Personnel Services						
² 51010 Full-time Wages	154,931	160,331	132,383	136,355	63,748	137,535
³ 51100 Full-time Salary	35,474	37,637	31,323	32,263	14,961	32,428
⁴ 51120 Full-time Permanent wages	32,612	33,617	27,719	28,510	13,265	28,724
51130 Part-time Salaries	0	1,350	1,350	1,080	0	1,080
⁵ 51135 GIS Salary	15,000	15,000	12,000	12,000	12,000	12,000
51300 Overtime	36,215	35,860	25,190	33,520	19,578	33,847
51410 Longevity Pay	1,762	1,894	1,605	1,785	1,785	1,785
51970 Stipends	875	1,275	1,275	1,020	0	1,285
SUBTOTAL	276,868	286,965	232,845	246,533	125,338	248,684

² Line 51010 represents the 60% of the Water/Sewer Supervisor salary as well a 60% of the Water/Sewer Maintenance Workers' wages. The other 40% of these personnel expenses are included in the Sewer Enterprise Fund budget.

³ Line 51100 represents 30% (12 hrs per week) of the DPW Director's salary. Another 20% is reflected in the Sewer Enterprise Fund Budget and the balance (50%) is included in the DPW budget Section 4 of this document.

⁴ Line 51120 represents 21 hours per week of an Administrative Assistant

⁵ Line 51135 represents 14.3% (6 hours per week) of the GIS Director's time supporting the Water Enterprise fund. Another 9.5% (4 hours per week) is reflected in the Sewer Enterprise Fund Budget.



Water & Sewer Enterprise Funds

Section 8-9

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
WATER ENTERPRISE FUND						
Expenses						
51710 Workers' Compensation	9,000	9,904	7,923	7,923	7,923	8,122
51730 F.I.C.A.	3,802	3,855	3,179	2,753	2,753	3,414
51740 Life Insurance	110	110	110	110	110	88
51750 Health Insurance	50,419	58,373	51,835	38,778	38,778	44,362
51920 Uniforms	2,885	2,077	1,676	1,680	560	1,680
52110 Electricity	1,660	1,863	1,696	2,300	538	2,300
52610 Building Maintenance	4,473	5,121	2,400	3,000	2,445	3,000
52620 Equipment Maintenance	16,329	10,555	11,391	15,000	7,635	15,000
52800 Contractual Services	16,906	10,998	5,510	15,000	15,766	35,000
52850 Audit	1,980	1,980	1,620	1,669	1,632	1,680
53020 Legal Services	1,250	833	7,129	9,000	833	9,000
53110 Printing	5,919	5,184	9,490	9,600	5,921	6,120
53170 Water Analysis	965	637	6,429	10,000	525	10,000
53190 Training	2,162	1,555	559	400	0	400
53410 Telephone	5,666	5,115	6,429	7,200	1,958	7,200
54290 Office Supplies	738	241	164	0	85	500
54350 Howard Street Well	0	0	0	0	0	0
54370 Private Work	3,752	874	540	1,000	1,555	1,000
54380 Brigham Street Well	0	354	0	1,000	0	1,000
54390 Hudson Street Well/MWRA	793,880	856,326	826,744	797,000	398,226	745,000
54400 Lyman Street Well	-476	3,049	8,200	15,000	4,914	18,000
54410 Crawford Street Well	658	949	736	1,000	85	1,000
54420 Distribution of Materials	25,378	7,872	128	12,000	6,488	15,000
54820 Gasoline	10,005	11,700	12,051	12,051	12,051	9,650
54840 Natural Gas	3,664	4,879	3,005	5,000	354	5,000
55990 Chemicals	0	0	30,652	30,000	17,620	40,000
56220 Worcester Regional Retirement	24,853	29,302	25,608	33,044	33,044	29,372
57110 Travel/Mileage	0	0	0	0	0	360
57310 Dues	3,430	3,445	3,475	3,285	75	3,005
57340 Meetings	0	0	0	0	0	0
57410 Liability/Building Insurance	15,697	16,078	12,862	12,862	12,862	14,062
57810 Unclassified	106	111	84	200	0	0
59810 Extraordinary and Unforeseen	0	0	0	0	0	75,000
SUBTOTAL	1,005,211	1,053,341	1,041,624	1,047,855	574,737	1,105,315

Section 8-10 Water & Sewer Enterprise Funds



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
WATER ENTERPRISE FUND						
Expenses (Capital)						
58530 Capital Outlay	17,517	15,242	11,662	15,000	25,420	15,000
SUBTOTAL	17,517	15,242	11,662	15,000	25,420	15,000

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
WATER ENTERPRISE FUND						
Expenses (Debt Service)						
59100 Principal / Long Term Debt	222,500	240,650	292,400	300,500	15,000	307,386
59150 Interest /Long Term Debt	89,396	77,887	114,479	102,510	51,405	92,610
59270 Interest / Temporary Loans	10,038	31,751	8,451	12,712	0	92,935
SUBTOTAL	321,935	350,288	415,331	415,722	66,405	492,931

TOTAL: WATER ENTERPRISE FUND	1,621,531	1,705,835	1,701,463	1,725,110	791,900	1,861,930
-------------------------------------	------------------	------------------	------------------	------------------	----------------	------------------



Background on the Northborough Sewer System

The Town operates a collection system of sewer pipes that bring sewerage to the City of Marlborough's Westerly Wastewater Treatment Plant where it is treated and discharged into the Assabet River. When the sewer system was started in the mid 1960's it was designed to service only the central portion of Town. While sewer pipe installation did not start until the 1970's, in 1964 land was purchased for a Northborough sewage treatment plant on Boundary Street.

In the late 1960's when the Town of Northborough attempted to obtain approvals from the Massachusetts Department of Environmental Protection (DEP) and the Federal Environmental Protection Agency (EPA) regulators for a sewerage treatment plant, the Town was told that since Marlborough was building a plant across Boundary Street, that the regulators would not allow two plants across the street and side-by-side with each other on the river. As a result, the Town of Northborough was required to become a tenant in the Marlborough Westerly Wastewater Treatment Plant by entering into an Intermunicipal Agreement with the City of Marlborough for sewerage treatment.

In 1970, the Town of Northborough entered into the first of two twenty-year agreements with Marlborough for 800,000 gallons per day (gpd). The Marlborough Westerly Plant has a design capacity of 2.9 million gallons per day (mgpd). Therefore, Marlborough's portion is 2.1 mgpd and Northborough's is .8 mgpd. While our sewer pipe installation has continued into the present in accordance with a Master Plan initially generated in the early 1980's, the Town's sewer capacity at the Westerly Plant has not changed since the original 1970 agreement. It has remained at .8 mgpd for forty years.

Sewer service area and future capacity needs

In the late 1970's the Town hired the engineering firm of Camp Dresser & McKee (CDM) to begin developing the sewer system and mapping out the sewer service area for the Town. It was estimated that the sewerage to be contributed by the users in the original sewer service area would use the full .8 mgpd of sewer capacity. Therefore, as long as the Town's capacity at the treatment plant remains at .8 mgpd, it cannot provide sewer to any other parts of Town currently outside of the sewer service area.

During 2000, CDM updated the sewer service area and determined that there was only 50,000 gpd of sewer capacity for development of the southeast and southwest industrial areas. That amount and more will be used by the Avalon Bay/Northborough Crossing development currently under construction. The Avalon Bay/ Northborough Crossing development is projected to use 130,000 gpd of sewer capacity. Not only does this use up the 50,000 gpd allocated for industrial development, but it also uses 80,000 gpd more of capacity previously targeted for existing residential areas in Town. Therefore, it is critical for the Town to pursue additional capacity at the Marlborough Westerly Wastewater Treatment plant. Should the Town not be successful in getting additional capacity, the amount of capacity previously designated for users within the sewer service area will need to be reduced by 80,000 gpd to stay within our .8 mgpd.

Section 8-12 Water & Sewer Enterprise Funds



Assabet Consortium Study

In 2000, Town Meeting authorized \$500,000 to study the Town's current sewer needs through the Assabet River Consortium Study. The Assabet Consortium Study is a collaboration of the six towns whose sewerage treatment plants discharge to the Assabet River; these include Northborough, Marlborough, Westborough, Shrewsbury, Hudson and Maynard. As part of the discharge permit for each sewerage treatment plant (there are four) each Town must produce a study that evaluates the effect of the treatment plant's discharge on the Assabet River. The engineering firm of Fay, Spofford & Thorndike (FST), was hired to do the study for the Town of Northborough. FST inventoried the Board of Health records for septic system failures, excessive pumping, building department records for building construction, soils maps, zoning and other applicable files and information to calculate the sewer capacity necessary to service the entire Town of Northborough. They determined that the Town, including existing users, would need 1.5 million gallons of sewer capacity per day. This means that there is not enough capacity in the existing sewage treatment plant for the Town to provide sewer to every area that needs it. Marlborough's consultant determined that Marlborough also needed additional capacity. Between Northborough & Marlborough the total sewage treatment capacity needed is 4.4 million gallons. With the plant permitted for 2.9 mgpd, the deficit is 1.5 mgpd.

Through the Assabet Consortium Study process, the DEP and EPA originally informed the Town that no additional flows would be permitted into the Assabet River. Therefore, the additional 1.5 mgpd of capacity necessary for Northborough and Marlborough must be handled by infiltrating it into the ground through subsurface discharge. Even though the effluent water is treated to just about drinkable standards, the DEP and EPA goal is to replenish the ground water rather than let it flow away down the river.

Haitsma Property Acquisition

At the August 10, 2004 Special Town Meeting the Town opted to purchase, through the Chapter 61A tax relief statute, the Haitsma farm at 455 Main Street. The primary purpose of this land was to serve future sewer utility expansion, thus allowing proper build out and economic development of the Town. According to the Town's consultants, the additional 1.5 million gallons per day of sewer capacity could be achieved through subsurface disposal on the Haitsma property, if needed. However, the cost would be significantly higher than discharging to the river. Consultants for Marlborough and Northborough proposed putting all the additional flows into the river because of the negative environmental impact of clearing all the land necessary to put the additional flows into the ground as well as the additional energy costs of the subsurface disposal.

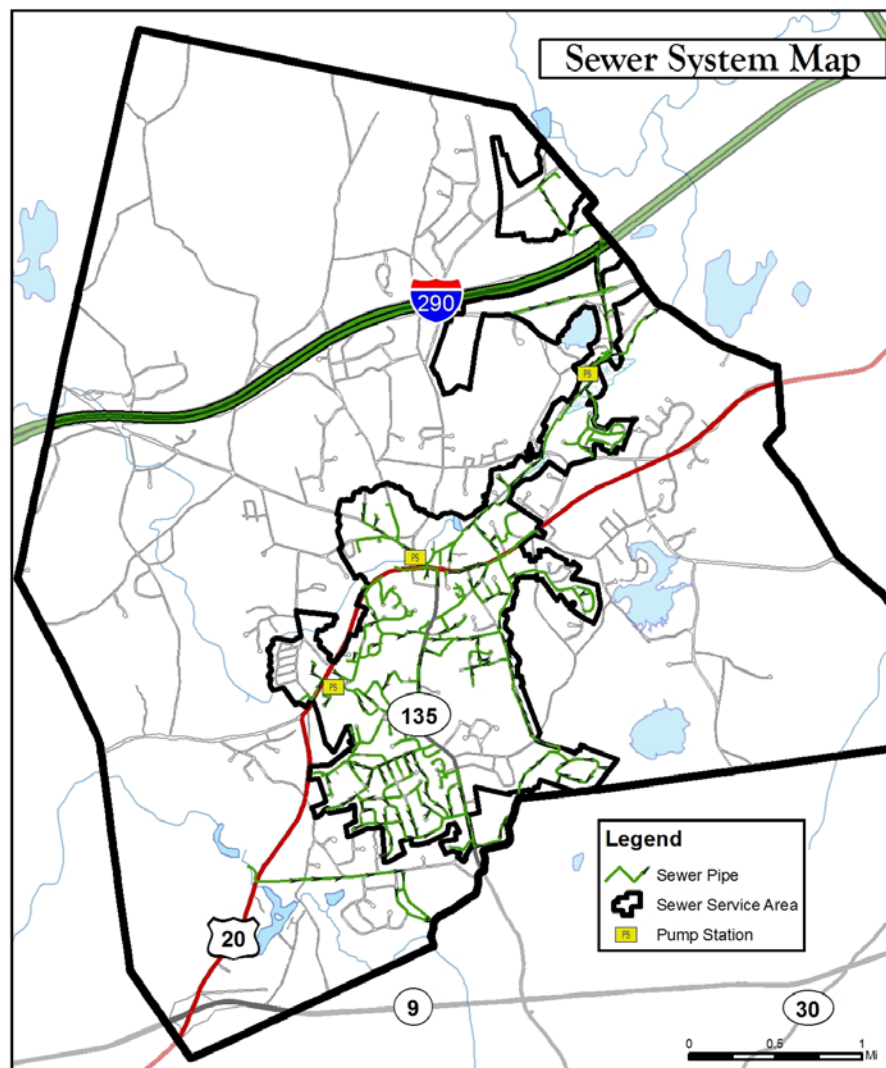
Status of the Marlborough Westerly plant expansion

On November 16, 2009, after spending more than 8 years working with both the State DEP and Federal EPA, the National Pollutant Discharge Elimination System (NPDES) Permit modification for the Marlborough Westerly Treatment Plant was finally granted. This is the permit that allows the Westerly Treatment plant additional flow into the Assabet River, instead of more expensive alternatives such as subsurface disposal on the Haitsma property. The NPDES permit modification also included significant and expensive upgrades to water treatment, particularly with regard to phosphorus discharge limits. The construction of the upgrades has now begun and is projected to be completed in late 2012.



Unfortunately, after granting the increase in flow, the EPA abruptly and unexpectedly decided to rescind the NPDES permit on February 23, 2010. However, since the granting of the permit, Marlborough has entered into a contract for over \$30 million for the construction of the expanded plant. Pursuant to our Intermunicipal Agreement the Town of Northborough will owe 30% of the cost of construction. It remains to be seen how the issue of additional capacity will be resolved, but the EPA has indicated that it intends to take up the matter as part of the renewal process for the existing NPDES permit for the Marlborough Westerly Plant.

Approximately 30% of the Town has access to the sewer wastewater system. The map below shows the sewer system service area.



Significant FY2012 Budget Changes or Initiatives

The most critical issue facing the DPW Sewer Division Enterprise Fund continues to be the acquisition of the NPDES permit modifications necessary for additional capacity at the Marlborough Westerly Plant. Currently under construction, we are continuing to plan for both the additional capacity as well as the potential for a significant sewer rate impact for Northborough's share of this \$30 million expansion project. Our current estimate is that sewer rates may need to double in coming years in order to finance the project. The Town is aggressively seeking all possible alternative funding sources.

Section 8-14

Water & Sewer Enterprise Funds



	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
SEWER ENTERPRISE FUND						
Personnel Services						
51010 Full-time Wages	51,644	53,869	88,256	90,904	42,499	91,670
51100 Full-time Salary	11,824	12,546	20,882	21,509	9,974	21,619
51120 Full-time Permanent wages	10,871	11,206	18,479	19,007	8,843	19,149
51130 Part-time Salaries	0	450	450	720	0	720
51135 GIS Salary	5,000	5,000	8,000	8,000	8,000	8,000
51300 Overtime	12,073	11,953	16,793	22,347	13,371	22,564
51410 Longevity Pay	463	206	1,070	1,190	1,190	1,190
51970 Stipends	1,040	425	425	700	0	1,180
SUBTOTAL	92,914	95,655	154,355	164,377	83,877	166,092

	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 BUDGETED	FY2011 SIX MONTHS	FY2012 PROPOSED
SEWER ENTERPRISE FUND						
Expenses						
51710 Workers' Compensation Ins.	3,000	3,301	5,282	5,282	5,282	5,415
51730 F.I.C.A.	1,267	1,285	2,120	1,836	1,836	2,275
51740 Life Insurance	37	37	37	37	37	59
51750 Health Insurance	16,807	19,458	34,557	25,851	25,851	29,575
51920 Uniforms	300	700	834	1,120	268	1,120
52110 Utilities	31,971	29,790	31,901	33,000	7,808	33,000
52310 Marlborough Use Charge	190,000	180,692	148,625	254,500	50,000	277,500
52600 Building Maintenance	5,000	19,577	4,290	2,000	5,089	5,000
52620 Equipment Maintenance	0	0	0	0	0	2,500
52800 Contractual Services	5,000	9,907	0	0	0	5,000
52850 Audit	660	660	1,080	1,112	1,088	1,120
53020 Legal Services	3,708	5,729	3,043	10,000	1,233	5,000
53080 Consultant Rate Studies	0	0	0	0	904	0
53110 Printing	0	0	0	0	0	4,080
53170 Testing	0	0	0	0	0	1,700
53410 Telephone	2,076	2,101	2,115	2,200	0	2,200
54420 Distribution of Materials	0	0	0	0	0	2,500
54820 Gasoline	3,335	3,900	4,017	4,017	4,017	6,500
55990 Chemicals	0	0	0	0	0	2,500
56220 Worcester Regional Retirement	8,284	9,767	17,504	11,015	11,015	19,583
57110 Mileage	0	0	0	0	0	240
57410 Liability/Building Insurance	5,232	5,359	8,575	8,575	8,575	9,175
59810 Extraordinary and Unforeseen	0	0	0	0	0	75,000
SUBTOTAL	276,678	292,264	263,980	360,545	123,003	491,042



Water & Sewer Enterprise Funds

Section 8-15

	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
SEWER ENTERPRISE FUND						
Expenses (Capital)						
58530 Capital Outlay	3,381	3,784	0	0	0	0
SUBTOTAL	3,381	3,784	0	0	0	0

	FY2008	FY2009	FY2010	FY2011	FY2011	FY2012
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
SEWER ENTERPRISE FUND						
Expenses (Debt Service)						
59100 Principal / Long Term Debt	496,788	348,777	344,641	458,554	175,563	460,390
59150 Interest /Long Term Debt	128,799	99,266	198,001	209,626	117,332	194,351
59270 Interest / Temporary Loans	118,807	114,539	192,596	1,575	0	0
59990 Other Financing Uses	0	105,000	0	0	0	0
SUBTOTAL	744,394	667,582	735,239	669,755	292,895	654,741

TOTAL: SEWER ENTERPRISE FUND	1,117,367	1,059,284	1,153,574	1,194,677	499,775	1,311,875
-------------------------------------	------------------	------------------	------------------	------------------	----------------	------------------



This Page Intentionally Blank

Proposed Capital Improvement Program



2012 - 2017

Town of Northborough, Massachusetts

CAPITAL IMPROVEMENT PROGRAM

Table of Contents

Town Administrator's Transmittal Letter	1
FY2012 Proposed Capital Budget	4
Introduction of Frequently Asked Questions	7
Capital Projects Flow Chart	12
Part I Capital Improvement Program FY2012-2017 Summary by Department	13
Part II Project Detail Sheets by Department	19
Fire/EMS Department	21-31
Police Department	32-33
Town Offices	34
Planning Department	35
Management Information Systems/Geographic Information Systems (MIS/GIS)	36-38
Parks & Recreation Commission	39-40
Wind Committee	41
Department of Public Works: Highway Division	42-51
Department of Public Works: Sewer Enterprise Fund Division	52-56
Department of Public Works: Water Enterprise Fund Division	57-59
Northborough K-8 Public Schools	60-74
Part III Financial Planning Committee Report	75



John W. Coderre
Town Administrator

Office of the Town Administrator
63 Main Street
Northborough, MA 01532

(508) 393-5040
Fax: (508) 393-6996

February 24, 2011

To: Financial Planning Committee
Appropriations Committee
Board of Selectmen

It is my pleasure to submit herewith the Proposed FY2012-2017 Capital Improvement Program (CIP), the first year of which constitutes the requested FY2012 Capital Budget. Each year, Town Meeting reviews the Proposed Capital Budget and adopts it by voting to appropriate funds for each recommended capital project. The planned acquisition of capital associated with the annual appropriation constitutes an important component of the Town's capital plan.

As you can see, the format and organization of the CIP continues to follow the new format implemented in FY2010. Beginning in FY2011 the CIP was incorporated in its entirety as Section 9 of the annual Operating Budget document. While the physical document continues to be improved, the main changes in FY2012 have to do with the financing of the projects themselves as the Town seeks to fund more projects using available funds, such as Free Cash, without issuing debt.

Adoption of a new Free Cash Policy

The process of preparing the CIP and the FY2012 Capital Budget has remained essentially the same as in recent years. However, the Board of Selectmen adopted a Free Cash Policy in November of 2010, which provides a funding source for projects, other than municipal bonds. The new Free Cash Policy is on page 2 in Appendix A of this budget document, which contains the Town's comprehensive financial policies.

In its most basic definition, Free Cash is the fiscal year-end combination of revenues that come in higher than estimated and expenditures that come in lower than budgeted. After the June 30th close of the fiscal year, the Town's Free Cash is certified by the State Department of Revenue and available for appropriation. Free Cash certified at the close of FY2010 is available for use in the FY2012 Capital Budget.

The newly adopted Free Cash Policy attempts to align one-time revenues with appropriate one-time expenditures. A goal of the policy is to minimize the level at which recurring expenses, such as personnel, are dependent upon this revenue source. To that end, the following are explicitly authorized uses of Free Cash under the adopted policy:

1. Appropriation Committee's Reserve Fund
2. Limited Subsidy of the Operating Budget
3. Capitalize the Stabilization Fund
4. Capital Improvement Program
5. Extraordinary Deficits & Emergency Appropriations

Under the new policy, one appropriate use of Free Cash is to fund capital projects that would otherwise incur borrowing costs associated with the issuance of debt. The financing of small capital projects or equipment is not considered a best practice for a community our size. Although perfectly legal, the Town endeavors to move away from incurring debt for vehicles and small equipment purchases.

Bond rating agencies prefer to see Towns using a pay-as-you-go approach for smaller capital projects. The one-time nature of Free Cash makes it an excellent match for one-time capital expenditures. If for some reason sufficient Free Cash does not materialize in a given year, the Town may borrow for capital projects, or delay them, without causing immediate impacts to the operating budget and related services.

The FY2012 Free Cash Plan

The Free Cash Policy represents the Town's agreed upon and principled approach to how this unpredictable revenue source will be used. The policy guides our decision-making process based upon sound financial planning practices and sets realistic and sustainable goals. The Free Cash Plan is the

annual implementation of how actual Free Cash will be used during the budget process in the context of our policy guidelines, including funding of any capital projects. As always, any use of Free Cash remains subject to Town Meeting approval and appropriation.

At the conclusion of FY2010 Free Cash was certified at \$1.95 million. Of the total Free Cash, \$804,000 is available to finance the FY2012 Capital Budget. Projects financed using Free Cash will not increase taxes or result in the payment of finance charges. The use of Free Cash is a significant funding source for FY2012 capital projects and will likely play a significant role in capital projects during the coming years.

FY2012 Proposed Free Cash Plan

Free Cash Certification 7/1/2010 (Close of FY10)		1,954,708.00	100.0%
FY2012	Operating Budget	(500,000.00)	25.6%
FY2012	Appropriated Reserve	(150,000.00)	7.7%
FY2012	Stabilization Fund	-	0.0%
FY2012	Capital Projects	(804,000.00)	41.1%
Free Cash Reserve for FY2013 Operating Budget		500,708.00	25.6%

In addition to the use of Free Cash in FY2012, the Town will also be using other one-time revenues in the form of mitigation funds from new developments and Massachusetts School Building Assistance (MSBA) grant funds to fund capital projects.

MSBA Green Repair Program—Melican Middle School

During August of 2010, MSBA announced a new temporary "green repair" grant program to help cities, towns and regional school districts repair or replace faulty school roofs, windows and boilers. The application or "statement of interest" period

for the Green Repair Program opened on August 11th and closed on September 22nd.

The purpose of the Green Repair Program is to help municipalities and districts fix “leaky roofs, drafty windows and boiler failures” to improve teaching and learning conditions in local schools and to help save money over the long-term on energy costs.

If a public school facility needs more extensive repair or renovation work – such as upgrades to electrical, plumbing or fire/life safety systems, renovation of interior spaces, improvements related to modernizing educational spaces, additional spaces based on capacity issues – it is not eligible for funding under the Green Repair Program. For this reason the Peaslee and Lincoln Street Elementary Schools do not qualify for the Green Repair Program. Both schools are the focus of upcoming renovation/addition projects.

The Town of Northborough submitted a “Statement of Interest” (SOI) to the Green Repair Program and was selected for a boiler and window replacement project at the Melican Middle School estimated to cost \$1.2 million, 48% of which will be reimbursed under the MSBA grant.

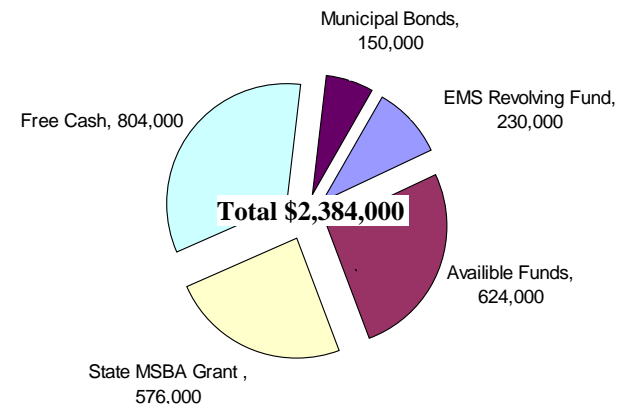
Award of a grant under the Green Repair Program does not disqualify the Town from pursuing funds from the MSBA for other facilities under the standard SOI process. Award of a grant under the Green Repair Program may, however, restrict a district’s ability to qualify for other MSBA funding for the same facility, which is why the middle school was selected and not another K-8 school. In other words, the Melican Middle School is otherwise educationally sound and not in need of immediate renovation/addition as is the case with the Peaslee and Lincoln Street Elementary schools.

The proposed MSBA Green Repair Project is underway and must be completed by December 2011 according to program requirements. The entire \$1.2 million project will be completed using a combination of available mitigation funds from recent developments and MSBA grant funds. No local tax dollars are planned to be expended on the project.

FY2012 Proposed Capital Budget

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 FY2012.

Excluding the \$500,000 Lincoln Street Elementary School Feasibility Project, which is still awaiting approval by MSBA, the funding sources for the FY2012 Capital Budget rely on only \$150,000 in debt. The balance of the \$2,384,000 project expenses, or 94%, is to be paid for using a combination of Free Cash, State Grants and available mitigation funds. The proposed funding approach limits the tax impact to just \$150,000. The pie chart below shows the funding sources for the proposed FY2012 Capital Budget.



It should be clearly noted that projects listed in the Capital Improvement Program for years other than FY2012 are not authorized at the 2011 Annual Town Meeting. Projects in these “out years” serve mainly as a guide for future planning and are subject to further review before incorporation into a future capital budget. Both the Capital Improvement Program (CIP) and the Capital Budget are developed annually in accordance with Section 6-4 of the Northborough Home Rule Charter.

Although the detail for proposed projects has been incorporated as Section 9 of the annual Operating Budget document, funding for all recommended FY2012 projects requires Town Meeting approval of specific Articles contained in the April 2011 Annual Warrant. The adoption of the Capital Budget and any associated borrowing is done strictly in accordance with the Town Charter and Massachusetts General Laws (MGL).

With regard to the Northborough K-8 Capital Requests, it is unclear at the time of this writing, whether or not the MSBA will approve the Lincoln Elementary School Feasibility Project. Without MSBA’s approval prior to Town Meeting, it is likely that the Feasibility Project Request will need to be passed over and delayed to another year. Without prior MSBA approval, the Town would risk future State funding assistance on the project if it were to proceed. More information will be made available on this request at Town Meeting. The only other School projects being proposed in FY2012 are the Green Repair Project at the Melican Middle School, as previously discussed, and the flat roof replacement at the Peaslee Elementary School.

As you can see, the General Government capital projects consist mainly of equipment replacements to be funded with available Free Cash. Therefore, only the Lincoln Street Feasibility Study (if acted upon by MSBA) and a portion of

the Peaslee School roof repairs are proposed to be funded with debt.

FY2012 PROPOSED CAPITAL BUDGET		
PROJECTS BY DEPARTMENT		EXPENDITURE
GENERAL GOVERNMENT	<u>Fire Department</u>	
	Ambulance Replacement	230,000
	Pick-up Truck Replacement	60,000
	<u>Police Department</u>	
	Dispatch/Station Phone System	35,000
	<u>DPW: Highway Division</u>	
	Highway Garage Truck Lift	60,000
	One Ton Pick-up Truck w/Plow	39,000
	Street Sweeper	164,000
	One Ton Dump Truck w/Plow	71,000
	General Government Subtotal	\$659,000
NORTHBOROUGH K-8 SCHOOLS	<u>Peaslee Elementary School</u>	
	Flat Roof Replacement	525,000
	<u>Melican Middle School</u>	
	Boiler/Window Replacement (MSBA Program)	1,200,000
	<u>Lincoln Elementary</u>	
	Feasibility Study	500,000
	Northborough K-8 Public Schools Subtotal	\$2,225,000
CAPITAL PROJECTS TOTAL		2,884,000

*Note: Lincoln Elementary School Feasibility Study Project is tentative, pending MSBA approval prior to Town Meeting. Absent the \$500,000 Feasibility Study the FY2012 Capital Projects Total would be \$2,384,000.

One of the long-term goals of the Financial Planning Committee has been to move toward funding small capital items with available funds, such as Free Cash, and avoid the expense associated with debt financing of smaller capital items. FY2012 is the first year such an approach is being implemented.

As a reminder, Part III of this CIP document contains the Financial Planning Committee's evaluation and recommendation report on the proposed capital projects. The report is an excellent reference for citizens reviewing the CIP and provides additional detail regarding how projects are prioritized. Interested readers are strongly encouraged to read the report.

In closing, we continue to make great strides towards improving our Capital Improvement Program. The attached Capital Budget continues to recognize the Town's ongoing responsibility to maintain its capital facilities, equipment and infrastructure, and to make the capital investments necessary to meet the service demands of our community. The Capital Improvement Program also recognizes the Town's responsibility to limit such undertakings to a sustainable level that will preserve the fiscal integrity of the Town.

I wish to extend my sincere thanks to the Financial Planning Committee, School Superintendent, Department Heads and staff for their assistance in the preparation of this document.

Respectfully
submitted,

John W. Coderre
Town Administrator



This Page Intentionally Blank

INTRODUCTION

In a continuing effort to provide “user friendly” documents to our citizens, the Town has endeavored to provide a straight forward introductory section that answers the most commonly asked questions regarding capital planning in Northborough. The following questions and answers define terms, describe processes, and detail the needs and benefits of Northborough’s capital planning activities.

I. What is the Capital Improvement Program?

The Capital Improvement Program (CIP) is a multi-year plan used to coordinate the financing and timing of major public improvements for the Town of Northborough. It contains a list of capital projects proposed for the Town within the next six years and reflects the recommendations of citizens, boards, commissions, and staff from each of the Town departments. The CIP identifies each proposed project and presents a summary description, estimate of cost, method of financing, and a schedule of implementation. The Capital Improvement Program constitutes a rational plan for preserving, as well as adding to the capital assets of the Town.

II. What are Capital Assets and Capital Projects?

A capital asset is a new or rehabilitated physical asset that is of a non-recurring nature, has a useful life of at least five years, and is of significant value. Capital projects are undertaken to acquire capital assets and are differentiated from ordinary repairs or maintenance of a recurring nature. Examples of capital projects include land acquisitions, construction or major improvements to public buildings, road construction, and the acquisition of large equipment. For our purposes, projects submitted must exceed \$25,000 in value for FY2012 to qualify for inclusion in the *Town of Northborough’s Capital Improvement Program*.

III. What is the difference between the Capital Improvement Program and the Capital Budget?

The first year of the CIP is the proposed Capital Budget. The Capital Budget consists of those capital projects which, through the Town Meeting process and in accordance with the Town Charter, are annually approved and funded. However, projects slated for subsequent years in the CIP serve on a planning basis only, and do not receive ultimate spending authority until they are incorporated into a capital budget and approved by Town Meeting.

IV. How is the Operating Budget Related to the Capital Budget?

The Town of Northborough prepares a Capital Budget separate from the Operating Budget, yet the two are closely linked. The annual Operating Budget provides for general municipal service delivery, including personnel service costs, supplies and other contractual services, and certain capital equipment. Revenues for the Operating Budget are derived primarily from recurring taxes, intergovernmental sources, and user fees. Appropriations to the annual Operating Budget are for a single fiscal year.

In contrast, the Capital Budget is a multi-year budget designed to expend monies which add to the physical assets of the Town. Capital projects typically require expenditures which take place beyond a single fiscal year; funding with debt because of significant costs to be shared by current and future beneficiaries; systematic acquisition over an extended period of time in order to implement major operating systems or programs; and scheduled replacement or maintenance of specific elements of physical assets. Revenues for capital projects are most often derived from the sale of municipal bonds (borrowing), State & Federal Grants (when available) or can be supported by one-time funding sources, such as donations and free cash.

Notwithstanding the differences between the two, the Operating and Capital Budgets are closely interwoven inasmuch as operating costs related to capital projects need to be estimated and provided for in the Operating Budget. Many capital projects such as the Library Renovation/Expansion Project or new Senior Center will have an impact on the operating costs of those facilities once reopened. Town practice is to attempt to project the net effect a capital project will have on the operating budget. Maintenance and repair costs may be lower in a new facility, but it may cost more to run the larger facility as well. In addition, since most capital projects are financed through municipal debt, repayment of that debt becomes part of the operating budget as well as the Town's fiscal forecasting models. The necessity to incur some degree of debt in order to finance the Capital Improvement Program carries with it the burden to effectively manage that debt within the Town's financial resources.

V. Why do we need a CIP?

The CIP provides a means of coordinating and centralizing the capital project requests of various departments and agencies, thus eliminating wasteful overlap, duplication, and delay. It focuses attention on Northborough's goals and financial capability by comprehensively considering not only what capital projects Northborough needs, but equally as important, what it can afford. Additionally, the formalized process allows more time for the study of projects, encourages public discussion of proposed undertakings, and allows Town citizens the opportunity to provide input, advice and recommendations with respect to proposed projects and expenditures.

VI. How does Capital Programming save the Town money?

Investors and bond rating agencies stress the value of a CIP for a municipality seeking to borrow funds. In fact, the six-year capital plan is referenced in every Offering Statement for Town of Northborough bonds. The absence of a rational, long-term planning instrument would weigh against the bond rating assigned to Northborough by rating agencies and the result would be higher interest rates on bond issues and more tax dollars going to pay for the interest on loans. Northborough currently enjoys a superior credit rating of Aa3 by Moody's Investor Service. This places Northborough within the same rating tier and just slightly below obligations of the United States Government. Thus, very real and tangible cost savings result from the use of our Capital Improvement Program.

Another financial benefit from the capital programming process is the avoidance of poorly timed projects. Good planning can ensure that capital improvement efforts are coordinated and costly duplication is avoided. In addition, significant savings can accrue to taxpayers when major capital financing is coordinated so that bond issues are sold infrequently, but at good times during the economic cycle to take advantage of low interest rates. The development of a Capital Improvement Program ensures sound fiscal and capital planning.

VII. How are Capital Projects financed?

An annual appropriation is typically included in the Operating Budget for capital expenditures as one of several funding sources to finance select capital projects. Other financing sources for Northborough's capital projects include state and federal grants, corporate donations, free cash, and debt. The single largest source of financing for capital projects is borrowing through the issuance of general obligation bonds. Much like mortgaging a house, borrowing allows the Town of Northborough to purchase expensive capital assets and spread the costs over the useful life of the asset, thus eliminating the need to temporarily raise taxes every time a large capital asset is acquired. In addition, debt allows current and future beneficiaries to share the cost of long-term capital improvements such as new schools, libraries or roads. All borrowing is done strictly in accordance with the Town Charter and Massachusetts General Laws (MGLs).

VIII. How is the CIP developed?

The process for preparing the FY2012-2017 Capital Improvement Program and its associated FY2012 Capital Budget is essentially the same as in past years. It involves active participation by Department Heads working in conjunction with the Financial (Capital) Planning Committee. The Capital Budget is prepared in the context of a six-year determination of need by Departments, in conjunction with the Town's overall financial capacity to affordably accommodate the required debt service payments. Projected debt service payments and budgetary impacts are forecast annually to help ensure affordability and sustainability of the Capital Improvement Program.

Proposed projects are reviewed and prioritized based upon commonly used criteria such as health and safety factors, legal obligations and mandates, fiscal impact, environmental impact, community economic effects, and aesthetic and social effects on the quality of life experienced by Northborough residents. Projects are also examined in terms of their relationship to other projects, the Master Plan of Development, and their compatibility with Town-wide goals and objectives.

The process can be described as an iterative cycle with several distinct procedural steps. These steps and the approximate time frame in which they typically occur are described below. The process is also graphically illustrated in the Capital Projects Flow Chart following this introduction.

- *Late Summer*—Following Town Meeting after the approval of that year's Capital Budget, Departments are provided with their previously submitted six year requests for review, update and the addition of the next sixth year. While requests generally remain the same as in the initial request, there are occasionally changed circumstances which necessitate alterations to the requests. This information is returned to the Town Administrator for General Government projects and to the School Superintendent for initial review.
- *Late Autumn / Early Winter* —The Financial Planning Committee meets to receive the compiled information and begin scheduling meetings with the various Departments to evaluate the projects. The Financial Planning Committee and the Town Administrator meet to review the requests of specific Departments and the needs of the overall Town organization. The preliminary debt schedules are updated and various financial forecasts completed in order to provide context to the Capital Budget as well as the six-year Capital Improvement Program.
- *January/February*—The Capital Budget is finalized within the parameters of the established funding target plus any available funds such as free cash or previously approved but unexpended bond proceeds. In making final decisions, the process includes a determination of actual needs and the prioritization of need based upon legal mandate, public safety, and the effect of deferral. Projects not approved for funding are typically deferred into the next budget year.

- *March/April*—The Proposed Capital Budget is presented to the Board of Selectmen and Appropriations Committee.
- *April*—The Capital Budget is presented to Town Meeting for approval; and the process begins again.

Throughout the ensuing fiscal year, Town staff monitors all the approved projects and the following fall the Financial Planning Committee reconvenes to update the CIP all over again.

IX. Why must the CIP be continually updated?

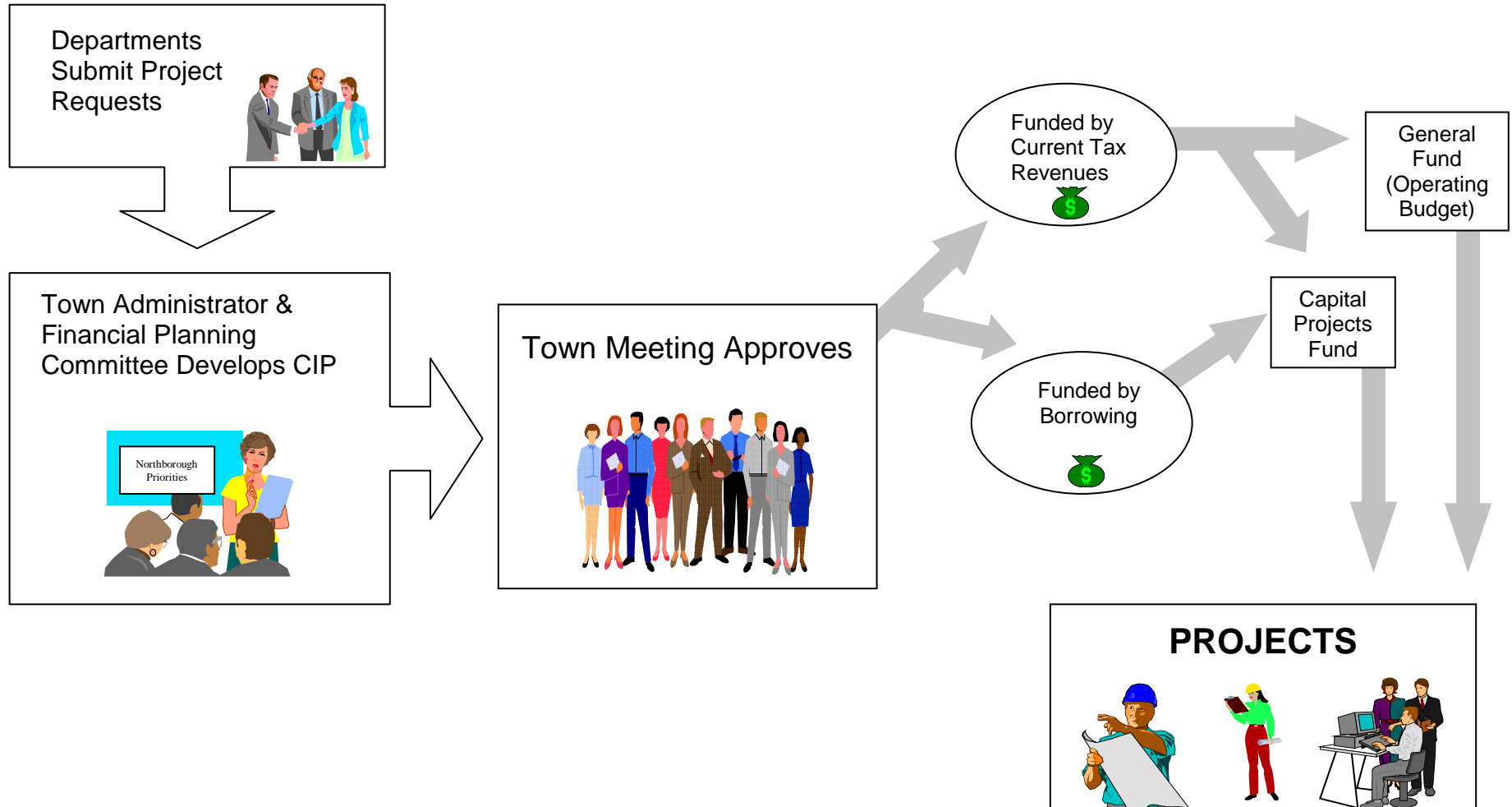
The CIP must be reviewed annually by Town departments and citizens to insure its effectiveness as a flexible, mid-range strategic plan that links the annual budget with our multi-year financial forecasts and the more static long-range Master Plan of Development. Each year, Town Meeting reviews the capital projects recommended by the Financial Planning Committee and the Town Administrator through the CIP development process and approves a Capital Budget. Unfunded projects and those slated for subsequent years in the plan are acknowledged on a planning basis only and do not receive ultimate expenditure authority until they are incorporated into a Capital Budget and approved by Town Meeting. In this respect, the CIP can be thought of as a “rolling” process because unfunded projects and those farther out in years typically move up after each year of review. However, it is important to note that each project contained in the CIP must be recommended every subsequent year and as priorities and monetary constraints change, projects may be moved up, moved back, or even eliminated from the plan. This comprehensive annual review is critical to maintaining fiscal responsibility as well as ensuring the future education, safety, and welfare of Northborough residents.

CAPITAL PROJECTS FLOW CHART

DEVELOPMENT

REVIEW & APPROVAL

IMPLEMENTATION



Part I

Capital Improvement Program Summary Fiscal Years 2012-2017



This Page Intentionally Blank

**Town of Northborough
Capital Improvement Program Summary
Fiscal Years 2012-2017**

PROJECTS BY DEPARTMENT	Page #	Source of Funds	Six-Year Total	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Fire									
Pick-Up Truck Replacement	21	6	60,000	60,000					
Ambulance Replacement	22	5	230,000	230,000					
Engine 3 Replacement	23	2/6	545,000		545,000				
Conversion to Narrow Radio Banding	24	6	85,000		85,000				
Fire Hose Replacement	25	6	98,000		98,000				
Fire Station Addition/Renovation	26	2	6,650,000		650,000	6,000,000			
SCBA Compressor Replacement	27	6	50,000			50,000			
Pers. Protective Equip Replacement	28	6	91,000			91,000			
Car One Replacement	29	6	66,000				66,000		
Engine 2 Replacement	30	2/6	663,000					663,000	
Ambulance Replacement	31	5	280,000					280,000	
Fire Subtotal			\$8,818,000	\$290,000	\$1,378,000	\$6,141,000	\$66,000	\$943,000	\$0
Police									
Dispatch/Station Phone System	32	6	35,000	35,000					
Police Station Roof Replacement	33	2/6	80,000				80,000		
Police Subtotal			\$115,000	\$35,000	\$0	\$0	\$80,000	\$0	\$0
Town Offices									
Town Offices Repairs (HVAC)	34	2/6	850,000		850,000				
Town Hall Subtotal			\$850,000	\$0	\$850,000	\$0	\$0	\$0	\$0
Planning Department									
Master Plan	35	6	100,000				100,000		
Planning Dept Subtotal			\$100,000	\$0	\$0	\$0	\$100,000	\$0	\$0

**Town of Northborough
Capital Improvement Program Summary
Fiscal Years 2012-2017**

PROJECTS BY DEPARTMENT	Page #	Source of Funds	Six-Year Total	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Management Information Systems/Geographic Information Systems									
Phone System	36	6	60,000		5,000	55,000			
New Wide-Area Fiber Network	37	6	75,000			75,000			
Data Storage Network	38	6	40,000				40,000		
MIS/GIS Subtotal			\$175,000	\$0	\$5,000	\$130,000	\$40,000	\$0	\$0
Parks & Recreation Commission									
NEW Ellsworth McAfee Track Replacement	39	6	40,000		40,000				
Lincoln Elementary School Irrigation	40	6	30,000					30,000	
Parks & Rec Comm Subtotal			\$70,000	\$0	\$40,000	\$0	\$0	\$30,000	\$0
Wind Committee									
Wind Turbine	41	2/6	4,500,000			4,500,000			
Wind Committee Subtotal			\$4,500,000	\$0	\$0	\$4,500,000	\$0	\$0	\$0
DPW: Highway Division									
NEW Highway Garage Truck Lift	42	6	60,000	60,000					
One Ton Pick-up Truck w/Plow	43	6	39,000	39,000					
Street Sweeper	44	6	164,000	164,000					
One Ton Dump Truck w/Plow	45	6	143,000	71,000	72,000				
Sidewalk Plow	46	2/6	150,000		150,000				
Loader	47	2/6	170,000		170,000				
New Sand/Salt Shed	48	2	700,000			700,000			
Highway Garage Renovation/Expansion	49	2	2,900,000			700,000	2,200,000		
6-wheel Dump Truck w/ Sander & Plow	50	2/6	180,000			180,000			
Roadside Mower	51	2/6	120,000			120,000			
Highway Subtotal			\$4,626,000	\$334,000	\$392,000	\$1,700,000	\$2,200,000	\$0	\$0

**Town of Northborough
Capital Improvement Program Summary
Fiscal Years 2012-2017**

PROJECTS BY DEPARTMENT	Page #	Source of Funds	Six-Year Total	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
DPW: Sewer Enterprise Fund									
Milk Porridge/Sunset/Brigham sewer const.	52	7	1,500,000		1,500,000				
Mill St./St. James Dr. sewer const.	53	7	310,000		310,000				
Leland/Rodney Terrace sewer const.	54	7	655,000			655,000			
Church/Colby/Prospect/Mulberry sewer cons	55	7	1,100,000				1,100,000		
Allen/Hudson St. sewer const.	56	7	750,000					750,000	
Sewer Enterprise Fund Subtotal			\$4,315,000	\$0	\$1,810,000	\$655,000	\$1,100,000	\$750,000	\$0
DPW: Water Enterprise Fund									
Crawford St. Main	57	8	535,000		535,000				
Clean & Paint Tanks	58	8	200,000			200,000			
Main St. Main	59	8	400,000				400,000		
Water Enterprise Fund Subtotal			\$1,135,000	\$0	\$535,000	\$200,000	\$400,000	\$0	\$0
TOTAL GENERAL GOVERNMENT (NON-SCHOOL)									
Fire Subtotal			\$8,818,000	\$290,000	\$1,378,000	\$6,141,000	\$66,000	\$943,000	\$0
Police Subtotal			\$115,000	\$35,000	\$0	\$0	\$80,000	\$0	\$0
Town Offices Subtotal			\$850,000	\$0	\$850,000	\$0	\$0	\$0	\$0
Planning Dept Subtotal			\$100,000	\$0	\$0	\$0	\$100,000	\$0	\$0
MIS/GIS Subtotal			\$175,000	\$0	\$5,000	\$130,000	\$40,000	\$0	\$0
Parks & Rec Comm Subtotal			\$70,000	\$0	\$40,000	\$0	\$0	\$30,000	\$0
Wind Committee Subtotal			\$4,500,000	\$0	\$0	\$4,500,000	\$0	\$0	\$0
DPW: Highway Subtotal			\$4,626,000	\$334,000	\$392,000	\$1,700,000	\$2,200,000	\$0	\$0
DPW: Sewer Enterprise Fund Subtotal			\$4,315,000	\$0	\$1,810,000	\$655,000	\$1,100,000	\$750,000	\$0
DPW: Water Enterprise Fund Subtotal			\$1,135,000	\$0	\$535,000	\$200,000	\$400,000	\$0	\$0
TOTAL GENERAL GOVERNMENT			\$24,704,000	\$659,000	\$5,010,000	\$13,326,000	\$3,986,000	\$1,723,000	\$0

**Town of Northborough
Capital Improvement Program Summary
Fiscal Years 2012-2017**

PROJECTS BY DEPARTMENT	Page #	Source of Funds	Six-Year Total	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Northborough K-8 Public Schools	60								
Summary of School projects									
Lincoln Elementary									
Feasibility Study	61	2/3	500,000	500,000					
Architectural Fees/Renovation	61	2/3	13,060,000		13,060,000				
**Design / Fire & Sprinkler Systems	62	2/3	384,000				TBD	384,000	
Peaslee Elementary									
Feasibility Study	63	2/3	500,000				500,000		
Architectural Fees/Renovation	63	2/3	14,313,000					14,313,000	
Flat Roof Replacement	64	2/6	525,000	525,000					
**Design / Fire & Sprinkler Systems	65	2/3	384,000				TBD	384,000	
**Floor Tile Replacement	66	2/6	40,000				40,000		
Proctor Elementary									
Roof Repairs	67	2/6	85,000					85,000	
Melican Middle School									
Boiler/Window Replacement (MSBA Progran	68	3/6	1,200,000	1,200,000					
Feasibility Study FY17	69	2/3	500,000						500,000
Architect Fees/Renovation FY18 (\$43 million	69	2/3	0						
Zeh Elementary									
Floor Tile/Carpet Replacement	70	6	26,000					26,000	
District									
Tractor	71	2/6	40,000			40,000			
Parking Lot/ Sidewalk Paving	72	2/6	194,000			194,000			
Hot Water Heater Tank Replacement	73	2/6	72,000		72,000				
Northborough K-8 Public Schools Subtotal			\$31,823,000	\$2,225,000	\$13,132,000	\$234,000	\$540,000	\$15,192,000	\$500,000

**If Lincoln Street School or Peaslee School renovation projects do not move forward, these projects will need to be included in the capital plan for funding.

Source of Funds Legend			
(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund


Part II

Projects Detail Sheets by Department
FY2012-2017



This Page Intentionally Blank

PROJECT DETAIL SHEET

Project Title: Pick-up Truck Replacement	
Department: Fire	Category: 2-B
Description and Justification: <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>This project seeks to replace a 2005, three-quarter ton, four-wheel-drive pick-up truck. This vehicle is used to carry personnel, equipment, and bulk supplies. It is also used for performing inspections and investigations, and will be seven years old at the time of the requested replacement. This vehicle responds to over thirteen hundred emergency responses and over two thousand inspections, investigations, and fire alarm service calls each year.</p> </div> <div style="width: 35%; text-align: center;">  </div> </div>	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	60000	60000					
G. Contingency								
H. Other								
TOTAL		\$60,000	\$60,000					

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: Ambulance Replacement	
Department: Fire/EMS	Category: 1-B
Description and Justification: <p>The Town operates an ambulance service, which is physically housed in the Fire Station at 11 Pierce Street. There are currently two ambulances associated with this service: the front line 2008 Type 3 GMC Ambulance and a back-up 2004 Ford/Horton Ambulance. This project is proposed to replace the back-up 2004 Ambulance (pictured to the right) in 2012 when the vehicle will be 8 years old, which is its approximate useful life. The 2008 Ambulance will then become the back-up ambulance to the new one for an additional four years. Purchase of the new ambulance will be funded entirely by EMS user fees and no tax dollars will be needed. The planned, regularly scheduled replacement of emergency ambulances is critical to ensuring public safety.</p>	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	5	230000	230000					
G. Contingency								
H. Other								
TOTAL		\$230,000	\$230,000					

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: Engine 3 Replacement	
Department: Fire	Category: 1-C
Description and Justification: <p>This project seeks to replace the department's 1984 engine which was purchased used and refurbished in 1994. In 2013, the vehicle will be twenty-nine years old, far exceeding its useful and safe life span. The life span of vehicles utilized in this capacity averages ten years of reliable, front-line service. The Insurance Services Office requires Northborough to maintain three pumping apparatus in order to sustain its ISO rating of four, which ensures cost effective fire insurance rates for businesses and residential property within the town. Engine 3 currently serves as a back-up reserve to the 2006 Engine 1 and 1996 Engine 2. Once purchased, the existing Engine 3 will be traded-in and the 1996 Engine 2 will become the back-up.</p>	




RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	545000		545000				
G. Contingency								
H. Other								
TOTAL		\$545,000		\$545,000				

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: Conversion to Narrow Radio Banding	
Department: Fire/Police/DPW	Category:
Description and Justification: The Federal Communications Commission has mandated that all non-Federal public safety licenses using 25 kHz radio systems migrate to narrowband 12.5 kHz channels by January 1, 2013. While most base, mobile and portable radios purchased and used by Town departments since February 14, 1997 have the ability to operate in narrowband, older equipment must be replaced by January 1, 2013. Routine upgrading has been ongoing, but replacement of significant amounts of radio equipment, along with re-licensing and re-programming of existing equipment will still be needed. In addition, the fire repeater on the Colburn Street cell tower may also need to be replaced. Further review and assessment to refine cost estimates and possible alternative funding sources is ongoing.	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	85000		85000				
G. Contingency								
H. Other								
TOTAL		\$85,000		\$85,000				

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: Fire Hose Replacement	
Department: Fire	Category: 2-B
Description and Justification: <p>This project seeks to replace fire hose in conformance with the National Fire Protection Association's Standard 1961, Fire Hose. The hose to be replaced has either failed testing and is out of service, shows signs of age or wear, or has been repaired at least once. The project seeks to replace 5,400 feet of 4-inch supply hose, 4,000 feet of 2.5-inch attack/supply hose, 4,500 feet of 1 3/4-inch structural attack hose, 2,800 feet of 1 3/4-inch forest fire attack/supply hose, 5,000 feet of one-inch Massachusetts forest fire hose, and 1,000 feet of one-inch Realtex hose fixed to reels on the forest fire vehicles. Hose should be replaced due to its age of fifteen to twenty years and the department has not purchased hose in bulk quantity since 1999 in conjunction with the CIP. As always, the Department continues to seek grant funding whenever available.</p>	
	

RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	98000		98000				
G. Contingency								
H. Other								
TOTAL		\$98,000		\$98,000				

Source of Funds Legend


- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: Fire Station Renovation/Addition Project (11 Pierce Street)								
Department: Fire/EMS					Category: 1-C			
Description and Justification: <p>This project will provide for the renovation or relocation of the existing 1974 fire station. The projected life span of the current building was twenty-five years and the bathrooms, kitchens, and dormitory spaces are in need of significant expansion. The roof membrane will be approaching nineteen years old, and the sewer connection is in need of improvement. Hose storage, maintenance, and self-contained breathing apparatus maintenance areas are inadequate. Increased service demands on staff and equipment have resulted in increased fire suppression, prevention, and emergency medical services that need to be provided to insure that the mission of the Town's fire services is met. Previously appropriated funds in the amount of \$75,000 will be used to complete a limited Feasibility Study during the spring/summer of 2011 to better define the proposed project location, design and cost estimates.</p>								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design	2	650000		650000				
C. Land Acquisition								
D. Construction	2	6000000			6000000			
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$6,650,000		\$650,000	\$6,000,000			
Source of Funds Legend								
(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees					
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees					

PROJECT DETAIL SHEET

Project Title: Self-contained Breathing Apparatus (SCBA) Air Compressor	
Department: Fire	Category: 2-B
Description and Justification: The requested project will replace the department's current self-contained breathing apparatus (SCBA) air compressor which was purchased in 1991. The compressor is used to refill depleted SCBA bottles with purified, pressurized breathing air for firefighting and dive rescue. The compressor also contains four air storage bottles for filling multiple SCBA bottles and an enclosed filling station which is rated to contain a 4,500 psi exploding air bottle. The new compressor will be capable of producing 6,000 psi and will have 6,000 psi storage bottles installed. This increased pressure and storage will greatly increase fill speed and compressed air storage capabilities. Safe filling of SCBA and compressed air quality are critical to firefighter safety. The new system will be National Fire Protection Association compliant.	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	50000			50000			
G. Contingency								
H. Other								
TOTAL		\$50,000			\$50,000			

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: Personal Protective Equipment Replacement	
Department: Fire	Category: 2-B
Description and Justification: The requested project seeks to replace thirty-five sets of firefighting structural personal protective equipment, helmets, eye protection, hoods, coats, pants, gloves and boots, in compliance with NFPA Standard 1971. The department last replaced the personal protective clothing in 2005 through an Assistance to Firefighters Grant. The majority of the equipment will be nine years old and at the end of its safe and useful life span. Through use, sunlight, and chemical exposure, both the external and internal vapor barriers break down and become less effective over time. New fabrics, safety features, and designs will be available, contributing to increased firefighter safety and survival.	
	

RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	91000			91000			
G. Contingency								
H. Other								
TOTAL		\$91,000			\$91,000			

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |


CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: Car One Replacement								
Department: Fire				Category: 2-B				
Description and Justification: <p>This request will replace the 2008 Chevy Tahoe command/communications vehicle which is a critical component of the Incident Command System. The vehicle carries vital communications equipment; contingency and emergency plans for facilities; chemical, firefighting, terrorism, and firefighting references; the tactical command board; command vests; and fire investigation tools. The vehicle will have served its frontline life span at the time of replacement. As in the past, the replacement vehicle will be a four-wheel drive sports utility vehicle useful during wildfires and weather-related emergencies. Cost includes emergency warning devices, radios, command console, lettering, and related installation charges. The command/communications vehicle provides vital communications and reference resources necessary to effective incident command.</p>								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	66000				66000		
G. Contingency								
H. Other								
TOTAL		\$66,000				\$66,000		
Source of Funds Legend								
(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees					
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees					

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: Engine 2 Replacement	
Department: Fire	Category: 1-C
Description and Justification: This project seeks to replace the 1996 Engine 2. In 2016 the vehicle will be 20 yrs old and well beyond its expected useful life, which is typically about 10 years for front-line service. The Insurance Services Office requires Northborough to maintain 3 pumping apparatus in order to sustain its ISO rating of 4, which residential and commercial fire insurance rates are based upon. Engine 2 is currently the back-up reserve pumper and carries the "Jaws of Life", extra hose for areas not served by municipal water supply and has a 2,000 gallon portable water storage tank. The 2005 Engine 1 will become the reserve backup pumper once the new replacement is purchased and takes over as the new front-line pumper.	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	663000					663000	
G. Contingency								
H. Other								
TOTAL		\$663,000					\$663,000	

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: Ambulance Replacement	
Department: Fire/EMS	Category: 1-C
Description and Justification: <p>The Town operates an ambulance service, which is physically housed in the Fire Station at 11 Pierce Street. There are two ambulances associated with this service: the front line 2008 Type 3 GMC Ambulance and a back-up 2004 Ford/Horton Ambulance. The capital improvement program proposes to replace the 2004 Ambulance in FY2012 and replace the 2008 Ambulance in FY2016. The newest ambulance becomes the front-line responder and the older ambulance becomes the back-up. Typically a new ambulance serves for about 8 years as a front-line responder and an additional four years as the back-up ambulance before being replaced. Purchase of new ambulances are funded entirely by EMS user fees and no tax dollars. The planned, regularly scheduled replacement of emergency ambulances is critical to ensuring public safety.</p>	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	5	280000					280000	
G. Contingency								
H. Other								
TOTAL		\$280,000					\$280,000	

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: Dispatch Center and Station Phone Replacement	
Department: Police / Public Safety Dispatch	Category: 2-B
Description and Justification: <p>The Northborough Police Department building, which also houses the Town's Public Safety Dispatch Center, was built in 1989. At that time a new telephone system was installed. All 9-1-1 emergency calls for the Northborough Police and Fire Departments (including the ambulances) are received here 24/7. The phone system is approximately 20 years old, lacks modern functionality that would better serve dispatch personnel, and requires replacement parts that are no longer newly available. During 2010 the Dispatch Center handled more than 23,000 calls for service. Given the critical Public Safety component to this project, it is recommended for replacement in FY2012.</p>	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment	6	35000	35000					
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$35,000	\$35,000					

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: Police Station Roof Replacement	
Department: Police	Category:
Description and Justification: The Police Station roof is original to the building, which was constructed in 1989. Some shingles have been compromised and lichens have infiltrated significant areas of the north face of the roof. During January of 2009 a professional assessment was conducted which indicated the roof to be in "fair" condition but recommended scheduling its replacement during FY2015. According to the review, a new asphalt shingle roof is estimated to cost \$80,000 and last approximately 25 years, while a new metal roof is estimated to cost \$150,000 with an expected life of fifty years. At this time, a replacement asphalt roof is being included in the CIP for FY2015. As with all public sector building projects the Town is required to pay the State-mandated "prevailing wage" for all labor on this project.	 <p>211 MAIN STREET</p>


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	2/6	80000				80000		
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$80,000				\$80,000		


Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: Town Offices Repairs								
Department: Town Administrator					Category: 3-A			
Description and Justification: During FY2010 the Town used Community Preservation funding to complete an analysis of the general physical conditions and maintenance requirements of the Town Offices Building. The architectural and engineering study identified an overhaul of the existing 2-pipe steam heating system as a high priority. Although the boilers are relatively new, the system is difficult to control, condensate drain piping corrodes, steam traps are difficult to maintain and leaks lose steam. Given the age of the existing pipes and resulting inefficiencies, the report recommended converting the existing boilers to hot water and replacing the entire system with all new piping with hot water finned tube radiation. The project also includes installing a gas-fired roof-top HVAC system for the gymnasium.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment	2/6	850000		850000				
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$850,000		\$850,000				
Source of Funds Legend								
(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees					
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees					

PROJECT DETAIL SHEET

Project Title: Master Plan Update								
Department: Planning Department					Category:			
Description and Justification: The last update of the Master Plan was completed in November 1997. Prior to that, the Plan was updated in 1988. If the project is successfully funded in 2015, it will be approximately a twenty year time frame since the last update. Given this time span, the changes in the economy, and the modifications to the built environment, it is necessary for a comprehensive approach for this town-wide planning document. The Master Plan will include the town's vision & goals and analysis of the demographics, growth trends, land use & zoning, economic development, housing, open space & recreation, transportation, municipal facilities & services, natural resources and implementation program. A Master Plan is a necessary land use planning tool.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other	6	100000				100000		
TOTAL		\$100,000				\$100,000		
Source of Funds Legend (1) Operating Revenues (3) State Aid (5) EMS Revolving Fund Fees (7) Sewer Enterprise Fund Fees (2) Municipal GO Bonds (4) Trust Funds (6) Free Cash / Other (8) Water Enterprise Fund Fees								

PROJECT DETAIL SHEET

Project Title: **New Town Offices Building Phone System**

Department: **MIS**

Category: **2-D**

Description and Justification:

The phone system currently in use at Town Hall is based on a centrex system with limited features and functionality. There are no standard replacement phones in use and the poor condition of the existing copper wiring in the building results in degraded signal quality and static on the lines, including voice bleed-over onto other lines. Significant funds have been expended trying to fix problematic lines with little to no success. The proposed phone system will abandon the use of problematic copper wiring in favor of existing Category 5 wiring currently in place for the Town's data network. A telecommunications consultant will be retained to perform an assessment of the Town's current telecom infrastructure and develop recommendations for implementing a new system, along with development of an RFP for vendor selection.



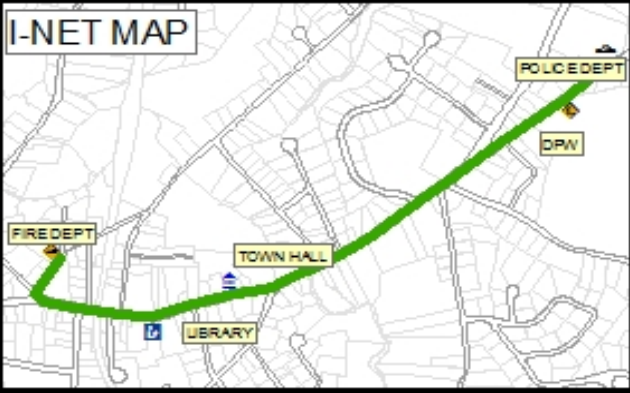
RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study	6	5000		5000				
B. Design								
C. Land Acquisition								
D. Construction	6	55000			55000			
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$60,000		\$5,000	\$55,000			

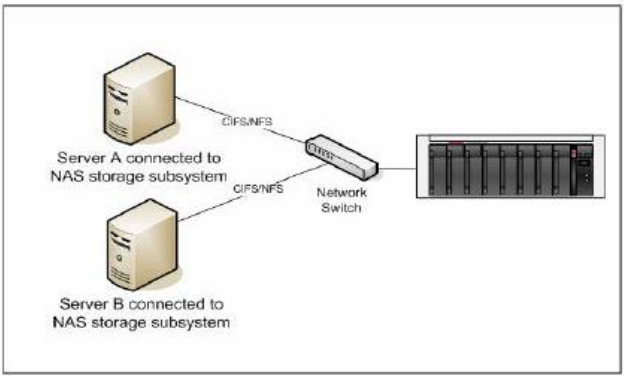
Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: New Wide-Area Fiber Network								
Department: MIS/GIS					Category: 2			
Description and Justification: The Town's I-NET currently utilizes a fiber infrastructure for network connectivity between 5 facilities along an approximately 1 mile stretch of Main Street (Police Dept, Highway Garage, Town Hall, Library and Fire Dept). Starting in 2000, the Town leased this "dark fiber" from Charter Communications with the Town owning and maintaining all of the equipment (switches, routers, etc) at each site. Under this project the Town would contract with a vendor to run new fiber along the same route and avoid the ever increasing lease payments being made to Charter, which were \$5,000 in 2000 and are currently at \$18,000 annually. Payback on investment may be 4 years or less, depending upon Charter increases and capital expenses which are being estimated. The fiber would be Town-owned and would ensure a cost-effective communications infrastructure with room for growth in the years ahead.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	6	75000			75000			
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$75,000			\$75,000			
Source of Funds Legend								
(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees					
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees					

PROJECT DETAIL SHEET

Project Title: Data Storage Area Network	
Department: MIS/GIS	Category: 2
Description and Justification: <p>This project will provide for a centralized, highly available storage system for the Town's increasing data needs. Currently, the Town's network design allocated storage directly in individual servers, resulting in some servers with a significant shortfall in data storage capabilities and other servers with excess capacity. As the use of various databases increase, the need for a flexible, centralized storage solution becomes more essential. These databases include the Town's financial applications (MUNIS on Informix), e-mail and calendaring information stores (Microsoft Exchange), Public Safety applications (Police, Fire and Dispatch databases in Microsoft SQL Server), CAMA property valuation database (Oracle), Geographic Information Systems and aerial photography and others. A storage area network device will also be designed with the ability to accommodate inevitable future data growth.</p>	
	

RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	40000				40000		
G. Contingency								
H. Other								
TOTAL		\$40,000				\$40,000		

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |


CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET


Project Title: Ellsworth McAfee Track Replacement								
Department: Parks and Recreation Commission					Category: 2-B			
<u>Description and Justification:</u> This request is to upgrade the portion of the track at Ellsworth McAfee Park that was not repaired as part of the playground project in 2009. Following construction of the playset, the northerly quarter of the track perpendicular to South Street was excavated, graded, rolled and paved. The remainder of track has deteriorated over time, and there is significant crumbling and pitting of the pavement. This request seeks funds to excavate, grade, roll and pave the unrenovated portion of the track. The Town anticipates identifying additional revenues (e.g. donations) to offset this funding request.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	6	40000		40000				
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$40,000		\$40,000				
<u>Source of Funds Legend</u>								
(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees					
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees					

CAPITAL IMPROVEMENT PROGRAM


PROJECT DETAIL SHEET

Project Title: Lincoln Street School Irrigation								
Department: Parks and Recreation Commission					Category: 2-B			
<u>Description and Justification:</u> This request is to install a complete irrigation system for the lower baseball/softball field at the rear of the Lincoln Street School. System includes, but is not limited to, water well, irrigation control system, electrical circuitry, underground piping and sprinkler heads. There is currently no irrigation at this site or any of the elementary schools in Northborough, which prevents the field from being safe and usable. Irrigation will allow for the implementation of a year-round maintenance program. In the past, various youth athletic groups have assisted with funding irrigation projects as well as the maintenance associated with Town fields. That partnership will be looked to for possible support and funding on this project.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	6	30000					30000	
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$30,000					\$30,000	
<u>Source of Funds Legend</u>								
(1) Operating Revenues		(3) State Aid		(5) EMS Revolving Fund Fees		(7) Sewer Enterprise Fund Fees		
(2) Municipal GO Bonds		(4) Trust Funds		(6) Free Cash / Other		(8) Water Enterprise Fund Fees		

PROJECT DETAIL SHEET

Project Title: Wind Turbine								
Department: Wind Committee					Category:			
Description and Justification: The Wind Committee was established in 2009 by the Board of Selectmen and is composed of seven members with two alternates appointed by the Board of Selectmen to three-year terms. The charge of the Wind Committee is to investigate the feasibility of constructing a wind turbine in Northborough. To date, the Committee has completed a site analysis and received a \$85,000 grant to complete a feasibility study which is currently being conducted by Sustainable Energy Development. Copies of the Committee's reports, grant application and meeting minutes are available on the Town's web page: http://www.town.northborough.ma.us/Pages/NorthboroughMA_BComm/Wind/index This funding request would provide for the construction of a wind turbine.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study	Grant							
B. Design								
C. Land Acquisition								
D. Construction	2/6	4500000			4500000			
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$4,500,000			\$4,500,000			
Source of Funds Legend								
(1) Operating Revenues		(3) State Aid		(5) EMS Revolving Fund Fees		(7) Sewer Enterprise Fund Fees		
(2) Municipal GO Bonds		(4) Trust Funds		(6) Free Cash / Other		(8) Water Enterprise Fund Fees		

PROJECT DETAIL SHEET

Project Title: Highway Garage Truck Lift	
Department: DPW - Highway	Category: 1-A
Description and Justification: <p>This request is to replace the existing truck lift in the highway garage. This is the only lift for all vehicles larger than a one-ton truck. It is original to the building (1984) and requires constant maintenance. During FY2011 the lift failed and has not been operational. Without the lift, required maintenance and repairs cannot be done in-house. This project is recommended for immediate funding. Replacement of the lift had been contemplated as part of the larger garage construction project slated for FY2014.</p>	
	

RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	60000	60000					
G. Contingency								
H. Other								
TOTAL		\$60,000	\$60,000					

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: One-Ton Pickup with Plow	
Department: DPW - Highway	Category: 2-B
Description and Justification: This request is for a one-ton pickup truck that will replace a 1999 Ford F 350 one-ton dump truck that has surpassed its useful life of 10 years.	

RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment	6	39000	39000					
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$39,000	\$39,000					

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: Street Sweeper	
Department: DPW - Highway	Category: 2-B
Description and Justification: <p>This request is to replace the existing 1999 Elgin Pelican street sweeper. The useful life of a sweeper is 10-12 years. As it ages the repairs become more costly. The department has 2 sweepers that take 16 weeks to sweep the entire Town between early March and late June. If one sweeper were to go down, it would take the remaining sweeper into Fall to do it alone. Renting sweepers has not been feasible because every Town needs to sweep at the same time. New Stormwater Regulations from the State may require the Town to sweep twice per year. The picture to the right represents an example of a replacement street sweeper. The cost of the sweeper is net of a trade-in.</p>	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	164000	164000					
G. Contingency								
H. Other								
TOTAL		\$164,000	\$164,000					

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: One-Ton Dump Truck w/ Plow	
Department: DPW - Highway	Category: 2-B
Description and Justification: <p>This request is to replace the two existing Ford F 350 one-ton dump trucks with the same model truck. The one-ton dumps are the most utilized pieces of equipment in the fleet. These are the primary vehicles used to transport DPW staff along with small equipment and materials. The one-ton dump trucks are also paired with large dump trucks to plow the streets. The useful life of these trucks is 10 to 12 years. The existing trucks are model years 1999 and 2000.</p>	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	143000	71000	72000				
G. Contingency								
H. Other								
TOTAL		\$143,000	\$71,000	\$72,000				

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: **Sidewalk Plow**

Department: **DPW - Highway**

Category: **1-B**

Description and Justification:

The purpose of this request is to supplement the existing 2002 sidewalk plow. The existing sidewalk plow is the only piece of equipment available to clear and sand sidewalks. This piece is increasingly more important as the Town becomes responsible to clear more sidewalks. It has experienced increased down-time due to malfunctioning. The Town purchased a replacement snow thrower attachment (winter 2007-2008). This was required because the snow thrower picks up all sorts of debris, causing break-downs. Using the snow thrower attachment takes 24 to 36 straight hours after a snow storm to clear Town sidewalks. Using the plow attachment takes less time, but pushes snow back onto the roadways and into the driveways of residents. A sidewalk plow is expected to last 10 years. The problem with this situation is that there is no back-up for breakdowns. A sample sidewalk plow is shown to the right.



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	150000		150000				
G. Contingency								
H. Other								
TOTAL		\$150,000		\$150,000				

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: Loader	
Department: DPW - Highway	Category: 2-B
Description and Justification: This project is to replace the 1997 Caterpillar 938 loader. The loader is used on-site daily to move compost, sand, salt and used off-site for most construction projects. Loader usage is based on hours. In 2008, the loader had 7000 hours which is average usage. The department has only one loader without which the sanders could not be loaded with sand and salt. The loader has the same problem with metal disintegration that the trucks have, due to the corrosive quality of the salt that it loads onto the trucks. The picture to the right represents an example of a replacement loader.	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	170000		170000				
G. Contingency								
H. Other								
TOTAL		\$170,000		\$170,000				

Source of Funds Legend


- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: Garage Project - Sand/Salt Shed								
Department: DPW - Highway					Category: 2-B			
<u>Description and Justification:</u> This project entails replacement of the existing salt shed with a building adequate in size to contain the salt pile, sand pile, mix the salt and sand together, store the salt/sand pile and load it into trucks. The existing salt shed can only hold the salt. It is structurally compromised, the doors do not close, the roof leaks causing the salt to freeze and the walls are bowing outward. Under environmental regulations salt cannot be allowed to migrate into rivers and streams. To preclude this from happening, storing the salt/sand, and loading vehicles must be done under cover. New stormwater regulations will require all towns to address potential contamination from municipal salt stores. This project will bring us into conformance.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	2	700000			700000			
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$700,000			\$700,000			
<u>Source of Funds Legend</u>								
(1) Operating Revenues		(3) State Aid		(5) EMS Revolving Fund Fees		(7) Sewer Enterprise Fund Fees		
(2) Municipal GO Bonds		(4) Trust Funds		(6) Free Cash / Other		(8) Water Enterprise Fund Fees		

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: Garage Project - Design & Construction	
Department: DPW - Highway	Category: 2-B
Description and Justification: <p>This project is the design and construction of corrections and updates to the highway garage as outlined in the Weston & Sampson regulation evaluation report, as well as expansion of vehicle storage area. As outlined in the Weston & Sampson study, regulations have changed in many areas since the garage was originally constructed in 1984. This project would implement the changes required to meet the environmental health & safety issues identified by Weston & Sampson. The garage also needs expansion to keep the department's vehicles and equipment under cover. Given the expense of the vehicles and equipment they should be under cover to protect the Town's capital investment.</p>	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design	2	700000			700000			
C. Land Acquisition								
D. Construction	2	2200000				2200000		
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$2,900,000			\$700,000	\$2,200,000		

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: 6-Wheel Dump Truck with Sander and Plow	
Department: DPW - Highway	Category: 2-B
Description and Justification: <p>This request is to replace an existing 1994 6-wheel dump truck with sander & plow. The useful life of the vehicle is 15-20 years. Due to the caustic nature of the salt and calcium chloride these vehicles carry for sanding and salting, the metal bodies disintegrate much sooner than the hours or miles would indicate, in spite of being washed after every sanding event. Not only are these trucks used for sanding and salting, but also for plowing and hauling materials during the construction months. The Town owns 1 sander-only vehicle, 4 dump trucks and 3 integrated sander/dumps.</p>	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	180000			180000			
G. Contingency								
H. Other								
TOTAL		\$180,000			\$180,000			

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: Roadside Mower	
Department: DPW - Highway	Category: 2-B
<u>Description and Justification:</u> <p>This request is to replace the existing 2000 John Deere tractor with a side-boom mower and articulating arm shown in the picture to the right. This is used to cut back brush along the edges of the roadway. The 2000 tractor is small for the mower. There has been an ongoing issue with the side windshield being shattered by the brush being cut. An appropriately sized tractor would sit up higher, above the cutting zone, which would preclude the branches and shrubs from flying back at the windshield. It is also unstable at full boom extension because of the inadequate weight of the tractor. Metal plates plus boxes weighing a half ton, have been welded to the opposite side of the tractor to try to counterbalance the boom arm.</p>	

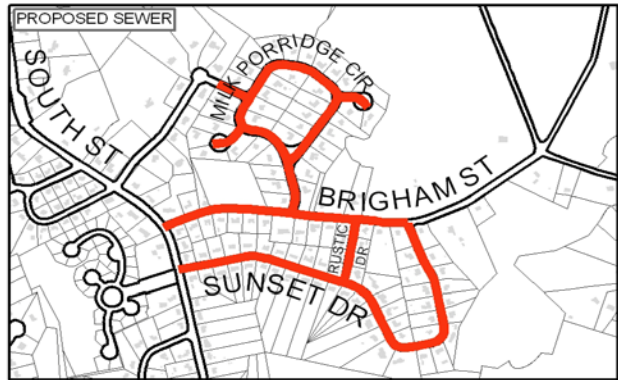
RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	120000			120000			
G. Contingency								
H. Other								
TOTAL		\$120,000			\$120,000			

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: Milk Porridge/Sunset/Brigham Sewer	
Department: Sewer Enterprise	Category: 1-A
Description and Justification: <p>This project entails the design and construction of sewers in all streets around the Brigham Street well, Brigham Street (South St to School St), Milk Porridge Circle, Wheeler Lane, Halloway Lane, Sunset Drive and Rustic Road. Approximately 110 homes will be served. As development pressures increase on the water system, the water quality in the wells must be maintained. To ensure the water quality of the Brigham Street well, which had experienced periodic episodes of bacterial contamination, this area should be sewerred so that bacteria from old septic systems do not enter the well. Previous funding in the amount of \$250,000 was authorized for the sewer design in 2007. Total project cost, including the previous funding, is estimated to be \$1.75 million.</p>	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	7	1500000		1500000				
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$1,500,000		\$1,500,000				

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

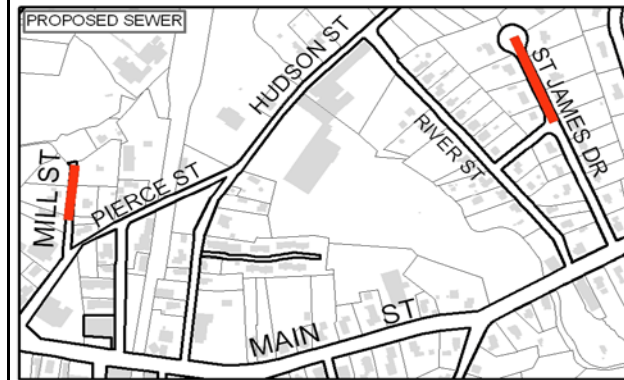
Project Title: **Mill/ Saint James Sewer**

Department: **Sewer Enterprise**

Category: **2-D**

Description and Justification:

This project entails the design and construction of sewers on Mill Street and the remainder of Saint James Drive. Approximately 15 homes will be served. Streets adjacent to these streets have been sewerred for some time. This will complete the 1988 sewer plan for these areas.



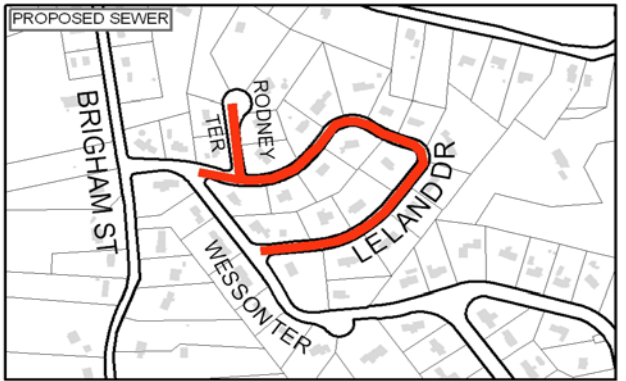
RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	7	310000		310000				
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$310,000		\$310,000				

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |


PROJECT DETAIL SHEET

Project Title: Leland/Rodney Sewer								
Department: Sewer Enterprise					Category: 2-D			
Description and Justification: This project entails the design and construction of sewers for Leland Drive and Rodney Terrace. This completes construction of sewer in the easterly portion of the sewer service area.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	7	655000			655000			
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$655,000			\$655,000			
Source of Funds Legend								
(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees					
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees					


PROJECT DETAIL SHEET

Project Title: Church/Colby/Prospect/Mulberry Sewer								
Department: Sewer Enterprise				Category: 2-D				
Description and Justification: This project entails the design and construction of sewers on Church Street between #82 and #103 as well as on Prospect and Mulberry Streets. This completes sewerage in the northwest corner of the 1988 sewer service area. Approximately 50 homes will be served.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	7	1100000				1100000		
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$1,100,000				\$1,100,000		
Source of Funds Legend								
(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees					
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees					

PROJECT DETAIL SHEET

Project Title: Allen/Hudson Sewer								
Department: Sewer Enterprise					Category: 3-D			
<u>Description and Justification:</u> This project entails the design and construction of sewers on Allen Street between East Main Street and Hudson Street, and on Hudson Street between #245 Hudson Street and the sewer pump station. This will complete Hudson Street and Allen Street within the sewer service area.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	7	750000					750000	
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$750,000					\$750,000	
<u>Source of Funds Legend</u>								
(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees					
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees					

PROJECT DETAIL SHEET

Project Title: Crawford Street Main	
Department: Water Enterprise	Category: 2-B
Description and Justification: The existing 6" main along the northern end of Crawford St does not have the capacity to provide the estimated needed fire flow. Although a new 8" main replacing the existing 6" main would provide the capacity to meet the estimated fire flow, the Town's consultant recommends the construction of a 12" water main. The 12" main would loop the existing 12" main on Church St to two 8" mains on Franklin Circle and Crawford St and would improve transmission capabilities in this section of the distribution system. This will also improve water quality due to looping the water main, creating better circulation.	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	8	535000		535000				
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$535,000		\$535,000				

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: Clean & Paint Water Tanks	
Department: Water Enterprise	Category: 2-A
Description and Justification: <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>The 3 million gallon concrete water tank on Assabet Hill and the one million gallon steel water tank on Edmund Hill are inspected periodically and found to be in acceptable condition. In Fiscal Year 2014, they will be due for painting to protect their surfaces from deterioration that can cause bacterial contamination of the water stored in the tanks.</p> </div> <div style="width: 35%; text-align: center;">  </div> </div>	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	8	200000			200000			
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$200,000			\$200,000			

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: Main Street Main								
Department: Water Enterprise					Category: 2-A			
Description and Justification: This project entails the replacement of a 6" unlined cast iron main in Main Street with an 8" main west off Bartlett Street, and remove 6" cast iron main from service on Maple Street. An older 6" unlined cast iron main exists along Main Street west of Bartlett Street. This main does not have the capacity to provide the estimated needed fire flow. A new 8" main, replacing the older 6" main and interconnecting to the existing 8" cross country main, is recommended. The new main would provide the capacity necessary to meet the needed fire flow for this area and improve water quality. The 6" cast iron main in Maple Street has degrading quality. There is an existing 12" main that can be utilized to eliminate the 6".								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	8	400000				400000		
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$400,000				\$400,000		
Source of Funds Legend								
(1) Operating Revenues		(3) State Aid		(5) EMS Revolving Fund Fees		(7) Sewer Enterprise Fund Fees		
(2) Municipal GO Bonds		(4) Trust Funds		(6) Free Cash / Other		(8) Water Enterprise Fund Fees		

Town of Northborough K-8 Schools

Project Details Sheets

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: ADDITION/RENOVATION PROJECT - LINCOLN STREET SCHOOL	
Department: NORTHBOROUGH PUBLIC SCHOOLS	Category: 2-B
Description and Justification: This project entails the feasibility study, design and construction for an addition/renovation of the Lincoln Street School. The goal of the project is to modernize and expand Lincoln Street School to a condition that rectifies current deficiencies and satisfies projected future requirements for educational programs and student enrollment. In order for our Statement of Interest (SOI) to remain under consideration by the Massachusetts School Building Authority (MSBA), it was necessary to refresh the plan in January 2011. Please refer to the SOI application for a comprehensive description of the capital request. The SOI must be approved by MSBA before the request for feasibility, design or renovation costs are brought before Town Meeting for approval.	



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study	2/3	500000	500000					
B. Design								
C. Land Acquisition								
D. Construction	2/3	13060000		13060000				
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$13,560,000	\$500,000	\$13,060,000				

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |


CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: FIRE/SPRINKLER SYSTEM - LINCOLN STREET SCHOOL								
Department: NORTHBOROUGH PUBLIC SCHOOLS				Category:				
Description and Justification: In the event that the Lincoln Street School renovation project does not take place, the district should be proactive in building safety systems. This project represents a life/safety issue and would fund the design and installation of a code compliant fire alarm and sprinkler system for the school as recommended by the Fire Department. The projected costs are as follows: - Design Costs - TBD - Fire alarm system - \$80,000 - Sprinkler system - \$304,000								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design		TBD				TBD		
C. Land Acquisition								
D. Construction	2/3	384000					384000	
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		TBD				TBD	\$384,000	
Source of Funds Legend								
(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees					
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees					

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: ADDITION/RENOVATION PROJECT - PEASLEE SCHOOL	
Department: NORTHBOROUGH PUBLIC SCHOOLS	Category:
Description and Justification: <p>This project entails the feasibility study, design and construction for an addition/renovation of the Peaslee School. The goal of the project is to modernize and expand Peaslee School to a condition that rectifies current deficiencies and satisfies projected future requirements for educational programs and student enrollment. A Statement of Interest (SOI) for this project will be submitted to the Massachusetts School Building Authority (MSBA) at the appropriate time. To qualify for funding, the district must follow MSBA statutes and regulations which require MSBA collaboration and approval at each step of the process.</p>	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study	2/3	500000				500000		
B. Design								
C. Land Acquisition								
D. Construction	2/3	14313000					14313000	
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$14,813,000				\$500,000	\$14,313,000	

Source of Funds Legend


- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: ROOF REPAIRS - PEASLEE SCHOOL								
Department: NORTHBOROUGH PUBLIC SCHOOLS				Category: 2-B				
<u>Description and Justification:</u> This project represents the need to repair the rubber membrane on all flat roofs at the Peaslee School. The peaked roof was replaced in 2005 and the flat roof was installed in 1985 with a 20 year expected life span. While the flat roof has exceeded its expected life span, it has deteriorated at a faster rate than originally forecast resulting in leaks during heavy rain or snow. This project represents the need to maintain current infrastructure and carries a life expectancy of 35 years. Please refer to the most recent roof inspection conducted in September 2010 reflecting the overall current poor condition of the roof.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	2/6	525000	525000					
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$525,000	\$525,000					
<u>Source of Funds Legend</u> (1) Operating Revenues (3) State Aid (5) EMS Revolving Fund Fees (7) Sewer Enterprise Fund Fees (2) Municipal GO Bonds (4) Trust Funds (6) Free Cash / Other (8) Water Enterprise Fund Fees								


CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: FIRE/SPRINKLER SYSTEM - PEASLEE SCHOOL								
Department: NORTHBOROUGH PUBLIC SCHOOLS					Category:			
<u>Description and Justification:</u> In the event that the Peaslee School renovation project does not take place, the district should be proactive in building safety systems. This project represents a life/safety issue and would fund the design and installation of a code compliant fire alarm and sprinkler system for the school as recommended by the Fire Department. The projected costs are as follows: - Design costs - TBD - Fire alarm system - \$80,000 - Sprinkler system - \$304,000								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study	2/3	TBD				TBD		
B. Design								
C. Land Acquisition								
D. Construction	2/3	384000					384000	
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		TBD				TBD	\$384,000	
<u>Source of Funds Legend</u>								
(1) Operating Revenues		(3) State Aid		(5) EMS Revolving Fund Fees		(7) Sewer Enterprise Fund Fees		
(2) Municipal GO Bonds		(4) Trust Funds		(6) Free Cash / Other		(8) Water Enterprise Fund Fees		


CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: FLOOR TILE REPLACEMENT - PEASLEE SCHOOL								
Department: NORTHBOROUGH PUBLIC SCHOOLS					Category:			
<u>Description and Justification:</u> This project entails the replacement of classroom asbestos floor tiles that are lifting and causing uneven surfaces. The project represents the need to maintain the current infrastructure at the Peaslee School in the event that the Peaslee School renovation project does not move forward.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	2/6	40000				40000		
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$40,000				\$40,000		
<u>Source of Funds Legend</u> (1) Operating Revenues (3) State Aid (5) EMS Revolving Fund Fees (7) Sewer Enterprise Fund Fees (2) Municipal GO Bonds (4) Trust Funds (6) Free Cash / Other (8) Water Enterprise Fund Fees								

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: ROOF REPAIRS - PROCTOR SCHOOL	
Department: NORTHBOROUGH PUBLIC SCHOOLS	Category:
Description and Justification: <p>This project entails needed repair to the flat roof over the gymnasium and cafeteria at the Proctor School. This is a long-term solution to correct the current issues with leaking of the 16 year old flat roof. It is based upon a roof inspection conducted September 2009. The repairs will prevent water infiltration especially in the gymnasium area, prevent damage to the wood flooring and will carry a 30-year warranty.</p>	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	2/6	85000					85000	
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$85,000					\$85,000	

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: GREEN REPAIR PROJECT (BOILER & WINDOW REPLACEMENT) - MELICAN MIDDLE SCHOOL	
Department: NORTHBOROUGH PUBLIC SCHOOLS	Category: 2-B
Description and Justification: In response to a unique opportunity from MSBA in September 2010, a Statement of Interest (SOI) was submitted for window and boiler replacement at the Melican Middle School. This has resulted in an invitation to collaborate with MSBA in conducting a Feasibility Study for this project. The total amount of the project is estimated at \$1.2M and the Town's reimbursement rate from MSBA is 48.68%. The boiler replacement is estimated at \$600,000 and window replacement at \$400,000. The amount of \$180,000 necessary to proceed with the selection and work of an Owner's Project Manager and Designer has received unanimous support of the school committee, Board of Selectmen and Financial Planning Committee. The BOS has approved the use of \$180,000 of mitigation funds from the Avalon Bay project earmarked for the school department to move forward.	
	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design	3/6	180000	180000					
C. Land Acquisition								
D. Construction	3/6	1020000	1020000					
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$1,200,000	\$1,200,000					

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: ADDITION/RENOVATION PROJECT (FY'17/FY'18) - MELICAN MIDDLE SCHOOL	
Department: NORTHBOROUGH PUBLIC SCHOOLS	Category:
Description and Justification: <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>This project entails the feasibility study, design and construction for an addition/renovation of the Melican Middle School. The goal of the project is to modernize and expand Melican Middle School to a condition that rectifies current deficiencies and satisfies projected future requirements for educational programs and student enrollment. A Statement of Interest (SOI) for this project will be submitted to the Massachusetts School Building Authority (MSBA) at the appropriate time. To qualify for funding, the district must follow MSBA statutes and regulations which require MSBA collaboration and approval at each step of the process.</p> </div> <div style="width: 35%; text-align: center;">  </div> </div>	

RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study	2/3	500000						500000
B. Design								
C. Land Acquisition								
D. Construction	2/3		\$43,000,000 construction cost anticipated in FY 2018					
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$500,000						\$500,000

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: FLOOR TILE / CARPET REPLACEMENT - ZEH SCHOOL	
Department: NORTHBOROUGH PUBLIC SCHOOLS	Category:
<u>Description and Justification:</u> <p>This project combines the replacement of carpet in the computer lab and library and the replacement of tile in the corridor at the Zeh School. The carpet installed as part of Zeh School renovation project is currently 12 years old, has become worn, and will require replacement by FY'16. This request represents replacement of old materials/equipment that is no longer cost effective to repair. The carpet replacement cost is estimated at \$20,000 and the tile replacement cost is estimated at \$6,000.</p>	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	6	26000					26000	
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$26,000					\$26,000	

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

PROJECT DETAIL SHEET

Project Title: JOHN DEERE TRACTOR - DISTRICT	
Department: NORTHBOROUGH PUBLIC SCHOOLS	Category:
Description and Justification: <p>This project represents the need to replace two pieces of old existing equipment that are no longer cost effective to repair: a 1972 International 2444 Tractor with plow and snow bucket and a 16-year-old lawn tractor. This older equipment will be replaced with a John Deere 3520 Tractor with mower, rear mounted snow thrower, plow and bucket that will enable the school department to maintain school grounds (excluding fields) year round. This tractor is integral to plowing areas that are inaccessible by Town equipment. The 16 year old tractor would become a back-up unit in the event of breakdowns throughout the district.</p>	



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	40000			40000			
G. Contingency								
H. Other								
TOTAL		\$40,000			\$40,000			

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: PARKING LOT/SIDEWALK PAVING - PEASLEE SCHOOL/MELICAN MIDDLE SCHOOL	
Department: NORTHBOROUGH PUBLIC SCHOOLS	Category:
<u>Description and Justification:</u> <p>This request combines re-paving of the parking lot and asphalt walkways at the Peaslee School with the re-paving of sidewalks and sealcoating of the parking lot at Melican Middle School. The asphalt area at Peaslee has become dangerous to students, staff and public that use the building. The re-paving of sidewalks at Melican is necessary due to the numerous cracks. Sealcoating the parking lot is necessary to maintain the \$70,000 re-paving project completed in 1998. The cost to re-pave and re-stripe the Peaslee parking lot is \$108,000 and to re-pave walkways is \$22,000. The cost to remove and replace Melican walkways is \$56,000 and to sealcoat and re-stripe parking lot is \$8,000.</p>	


RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	2/6	194000			194000			
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$194,000			\$194,000			

Source of Funds Legend

(1) Operating Revenues	(3) State Aid	(5) EMS Revolving Fund Fees	(7) Sewer Enterprise Fund Fees
(2) Municipal GO Bonds	(4) Trust Funds	(6) Free Cash / Other	(8) Water Enterprise Fund Fees

PROJECT DETAIL SHEET

Project Title: HOT WATER HEATER STORAGE TANKS - LINCOLN STREET, PEASLEE AND PROCTOR SCHOOLS	
Department: NORTHBOROUGH PUBLIC SCHOOLS	Category:
Description and Justification: <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>This project seeks to replace the hot water heaters and storage tanks at the Lincoln Street, Peaslee and Proctor Schools. As part of our continued work towards energy efficiency, replacement of the water heaters and down-sizing of the storage tanks with insulated stainless storage tanks will result in savings. The Lincoln water tank is aged and the storage tank is uninsulated and experiencing corrosion. The Peaslee water heater is currently turned off due to failure. The main heating boiler is used for hot water. Proctor has a 15 year old uninsulated tank and heater that required specialized service annually. Please note that the scope of this project would be reduced if the Lincoln Street School renovation project moves forward.</p> </div> <div style="width: 35%; text-align: center;">  </div> </div>	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment	2/6	72000		72000				
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$72,000		\$72,000				

Source of Funds Legend

- | | | | |
|------------------------|-----------------|-----------------------------|--------------------------------|
| (1) Operating Revenues | (3) State Aid | (5) EMS Revolving Fund Fees | (7) Sewer Enterprise Fund Fees |
| (2) Municipal GO Bonds | (4) Trust Funds | (6) Free Cash / Other | (8) Water Enterprise Fund Fees |



This Page Intentionally Blank

Part III

Report of the Financial Planning Committee
Fiscal Years 2012-2017

Report of the Financial Planning Committee

The role of the Financial Planning Committee is to serve in a research, study and advisory capacity to the Board of Selectmen, the Appropriations Committee and the Administrative Office on short and long-range financial planning matters, and to assist in the development of a Capital Improvement Program. During Fiscal Year 2011 the Committee was comprised of the following members:

Member	Appointed By	Term Expires
Jason Perreault, Chair	Planning Board	April 2013
Michael Hodge, Vice-Chair	Town Moderator	April 2013
David DeVries	Town Moderator	April 2011
Allison Goldman	Northborough K-8 School Committee	April 2011
Christine Kowal*	Appropriations Committee	April 2012
Roger Leland	Town Moderator	April 2011

* The Committee gratefully acknowledges the contributions of former member Christine Kowal, who brought many issues to the Committee's attention for review and consideration.

Fiscal Year 2011 Committee Activities

Meeting Date	Action
April 26, 2010	Reorganization: Jason Perreault, Chair; Michael Hodge, Vice-Chair.
October 21 2010	Review criteria for GFOA Distinguished Budget Award. Review Capital Improvement Plan process. Review proposed Free Cash Policy.
December 9, 2010	Status on submission to MSBA Green Repair program for schools. Update on Capital Improvement Plan.
January 6, 2011	Joint meeting with Appropriations on grant from MSBA Green Repair program for Melican Middle School. Review Police and Fire Depts. capital projects.
January 13, 2011	Review Dept. of Public Works capital projects.
January 20, 2011	Review Northborough K-8 Schools' capital projects.
February 24, 2011	Review FY12 Free Cash Plan. Vote recommendations on municipal and K-8 school capital projects.
March 3, 2011	Review and vote recommendations on Community Preservation Act (CPA) capital projects. Review draft of committee report.

The Committee extends its appreciation to Town Administrator John Coderre and his Financial Team -- Assistant Town Administrator Kimberly Hood, Finance Director June Hubbard-Ward, and Town Accountant Jason Little -- for their input and assistance throughout the Committee's process. Special thanks to Executive Assistant MJ Fredette for her capable administrative support.

Committee General Comments

The major role of the Financial Planning Committee is to review all submitted projects included in the Capital Improvement Program, comment upon their viability and make its final recommendations, which includes consideration of the guidelines set forth under the Debt Policy adopted by the Board of Selectmen in September 2000. These guidelines were developed to assist the Town in determining how much debt can safely be incurred, and are consistent with those recommended by the Massachusetts Department of Revenue, namely:

- Determine debt that can be incurred without jeopardizing credit standing and causing financial hardship;
- Incorporate affordability guidelines for expenditures;
- Include review of the Capital Improvement Program; and
- Indicate appropriate uses for and acceptable amounts of debt.

The Committee has reviewed the projects included in the Six-Year Capital Improvement Program at meetings held with the various departments proposing these projects. At these meetings, department heads presented information and data to justify the need, cost, and implementation timeframe for the projects. It is the strong opinion of the Committee that in order for the Capital Improvement Program to be an effective tool for managing the Town's finances, department heads must have confidence that their submitted projects will be implemented within the timeframe planned in the Program. The Committee recognizes that the department heads and school department have worked hard to anticipate capital needs, submit projects into the Plan, and distribute those projects over the six-year planning period so as to comply with the constraints of the Town's Debt Policy.

At this writing, the final Debt Policy Models were not yet available to the Committee, but the conservative preliminary estimates prepared by the Town Administrator for the Six-Year Capital Improvement Program indicate that the Program will be well within the guidelines set forth in the Debt Policy both for Credit Standing and Affordability.

Subject to the above comments on compliance with Debt Policy guidelines and comments made later for projects included in Fiscal Year 2012, the Committee is pleased to recommend that the Six-Year Capital Improvement Program is a good tool for managing the Town's finances with respect to Capital Projects for the next six years.

Communication, Transparency, and Best Practices in Town Finance

The Committee congratulates the Town Administrator and his Financial Team for receiving the Government Finance Officers Association (GFOA) Budget Presentation Award for the Town's FY11 budget document. To be recognized, the budget document must satisfy demanding criteria which evaluate it as a policy document, a financial plan, an operations guide, and a communications device. Northborough is one of fewer than a dozen Massachusetts municipalities to receive GFOA recognition. The award reflects the continuing efforts of the Financial Team to improve communication and transparency in Town finance and apply best practices to municipal budgeting.

Free Cash Policy

The FY12 budget year marks the first implementation of the newly adopted Free Cash Policy. Under this policy, one defined use of available free cash is to pay for small capital projects. Examples of suitable projects would be DPW and Public Safety vehicles; municipal and school building HVAC components, floor surfaces, telecommunication systems, cafeteria equipment; and feasibility studies and needs analyses. In the past, the Town has typically funded these kinds of projects with debt. However, bond rating agencies do not look favorably upon that practice, preferring that items on this scale be funded from cash or other available revenues, and debt capacity conserved for large scale projects such as building construction and renovation.

For FY12, \$1.954M of free cash is certified and available for appropriation. After (annually sustainable) allocations of \$500K each for FY12 and FY13 operating budgets, and an allocation of \$150K to the Appropriated Reserve, a total of \$804K is applied to FY12 capital projects ranging in amounts from \$35K to \$375K.

Public Safety Communications Tower

A capital project to replace the public safety communications tower at the police station, slated for FY13, has been removed from the Plan due to a creative resolution to the problem. Cell carriers, having expressed interest in locating a cell tower nearby, instead were invited to bid on replacing the public safety tower. The winning bid provides these benefits: 1) eliminates estimated cost of \$250K to remove the old tower, install a new tower, and outfit the tower with new public safety communications equipment used by the Town; 2) Town receives lease payments from the tower operator totaling \$651K over the twenty-year lease term; and 3) Town receives as much as \$250K in rental revenues from wireless co-locators. In all, a value in excess of \$1M -- at no cost to Northborough taxpayers.

School Renovation Projects and Capital Repair Contingencies

In addition to comprehensive renovation projects proposed for Lincoln Street, Peaslee, and Melican schools, the Northborough K-8 School Capital Plan includes contingencies for capital repairs that will be needed if those renovations do not proceed within their planned timelines. Examples of such contingencies include the roof replacement projects carried out in recent years. However, only the greater costs of the comprehensive renovation projects are included in the Town's debt service projections; costs of contingency projects for FY13 and beyond are omitted.

The Committee observes that the planned school renovation projects cannot be deferred indefinitely. The FY12 Capital Improvement Plan includes a request to fund a feasibility study for renovation of Lincoln Street School, which can only proceed with approval by Massachusetts School Building Authority in order to be eligible for state assistance. If there is no reliable indication from MSBA that the project will be approved very soon, the Town may have to consider proceeding without state assistance for that project to ensure that Peaslee and Melican Middle School remain on track for renovation within a reasonable timeframe.

Funding Conveyed to Outside Entities

In recent years the Committee has struggled to decide whether to recommend approval of a warrant article that conveys Town funds to an outside Entity (such as a nonprofit corporation) whose mission is aligned with a Town interest, but which is not a Town body and which can expend the funds without further oversight and approval by the Town. In the opinion of the Committee (shared by other Town officials and bodies), it is appropriate and prudent that a formal legal understanding be established between the Town and such an Entity, to provide for a suitable level of accountability, transparency, and disclosure relating to the disposition of conveyed funds. This would help safeguard the Town's interest in the conveyed funds, and provide feedback to inform citizens' subsequent decisions whether to convey additional funding.

One example of such an understanding is the agreement reached this year between the Town and Northborough Affordable Housing Corporation (NAHC). NAHC has received \$600,000 in funding over the past three years from the Town's Community Preservation Act program, to be used for the purpose of pursuing affordable housing initiatives in Northborough, consistent with the goals and constraints of the Act. NAHC will use the money to renovate the former Senior Center at 1 Centre Drive into affordable housing apartment units.

The Committee anticipates that the execution of such an agreement, satisfactory to the Town, will be a necessary condition for the Committee to make a favorable recommendation for similar future funding allocations to outside entities.

Apportionment of ARHS State Construction Grant

The ongoing disagreement continues over how the state grant for the ARHS construction project should be apportioned to the member towns of Northborough and Southborough: whether by the capital cost sharing formula of the Regional Agreement (which the District has in fact done); or according to provisions of MGL Chapter 70B, which govern reimbursement for school construction projects. The Committee estimates that Northborough has received approximately \$1.5M LESS in grant under the District's treatment than it would under the MGL Chapter 70B grant apportionment formula.

Among this issue's past developments:

- Counsels for the Towns and for the Regional School Committee (RSC) have offered conflicting legal opinions.
- MA School Building Authority, Department of Education, and Department of Revenue all have declined to offer guidance.
- The District has consistently expressed an aversion to any kind of litigation that would divert funding from educational purposes.
- Working groups appointed by the Towns met in October 2007 but failed to agree on a resolution.
- Southborough asserts that the RSC has the authority to decide the issue, and should uphold the District's treatment.
- Northborough asserts that the matter is one of legal interpretation, for which the RSC should seek a declaratory judgment in court.
- In April 2009, the District proposed its own compromise, recommending the Towns “split the difference” on the disputed amount, which the District computed to be \$1.37M. Under that compromise, Southborough would pay its excess grant credit back to Northborough in installments over a period of years. The measure was approved at Northborough Town Meeting, but was rejected by Southborough Town Meeting.
- In November 2009, prompted by Northborough’s inquiry as to the District’s next step in seeking a resolution, the Regional School Committee voted to present its compromise a second time to Southborough.
- In February 2010, Southborough Selectmen declined to put the District’s compromise on its April 2010 Town Warrant.

Having exhausted all other options for diplomatic resolution, Northborough's only remaining avenue is to pursue the matter through litigation. Consequently, at the April 2010 Town Meeting, the Town approved an appropriation of \$100,000 toward litigation expenses for this matter, and in November 2010, a request for declaratory judgment was filed. We now await further developments.

Capital Projects for FY12

The Committee has reviewed the projects in the Capital Improvement Program for Fiscal Year 2012 and has prioritized as follows:

Priority	Description
1	Projects that involve correcting a current Safety or Health issue, and/or to meet a Federal or State legal requirement
2	Projects that are necessary to maintain the Town's current infrastructure: <i>Buildings</i> - Projects necessary to maintain existing Town buildings, not including projects to expand or modernize facilities. <i>Equipment</i> - Projects necessary to replace old existing equipment, which is no longer cost effective to repair with similar equipment
3	Projects that are required to increase capacity of existing facilities in order to accommodate the increase in growth of the Town.
4	Projects that are designed to modernize and upgrade existing Town facilities.

The following sections present the committee's recommendation for each proposed capital project appearing in a warrant article, with committee vote shown in parentheses. Numerical votes are shown in Yes-No-Abstain order relative to a motion to recommend approval. Fewer than six total votes reflect the absence of one or more members at the time of the vote. During FY11, one seat on the Committee was vacant, thus the maximum number of votes is five.

Unless noted otherwise, capital projects are funded by issuance of municipal general obligation bonds.

CAPITAL IMPROVEMENT PROGRAM

Municipal Departments

Project	Sponsor	Cost	Priority	Recommendation
Pick-up Truck	Fire	\$60,000	2	Approve (4-0-0)
<ul style="list-style-type: none">Planned replacement of 2005 vehicle that undergoes heavy daily usage for emergency response, inspections, investigations, and service calls.Funded from free cash. No impact on tax rate.				

Project	Sponsor	Cost	Priority	Recommendation
Ambulance	Fire	\$230,000	1	Approve (4-0-0)
<ul style="list-style-type: none">Planned replacement of 2004 backup ambulance.New ambulance will become the primary; current 2008 primary will become the backup.Funded from EMS revolving fund. No impact on tax rate.				

Project	Sponsor	Cost	Priority	Recommendation
Dispatch/Station Phone System	Police	\$35,000	2	Approve (4-0-0)
<ul style="list-style-type: none">Replace and modernize 20-year-old phone system installed when Police Station was built in 1989.Current system handles all 911 calls for police, fire, and ambulance. 23,000 calls for service in 2010.Funded from free cash. No impact to tax rate.				

Project	Sponsor	Cost	Priority	Recommendation
Garage Truck Lift	Public Works - Highway	\$60,000	1	Approve (4-0-0)
<ul style="list-style-type: none">Replace existing truck lift which was original to 1984 highway garage.Existing lift required constant maintenance to keep in service; has now failed and is not cost-effective to repair.Lift is needed to maintain and repair Town fleet in-house; it is the only lift that handles vehicles larger than one-ton truck.Funded from free cash. No impact to tax rate.				

CAPITAL IMPROVEMENT PROGRAM

Municipal Departments (continued)

Project	Sponsor	Cost	Priority	Recommendation
One-ton Pick-up Truck w/ Plow	Public Works - Highway	\$39,000	2	Approve (4-0-0)
<ul style="list-style-type: none">▪ Planned replacement of 1999 one-ton dump truck that has exceeded useful life of 10 years.▪ Salt and sand exposure takes toll on vehicle bodies.▪ Funded from free cash. No impact to tax rate.				

Project	Sponsor	Cost	Priority	Recommendation
Street Sweeper	Public Works - Highway	\$164,000	2	Approve (4-0-0)
<ul style="list-style-type: none">▪ Planned replacement of 1999 sweeper that has reached/exceeded useful life of 10-12 years.▪ Town owns two sweepers; both are needed to complete Spring sweeping from early March through late June.▪ New stormwater regulations may require sweeping twice per year.▪ Funded from free cash. No impact to tax rate.				

Project	Sponsor	Cost	Priority	Recommendation
One-ton Dump Truck w/ Plow	Public Works - Highway	\$71,000	2	Approve (4-0-0)
<ul style="list-style-type: none">▪ Planned replacement of 1999 vehicle that has reached/exceeded useful life of 10-12 years.▪ Used to transport personnel, equipment, and materials for DPW projects. Most heavily used vehicles in the fleet.▪ Also used for plowing. Salt and sand exposure takes toll on vehicle bodies.▪ Funded from free cash. No impact to tax rate.				

CAPITAL IMPROVEMENT PROGRAM

K-8 Public Schools

Project	Sponsor	Cost	Priority	Recommendation
Renovation Feasibility Study - Lincoln Street School	Public Schools	\$500,000	2	Approve (4-0-0) SEE NOTE
<ul style="list-style-type: none"> A necessary step in the process for executing a reimbursement-eligible, comprehensive school renovation/addition project. Required by Massachusetts School Building Authority (MSBA) which oversees reimbursement of school construction projects. Conducted in partnership with, and closely supervised by, MSBA. <p>NOTE: This recommendation is subject to the School District receiving approval from MSBA to proceed with a feasibility study. The \$500,000 cost is an estimate carried in the Capital Plan based on data from MSBA. At this writing, MSBA had not yet granted approval, and a more specific cost figure had not been determined.</p>				

Project	Sponsor	Cost	Priority	Recommendation
Flat Roof Replacement - Peaslee	Public Schools	\$525,000	2	Approve (4-0-0)
<ul style="list-style-type: none"> Peaked portion of Peaslee roof was replaced in 2005. This project replaces the remaining flat portion of the roof. Existing flat roof was installed in 1985, has exceeded its 20-year useful life, and is deteriorating quickly. Replacement roof has useful life of 35 years and will protect building infrastructure. Not feasible to postpone roof replacement until comprehensive renovation can be undertaken. Of the \$575K cost, \$375K will be funded from free cash, and the remaining \$150K funded by general obligation bonds. 				

Project	Sponsor	Cost	Priority	Recommendation
Boiler/Window Replacement - Melican Middle School	Public Schools	\$1,200,000	2	Approve (4-0-0)
<ul style="list-style-type: none"> Replacement of aging boiler and windows to improve energy efficiency and reduce operating costs. 48.68% of project cost funded through MSBA Green Repair program. Interim measure the Town may have had to take anyway; Melican renovation is farthest out on project timeline. Town's share of project cost expected to be paid from one-time mitigation funds from Avalon Bay project. No impact to tax rate. 				

Community Preservation Act Projects

Certain projects to be funded with Community Preservation Act monies may be presented at Town Meeting. Although often capital in nature, these projects are not necessarily incorporated into the Capital Improvement Plan. Nevertheless, the Financial Planning Committee, in its financial advisory capacity, strives to review projects approved by the CPC and offer its recommendations at Town Meeting. Because CPA projects do not compete for funding with Capital Improvement Plan projects, no Priority is assigned.

Project	Sponsor	Cost	Priority	Recommendation
Church Street Bridge Study	DPW Director	\$50,000	N/A	TBD
<ul style="list-style-type: none">▪ Evaluation of design and repair of Church Street bridge and stone wall, which is of historical significance.▪ More information needed before Committee can make recommendation.				

Project	Sponsor	Cost	Priority	Recommendation
Convert former senior center into affordable housing units	Northborough Affordable Housing Corporation	\$52,000	N/A	TBD
<ul style="list-style-type: none">▪ In addition to \$600,000 already conveyed to NAHC which will be used to renovate and convert the former Senior Center at 1 Centre Drive into affordable housing apartment units.▪ Committee expects the amount requested to be subject to the same terms as recently agreed between the Town and NACH relating to prior funding allocations made from CPA funds to NAHC.▪ More information needed before Committee can make recommendation.				

Community Preservation Act Projects (continued)

Project	Sponsor	Cost	Priority	Recommendation
Green Street Land Purchase		\$1,307,000	N/A	TBD
<ul style="list-style-type: none">▪ Purchase of 58 acres on Green Street to preserve as open space and to be used for recreation (trails).▪ In addition to the requested funding, the Conservation Commission has approved an allocation of \$200,000 from the Conservation Fund toward this project, for a total purchase price of \$1,507,000.▪ More information needed before Committee can make recommendation.				

Respectfully submitted,
Northborough Financial Planning Committee
March 28, 2011

CAPITAL IMPROVEMENT PROGRAM

**Financial Planning Committee Recommendations for FY12 Capital Project Warrant Articles
Northborough Annual Town Meeting April 2011**

Article	Project	Cost	Funding Source	Priority	Vote *	Recommend Approval?
	Fire: Pick-up Truck	60,000	Free Cash	2	4-0-0	YES
	Fire: Ambulance	230,000	EMS Revolving Fund	1	4-0-0	YES
	Police: Dispatch/Station Phone System	35,000	Free Cash	2	4-0-0	YES
	DPW: Garage Truck Lift	60,000	Free Cash	1	4-0-0	YES
	DPW: One-ton Pick-up Truck w/ Plow	39,000	Free Cash	2	4-0-0	YES
	DPW: Street Sweeper	164,000	Free Cash	2	4-0-0	YES
	DPW: One-ton Dump Truck w/ Plow	71,000	Free Cash	2	4-0-0	YES
	K-8: Lincoln St. Feasibility Study	500,000	Bonds, State Aid	2	4-0-0	YES
	K-8: Peaslee Flat Roof Replacement	525,000	Free Cash, Bonds	2	4-0-0	YES
	K-8: Melican Boiler/Window	1,200,000	State Aid, Other Funds	2	4-0-0	YES
	CPA: Church Street Bridge Study	50,000	CPA	***	-	**
	CPA: NAHC Old Senior Center Project	52,000	CPA	***	-	**
	CPA: Green Street Land Purchase	1,307,000	CPA	***	-	**

* Numerical votes shown in Yes-No-Abstain order relative to a motion to recommend approval. Fewer than six total votes reflects absence of one or more members.

** More information needed. The Committee will offer its recommendation at Town Meeting.

*** No capital project priority is assigned to CPA-funded projects.



This Page Intentionally Blank

APPENDIX A

FINANCIAL POLICIES AND OBJECTIVES

Originally adopted by Board of Selectmen on November 23, 2009

Revised November 8, 2010 (Free Cash Policy Added)

TOWN OF NORTHBOROUGH FINANCIAL MANAGEMENT POLICIES

I. OVERVIEW

It is the policy of the Town of Northborough that financial management is conducted with the objectives of providing municipal service in an efficient, effective and consistent manner that aligns with public policy goals as set forth by the Board of Selectmen.

To help ensure the Town's financial stewardship, an established program of managing the Town's finances is essential. To this end, the Board of Selectmen promulgates policies and procedures that are financially prudent and in the Town's best economic interest.

In adherence to this policy, the Town shall pursue the following objectives:

- To set forth operational principles that minimize the cost of government to the extent consistent with services desired by the public and that minimize financial risk;
- To continue effective financial management within the Town that conforms to generally accepted accounting principles;
- To simplify, clarify and modernize the financial systems of the Town as the need occurs;
- To provide increased public confidence in public financial management;
- To protect and enhance the Town's credit rating and prevent default on any municipal debts;
- And to provide safeguards to ensure the quality and integrity of the financial systems.

In order to attain the above objectives, the Board of Selectmen adopts the following policies.

II. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

- A. The Town will utilize accounting practices that conform to generally accepted accounting principles (GAAP) as set forth by the Government Accounting Standards Board (GASB), including compliance with GASB Statements 34, 40 and 45.
- B. An annual audit will be performed by an independent public accounting firm.
- C. A Management Letter shall be provided by the independent public accounting firm as a companion document to the annual audit.

III. GENERAL FUND

- A. Budget Goals and Objectives shall be determined annually by the Board of Selectmen in consultation with the Town Administrator. However, the annual operating budget as submitted to the Town must be balanced with the estimate of proposed expenditures for a given period less than or equal to the proposed means of financing these expenditures

(from various sources of funds or revenues). In short, for a budget to be balanced, proposed expenditures shall not exceed projected resources for the given period.

- B. The Town will carefully and routinely monitor all amounts due the Town. An aggressive policy of collection will be followed for all receivables, including property taxes. An average collection rate of at least 95% of current levy shall be maintained.
- C. Charges for services and other revenues shall be reviewed on a regular on-going basis at least every three years. Charges shall be adjusted as necessary to respond to changes in the cost of providing services. The Board of Selectmen may set specific cost recovery goals for individual departments or services as appropriate.
 - 1. Recreation Department—Recreational user charges and fees will be set to recover approximately 100% of the total direct costs associated with recreational programs.
- D. Reserves reflect a community's ability to react to unforeseen circumstances and to minimize or avoid borrowing for capital expenditures. Reserves should normally average between 5% and 10% of the Town's General Fund (operating budget) Expenditures. The Town will endeavor to continue its policy of maintaining reserves at 10% of General Fund Expenditures. Reserves are defined to include the Town's Stabilization Fund and Free Cash.

The Stabilization Fund is the Town's main reserve fund designed to provide financial stability for the Town while improving the Town's credit worthiness and flexibility. The provisions of this fund are dictated by Massachusetts General Law, Chapter 40, Section 5B. The Stabilization Fund may be appropriated for any lawful purpose. However, at no time can an appropriation placed into the fund exceed 10% of the previous year's real property tax levy, nor can the fund itself exceed 10% of the equalized value of the Town.

Free Cash reserves are the remaining, unrestricted funds from operations of the previous fiscal year; these include unexpended Free Cash from the previous year, actual receipts in excess of revenue estimates and unspent amounts in budget line-items. Once certified, monies held in this reserve may be appropriated during the current budget year and may also be used as a source of revenues for the ensuing budget year.

The Town has historically used some portion of its Free Cash to subsidize the ensuing year's annual operating budget. However, it is the Town's goal to limit the amount of Free Cash used in the operating budget to a sustainable level and to use these available funds for non-recurring one-time expenses, such as capital items.

For purposes of this policy, the following are deemed to be appropriate uses of Free Cash:

- Appropriated Reserve – an amount to provide for extraordinary or unforeseen expenditures as authorized by MGL Chapter 40, Section 6.

- Operating Budget – in order to pursue a gradual transition from using Free Cash to fund recurring operational expenses, the Town will reduce its annual appropriation by \$100,000 each year until such time as the annual appropriation from Free Cash for the operating budget is lowered to \$500,000.
- Stabilization Fund – to fund or replenish the Stabilization Fund.
- Capital Improvement Program – to fund capital projects that would otherwise incur borrowing costs associated with the issuance of debt.
- Special Use – to augment the trust funds related to fringe benefits and unfunded liabilities related to employee fringe benefits.
- Extraordinary Deficits – to fund any potential deficits that would otherwise be carried over to the following fiscal year.
- Emergency Appropriations – to allow for fiscal flexibility.

The overall level of Financial Reserves is critical to maintaining the Town's Bond Rating and ensuring sufficient funds to manage unanticipated needs. Funds shall be allocated from Reserves only after an analysis has been prepared by the Town Administrator and presented to the Board of Selectmen. The analysis shall provide sufficient evidence to establish that the remaining balance is adequate to offset potential downturns in revenue sources and provide sufficient cash balance for daily financial needs.

IV. CAPITAL IMPROVEMENTS

- A. The Town shall continue to prepare a six-year Capital Improvement Program (CIP) updated on an annual basis.
- B. Definitions of Capital Improvement Program/Project:
 1. Capital Improvement Program: A comprehensive list of major public improvement projects that are proposed for the Town's expenditure within the next six years. The CIP shall be reviewed annually.
 2. Capital Improvement Project: Items included within the Capital Improvement Program will involve the improvement or betterment of the physical plant of the Town of a non-recurring nature as differentiated from ordinary repairs or maintenance of a recurring nature. Projects include acquisition of land, improvement of facilities and the replacement/purchase of equipment with a useful life of at least five (5) years and a cost of \$25,000 or more.

V. DEBT MANAGEMENT

A. A critical measure for bond rating agencies is the ratio of debt service payments to total expenditures. The Town recognizes that maintaining debt levels within industry standards allows the Town to more easily maintain its credit standing. Bond rating agencies consider individual community needs and circumstances (including emergencies) when evaluating the fiscal health of a community. Thus, while exceeding such limits could translate into a decrease in bond rating, such a decrease is not necessarily a totally negative factor in every case in a particular community. The Town's consideration of doing so, however, should be reserved for extraordinary or unforeseeable circumstances.

B. The Town will endeavor to manage debt so as not to exceed the following ratios, which are reflective of municipal bonding standards:

- | | |
|--|---------|
| 1. Gross General Fund debt service/General Fund expenditures | 15% |
| and | |
| 2. Net General Fund debt service/General Fund expenditures | 8 – 10% |

C. Definitions of Gross/Net Debt Service:

1. General Fund Gross Debt Service: Annual debt payments (principal and interest) for which the Town is held accountable; inclusive of assessments from Regional School Districts, Town and K-8 School appropriations and debt exclusions. Excluded are Water and Sewer Utility Funds.
2. General Fund Net Debt Service: After State reimbursement and State aid, the annual debt payments (principal and interest) for which the Town is held accountable; inclusive of assessments from Regional School Districts, Town and K-8 School appropriations and debt exclusions (i.e., Gross Debt Service less reimbursements/aid). Excluded are Water and Sewer Utility Funds.

D. When considering the use of debt, the Town shall be guided by the following:

1. Borrowing versus Cash—The Town will endeavor to finance Capital Improvement Projects with a total cost of less than \$50,000 through cash appropriation rather than borrowing.
2. Useful Life—When borrowing, the Town will ensure that the term of bonds issued will not exceed the useful life of the project.
3. Capital Expenditure versus Capital Improvement Project—Capital expenditures not meeting the definition of "Capital Improvement Projects" should be financed through inclusion within operating budgets.

E. When considering debt financing strategies, the Town shall be guided by the following:

Exclusions from Proposition 2-1/2 Limits

The maximum amount a community can collect in taxes in a given year is its levy limit. Proposition 2½ (Massachusetts General Laws, Chapter 59, Section 21C) restricts growth in the levy limit from one year to the next by limiting the growth to an increase of not more than 2½% over the prior fiscal year plus any increase in valuation due to new growth in the community.

There are provisions that allow a community to exceed the limits of Proposition 2½. The “debt exclusion” option is a temporary tax increase used to raise additional taxes to fund capital projects for which the community may borrow as defined in Massachusetts General Laws, Chapter 44, Sections 7 and 8. The additional amount is added to the levy limit only during the life of the debt.

A community may also temporarily exceed the levy limit by raising additional taxes for a capital improvement in order to finance the purchase with cash. Such a “capital outlay expenditure exclusion” is used for the year in which the capital item is acquired.

The Town will continue its policy to raise appropriations for large projects, such as school or municipal buildings, outside the limits of Proposition 2½, in order to retain budget capacity within the limits of Proposition 2½.

State, Federal and Other Sources of Funding

State, Federal and other sources of funding including grants and reimbursements, will be aggressively sought for eligible Town and School capital projects.

VI. ENTERPRISE FUND MANAGEMENT

Enterprise funds (Water, Sewer and Solid Waste) should be fully self-sufficient operationally with user charges and fees set to recover all costs associated with the activities of these funds including capital expenditures. Enterprise Funds are governed by Massachusetts General Law, Ch. 44 §53F½.

VII. GIFTS AND GRANTS

- A. All grants shall be managed to comply with the laws, regulations and guidance of the grantor, and all gifts and donations shall be managed and expended according to the wishes and instructions of the donor.
- B. All gifts and grants shall be evaluated for suitability and consistency with Town policies. They shall be formally accepted by the Board of Selectmen after review and recommendation by the Town Administrator. Gifts and grants of funds are governed by Massachusetts General Law Ch. 44 §53A. Gifts of tangible property are governed by Massachusetts General Law Ch. 44 §53A½.

VIII. TRUST FUND MANAGEMENT

Trust Fund management shall be consistent with the legal requirements and spirit of each respective trust document and, to the maximum extent possible, realize the purpose the trusts were intended to achieve. All Trust Funds shall be invested in accordance with Section X of these policies.

IX. INVESTMENT POLICY FOR GENERAL FUNDS, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS AND CAPITAL PROJECTS FUNDS

- A. **Scope**—Section IX of this policy applies only to short term operating funds such as general funds, special revenue funds, enterprise funds, bond proceeds and capital project funds. Section X will deal with trust funds and any other funds with special circumstances such as stabilization funds. Massachusetts Teachers Retirement Board and the Worcester Regional Retirement Board are responsible for the investment of the pension funds.
- B. **Objectives**—Massachusetts General Laws, Chapter 44, Section 55B requires the Treasurer to invest all public funds except those required to be kept uninvested for purposes of immediate distribution.

The state law further requires that invested funds are to be placed at the highest possible rate of interest reasonably available, taking account of safety, liquidity and yield. Therefore, these guidelines are intended to further the objective of securing the highest return that is consistent with safety of principal while meeting the daily cash requirements for the operation of the Town's business.

1. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital through the mitigation of credit risk and interest rate risk. These risks shall be mitigated by the diversification and prudent selection of investment instruments, and choice of depository.
 - i. Credit risk is the risk of loss due to the failure of the security issuer or backer.
 - ii. Interest rate risk is the risk that the market value of the security will fall due to changes in general interest rates.
2. Liquidity is the next most important objective. The overall investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Since all possible cash demands cannot be anticipated, the Treasurer shall carry out investment activities in a manner that provides for meeting unusual cash demands without the liquidation of investments that could result in forfeiture of accrued interest earnings, and loss of principal in some cases.

3. Yield is the third, and last, objective. Investments shall be undertaken so as to achieve a fair market average rate of return, taking into account safety and liquidity constraints as well as all legal requirements.

C. Investment Instruments—Public investments in Massachusetts are not protected through provisions in State law. Therefore, they are largely uncollateralized. Many banking institutions are willing to put up collateral, albeit at a cost to the entity of a lower interest rate. The Treasurer negotiates for the highest rates possible, consistent with safety principles. **The Treasurer may legally invest in the following instruments:**

1. Massachusetts State Pooled Fund: Unlimited amounts (Pool is liquid)—The Massachusetts Municipal Depository Trust (MMDT), an investment pool for state, local, county and other independent governmental authorities, is under the auspices of the State Treasurer and currently managed by Fidelity Investments. It invests in Bankers Acceptances, Commercial Paper of high quality, Bank Certificates of Deposit, Repurchase agreements (Repos) and U.S. Treasury Obligations. It has Federal Deposit Insurance Corporation (F.D.I.C.) pass-through insurance on the C.D.'s and takes delivery on the Repos and Treasuries.
2. U. S. Treasuries that will be held to maturity: Unlimited amounts (Up to one year maturity from date of purchase).
3. U.S. Agency obligations that will be held to maturity: Unlimited amounts (Up to one year maturity from date of purchase).
4. Bank accounts or Certificates of Deposit, hitherto termed C.D.'s. (Up to one year) which are fully collateralized through a third party agreement: Unlimited amounts.
5. Bank accounts and C.D.'s (Up to one year) insured by F.D.I.C. up to at present a \$250,000 limit. All bank accounts and C.D.'s in one institution are considered in the aggregate to receive the \$250,000 insurance coverage. In some cases banking institutions carry additional insurance, Depository Insurance Fund of Massachusetts (D.I.F.M).
6. Unsecured bank deposits of any kind such as other checking, savings, money market, or Certificates of Deposit accounts at banks that do not fit the above categories. These investments are subject to the following limitations: No more than 5% of an institution's assets and no more than 25% of a municipality's cash may be composed of unsecured bank deposits. This percentage may be increased for not more than 30 days during times of heavy collection or in anticipation of large payments that will be made by the Town in the near future. These payments may be for such items as debt service payment or regional school assessments. They will be diversified as much as possible.

D. **Authorization**—The Treasurer has authority to invest municipal funds, subject to the statutes of the Commonwealth Massachusetts General Law Chapter 44 Section 55, 55A, & 55B.

E. **Restrictions**—Chapter 44, Section 55 set forth the several restrictions that the Treasurer must be aware of when making investment selections for short term operating funds.

1. A Treasurer shall not at any one time have on deposit in a bank or trust company an amount exceeding 60% of the capital and surplus of such bank or trust company, or banking company, unless satisfactory security is given to it by such bank or trust company, or banking company for such excess.
2. The Treasurer shall not make a deposit in any bank, trust company or banking company that he is associated with as an officer or employee or has been the same for any time during the three years immediately preceding the date of any such deposit.
3. All securities shall have a maturity from date of purchase of one year or less.
4. Purchases under an agreement with a trust company, national bank or banking company for repurchase at not less than original purchase price of said securities on a fixed date, for a term that shall not exceed ninety days.

X. INVESTMENT POLICY FOR TRUST FUNDS, STABILIZATION FUNDS AND COMMUNITY PRESERVATION ACT

A. **Scope**—Section X of this policy applies to funds that could be invested long term and includes accounts that are designated as Trust Funds, Stabilization Funds, Conservation Fund and Community Preservation Funds. These funds include all accounts that are received as scholarships and perpetual care receipts.

All accounts will be maintained separately receiving their proportionate interest allocation and any realized and unrealized gains or losses. The account will be established as a pooled investment portfolio unless otherwise stated. Any additional amounts added to such accounts will be maintained in this same manner.

B. **Authorization**—Massachusetts General Law Chapter 44, Section 54 pertains to the investment of Trust Funds. All trust funds shall fall under the control of the Treasurer unless otherwise provided or directed by the donor.

C. **Objectives**—Massachusetts General Laws, Chapter 44, Section 55B requires the Treasurer to invest all public funds except those required to be kept uninvested for purposes of immediate distribution.

This section also requires that invested funds are to be placed at the highest possible rate of interest reasonably available, taking into account safety, liquidity and yield. Therefore, these guidelines are intended to further the objective of securing the highest return that is consistent with the safety of principal while meeting the daily cash requirements for the operation of the Town's business.

1. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital through the mitigation of credit risk and interest rate risk. These risks shall be mitigated by the diversification and prudent selection of investment instruments, and choice of depository.
 - i. Credit risk is the risk of loss due to the failure of the security issuer or backer.
 - ii. Interest rate risk is the risk that the market value of the security will fall due to changes in general interest rates.
2. Liquidity is the next most important objective. The overall investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Since all possible cash demands cannot be anticipated, the Treasurer shall carry out investment activities in a manner that provides for meeting unusual cash demands without the liquidation of investments that could result in forfeiture of accrued interest earnings, and loss of principal in some cases.
3. Yield is the third, and last, objective. Investments shall be undertaken so as to achieve a fair market average rate of return, taking into account safety and liquidity constraints as well as all legal requirements.

D. **Investment Instruments**—Massachusetts General Laws, Chapter 44 Section 54 states that money should be deposited into savings banks, trust companies incorporated under the laws of the commonwealth, banking companies incorporated under the laws of the commonwealth which are members of the Federal Deposit Insurance Corporation, or national banks, or invested in participation units in a combined investment fund under Chapter 29, Section 38A, or in a paid-up shares and accounts of and in co-operative banks, or in shares of savings and loan associations or in share or savings deposits of federal savings and loan associations doing business in the Commonwealth.

Additionally the Treasurer may invest such funds in securities, other than mortgages or collateralized loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth; provided, that not more than fifteen percent of any such trust funds shall be invested in bank stocks and insurance company stocks, nor shall more than one and one-half percent of such funds be invested in the stock of any one bank or insurance company. **The Treasurer may invest in the following instruments:**

1. U. S. Treasuries that may be sold prior to maturity: Unlimited amounts (With no limit to the length of maturity from date of purchase).

2. U.S. Agency obligations that may be sold prior to maturity: Unlimited amounts (With no limit to the length of maturity from date of purchase).
3. Bank accounts or Certificates of Deposit, hitherto termed C.D.'s: Unlimited amounts (With no limit to the length of maturity from date of purchase), which is fully collateralized through a third party agreement.
4. Bank accounts and C.D.'s (With no limit to the length of maturity from date of purchase), fully insured by F.D.I.C. and in some cases also Depository Insurance Fund of Massachusetts (D.I.F.M) presently with a \$250,000 limit. All bank accounts and C.D.'s in one institution are considered in the aggregate to receive the \$250,000 insurance coverage.
5. Unsecured bank deposits of any kind such as other checking, savings, money market, or Certificates of Deposit accounts at Banks that do not fit the above categories. These investments are subject to the following limitations: No more than 5% of an institution's assets and no more than 25% of a municipality's cash may be composed of unsecured bank deposits. This percentage may be increased for not more than 30 days during times of heavy collection or in anticipation of large payments that will be made by the Town in the near future. These payments may be for such items as debt service payment or regional school assessments. They will be diversified as much as possible.
6. Common and preferred stocks that are listed in the List of Legal Investments. Massachusetts General Law Chapter 44 Section 54 sets forth that Treasurers may invest in instruments that are legal for savings banks. This list of investments is included in the Commonwealth of Massachusetts List of Legal Investments, Massachusetts General Law, Chapter 167 Section 15A.
7. Investment Funds that are listed in the List of Legal Investments, Massachusetts General Law, Chapter 167 Section 15A.
8. List of Legal Investments—All other items not separately identified here that are listed in the List of Legal Investments, Massachusetts General Law, Chapter 167 Section 15A.

Trust Funds may be co-mingled and invested in any instruments allowed by the Commonwealth of Massachusetts List of Legal Investments issued by the Banking Commissioner each July. Each Trust Fund must be accounted for separately.

XI. INVESTMENT POLICY—OVERALL PROVISIONS

- A. **Diversification**—Diversification should be interpreted in two ways: 1) in terms of maturity, and 2) in terms of instrument type and issuer. The diversification concept should include prohibition against over concentration of maturities, as well as

concentration in a specific institution, with the exception of U.S. Treasury obligations and agencies or investments fully collateralized.

- B. **Ethics**—The Treasurer and Assistant Treasurer shall refrain from any personal activity that may conflict with the proper execution of the investment program or which could impair or appear to impair ability to make impartial investment decisions. Said individuals shall disclose to the Town Administrator any material financial interest they may have in financial institutions that do business with the Town. They shall also disclose any large personal financial investment positions or loans that they have which could be related to the performance of the Town's investments. All municipal employees shall comply with the State Conflict of Interest Law, Massachusetts General Laws, Chapter 268A.
- C. **Standards of Care**—The standard of prudence to be used by the Treasurer shall be the “prudent person” standard set forth in Massachusetts General Laws Chapter 203C and shall be applied in the context of managing an overall portfolio. The Treasurer acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided the purchases and sale of securities is carried out in accordance with the terms of this policy.

The “prudent person” standard states that, “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well the probable income to be derived.”

- D. **Reporting Requirements**—On an annual basis, a report containing the following information will be prepared by the Treasurer and distributed to the Town Administrator. The report will include as a minimum requirement, the following information:
1. A listing of the individual accounts and individual securities held at the end of the reporting period.
 2. A listing of the short-term investment portfolio by security type and maturity to ensure compliance with the diversification and maturity guidelines established in the "Diversification" section of this Investment Policy.
 3. A summary of the income earned on a monthly basis and on a year to date basis.
 4. The Treasurer shall include in the report a brief statement of general market and economic conditions and other factors that may affect the Town's cash position.
 5. The report should demonstrate the degree of compliance with the tenets set forth in the Investment Policy.

APPENDIX B

FUND DESCRIPTIONS & BALANCES

Fund Descriptions

The financial operations of the Town are organized into funds and account groups, each of which is a separate fiscal and accounting entity. All revenues received or expenditures made by the Town are accounted for through one of the funds or account groups listed below.

Governmental Funds

Most Town functions are financed through what are called Governmental Funds. These are the activities generally supported by “non-exchange” revenue, such as taxes. There are four types of governmental funds maintained by the Town: the General Fund, Special Revenue Funds, Permanent Funds, and the Capital Projects Fund.

General Fund: The General Fund is the major operating fund of the Town government and it encompasses a majority of Town operations, and it is defined as covering all resources that are not required to be accounted for elsewhere. The General Fund is supported by revenues from real estate & personal property taxes, state aid, excise taxes, investment income, fines & forfeitures, and fees & charges. Most of the Town’s departments including the Schools are supported in whole or in part by the General Fund.

Special Revenue Funds: Special Revenue Funds are used to account for revenues that are legally restricted to specific purposes, with the exception of major capital projects and permanent funds. These revenues must be accounted for separately from the General Fund for a variety of reasons, and often span multiple fiscal years. The Town’s Special Revenue Funds are grouped into five categories:

1. **Revolving Funds:** Revolving Funds allow the Town to raise revenues from a specific program and use those revenues to support the program without appropriation. Revolving Funds are established by statute or by-law and may require reauthorization each year at Town Meeting. The Town maintains revolving funds for a number of purposes including Council on Aging, Family and Youth Services Department, Fire Department, Police Department, Recreation Department, Library Lost Books, School Department Student Activities, and the School Lunch Program.
2. **Receipts Reserved for Appropriation:** The funds in this grouping are restricted to a specific use by statute and also require appropriation by Town Meeting. These funds include property insurance claims greater than \$20,000, monies from Cemetery sale of lots and graves, Premiums received on Excluded Debt, and Conservation Wetland Protection fees.
3. **School Grants:** The School Grant Funds account for specially financed education programs using revenue from grants received from the Federal or State government. These including the Kindergarten Enhancement grant, the SPED Circuit Breaker grant, and the Federal ARRA State Fiscal Stabilization Fund (SFSF) grant.

4. **Other Intergovernmental Funds:** These funds account for revenues received by the Town from the Federal or State government for specific purposes other than education. These include a variety of grants including Community Policing Grants, Chapter 90 Highway Program, State Election Grants, State Library Aid, and the Elderly Formula Grant.
5. **Other Special Revenue Funds:** These funds account for any other miscellaneous special revenues not included in the previous categories. These include private donations for specific purposes, such as grants received from private or non-profit foundations, gifts made to specific departments, and payments from developers for infrastructure improvements related to proposed projects. Also included under this heading are the Community Preservation Fund, the Stabilization Fund, and the Conservation Fund.

Permanent Funds: Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used to support the government and its citizens. Many times such funds are referred to as ‘Trust’ funds, and the acceptance of such funds generally involves acceptance by Town Meeting for each fund’s individual specifications and/or requirements. There are two accounts associated with each permanent fund, the expendable income, and the non-expendable principal.

1. **Expendable Trust Funds:** This heading accounts for the expendable income portion of the permanent funds. This heading is also used to account for funds received by the Town in a trustee capacity where both the principal and earnings of the fund may be expended on a restricted basis for the benefit of the Town or its Citizens. This includes the Scholarship Tax Check-off Fund and the Elderly/Disabled Fund.
2. **Non-expendable Trusts:** are used to account for trusts where the principal must remain intact. Generally income earned on the non-expendable trust principal may be expended in accordance with the conditions of a trust instrument or statute, and is accounted for in the previous category. An example is the Cemetery Department’s Perpetual Care Trust.

Capital Projects Fund: The Capital Projects Fund is used to account for monies used for the acquisition or construction of major capital facilities (buildings, roads, etc.) other than those financed by other dedicated funds, such as the Community Preservation Act Fund or Chapter 90 Highway Funds. In addition to “projects,” the Town’s Capital Projects Fund also accounts for capital outlay for items purchased pursuant to the town’s capital plan, such as Departmental Equipment. The source of funding for this fund is primarily proceeds from the Town’s issuance of bonds, but may also be derived from private sources, grants, or transfers from other Town funds.

Proprietary (Enterprise) Funds

Proprietary Funds cover the town's "business-type" activities, and are referred to as such in the financial statements. These statements comprise the Water and Sewer Enterprise Funds of the Town. All direct and indirect costs including overhead of each service are intended to be captured by user fees and/or general fund subsidies. These funds account for their own fixed assets and long term liabilities. Although the long term debt of the funds is ultimately the legal obligation of the general fund, it is budgeted and paid for by the Enterprise Fund for which the project was approved. Town Meeting has approved the use of the Enterprise Fund accounting for the Water, Sewer, and Solid Waste utilities. However for the purposes of the financial statements only the Water and Sewer fund are considered "business-type" activities.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. The Town is the trustee, or fiduciary, and the government and its citizenry do not benefit directly from such funds. This means that the Town is responsible for assets in a purely custodial manner that can be used only for the trust beneficiaries and Agency Funds. Under this heading the Town maintains only Agency Funds, such funds for "special detail" for overtime labor billed to outside parties, collection of Deputy Fees payable to the Deputy Collector, firearms licenses payable to the Commonwealth, and fees derived from and expenses related to the use of school facilities by outside parties.

Account Groups

The last category of fund account entities maintained by the Town is the Account Groups. For which there are two, the General Long-term Debt Account Group and the General Fixed Assets Account Group.

The first of these groups is the General Long-term Debt Account Group which accounts for the balances due on long-term debt that the Town has approved. The liabilities accounted for in this fund extend to future years, versus those that affect the current year alone shown in other funds. When borrowing is approved the liability is increased in this fund, and when debt is paid down or rescinded the liability is reduced.

The second of these groups is the General Fixed Asset Account Group. As infrastructure is developed, construction completed, and capital outlays are made, the Town's inventory of Fixed Assets is increased. The value of these assets is then depreciated on a fixed schedule annually.

Basis of Accounting

By necessity the Town produces financial reports that have different bases of accounting. Since the goal of financial reporting is to provide useful information to its users, the measurement focuses of reporting must change with respect to the needs of the audience.

The day to day method of accounting used by the Town is UMAS, the Commonwealth of Massachusetts' Universal Municipal Accounting System. This accounting system is prescribed by the Commonwealth of Massachusetts Department of Revenue and is intended to demonstrate compliance with state statutes and local near-term decisions (e.g. budget). This system prescribes the use of the modified accrual basis of accounting, which is the basis used by all governmental fund types. Under the modified accrual basis, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers that property taxes are available if they are collected within 60 days after year-end. Expenditures are recorded when the liability is incurred. Principal and interest on general long-term debt are recorded as liabilities in the fiscal years that the payments are due.

The full accrual basis of accounting is used for the Town's financial statements, which are produced based on generally accepted accounting principles (GAAP). The statements report information about the Town with a broad overview. The statements use accounting methods most similar to those used by a private-sector business and are typically used to demonstrate the long term financial position of the Town. The users of this information are often bond rating agencies and others seeking information consistent with entities in other states. The Government Accounting Standards Board (GASB) issues guidance for how GAAP based financial statements should be prepared for government entities. The accrual basis of accounting is utilized by the proprietary and agency funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgeting

An annual budget is adopted for the Town's General and Enterprise Funds. Although legislative approval is required for capital projects, borrowing authorizations, and other warrant articles, annual budgets are not prepared for any other fund. Note however that although there are informational budgets presented for capital spending with regard to the Capital Improvement Plan and also by the Community Preservation Committee for spending from the Community Preservation Act Fund, the related spending for such purposes is approved article by article versus the adoption of an annual consolidated budget.

The Town's annual budget is adopted on a statutory basis, specific to the Commonwealth of Massachusetts, and it differs in some respects from GAAP. The major differences between the budget and GAAP basis are that:

1. Budgeted revenues are recorded when cash is received, except for real estate and personal property taxes, which are recorded as revenue when levied (budget), as opposed to when susceptible to accrual (GAAP).
2. For the budget, encumbrances are treated as expenditures in the year the commitment is made. Also, certain appropriations, known as special articles, do not lapse and are treated as budgetary expenditures in the year they are authorized as opposed to when the liability is actually incurred (GAAP).
3. The depreciation of Fixed Assets is not recognized as a current expense on a budgetary basis, except to the extent that actual maintenance costs are included in departmental budgets.

Following are three tables which are excerpted from the Town's financial statements prepared on a GAAP basis. These tables display the results of operations for the fiscal year ending June 30, 2009. There's one table for Governmental Funds and one for Proprietary Funds. Since Fiduciary funds do not involve the measurement of operations, there is no corresponding table for that grouping.

Under GASB Statement 34 "major funds" are defined as individual funds that have reached a significant threshold with respect to total fund balance. "Major Funds" must be shown separately from the general fund. The remaining individual funds are aggregated in the "Non-major" category for the purposes of the financial statements. The third and final table displayed is the statement for the "Non-major" Governmental Funds.

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2010

	General <u>Fund</u>	Stabilization <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	<u>Total</u>
Revenues:				
Property taxes	35,723,971	-	406,685	36,130,656
Excise taxes	1,879,151	-	-	1,879,151
Payments in lieu of taxes	102,676	-	-	102,676
Departmental charges for services	658,035	-	1,991,755	2,649,790
Licenses and permits	880,377	-	-	880,377
Intergovernmental	9,376,148	-	1,618,445	10,994,593
Fines and forfeits	1,435	-	156,218	157,653
Investment income	40,533	104,260	83,190	227,983
Other	339,755	-	1,590,475	1,930,230
Total revenues	49,002,081	104,260	5,846,768	54,953,109
Expenditures:				
Current:				
General government	1,908,326	-	631,122	2,539,448
Public safety	3,493,206	-	608,479	4,101,685
Education	27,182,079	-	1,440,975	28,623,054
Public works	2,063,434	-	-	2,063,434
Human services	427,817	-	105,351	533,168
Recreation and culture	809,713	-	484,410	1,294,123
Intergovernmental	492,501	-	-	492,501
Employee benefits	8,135,558	-	9,248	8,144,806
Other	166,126	-	-	166,126
Debt service	3,471,489	-	49,125	3,520,614
Capital outlay	27,633	-	4,382,920	4,410,553
Total expenditures	48,177,882	-	7,711,630	55,889,512
Excess (deficiency) of revenues over expenditures	824,199	104,260	(1,864,862)	(936,403)
Other financing sources (uses):				
Operating transfers in	349,007	-	400,000	749,007
Operating transfers out	-	-	(749,007)	(749,007)
Total other financing sources (uses)	349,007	-	(349,007)	-
Net changes in fund balances	1,173,206	104,260	(2,213,869)	(936,403)
Fund balance, beginning of year	2,627,486	3,447,529	2,621,185	8,696,200
Fund balance, end of year	3,800,692	3,551,789	407,316	7,759,797

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended June 30, 2010

	Water Enterprise Fund	Sewer Enterprise Fund	Total
Operating revenues:			
Charges for services	\$ 1,632,491	\$ 727,995	\$ 2,360,486
Special Assessments	114,787	595,680	710,467
Total operating revenues	1,747,278	1,323,675	3,070,953
Operating expenditures:			
Salaries, wages and employee benefits	228,951	153,057	382,008
Energy purchases	826,744	148,625	975,369
Other operating expenses	183,397	125,088	308,485
Depreciation	343,841	207,006	550,847
Total operating expenditures	1,582,933	633,776	2,216,709
Operating income	164,345	689,899	854,244
Nonoperating revenues (expenses):			
Interest income	1,525	7,650	9,175
Interest expense	(120,068)	(298,918)	(418,986)
Other	-	12,465	12,465
Total nonoperating revenues (expenses)	(118,543)	(278,803)	(397,346)
Income before transfers	45,802	411,096	456,898
Operating transfers in (out)	-	-	-
Changes in net assets	45,802	411,096	456,898
Net assets, beginning of year	6,890,966	5,486,469	12,377,435
Net assets, end of year	\$ 6,936,768	\$ 5,897,565	\$ 12,834,333

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue		Capital		
	<u>School</u>	<u>Other</u>	<u>Projects</u>	<u>Permanent</u>	<u>Totals</u>
Revenues:					
Property taxes	\$ -	406,685	-	-	406,685
Departmental charges for services	369,674	1,606,781	-	15,300	1,991,755
Intergovernmental	687,897	902,966	27,582	-	1,618,445
Fines and forfeits	-	156,218	-	-	156,218
Investment income	788	62,221	-	20,181	83,190
Other	-	1,570,828	-	19,647	1,590,475
Total revenues	1,058,359	4,705,699	27,582	55,128	5,846,768
Expenditures:					
Current:					
General government	-	613,186	-	17,936	631,122
Public safety	-	608,479	-	-	608,479
Education	1,218,963	222,012	-	-	1,440,975
Public works	-	-	-	-	-
Human services	-	105,351	-	-	105,351
Recreation and culture	-	484,410	-	-	484,410
Employee benefits	-	9,248	-	-	9,248
Debt service	-	49,125	-	-	49,125
Capital outlay	-	1,315,121	3,067,799	-	4,382,920
Total expenditures	1,218,963	3,406,932	3,067,799	17,936	7,711,630
Excess (deficiency) of revenues over expenditures	(160,604)	1,298,767	(3,040,217)	37,192	(1,864,862)
Other financing sources (uses):					
Operating transfers in	-	-	400,000	-	400,000
Operating transfers out	-	(749,007)	-	-	(749,007)
Net changes in fund balances	(160,604)	549,760	(2,640,217)	37,192	(2,213,869)
Fund balance, beginning of year	730,870	5,065,679	(3,813,636)	638,272	2,621,185
Fund balance, end of year	\$ 570,266	5,615,439	(6,453,853)	675,464	407,316

Changes in Fund Balance

General Fund

It is important to note that while the General Fund fund balance shown on the preceding GAAP based statements is a measure of resources that are available to the Town on a long-term basis, the full amount is not available for appropriation in its entirety on a statutory basis. Under Massachusetts General Law, the Massachusetts Department of Revenue (DOR) certifies the amount available, which is referred to as "Free Cash." This certified amount is available for appropriation by the legislative body. The amount certified by the DOR for FY2010 is \$1,954,708, while the GAAP based financial statements reflect a Fund Balance of \$3,800,692.

Within the Town's Financial Policies (See Appendix A), is a reserve policy which defines reserves as being the combination of Free Cash & Stabilization Fund Balances. This reserve policy requires that the Town maintain reserves at a level of between 5 to 10% of the Town's General Fund expenditures. Under the Free Cash plan for the proposed FY2012 budget, the amount of \$500,000 will be used for the operating budget, \$150,000 will be used to fund the Appropriations Committee Reserve Fund, and \$804,000 will be used to fund capital expenditures. With respect to the proposed FY2012 budget, no transfers from Stabilization are contemplated, while use of Free Cash in the total amount of \$1,454,000 is proposed.

The following schedule demonstrates the Town's compliance with its fiscal policies, and that the proposed use of Free Cash for the current year will not yield a significant change in Fund Balance from the budget proposed in the prior year. The figures shown below reflect the amounts that are contemplated at the time of Town Meeting:

PROPOSED BUDGET	FY2011	FY2012
Certified Free Cash as of June 30 prior year	\$ 946,294	\$ 1,954,708
Proposed use for budget	\$ (600,000)	\$ (1,454,000)
Unappropriated Certified Free Cash	\$ 346,294	\$ 500,278
Stabilization Fund Balance as of June 30	\$ 3,447,529	\$ 3,551,789
Investment Income through December 31	\$ 38,690	\$ 23,856
Stabilization Fund Balance as of December 31	\$ 3,486,219	\$ 3,575,645
Total Reserves	\$ 3,832,513	\$ 4,075,923
Proposed Expenditure Budget	\$ 45,230,798	\$ 47,863,383
Reserves as Percentage of Budget	8.5%	8.5%

Free Cash will be recalculated for June 30, 2011 once FY2011 is closed and the Town has submitted its balance sheet to the DOR. While the amount voted for use in FY2012 will reduce the amount shown in the calculation above, positive results from unspent appropriations and revenues above budget in FY2011 will add to the balance. The following table shows the Town's reserves as calculated following the adoption of the budget and most recent Free Cash certifications (at close of prior fiscal year):

ADOPTED BUDGET	FY2010	FY2011
Certified Free Cash as of June 30	\$ 946,294	\$ 1,954,708
Stabilization Fund Balance as of June 30	\$ 3,447,529	\$ 3,551,789
Total Reserves	\$ 4,393,823	\$ 5,506,497
Adopted Budget	\$ 44,422,515	\$ 45,272,948
Reserves as Percentage of Budget	9.9%	12.2%

The two tables demonstrate the town's approach to maintain sufficient reserves through its fiscal policies, and shows the approach that is used to develop its free cash plan. For FY2011, the increase of Free Cash certified at June 30, 2010 allows for the amounts to be appropriated in addition to the operating fund. In the case of FY2012, \$804,000 in capital expenditures are being considered. This approach allows for sufficient reserves to be maintained, while not becoming excessive, and can be used to fund one-time expenses such as capital purchases.



This Page Intentionally Blank

APPENDIX C

GLOSSARY OF TERMS

Glossary of Terms

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

Accounting System: The total structure of records and procedures that identify record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

Accrued Interest: The amount of interest that has accumulated on the bond since the date of the last interest payment, and in the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

Amortization: The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

Appellate Tax Board (ATB): Appointed by the governor, the ATB has jurisdiction to decide appeals from local decisions relating to property taxes, motor vehicle excises, state owned land (SOL) valuations, exemption eligibility, property classification, and equalized valuations.

Appropriation: An authorization granted by a town meeting, city council or other legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended. (See Encumbrance, Free Cash)

Arbitrage: As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

Assessed Valuation: A value assigned to real estate or other property by a government as the basis for levying taxes. In Massachusetts,

assessed valuation is based on the property's full and fair cash value as set by the Assessors. (See Full and Fair Cash Value)

Audit: An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool for evaluating the fiscal performance of a community.

Audit Report: Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions; (d) financial statements and schedules; and (e) statistical tables, supplementary comments, and recommendations. It is almost always accompanied by a management letter.

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other onetime costs. Examples of available funds include free cash, stabilization funds, overlay surplus, water surplus, and enterprise net assets unrestricted (formerly retained earnings).

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Betterments (Special Assessments): Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's apportionment along with one year's committed interest computed from October 1 to October 1

Glossary of Terms

is added to the tax bill until the betterment has been paid.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

Bond and Interest Record: (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

Bond Anticipation Note (BAN): Short-term debt instrument used to generate cash for initial project costs and with the expectation that the debt will be replaced later by permanent bonding. Typically issued for a term of less than one year, BANs may be re-issued for up to five years, provided principal repayment begins after two years (MGL Ch. 44 §17). Principal payments on school related BANs may be deferred up to seven years (increased in 2002 from five years) if the community has an approved project on the Massachusetts School Building Authority (MSBA) priority list. BANs are full faith and credit obligations.

Bond Authorization: The action of town meeting or a city council authorizing the executive branch to raise money through the sale of bonds in a specific amount and for a specific purpose. Once authorized, issuance is by the treasurer upon the signature of the mayor, or selectmen. (See Bond issue)

Bonds Authorized and Unissued: Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by town meeting or the city council to be removed from community's books.

Bond Issue: Generally, the sale of a certain number of bonds at one time by a governmental unit.

Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Budget: A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

Budget Message: A statement that, among other things, offers context by summarizing the main points of a budget, explains priorities, describes underlying policies that drive funding decisions, and otherwise justifies the expenditure plan and provides a vision for the future.

Budget Unit: A board or department to which the municipality's legislative body appropriates funds.

Capital Assets: All tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each

Glossary of Terms

recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

Capital Improvements Program: A blueprint for planning a community's capital expenditures that comprises an annual capital budget and a five-year capital program. It coordinates community planning, fiscal capacity and physical development. While all of the community's needs should be identified in the program, there is a set of criteria that prioritizes the expenditures.

Capital Outlay Expenditure Exclusion: A temporary increase in the tax levy to fund a capital project or make a capital acquisition. Exclusions require two-thirds vote of the selectmen or city council (sometimes with the mayor's approval) and a majority vote in a community-wide referendum. The exclusion is added to the tax levy only during the year in which the project is being funded and may increase the tax levy above the levy ceiling.

Cash: Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Management: The process of monitoring the ebb and flow of money in an out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short-term borrowing and investment of idle cash.

Cemetery Perpetual Care: These funds are donated by individuals for the care of grave sites. According to Ch. 114, s 25, funds from this account must be invested and spent as directed by perpetual care agreements. If no agreements exist, interest (but not principal) may be used as directed by the cemetery commissioners for the purpose of maintaining cemeteries.

Certification: Verification of authenticity. Can refer to the action of a bank, trust company, or DOR's Bureau of Accounts (BOA) in the

issuance of State House Notes, to confirm the genuineness of the municipal signatures and seal on bond issues. The certifying agency may also supervise the printing of bonds and otherwise safeguard their preparation against fraud, counterfeiting, or overissue. Also refers to the certification by the Bureau of Local Assessment (BLA) that a community's assessed values represent full and fair cash value (FFCV). (See Triennial Certification)

Certificate of Deposit (CD): A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

Cherry Sheet: Named for the cherry colored paper on which they were originally printed, the Cherry Sheet is the official notification to cities, towns and regional school districts of the next fiscal year's state aid and assessments. The aid is in the form of distributions, which provide funds based on formulas and reimbursements that provide funds for costs incurred during a prior period for certain programs or services. Links to the Cherry Sheets are located on the DLS website at www.mass.gov/dls. (See Cherry Sheet Assessments, Estimated Receipts)

Cherry Sheet Assessments: Estimates of annual charges to cover the cost of certain state and county programs.

Cherry Sheet Offset Items: Local aid that may be spent without appropriation in the budget, but which must be spent for specific municipal and regional school district programs. Current offset items include racial equality grants, school lunch grants, and public libraries grants. (See Offset Receipts)

Classification of Real Property: Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of

Glossary of Terms

the tax burden is to be borne by each class of real property and by personal property owners. (see Classification of the Tax Rate).

Classification of the Tax Rate: Each year, the selectmen or city council vote whether to exercise certain tax rate options. Those options include choosing a residential factor (MGL Ch. 40 §56), and determining whether to offer an open space discount, a residential exemption (Ch. 59, §5C), and/or a small commercial exemption (Ch. 59, §5I) to property owners.

Collective Bargaining: The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union. regarding wages, hours and working conditions.

Community Preservation Act (CPA): Enacted as MGL Ch. 44B in 2000, CPA permits cities and towns accepting its provisions to establish a restricted fund from which monies can be appropriated only for a) the acquisition, creation and preservation of open space; b) the acquisition, preservation, rehabilitation, and restoration of historic resources; and c) the acquisition, creation and preservation of land for recreational use; d) the creation, preservation and support of community housing; and e) the rehabilitation and restoration of open space, land for recreational use and community housing that is acquired or created using monies from the fund. Acceptance requires town meeting or city council approval or a citizen petition, together with referendum approval by majority vote. The local program is funded by a local surcharge up to 3 percent on real property tax bills and matching dollars from the state generated from registry of deeds fees. (See DOR IGR 00-209 as amended by IGR 01-207 and IGR 02-208)

Community Preservation Fund: A special revenue fund established pursuant to MGL Ch. 44B to receive all monies collected to support a community preservation program, including but not limited to, tax surcharge receipts, proceeds from borrowings, funds received from the Commonwealth, and proceeds from the sale of certain real estate.

Compensating Balance Agreement: An alternative to the payment of direct fees for banking services. In this case, a bank specifies a minimum balance that the municipality must maintain in non-interest bearing accounts. The bank can then lend this money (subject to a reserve requirement) and earn interest, which will at least cover the cost of services provided to the municipality. Compensating balance agreements are permitted under MGL Ch. 44 §53F and must be approved annually by town meeting or the city council.

Conservation Fund: A city or town may appropriate money to a conservation fund. This money may be expended by the conservation commission for lawful conservation purposes as described in MGL Ch. 40 §8C. The money may also be expended by the conservation commission for damages arising from an eminent domain taking provided that the taking was approved by a two-thirds vote of city council or town meeting.

Consumer Price Index: The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

Cost-Benefit Analysis: A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

Debt Authorization: Formal approval by a two thirds vote of town meeting or city council to incur debt, in accordance with procedures stated in MGL Ch. 44 §§1, 2, 3, 4a, 6-15.

Debt Burden: The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

Debt Exclusion: An action taken by a community through a referendum vote to raise the funds necessary to pay debt service costs for a particular project from the property tax levy, but outside the limits under Proposition 2½. By

Glossary of Terms

approving a debt exclusion, a community calculates its annual levy limit under Proposition 2½, then adds the excluded debt service cost. The amount is added to the levy limit for the life of the debt only and may increase the levy above the levy ceiling.

Debt Limit: The maximum amount of debt that a municipality may authorize for qualified purposes under state law. Under MGL Ch. 44 §10, debt limits are set at 5 percent of EQV. By petition to the Municipal Finance Oversight Board, cities and towns can receive approval to increase their debt limit to 10 percent of EQV.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that is chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: An enterprise fund, authorized by MGL Ch. 44 §53F½, is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It 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, if any. 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 chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services. (See DOR IGR 08-101)

Equalized Valuations (EQVs): The determination of the full and fair cash value of all property in the commonwealth that is subject to local taxation. EQVs have historically been

used as variables in distributing certain state aid accounts and for determining county assessments and certain other costs. The Commissioner of Revenue, in accordance with M.G.L. Ch. 58 s 10C, is charged with the responsibility of bi-annually determining an equalized valuation for each town and city in the Commonwealth.

Estimated Receipts: A term that typically refers to anticipated local revenues listed on page three of the Tax Recapitulation Sheet. Projections of local revenues are often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

Excess and Deficiency (E&D): Also called the "surplus revenue" account, this is the amount by which cash, accounts receivable, and other assets exceed a regional school district's liabilities and reserves as certified by the Director of Accounts. The calculation is based on a year-end balance sheet, which is submitted to DOR by the district's auditor, accountant, or comptroller as of June 30. The regional school committee must apply certified amounts exceeding five percent of the district's prior year operating and capital costs to reduce the assessment on member cities and towns. Important: E&D is not available for appropriation until certified by the Director of Accounts.

Excess Levy Capacity: The difference between the levy limit and the amount of real and personal property taxes actually levied in a given year. Annually, the board of selectmen or council must be informed of excess levying capacity and evidence of such acknowledgment must be submitted to DOR when setting the tax rate.

Exemptions: A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and

Glossary of Terms

cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

Expenditure: An outlay of money made by municipalities to provide the programs and services within their approved budget.

Fiduciary Funds: Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Fiscal Year (FY): Since 1974, the Commonwealth and municipalities have operated on a budget cycle that begins July 1 and ends June 30. The designation of the fiscal year is that of the calendar year in which the fiscal year ends. Since 1976, the federal government fiscal year has begun on October 1 and ended September 30.

Fixed Assets: Long-lived, tangible assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

Fixed Costs: Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

Float: The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

Foundation Budget: The spending target imposed by the Education Reform Act of 1993 for each school district as the level necessary to provide an adequate education for all students.

Free Cash: (Also Budgetary Fund Balance) Remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax

recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant, or comptroller. Important: free cash is not available for appropriation until certified by the Director of Accounts. (See Available Funds)

Full and Fair Cash Value (FFCV): Fair cash value has been defined by the Massachusetts Supreme Judicial Court as "fair market value, which is the price an owner willing but not under compulsion to sell ought to receive from one willing but not under compulsion to buy. It means the highest price that a normal purchaser not under peculiar compulsion will pay at the time, and cannot exceed the sum that the owner after reasonable effort could obtain for his property. A valuation limited to what the property is worth to the purchaser is not market value. The fair cash value is the value the property would have on January first of any taxable year in the hands of any owner, including the present owner." (Boston Gas Co. v. Assessors of Boston, 334 Mass. 549, 566 (1956))

Full Faith and Credit: A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Fund: An accounting entity with a self balancing set of accounts that is segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Accounting: Organizing the financial records of a municipality into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities

Glossary of Terms

whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

GASB 34: A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.

GASB 45: This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

General Fund: The fund used to account for most financial resources and activities governed by the normal town meeting/city council appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Governing Body: A board, committee, commission, or other executive or policymaking body including the school committee of a municipality.

Governmental Accounting Standards Board (GASB): The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these

costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

Law Enforcement Trust Fund: A revolving fund established to account for a portion of the proceeds from the sale of property seized from illegal drug-related activities. Funds may be expended to defray certain qualified law enforcement costs as outlined in MGL Ch. 94C, s 47. Funds from this account may be expended by the police chief without further appropriation.

Levy Ceiling: A levy ceiling is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 2½). It states that, in any year, the real and personal property taxes imposed may not exceed 2½ percent of the total full and fair cash value of all taxable property. Property taxes levied may exceed this limit only if the community passes a capital exclusion, a debt exclusion, or a special exclusion. (See Levy Limit)

Levy Limit: A levy limit is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 2½). It states that the real and personal property taxes imposed by a city or town may only grow each year by 2½ percent of the prior year's levy limit, plus new growth and any overrides or exclusions. The levy limit can exceed the levy ceiling only if the community passes a capital expenditure exclusion, debt

Glossary of Terms

exclusion, or special exclusion. (See Levy Ceiling)

Line Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

Local Aid: Revenue allocated by the Commonwealth to cities, towns, and regional school districts. Estimates of local aid are transmitted to cities, towns, and districts annually by the "Cherry Sheets." Most Cherry Sheet aid programs are considered general fund revenues and may be spent for any purpose, subject to appropriation.

Local Appropriation Authority: In a town, the town meeting has the power to appropriate funds, including the authorization of debt. In a city, the city council has the power upon the recommendation of the mayor.

Local Receipts: Locally generated revenues, other than real and personal property taxes. Examples include motor vehicle excise, investment income, hotel/motel tax, fees, rentals, and charges. Annual estimates of local receipts are shown on the tax rate recapitulation sheet. (See Estimated Receipts)

Maturity Date: The date that the principal of a bond becomes due and payable in full.

Massachusetts Municipal Depository Trust: An investment program, founded in 1977 under the supervision of the State Treasurer, in which municipalities may pool excess cash for investment.

Minimum Required Local Contribution: The minimum that a city or town must appropriate from property taxes and other local revenues for the support of schools (Education Reform Act of 1993).

Municipal(s): (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political

subdivisions, such as cities, towns, school districts, special districts, but also bonds of the state and agencies of the state.

Municipal Revenue Growth Factor (MRGF): An estimate of the percentage change in a municipality's revenue growth for a fiscal year. It represents the combined percentage increase in the following revenue components: automatic 2 1/2 percent increase in the levy limit, estimated new growth, the change in selected unrestricted state aid categories and the change in selected unrestricted local receipts.

M.G.L.: Massachusetts General Laws.

Net School Spending (NSS): School budget and municipal budget amounts attributable to education, excluding long-term debt service, student transportation, school lunches and certain other specified school expenditures. A community's NSS funding must equal or exceed the NSS Requirement established annually by the Department of Education (DOE). (See Education Reform Act of 1993) Includes both school budget and municipal budget amounts attributable to education, excluding long-term debt service, student transportation, school lunches and certain other specified school expenditures. A community's NSS funding must equal or exceed the NSS Requirement established annually by the Department of Education.

New Growth: The additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year. It does not include value increases caused by normal market forces or by revaluations. New growth is calculated by multiplying the assessed value associated with new construction, renovations and other increases by the prior year tax rate. The additional tax revenue is then incorporated into the calculation of the next year's levy limit. For example, new growth for FY07 is based on new construction, etc. that occurred between January and December 2005 (or July 2005 and June 2006 for accelerated new growth communities). In the fall of 2006, when new growth is being determined to set the FY07 levy limit, the FY06 tax rate is used in the calculation.

Glossary of Terms

Note: A short-term loan, typically with a maturity date of a year or less.

Objects of Expenditures: A classification of expenditures that is used for coding any department disbursement, such as “personal services,” “expenses,” or “capital outlay.”

Official Statement: A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

Offset Receipts: A local option that allows estimated receipts of a particular department to be earmarked for use of the department and appropriated to offset its annual operating budget. If accepted, MGL Ch. 44 §53E limits the amount of offset receipts appropriated to no more than the actual receipts collected for the prior fiscal year. The Director of Accounts must approve use of a higher amount before appropriation. Actual collections greater than the amount appropriated close to the general fund at year-end. If actual collections are less, the deficit must be raised in the next year’s tax rate.

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Other Amounts to be Raised: (Tax Recapitulation Sheet) Amounts not appropriated but raised through taxation. Generally, these are locally generated expenditures (e.g., overlay, teacher pay deferral, deficits) as well as state, county and other special district charges. Because they must be funded in the annual budget, special consideration should be given to them when finalizing the budget recommendations to the city council or town meeting.

Overlapping Debt: A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

Overlay: (Overlay Reserve or Allowance for Abatements and Exemptions) An account established annually to fund anticipated property tax abatements, exemptions and uncollected taxes in that year. The overlay reserve need not be funded by the normal appropriation process, but rather is raised on the tax rate recapitulation sheet.

Overlay Deficit: A deficit that occurs when the amount of overlay raised in a given year is insufficient to cover abatements, statutory exemptions, and uncollected taxes for that year. Overlay deficits must be provided for in the next fiscal year.

Overlay Surplus: Any balance in the overlay account of a given year in excess of the amount remaining to be collected or abated can be transferred into this account. Within 10 days of a written request by the chief executive officer of a city or town, the assessors must provide a certification of the excess amount of overlay available to transfer. Overlay surplus may be appropriated for any lawful purpose. At the end of each fiscal year, unused overlay surplus is “closed” to surplus revenue, i.e., it becomes a part of free cash.

Override: A vote by a community at an election to permanently increase the levy limit. An override vote may increase the levy limit no higher than the levy ceiling. The override question on the election ballot must state a purpose for the override and the dollar amount. (See Underride.)

Override Capacity: The difference between a community’s levy ceiling and its levy limit. It is the maximum amount by which a community may override its levy limit.

Performance Budget: A budget that stresses output both in terms of economy and efficiency.

Principal: The face amount of a bond, exclusive of accrued interest.

Program: A combination of activities to accomplish an end.

Glossary of Terms

Program Budget: A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

Proposition 2½: A state law enacted in 1980, Proposition 2½ regulates local property tax administration and limits the amount of revenue a city or town may raise from local property taxes each year to fund municipal operations.

Purchased Services: The cost of services that are provided by a vendor.

Refunding of Debt: Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

Reserve for Abatements and Exemptions: (See Overlay)

Reserve Fund: An amount set aside annually within the budget of a city (not to exceed 3 percent of the tax levy for the preceding year) or town (not to exceed 5 percent of the tax levy for the preceding year) to provide a funding source for extraordinary or unforeseen expenditures. In a town, the finance committee can authorize transfers from this fund for "extraordinary or unforeseen" expenditures. Other uses of the fund require budgetary transfers by town meeting. In a city, transfers from this fund may be voted by the city council upon recommendation of the mayor.

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information. Every three years, assessors must submit property values to the DOR for certification. Assessors must also maintain fair cash values in the years between certifications so that each taxpayer in the community pays his or her share of the cost of local government in

proportion to the value of his property. (See Triennial Certification)

Revenue Anticipation Borrowing: Cities, towns and districts may issue temporary notes in anticipation of taxes (TANs) or other revenue (RANs). The amount of this type of borrowing is limited to the total of the prior year's tax levy, the net amount collected in motor vehicle and trailer excise in the prior year and payments made by the Commonwealth in lieu of taxes in the prior year. According to MGL Ch. 44 s 4, cities, towns and districts may borrow for up to one year in anticipation of such revenue.

Revenue Anticipation Note (RAN): A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations. (See Bond Anticipation Note)

Revenue Bond: A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

Revolving Fund: Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service. For departmental revolving funds, MGL Ch. 44 §53E½ stipulates that each fund must be reauthorized each year at annual town meeting or by city council action, and that a limit on the total amount that 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 city or town in the most recent fiscal year, and no more than one percent of the amount raised by taxation may be administered by a single fund. Wages or salaries for full-time employees may be paid from the revolving fund only if the fund is also charged for all associated fringe benefits.

Sale of Cemetery Lots Fund: A fund established to account for proceeds of the sale of cemetery lots. The proceeds may only be appropriated to pay for the cost of the land, its care and improvement or the enlargement of the cemetery under provisions of MGL Ch. 114 §15.

Glossary of Terms

Sale of Real Estate Fund: A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure. MGL Chapter 44 s 63 states that such proceeds shall be applied first to the retirement of debt on the property sold. In the absence of such debt, funds may generally be used for purposes for which the town or city is authorized to borrow for a period of five years or more.

Security: For Massachusetts municipalities, bonds or notes evidencing a legal debt on the part of the issuer.

Special Assessments: (See Betterments)

Special Exclusion: For a few limited capital purposes, a community may exceed its levy limit or levy ceiling without voter approval. Presently, there are two special expenditure exclusions: 1) water and sewer project debt service costs which reduce the water and sewer rates by the same amount; and 2) a program to assist homeowners to repair or replace faulty septic systems, remove underground fuel storage tanks, or remove dangerous levels of lead paint to meet public health and safety code requirements. In the second special exclusion, homeowners repay the municipality for the cost plus interest apportioned over a period of time, not to exceed 20 years (similar to betterments).

Stabilization Fund: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (MGL Ch. 40 §5B). Communities may establish one or more stabilization funds for different purposes and may appropriate into them in any year an amount not to exceed ten percent of the prior year's tax levy. The total of all stabilization fund balances shall not exceed ten percent of the community's equalized value, and any interest shall be added to and become a part of the funds. A two-thirds vote of town meeting or city council is required to establish, amend the purpose of, or appropriate money into or from the stabilization fund. (See DOR IGR 04-201)

Surplus Revenue: The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

Tax Rate Recapitulation Sheet (Recap Sheet): A document submitted by a city or town to the DOR in order to set a property tax rate. The recap sheet shows all estimated revenues and actual appropriations that affect the property tax rate. The recap sheet should be submitted to the DOR by September 1 (in order to issue the first-half semiannual property tax bills before October 1) or by December 1 (in order to issue the third quarterly property tax bills before January 1).

Tax Title (or Tax Taking): A collection procedure that secures a city or town's lien on real property and protects the municipality's right to payment of overdue property taxes. Otherwise, the lien expires if five years elapse from the January 1 assessment date and the property has been transferred to another owner. If amounts remain outstanding on the property after issuing a demand for overdue property taxes and after publishing a notice of tax taking, the collector may take the property for the city or town. After properly recording the instrument of taking, the collector transfers responsibility for collecting the overdue amounts to the treasurer. After six months, the treasurer may initiate foreclosure proceedings.

Tax Title Foreclosure: The procedure initiated by a city or town treasurer in Land Court or through land of low value to obtain legal title to real property already in tax title and on which property taxes are over due. The treasurer must wait at least six months from the date of a tax taking to initiate Land Court foreclosure proceedings (MGL Ch. 60 §65).

Triennial Certification: The Commissioner of Revenue, through the Bureau of Local Assessment, is required to review local assessed values every three years and to certify that they

Glossary of Terms

represent full and fair cash value (FFCV). Refer to MGL Ch. 40 §56 and Ch. 59 §2A(c).

Trust Fund: In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by town meeting. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

Uncollected Funds: Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

Underride: A vote by a community to permanently decrease the tax levy limit. As such, it is the opposite of an override. (See Override)

Undesignated Fund Balance: Monies in the various government funds as of June 30 that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

Uniform Municipal Accounting System (UMAS): UMAS succeeds the so-called Statutory System (STAT) and is regarded as the professional standard for municipal accounting in Massachusetts. As a uniform system for local governments, it conforms to Generally Accepted Accounting Principles (GAAP), offers increased consistency in reporting and record keeping, as well as enhanced comparability of data among cities and towns.

Unreserved Fund Balance (Surplus Revenue Account): The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as

"accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

Valuation (100 Percent): The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.

Warrant: An authorization for an action. For example, a town meeting warrant establishes the matters that may be acted on by that town meeting. A treasury warrant authorizes the treasurer to pay specific bills. The assessors' warrant authorizes the tax collector to collect taxes in the amount and from the persons listed, respectively.



This Page Intentionally Blank