

TOWN OF NORTHBOROUGH MASSACHUSETTS



Annual Budget
For the Fiscal Year
Beginning July 1, 2012 and ending June 30, 2013

Board of Selectmen

Jeff Amberson, Chair
Dawn Rand, Vice-Chair
Leslie Rutan, Clerk
William Pantazis
Aaron Hutchins

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 2012 Ends
- July 1st Fiscal Year 2013 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.

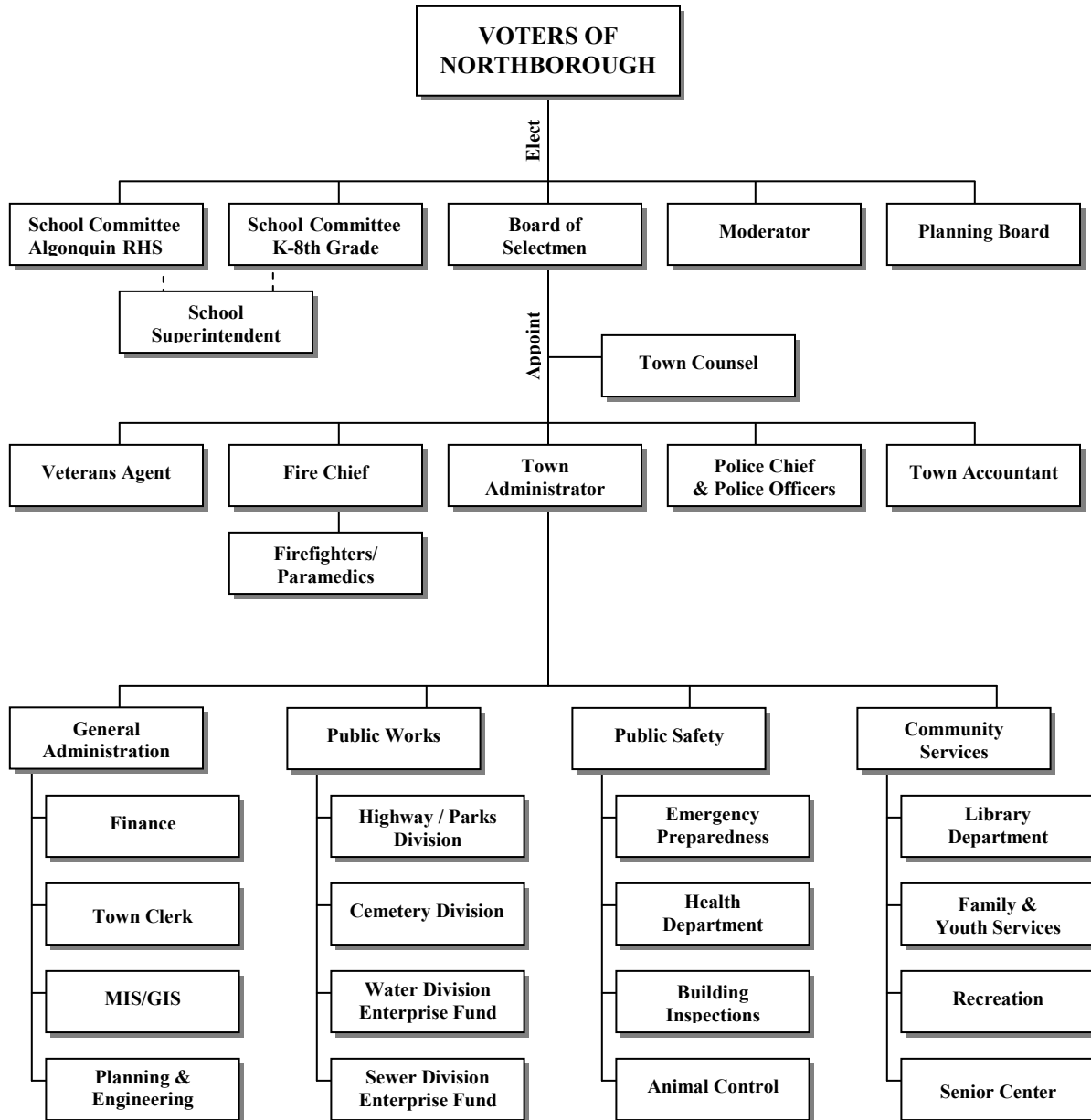
Fifth, Section 6 contains information on **Undistributed Expense Categories** such as Employee Benefits, Long-term Debt, Non-Appropriated Expenses and the FY2013 Warrant Articles.

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 FY2013 **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.

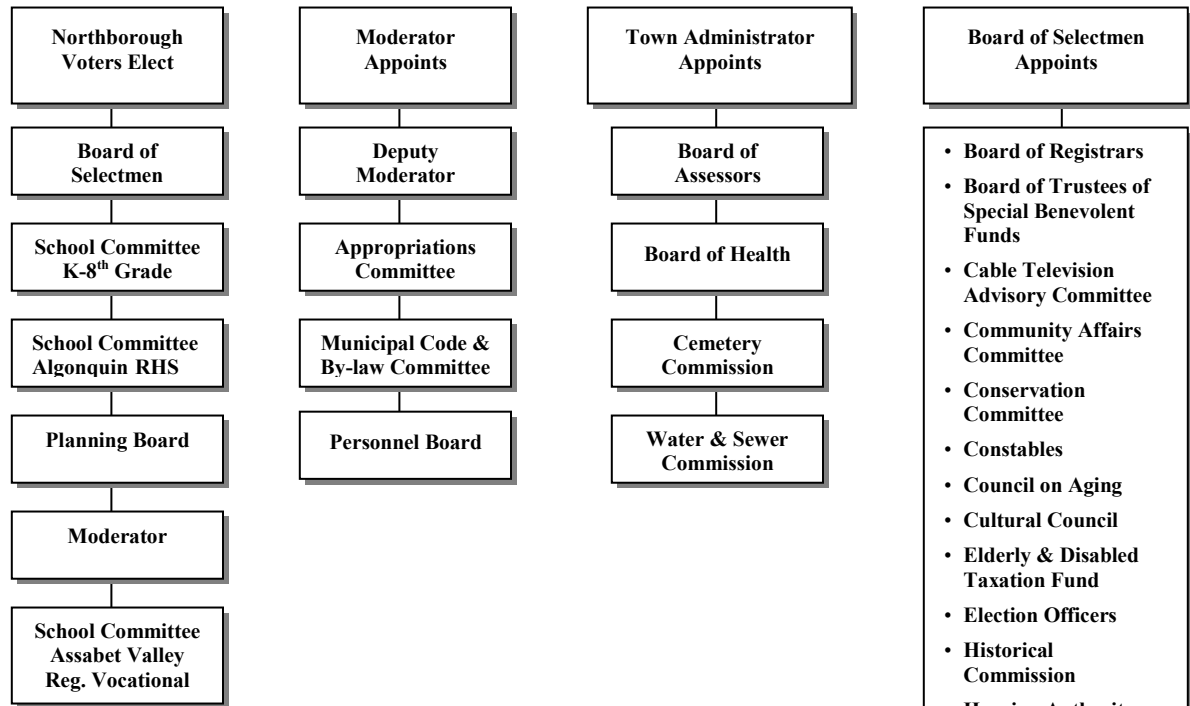
Town Organizational Chart



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.
- **Earthwork Board:** The Earthwork 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

FY2012 Tax Rate

per Thousand: \$15.49

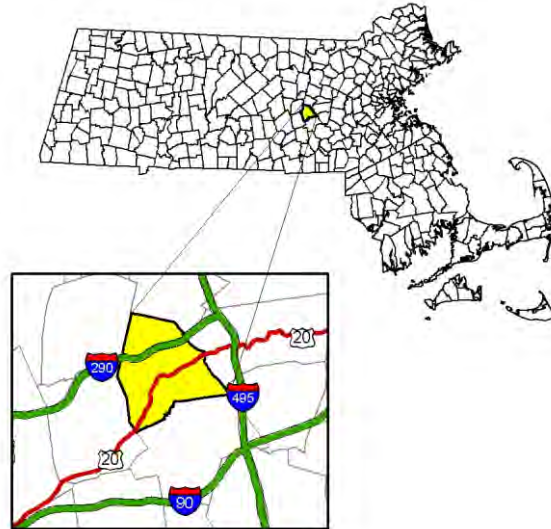
2012 Average Single Family

Home Value: \$394,700

**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.

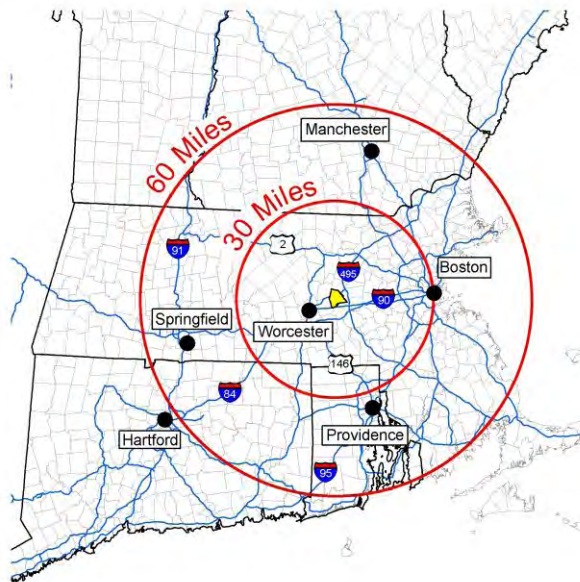


TABLE OF CONTENTS

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	 1-14
SECTION 1—BUDGET SUMMARIES	
Balanced Budget Summary	1-2
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 (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	2-41
Central MA Regional Planning Commission	2-42
Zoning Board of Appeals (ZBA)	2-43
Town Engineer	2-44
Conservation Commission	2-45
Earthwork Board	2-46
Community Preservation, and Open Space	2-47
Design Review Committee, Affordable Housing & Historic Preservation	2-48
Northborough Housing Authority & Northborough Affordable Housing Corp ...	2-49

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
Animal Control	3-30

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	6-9
Building & Liability Insurance (includes Northborough K-8 Schools)	6-10
Debt Service.	6-11
Non-Appropriated Expenses.	6-14
State Assessments	6-14
Reserve for Abatements/Off-sets	6-15
Stabilization Fund Contribution	6-16
Reserve Fund (see also under Warrant Articles)	6-17
Warrant Articles.	6-18

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.	9-77

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: FY2013 Proposed Budget

DATE: March 23, 2012

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

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

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

Goals of the FY2013 Budget:

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



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

Recent Developments

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

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

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

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

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

BOND RATING SYMBOLS

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



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

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

Budget in Brief

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

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

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



FY2013 PROPOSED BUDGET

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

• **General Government Budget**

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



- **Northborough K-8**

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

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

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

- **Assabet Valley Regional Technical High School**

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

- **Special Warrant Articles**

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

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

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



Personnel Summary

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

TOWN OF NORTHBOROUGH PERSONNEL SUMMARY FY2010–FY2013

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

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



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

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

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

Capital Budget

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

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

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

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

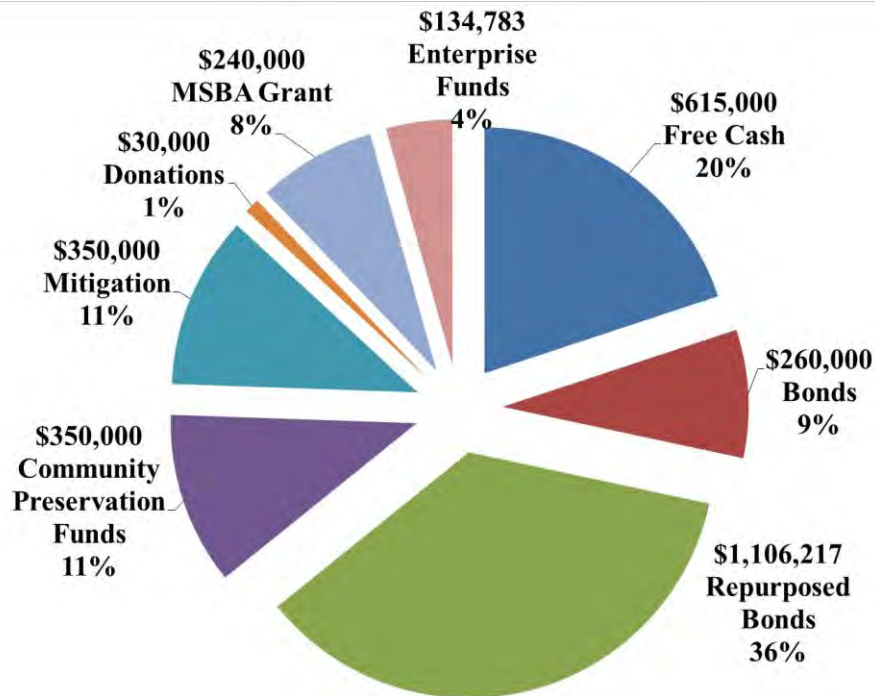


The pie chart below shows the breakdown of funding sources by category for the proposed FY2013 Capital Budget. It is important to note that only a couple of years ago virtually all projects contained in the CIP were funded with debt. Today, there are dedicated funding sources for capital projects, such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

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

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

FY2013 CAPITAL BUDGET FUNDING SOURCES





FY2013 CAPITAL BUDGET

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



FY2012 Goals & Accomplishments

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

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

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

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

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

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

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



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

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

Major Upcoming Issues or Projects

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

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



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

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



Conclusion

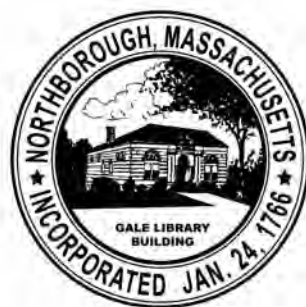
The FY2013 Proposed Budget that follows is balanced pending passage of the final State Budget and meets the previously determined budget goals. The FY2013 Proposed Budget is within the budgetary increase allowable under limits of Proposition 2 ½, minimizes the tax impact while maintaining a level services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

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

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

Respectfully submitted,

John W. Coderre
Town Administrator



This Page Intentionally Blank

Budget Summaries

Section 1

Section 1-2

Balanced Budget

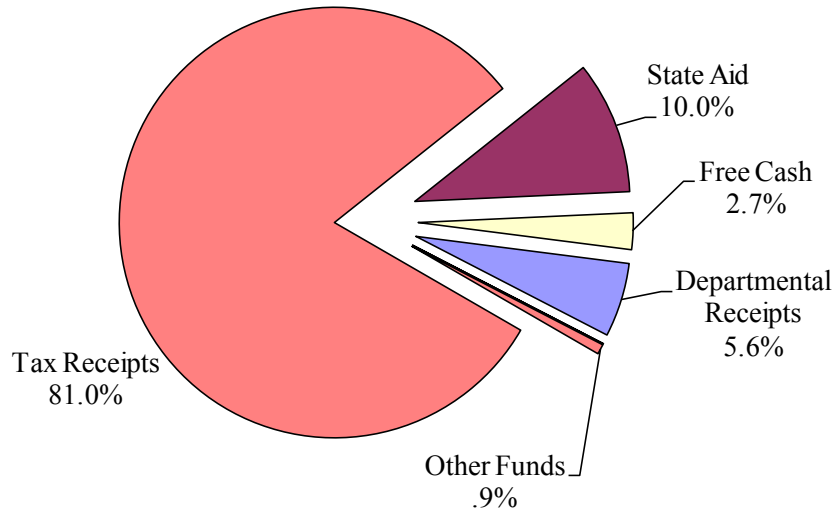


Table 1

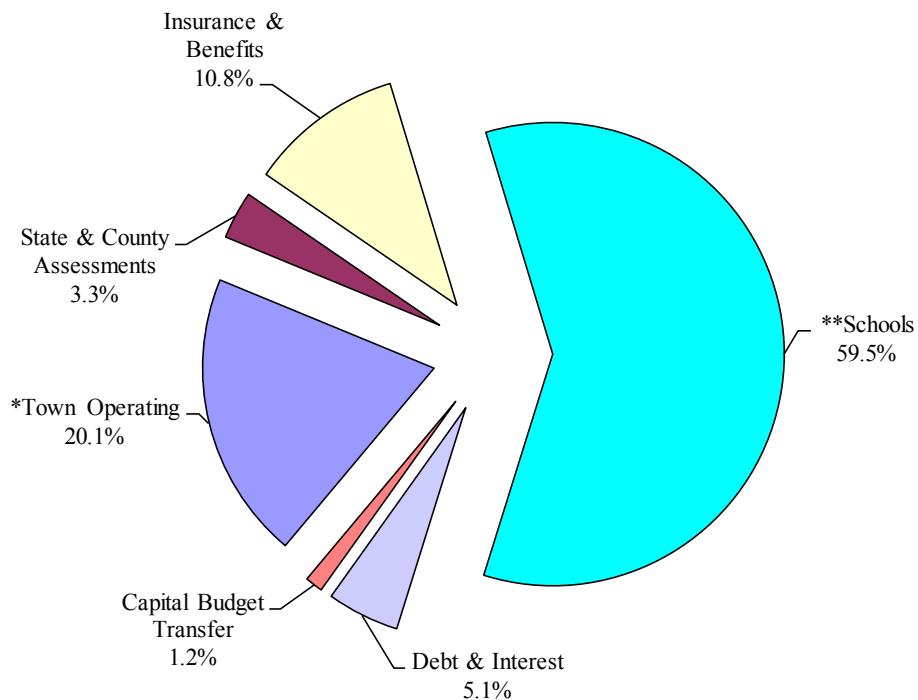
TOWN OF NORTHBOROUGH					
REVENUE & EXPENDITURE SUMMARY FISCAL YEARS 2011--2013					
LEVY LIMIT CALCULATION	FY2011	FY2012	REVISED FY2012	FY2013	% CHANGE
Prior Year Levy Limit	\$34,028,610	\$35,854,901	\$35,854,901	\$37,981,257	
Add 2.5%	\$850,715	\$896,373	\$896,373	\$949,531	
Add New Growth	\$975,576	\$574,180	\$1,229,983	\$588,620	
Add Overrides	\$0	\$0	\$0	\$0	
True LEVY LIMIT	\$35,854,901	\$37,325,454	\$37,981,257	\$39,519,408	
Add Debt Excl - Zeh School	\$158,287	\$138,024	\$138,012	\$118,497	
Add Debt Excl - Colburn St.	\$13,393	\$29,998	\$25,099	\$29,963	
Add Debt Excl - Library	\$375,191	\$424,205	\$424,205	\$418,832	
Add Debt Excl - Senior Center	\$177,586	\$567,492	\$546,822	\$579,734	
Add Debt Excl - Algonquin	\$1,131,427	\$1,267,629	\$1,267,629	\$1,289,094	
Adjusted LEVY LIMIT	\$37,710,785	\$39,752,802	\$40,383,024	\$41,955,528	
REVENUES					
Adjusted LEVY LIMIT	\$37,710,785	\$39,752,802	\$40,383,024	\$41,955,528	
Less Unused Levy Limit	(\$1,015,151)	(\$1,008,620)	(\$1,980,286)	(\$1,741,491)	
Total Tax Receipts	\$36,695,635	\$38,744,182	\$38,402,738	\$40,214,037	4.72%
State Aid	\$4,572,126	\$4,305,401	\$4,438,719	\$4,563,457	2.81%
MSBA Payments	\$382,543	\$382,543	\$382,543	\$382,543	
Free Cash (Operating)	\$600,000	\$500,000	\$500,000	\$500,000	0.00%
Free Cash (Capital/Reserve)		\$954,000	\$954,000	\$865,000	
Departmental Receipts	\$2,631,632	\$2,585,178	\$2,585,178	\$2,761,000	
Other Revenue Sources	\$0	\$0	\$88,887	\$0	
Other Funds	\$391,012	\$392,079	\$392,079	\$373,365	-4.77%
TOTAL GENERAL FUND REVENUES	\$45,272,948	\$47,863,383	\$47,744,144	\$49,659,402	4.01%
Water/Sewer Enterprise Funds	\$2,919,787	\$3,234,805	\$3,234,805	\$3,386,562	
Solid Waste Enterprise Fund	\$826,447	\$727,570	\$727,570	\$781,090	
TOTAL REVENUES	\$49,019,182	\$51,825,758	\$51,706,519	\$53,827,054	4.10%
EXPENDITURES					
Town	\$15,941,145	\$16,576,910	\$16,576,910	\$17,279,247	4.24%
Schools					
Northborough K-8	\$17,985,566	\$18,702,867	\$18,702,867	\$19,495,277	4.24%
Algonquin 9-12	\$7,696,524	\$7,817,716	\$7,817,716	\$8,100,321	3.61%
HS Debt Exclusion	\$1,131,427	\$1,267,629	\$1,267,629	\$1,289,094	
Warrant Articles					
Declaratory Judgement	\$100,000	\$0	\$0	\$0	
Election Equipment	\$27,600	\$0	\$0	\$0	
Reserve Fund		\$150,000	\$150,000	\$150,000	
Capital Articles		\$804,000	\$804,000	\$715,000	
Assabet	\$680,836	\$517,488	\$517,488	\$656,645	26.89%
Assabet Renovation Project				\$0	
Zeh School Debt Service	\$540,830	\$520,567	\$520,567	\$501,040	
Colburn Street Debt Service	\$81,922	\$79,997	\$79,997	\$79,963	
Library Debt Service	\$430,395	\$424,995	\$424,995	\$419,595	
Senior Center Debt Service	\$255,170	\$609,135	\$609,135	\$599,855	
Other Funds	\$391,012	\$392,079	\$392,079	\$373,365	
Adjustments	\$10,521	\$0	(\$119,239)	\$0	
TOTAL GENERAL FUND EXPENDITURES	\$45,272,948	\$47,863,383	\$47,744,144	\$49,659,402	4.01%
Water Enterprise Fund	\$1,725,110	\$1,922,930	\$1,922,930	\$2,017,630	4.92%
Sewer Enterprise Fund	\$1,194,677	\$1,311,875	\$1,311,875	\$1,368,932	4.35%
Solid Waste Enterprise Fund	\$826,447	\$727,570	\$727,570	\$781,090	7.36%
TOTAL ALL FUNDS	\$49,019,182	\$51,825,758	\$51,706,519	\$53,827,054	4.10%



Fiscal Year 2013 Revenue Sources



Fiscal Year 2013 Expenditures



*Town Expenditures include Reserves for Abatements, Appropriation Reserve Fund, 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 the General Fund budget. 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 next revaluation will be performed during FY2013; however, interim adjustments are performed each year 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 FY2013 by approximately \$1.81 million, to \$40.21 million. This increase includes the allowable 2.5% increase of \$949,531 plus \$588,620 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	FY2012	FY2013	% CHANGE
Prior Year Levy Limit	\$35,854,901	\$37,981,257	
Add 2.5%	\$896,373	\$949,531	
Add New Growth	\$1,229,983	\$588,620	
Add Overrides	\$0	\$0	
True LEVY LIMIT	\$37,981,257	\$39,519,408	
Add Net Debt Exclusions	\$2,401,767	\$2,436,120	
Adjusted LEVY LIMIT	\$40,383,024	\$41,955,528	
REVENUES			
Adjusted LEVY LIMIT	\$40,383,024	\$41,955,528	
Less Unused Levy Limit	(\$1,980,286)	(\$1,741,491)	
Total Tax Receipts	\$38,402,738	\$40,214,037	4.72%



State Aid

State Aid is Northborough's second largest revenue source and represents approximately 10% of the General Fund budget. 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 FY2013 budget forecasts and, therefore, an area of concern.

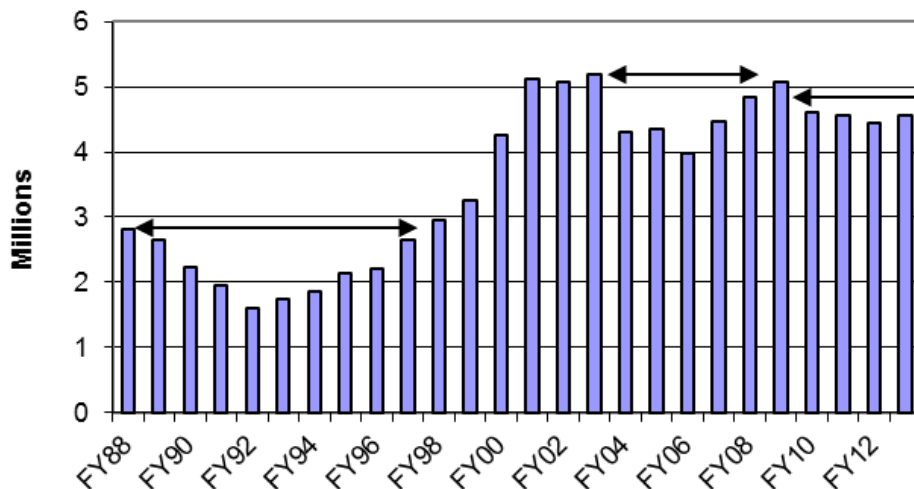
On January 25, 2012, the Governor released his House 2 Budget, which contained his projected FY2013 State Aid figures. Under the Governor's proposed FY2013 budget, Northborough's State Aid would be increased by \$124,738 but at the same time our State Assessments will also increase by \$68,253. Together, this represents a modest gain of \$56,485 in funding.

In total, State Aid is estimated to increase by 2.81% to \$4.56 million, or \$124,738 above the FY2012 actual of \$4.44 million. As you will note in Table 3, our State Aid is still lower than the high of \$5.08 million in FY2009, and history shows that it may be several more years before State Aid returns to pre-recession levels.

Table 3: State Aid in Millions

FY07	FY08	FY09	FY10	FY11	FY12	FY13
4.47	4.83	5.08	4.60	4.57	4.44	4.56
						*Estimated

Northborough State Aid FY1988-2013

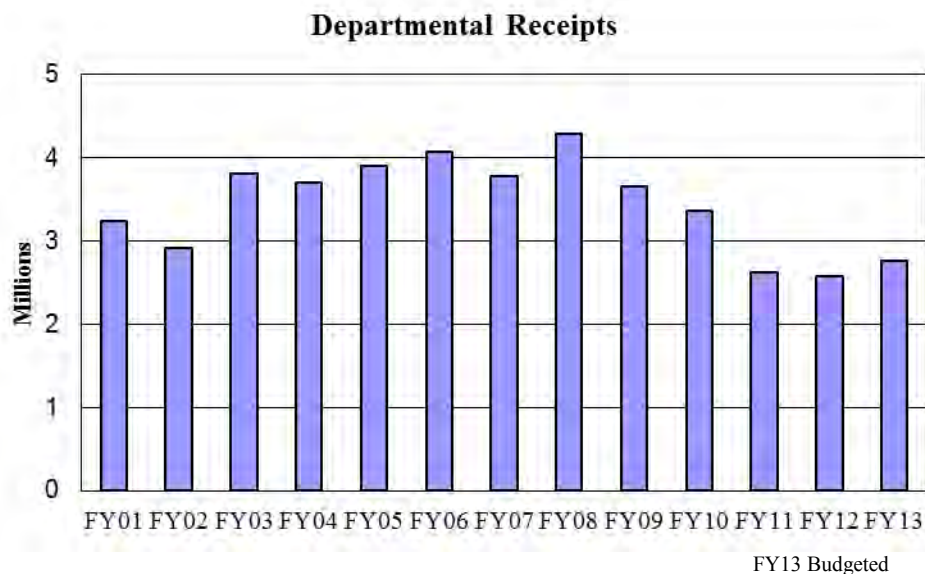


It remains to be seen how closely the Legislature's State Aid figures will align with the Governor's. However, final information regarding State Aid accounts may not be made available until well after April Town Meeting; therefore, a conservative approach is necessary.



Departmental Receipts

The third largest source of revenue for the General Fund budget is Departmental Receipts, which includes 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 total budgeted Departmental Receipts for FY2013 is \$2.76 million. This represents an increase of \$175,000 over the budgeted \$2.56 million in FY2012 mainly due to an increase in our expected motor vehicle excise revenue. 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.



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. An analysis of actual FY2011 motor vehicle revenue combined with an increase in the first 2012 commitment in both the amount billed and the number of bills has allowed us to increase our departmental receipt budget by \$175,000 in FY2013. The growth in motor vehicle revenue is likely due to the impact of the newly constructed Avalon Bay 382 unit apartment complex.

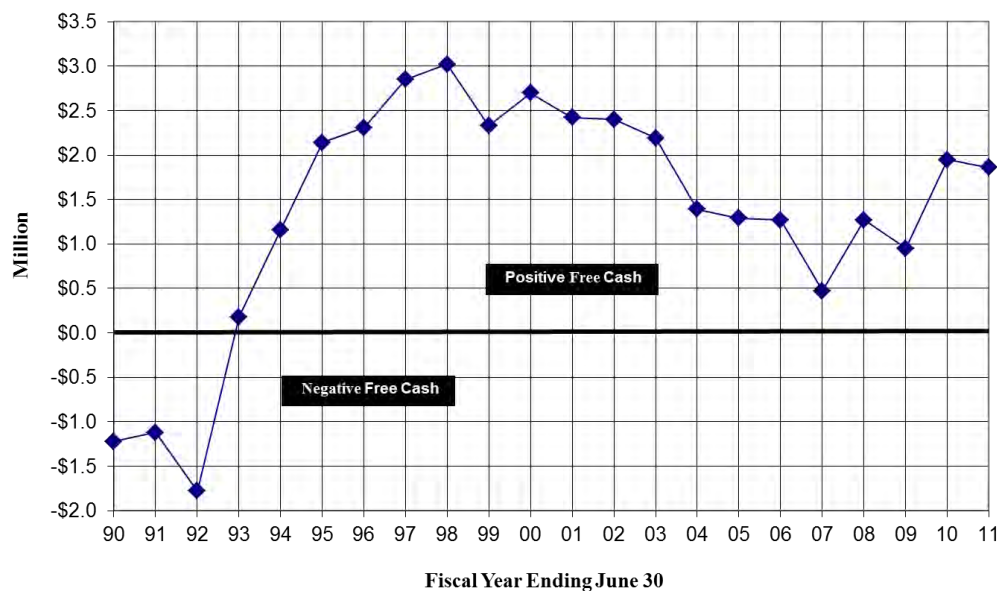


Available Funds (including Free Cash)

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 FY2013, the budget proposes once again to use \$500,000 in Free Cash to off-set the operating budget. Free Cash is an available fund that is composed 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.

Certified Free Cash FY1990-2011



*Source: Massachusetts Department of Revenue

Historically, the Town of Northborough had relied upon over \$1 million dollars of Free Cash to balance the operating budget and 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, reaching the Free Cash policy target amount of \$500,000 in FY2012, where it remains in FY2013.



The chart on the opposite page 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.

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 FY2013 are projected to include special revenue offsets in departmental budgets such as \$23,000 in Cemetery Sale of Lots income, \$10,000 in Cemetery Trust Fund income, \$10,000 in Conservation Commission fees, \$72,500 from the Police Revolving Account, \$77,447 from the Fire/EMS Revolving Account, \$120,000 from the Recreation Revolving Account and \$35,000 from the Animal Control Revolving Account.

There will be a transfer of \$20,884 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.

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 FY2013. 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 FY2013 debt service for the Title V Septic program.

In addition to Free Cash, these "Other" revenue sources total \$373,365 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

FY2013 EXPENDITURE SUMMARY

Following is a summary of the Town's General Government Budget (non-school), which details the 4.24% increase allowable under current revenue projections.

TOWN GENERAL FUND BUDGET SUMMARY				
Department	FY2012 Budget	FY2013 Proposed Budget	\$ Change	% Change
GENERAL ADMINISTRATION				
<u>EXECUTIVE OFFICE</u>				
Selectmen	137,366	139,018	1,652	1.20%
Administrator	207,243	212,637	5,394	2.60%
Economic Development	1,300	1,300	0	0.00%
Town Reports	4,425	4,425	0	0.00%
<u>PUBLIC BUILDINGS</u>				
Town Hall/Public Bldgs.	389,093	412,602	23,509	6.04%
<u>FINANCE</u>				
Treasurer	272,787	277,280	4,493	1.65%
Board of Assessors	255,732	265,173	9,441	3.69%
Town Accountant	134,881	136,643	1,762	1.31%
<u>MIS/GIS</u>				
MIS/GIS	324,359	356,876	32,517	10.03%
<u>TOWN/CLERKS OFFICE</u>				
Town Clerk	121,637	123,391	1,754	1.44%
Election/Registration	31,242	40,118	8,876	28.41%
<u>ADVISORY BOARDS/SERVICES</u>				
Moderator	500	500	0	0.00%
Appropriations Committee	1,695	1,695	0	0.00%
Town Counsel	85,000	85,000	0	0.00%
Personnel Board	36,532	83,950	47,418	129.80%
<u>PLANNING & ENGINEERING</u>				
Conservation Commission	19,880	39,084	19,204	96.60%
Planning Board	122,515	125,868	3,353	2.74%
Zoning Board	4,846	4,868	22	0.45%
Earthworks Board	1,645	1,711	66	4.01%
Engineering	136,480	145,803	9,323	6.83%
<u>PUBLIC SAFETY</u>				
Police	2,167,248	2,236,872	69,624	3.21%
Fire	1,287,211	1,327,905	40,694	3.16%
Emergency Preparedness	6,750	7,250	500	7.41%
Building	159,521	162,234	2,713	1.70%
Gas Inspector	10,547	10,658	111	1.05%
Wire Inspector	19,337	19,775	438	2.27%
Sealer of Weights	5,028	8,000	2,972	59.11%
Board of Health	160,923	166,467	5,544	3.45%
Animal Control	53,967	40,000	(13,967)	-25.88%
<u>PUBLIC WORKS</u>				
Highway Admin.	106,486	107,150	664	0.62%
Hwy. Const. & Maint.	820,311	902,988	82,677	10.08%
Parks	109,348	95,900	(13,448)	-12.30%
Cemetery	52,838	53,407	569	1.08%
Snow & Ice	189,700	199,700	10,000	5.27%
Street Lighting	100,000	100,000	0	0.00%
Trees	8,000	25,000	17,000	212.50%

Section 1-12

Expenditure Summary



Department	FY2012 Budget	FY2013 Proposed Budget	\$ Change	% Change
COMMUNITY SERVICES				
Council on Aging	204,025	210,411	6,386	3.13%
Library	657,086	676,420	19,334	2.94%
Recreation	116,415	119,477	3,062	2.63%
Youth Services	123,033	125,748	2,715	2.21%
Veterans Services	34,899	59,584	24,685	70.73%
Cable TV	0	0	0	
Cultural Council	500	500	0	0.00%
Community Affairs Committee	500	500	0	0.00%
Historical Commission	500	500	0	0.00%
UNDISTRIBUTED EXPENSES				
<u>EMPLOYEE BENEFITS & INSURANCE</u>				
Health Insurance	4,513,248	4,664,094	150,846	3.34%
Life Insurance	8,730	8,730	0	0.00%
Other Benefits/FICA	356,739	361,693	4,954	1.39%
Workers Comp	101,800	104,704	2,904	2.85%
Retirement Assessments	1,118,192	1,210,083	91,891	8.22%
<u>BUILDING & LIABILITY INSURANCE</u>				
Bldg. & Liability Insur.	213,955	213,955	0	0.00%
<u>DEBT SERVICE</u>				
Debt Service	2,489,898	2,509,484	19,586	0.79%
<u>STATE ASSESSMENTS</u>				
State Assessments	376,427	444,680	68,253	18.13%
<u>STABILIZATION FUND CONTRIBUTION</u>				
Stabilization Fund	0	0	0	
<u>RESERVE FUND</u>				
Reserve Fund	150,000	150,000	0	0.00%
<u>SPECIAL WARRANT ARTICLES</u>				
Special Articles	804,000	715,000	(89,000)	-11.07%
Other Financing Uses	247,570	247,570	0	0.00%
OTHER NON-APPROPRIATED AMOUNTS				
Reserve for Abatements	351,739	350,600	(1,139)	-0.32%
Offsets	22,815	23,084	269	1.18%
ENTERPRISE FUNDS				
Water	1,861,930	2,017,630	155,700	8.36%
Water Appropriation Deficit	61,000	0	(61,000)	-100.00%
Sewer	1,311,875	1,368,932	57,057	4.35%
Solid Waste	727,570	781,090	53,520	7.36%
GROSS TOTAL TOWN	23,400,819	24,285,717	884,898	3.78%
CALCULATION OF NET TOTAL TOWN				
Less Water Fund	-1,861,930	-2,017,630		
Less Water Fund Free Cash Art	-61,000	0		
Less Sewer Fund	-1,311,875	-1,368,932		
Less Solid Waste	-727,570	-781,090		
Less Other Funds	-392,079	-373,365		
Less Overlay Raised on Recap	-11,739			
Less State Assessment Adj	130,978			
Less Debt Exclusion	-1,634,694	-1,600,453		
Less Reserve Fund Article	-150,000	-150,000		
Less Special Articles	-804,000	-715,000		
NET TOTAL TOWN	\$16,576,910	\$17,279,247		4.24%
CALCULATION OF TOWN APPROPRIATION				
GROSS TOTAL TOWN	23,400,819	24,285,717		
Less County Assessments	-1,118,192	-1,210,083		
Less State Assessments	-376,427	-444,680		
Less Reserve for Abatements	-351,739	-350,600		
Less Offsets	-22,815	-23,084		
Less Reserve Fund Article	-150,000	-150,000		
Less Special Articles	-804,000	-715,000		
Less Other Financing Use	-247,570	-247,570		
Less Enterprise Funds	-3,962,375	-4,167,652		
Net Town Warrant Article 4	\$16,367,701	\$16,977,048		



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

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED	% CHANGE
<u>EXECUTIVE OFFICE</u>						
Selectmen	\$131,121	\$130,173	\$137,366	\$76,878	\$139,018	1.20%
Administrator	\$212,280	\$198,749	\$207,243	\$93,073	\$212,637	2.60%
Economic Development	\$343	\$491	\$1,300	\$0	\$1,300	0.00%
Town Reports	\$3,998	\$4,425	\$4,425	\$0	\$4,425	0.00%
Subtotal	\$347,742	\$333,838	\$350,334	\$169,952	\$357,380	2.01%
<u>PUBLIC BUILDINGS</u>						
	\$335,111	\$330,459	\$389,093	\$152,991	\$412,602	6.04%
Subtotal	\$335,111	\$330,459	\$389,093	\$152,991	\$412,602	6.04%
<u>FINANCE</u>						
Treasurer	\$266,907	\$266,212	\$272,787	\$124,572	\$277,280	1.65%
Board of Assessors	\$217,366	\$218,432	\$255,732	\$97,715	\$265,173	3.69%
Town Accountant	\$122,429	\$116,568	\$134,881	\$61,212	\$136,643	1.31%
Subtotal	\$606,702	\$601,212	\$663,400	\$283,499	\$679,096	2.37%
<u>MIS/GIS</u>						
	\$248,797	\$249,332	\$324,359	\$149,058	\$356,876	10.03%
Subtotal	\$248,797	\$249,332	\$324,359	\$149,058	\$356,876	10.03%
<u>TOWN CLERKS OFFICE</u>						
Town Clerk	\$112,902	\$118,907	\$121,637	\$57,292	\$123,391	1.44%
Elections/Registration	\$28,735	\$27,016	\$31,242	\$4,689	\$40,118	28.41%
Subtotal	\$141,638	\$145,923	\$152,879	\$61,981	\$163,509	6.95%
<u>ADVISORY BOARDS/SERVICES</u>						
Moderator	\$200	\$200	\$500	\$0	\$500	0.00%
Appropriations Committee	\$825	\$150	\$1,695	\$200	\$1,695	0.00%
Personnel Board	\$1,472	\$7,453	\$36,532	\$2,592	\$83,950	129.80%
Town Counsel	\$58,610	\$69,106	\$85,000	\$26,186	\$85,000	0.00%
Subtotal	\$61,107	\$76,909	\$123,727	\$28,979	\$171,145	38.32%
<u>PLANNING AND ENGINEERING</u>						
Town Planner/Planning Bd	\$109,227	\$116,211	\$122,515	\$56,235	\$125,868	2.74%
Zoning Board of Appeals	\$2,775	\$2,634	\$4,846	\$564	\$4,868	0.45%
Engineering	\$116,200	\$120,719	\$136,480	\$56,426	\$145,803	6.83%
Earthworks	\$1,456	\$1,441	\$1,645	\$753	\$1,711	4.01%
Conservation Commission	\$12,646	\$15,960	\$19,880	\$6,826	\$39,084	96.60%
Subtotal	\$242,304	\$256,964	\$285,366	\$120,805	\$317,334	11.20%



In FY2013 General Administration is budgeted at \$2.46 million, which is an overall increase of 7.37%. The majority of this increase is actually a reflection of accounting transfers from the Personnel Board to the various departmental budgets related to merit increases and collective bargaining agreements. The Personnel Board account is reflected as a budgetary increase of \$47,418; however, the account was actually funded at \$74,100 last year. Any unused funds are closed out to free cash at the end of the fiscal year.

The Town has successfully negotiated sustainable collective bargaining agreements with Public Safety Dispatchers (1%), Police Sergeants (0%), Police Patrol Officers (0%), Fire (1%), and Northborough Municipal Employees Association (1%) in FY2013. Non-union employee wage increases are budgeted at 1% in FY2013. Therefore, individual departmental budgets include the wage increases above for the various union and non-union personnel.

Following are the key changes of significance:

- **Executive Office**

There are no significant budget changes planned for the Executive Office in FY2013. The Selectmen's Budget contains \$3,500 in the event that the receipt of Federal Funds is significant enough to require a single audit. The wage adjustments in FY2013 for non-union personnel are budgeted at 1%.

- **Public Buildings**

The Public Buildings account is up \$23,509, or 6%, from the previous year, primarily due to anticipated increases for gasoline and diesel fuel.

- **Finance Department**

The Finance Department budget is up \$15,696, or 2.37% in FY2013. A significant portion of this increase is due to FY2013 being a revaluation year. The triennial recertification process began on January 1, 2012 and will continue until the new valuations and tax rate are certified by the Department of Revenue, Bureau of Local Assessment in the Fall of 2012. In order to meet the field work requirements of the triennial recertification, additional contractual services are needed.

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

The MIS/GIS budget is increasing \$32,517, or 10.03%. Approximately \$24,000 of the increase is due to hardware and software purchases for the planned migration of the Town's financial applications (MUNIS). MUNIS currently operates in the Linux operating system using an Informix database. This environment is scheduled to be retired by the vendor in April 2013, with the last 1099s being issued in 2012. Accordingly, a migration to Microsoft's Windows Server operating system and SQL Server database is scheduled to occur shortly after the current fiscal year is closed in late summer or early fall.



- **Town Clerk/Elections**

There are no significant changes in the Town Clerk's budget; however, there is an \$8,876 increase in the Elections/Voter Registration Budget due to the three elections scheduled during FY2013. There were only two elections budgeted in FY2012 (the Presidential Primary and the Annual Town Election).

The FY2013 scheduled elections are as follows:

- State Primary Election September 6, 2012
- State General Election November 6, 2012
- Annual Town Election May 13, 2013

- **Advisory Boards/Services**

- **Personnel Board**

The account includes limited town-wide training, drug testing and legal expenses associated with labor negotiations, employee transition expenses and merit pay. The account includes resources that will be used to hire temporary services necessary during anticipated transitions in the Finance Department's Assessing Division as well as the Building Department.

- **Town Counsel**

The budget for Town Counsel has been maintained at its FY2012 level of \$85,000.

- **Planning and Engineering**

Overall, the Planning and Engineering Budgets are up \$31,968, or 11.21%. A significant portion of the increase is attributable to the mid-year addition of a Part-time Conservation Agent that is being proposed in order to free up engineering resources for DPW project support. Previously, there was an Assistant Town Engineer position that was dedicated at 20 hours per week for Conservation Commission work, but the position has been left unfilled due to financial constraints. The Town Engineer's time has subsequently been taken up by Conservation-related duties at the expense of higher priority engineering projects that require attention. The FY2013 Conservation Budget contains \$13,000 to fund the position beginning January 1, 2013. Also contained in the Conservation budget is a \$7,500 increase for a follow-up weed control treatment to Bartlett Pond.



Section 1-16

Expenditure Summary

Public Safety

Public Safety consists of police, fire, emergency management services, inspections & enforcement, public health and animal control services.

Public Safety Summary

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED	% CHANGE
<u>PUBLIC SAFETY</u>						
Police	\$2,029,638	\$2,117,399	\$2,167,248	\$1,063,552	\$2,236,872	3.21%
Fire	\$1,189,901	\$1,217,556	\$1,287,211	\$573,298	\$1,327,905	3.16%
Emergency Preparedness	\$5,000	\$5,516	\$6,750	\$1,250	\$7,250	7.41%
Building Inspection	\$145,648	\$151,221	\$159,521	\$73,112	\$162,234	1.70%
Gas Inspector	\$9,950	\$10,351	\$10,547	\$5,387	\$10,658	1.05%
Wiring Inspector	\$14,949	\$17,304	\$19,337	\$8,858	\$19,775	2.27%
Sealer Weights/Measures	\$4,643	\$4,579	\$5,028	\$1,621	\$8,000	59.11%
Health/Plumbing Inspector	\$133,931	\$140,626	\$160,923	\$69,483	\$166,467	3.45%
Animal Control	\$52,234	\$53,513	\$53,967	\$34,432	\$40,000	-25.88%
Subtotal	\$3,585,985	\$3,718,064	\$3,870,532	\$1,830,992	\$3,979,161	2.81%

• **Police Department**

Personnel wage adjustments include Patrol Officers (0%), Police Sergeants (0%) and Dispatchers (1%) in accordance with the approved collective bargaining agreements currently in place. Increases in overtime and equipment maintenance have been adjusted to better reflect historic levels. Overall, the FY2013 Police Department budget is up \$69,624, or 3.21%.

• **Fire Department**

The budget as presented includes a 1% wage increase for all Union and non-union personnel in FY2013. FY2013 expenses include the restoration of \$25,000 to the capital outlay line in order to return to purchasing hose and protective gear as an operational expense rather than funding through the capital budget. During FY2010 the General Fund portion of the Hazardous Materials position was temporarily shifted to the Hazardous Materials Revolving Fund. The FY2013 budget returns \$7,000 of the Hazardous Material Assistant position back to the General Fund because the position can no longer be sustained through the revolving fund. Overall, the FY2013 Fire Department budget increases \$40,694, or 3.16%.

During FY2013 an Emergency Shelter Coordinator stipend of \$500 was also added to the Emergency Preparedness Budget as part of a new initiative to better prepare for coordinating shelter services.



- **Building Department**

There are no significant budgetary changes planned during FY2013. The budget reflects a 1% wage increase for both union and non-union personnel. During FY2013 the Town increased the Sealer of Weights and Measures budget from \$5,028 to \$8,000 and is reviewing the possibility of contracting out for these services, which have increased dramatically due to the opening of the 640,000 square foot shopping plaza know as Northborough Crossing.

- **Health Department**

There are no significant budgetary changes planned during FY2013 and the budget reflects a 1% wage increase for both union and non-union personnel. The Nursing Service line remains slightly increased to satisfy the increased need for communicable disease tracking investigation and follow up.

- **Animal Control**

During FY2012 the Dog Officer position became vacant due to a retirement. As vacancies occur, every effort is made to re-examine positions with a view toward restructuring, reducing or eliminating the position, where possible. In reviewing the service demands for the Dog Officer, as well as the full cost of providing the service, the Town decided to investigate outsourcing the duties in lieu of hiring another full-time employee.

After completing a detailed financial analysis of the alternatives, it was determined that contracting out for the service could reduce direct and indirect budgetary costs from approximately \$120,000 per year down to about \$40,000. This analysis included a review of the direct departmental expenses such as wages and the rental of kennel facilities, and also included costs accounted for elsewhere in the budget, such as health insurance, pension costs, vehicle gasoline and insurance. Some of the potential savings are also derived through cost avoidance, such as eliminating the need to purchase and maintain a new vehicle.

It should be noted that the previous year's FY2012 Dog Officer budget was funded through a combination of General Fund Revenues (taxes) and Revolving Fund Revenues (fee & fine revenues). The combination of these two sources of funding represented most of the direct resources expended for the Dog Officer service. In FY2013 the fees from dog licenses and fines will come into the General Fund as revenue that will largely off-set the anticipated costs of an Animal Control services contract. In FY2013 those revenues are projected to be \$35,000.

At the time of this writing the Town is in the process of conducting a formal "Request for Proposals" (RFP) process in compliance with MGL c. 30B procurement laws. The goal of the RFP is to enter into a multiple-year contract for both Animal Control and Animal Inspector services. Animal Inspector services are currently budgeted under the contractual services line of the Health Department.

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

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED	% CHANGE
<u>PUBLIC WORKS</u>						
Highway Admin.	\$88,849	\$84,258	\$106,486	\$26,834	\$107,150	0.62%
Hwy. Const. & Maint.	\$783,501	\$773,396	\$820,311	\$381,434	\$902,988	10.08%
Parks	\$81,961	\$78,042	\$109,348	\$51,027	\$95,900	-12.30%
Cemetery	\$59,112	\$41,418	\$52,838	\$22,472	\$53,407	1.08%
Snow & Ice	\$236,462	\$416,199	\$189,700	\$43,570	\$199,700	5.27%
Street Lighting	\$91,703	\$98,366	\$100,000	\$49,911	\$100,000	0.00%
Trees	\$8,000	\$6,793	\$8,000	\$7,094	\$25,000	212.50%
Subtotal	\$1,349,589	\$1,498,471	\$1,386,683	\$ 582,343	\$1,484,145	7.03%

Overall, the DPW budget is up \$97,462, or 7.03%. The majority of the increase is in tree removal and drainage work. The FY2013 tree budget is being increased by \$17,000 to help eliminate a backlog in trees that need to be removed. The drainage budget is increasing \$30,000 in order to complete various projects that were postponed during previous budget cycles due to fiscal constraints.

In terms of personnel expenses, the budget reflects a 1% wage increase for both union and non-union employees. However, there is a small increase of 5 hours per week in the Administrative Assistant line. The budget continues to rely upon seasonal help in the parks and cemetery divisions. The temporary help has become increasingly important 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. These reductions in permanent personnel have all been continued in FY2013.



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, Veterans' Services, Cable Access TV, as well as various Boards and Committees.

Community Services Summary

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED	% CHANGE
COMMUNITY SERVICES						
Senior Center/COA	\$160,054	\$181,680	\$204,025	\$97,888	\$210,411	3.13%
Library	\$601,566	\$576,815	\$657,086	\$303,564	\$676,420	2.94%
Recreation	\$110,410	\$113,511	\$116,415	\$53,245	\$119,477	2.63%
Family & Youth Services	\$100,665	\$107,613	\$123,033	\$54,220	\$125,748	2.21%
Veterans' Services	\$26,259	\$29,006	\$34,899	\$18,753	\$59,584	70.73%
Cable TV	\$0	\$0	\$0	\$0	\$0	0.00%
Cultural Council	\$500	\$500	\$500	\$0	\$500	0.00%
Community Affairs Comm.	\$500	\$500	\$500	\$0	\$500	0.00%
Historical Committee	\$150	\$227	\$500	\$40	\$500	0.00%
Subtotal	\$1,000,104	\$1,009,851	\$1,136,958	\$527,709	\$1,193,140	4.94%

- **Senior Center/Council on Aging**

Overall, the FY2013 Senior Center Budget is up just 3.13%, or \$6,386. The two previously part-time Outreach Coordinator positions have been consolidated into one full-time position (.86 FTE to 1 FTE). The increase in personnel costs is partially offset by reduced electricity costs due to lower rates on a new Town-wide contract. In FY2013 the Friends committed to making available previously donated but unused funds in the amount of \$21,462 toward the contractual services line of the budget, which is used to pay for the cleaning of the center. The \$21,462 donation is in addition to the \$10,000 shown in line 52800 of the Senior Center budget.

- **Family and Youth Services Department**

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 FY2013 Family & Youth Services budget. The FY2013 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



Veterans' Agent, who also serves those towns. Reimbursed expenses include health insurance, cellular telephone and professional development.

The benefit line in the Veterans budget was increased from \$10,500 in FY2012 to \$30,000 in FY2013 to reflect the increased demand for services as veterans begin returning from overseas. During FY2012 a mid-year transfer was required from the Appropriations Committee Reserve Account to accommodate the increased benefit demand. Although any approved benefits paid to Northborough veterans will eventually be subject to a 75% reimbursement from the Commonwealth's Department of Veterans' Services, it is still the responsibility of the Town to budget adequate benefits on the front end to cover those expenses. There are no other significant changes proposed in the FY2013 Veterans' Services budget.

- **Library**

Overall, the FY2013 Library Budget is up 2.94%, or \$19,334, compared to FY2012 due primarily to another increase in the books and periodicals line of \$12,700. Ongoing restoration of the books and periodicals budget is necessary to ensure that the Northborough Library is able to maintain its State Certification and inter-library loan privileges. With the FY2013 increase, the library now meets the 15% books and materials level required for State Certification. The Library budget as presented also 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 FY2013 General Fund Budget as an expenditure. All of the costs in the FY2013 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

The Town's practice is to budget 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 workers' 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 workers' compensation insurance.

With regard to Health Insurance, the FY2013 budget request of \$4.66 million represents a total increase of just \$150,847, or 3.34%, from the amount budgeted last year. While the premiums for some individual health insurance plans may increase significantly, plan design changes and the adoption of Chapter 32B, Section 18 in FY2010 have helped limit budgetary increases again in FY2013. In addition, the Town worked closely with the School Department to increase teacher contributions during FY2012 from 20% to 25% for Health Insurance. Given the reasonable FY2013 premium increases, there are no immediate plans to modify health insurance plans for FY2013. However, all the General Government collective bargaining contracts expire at the close of FY2013, so further discussion about health insurance options will likely take place during FY2013 for possible implementation in FY2014. It should be noted that if health insurance premiums begin increasing again at 10-15%, there will be significant impacts on future operating budgets for all departments.

The second largest category of employee benefit costs after Health Insurance is Worcester Regional Retirement (WRR). The proposed FY2013 budget request for the WRR assessment represents an increase of \$91,891, or 8.22%, due to Northborough's local share of the funding schedule. The assessment is the amount due to WRR for the pension system for the Town's 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.

It is important to note that a municipal employee hired after 1996 will contribute 9% of their total compensation plus another 2% of any regular compensation over \$30,000 to the retirement system. This employee, if retired with 25 years of creditable service and the investment return assumption is met, will effectively pay for their entire pension.¹

¹ Information from Actuary, James R. Lamenzo of the Public Employee Retirement Administration (PERAC).



The 2011 Municipal Relief Act extended the time frame for fully funding the pension system's liability to the year 2040. The FY2013 Assessment will be the first of a three-year phase in to the actuarial method of assessment calculation.

- **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 FY2010, FY2011 and FY2012. Due to aggressive risk management practices, the Town's Building and Liability insurance premiums were again held to a 0% budgetary increase in FY2013.

- **Debt Service**

The proposed FY2013 debt service budget provides for the payment of principal and interest costs for long and short term bonds issued by the Town for General Fund purposes. For FY2013, the total Debt Service budget for the General Fund is \$2.51 million, a slight increase of \$19,586. The full impact of the completed Senior Center building project was absorbed into the debt service budget during FY2012.

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

- **State Assessments**

The FY2013 State Assessments are projected to increase by \$68,253, based on the Governor's House 2 Budget. The increase is primarily attributable to the \$62,065 increase in the assessment for Northborough students attending Charter schools as well as a \$5,000 increase to School Choice Sending Tuition assessment.

- **Stabilization Fund Contribution**

The FY2013 budget does not provide for a contribution to the Stabilization Fund. Available Free Cash funds that could have been allocated to the Stabilization Fund were instead used to fund additional pay-as-you-go capital items, thereby avoiding unnecessary finance charges. The FY2013 Stabilization Fund, together with 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 FY2011, the Board of Selectmen adopted a Free Cash Policy and identified the Reserve Fund as an appropriate use of Free Cash. Beginning with FY2012 the Reserve Fund has been appropriated from Free Cash as a separate Warrant Article at Town Meeting. The FY2013 proposed Reserve Fund amount is \$150,000.



• **Special Warrant Articles**

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

The FY2013 Town Meeting Warrant Articles include the following:

- \$150,000 for the Appropriation Committee's Reserve Fund
- \$100,000 for FY2012 Emergency Storm spending
- \$350,000 for a Replacement Fire Engine Tender (Tanker) Truck
- \$85,000 for Narrowband Radio Conversion
- \$1,152,000 for Town Offices Building Repair
- \$40,000 for Ellsworth McAfee Track replacement
- \$56,000 for a Replacement DPW One-ton Service Truck with Plow
- \$153,000 for a DPW Sidewalk Plow
- \$100,000 for a Portable Generator
- \$250,000 for Lyman Street Well repairs
- \$500,000 for Lincoln Street School Feasibility Study
- \$400,000 for an Emergency Generator – Melican Middle School

The warrant articles contain proposed funding for these items using a combination of several sources. The various funding sources include repurposed bond proceeds, Free Cash, municipal bonds, donations, Water and Sewer Enterprise Funds as well as partnering for project funding with both the Massachusetts School Building Authority (MSBA) and the Community Preservation Committee. The use of these funding sources results in a very minimal additional tax impact.

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 Free Cash Policy is on page 2 in Appendix A of this budget document, which contains the Town's comprehensive financial policies. The 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.

**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 4.24% in FY2013. Therefore, the FY2013 amount available for the Northborough K-8 School department is \$19,495,277. This represents an increase of \$792,410 from the \$18.7 million appropriated last year. Northborough K-8 School budget includes 11.20 new FTEs in the FY2013. These are primarily positions that were previously funded through the American Recovery and Reinvestment Act (Stimulus Funding) and the Federal Education Jobs Fund (Ed-Jobs). The positions include both teachers and special education aides that have been absorbed into the regular K-8 School Budget as part of the 4.24% allowable increase in FY2013.

• Algonquin Regional High School

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

• Assabet Valley Regional Technical High School

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

• 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 FY2013.



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 Massachusetts Water Resources Authority (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.

The proposed FY2013 Water Enterprise Fund budget of \$2,017,630 is predicated on a transfer of \$191,983 from Water Fund Free Cash and represents a 4.92% 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 FY2013 Sewer Enterprise Fund budget of \$1,368,932 is predicated on a transfer of \$158,183 from Sewer Fund Free Cash and represents a 4.35% increase.

	FY2012 Budget	FY2013 Budget	% Change
Water Enterprise Fund	\$ 1,922,930	\$ 2,017,630	+4.92%
Sewer Enterprise Fund	\$ 1,311,875	\$ 1,368,932	+4.35%

• Solid Waste Fund

The Solid Waste Enterprise Fund does not currently generate sufficient revenue to cover all its expenses. In Fall 2000, 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 2011, after much public discussion and resident feedback, 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. The five-year contract has fixed the collection costs at \$475,000 annually.

The Total PAYT fee revenues are estimated in FY2013 to be \$483,520 and the expenses \$781,090, leaving a projected shortfall of \$247,570 with a transfer from the Solid Waste Fund Free Cash of \$50,000. In FY2013, the appropriation will include a \$50,000 Contingency Reserve account within in the Solid Waste Fund to ensure adequate funding for an unforeseen event in the coming year.



Given the policy decision by the Board of Selectmen to retain the PAYT program in its current form and prices obtained from the IFB, a \$247,570 General Fund subsidy in FY2013 is necessary in order to balance the Enterprise Fund. The total PAYT FY2013 budget is \$781,090. However, it should be noted that without the new \$50,000 emergency reserve (which will stay with the fund and only be spent in an emergency) the actual budget increase is only \$3,520. It is expected that the solid waste budget will remain stable and sustainable over the balance of the remaining four-year hauling contract.

	FY2012 Budget	FY2013 Budget	% Change
Solid Waste Enterprise Fund	\$ 727,570	\$ 781,090	+7.35%

General Administration

Section 2



This Page Intentionally Blank

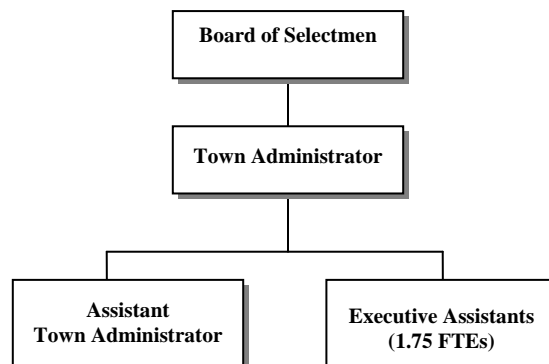


Executive Office Departmental Statement

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 FY2012 Initiatives and Accomplishments

1. GFOA Distinguished Budget Award: The Town received its second consecutive national budget award in FY2012 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 communication device.

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

2. Clean Annual Audit: The Town closed out FY2011 with 1.86 million in Free Cash on June 30, 2011 and no material issues or deficiencies were noted in the annual audit. In fact, the audit is the cleanest review in memory for the Town.
3. Annual Town Report First Place Award: On January 21, 2012, at the Award Ceremony of the Massachusetts Municipal Association's 2012 Annual Meeting and Trade Show, the MMA presented the Town of Northborough with a First Place Award Certificate in Category 1 (population 12,500 and up) of the MMA's Annual Town Report Contest. Town Reports serve to communicate important information to town residents. It is used as an effective and informative tool in promoting an understanding of local government.

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

4. FY2012 Capital Budget Approved \$1.96 million in Projects with No Additional Tax Impact: All the capital projects presented at the April 2011 Town Meeting (FY2012) were funded with no additional tax impact to the residents, using a combination of Free Cash, State Grants and Mitigation Funds. The Town was able to invest in new equipment, a school roof and a new Middle School boiler system for a total of \$1.96 million in capital investments.
5. Positive Economic Development: Northborough continues to defy the generally anemic economy when it comes to new growth and economic development activity. With the opening of Northborough Crossing, a 640,000 square foot retail development, the Town's tax base remains strong. During a period when little economic expansion was seen around Central Massachusetts, Northborough added \$81 million in new growth for FY2012, resulting in \$1.2 million in new tax dollars. In addition, Northborough has successfully



enhanced its public image as a positive place to do business by coordinating early with major developments in order to ensure a smooth process.

Executive Office FY2013 Goals and Initiatives

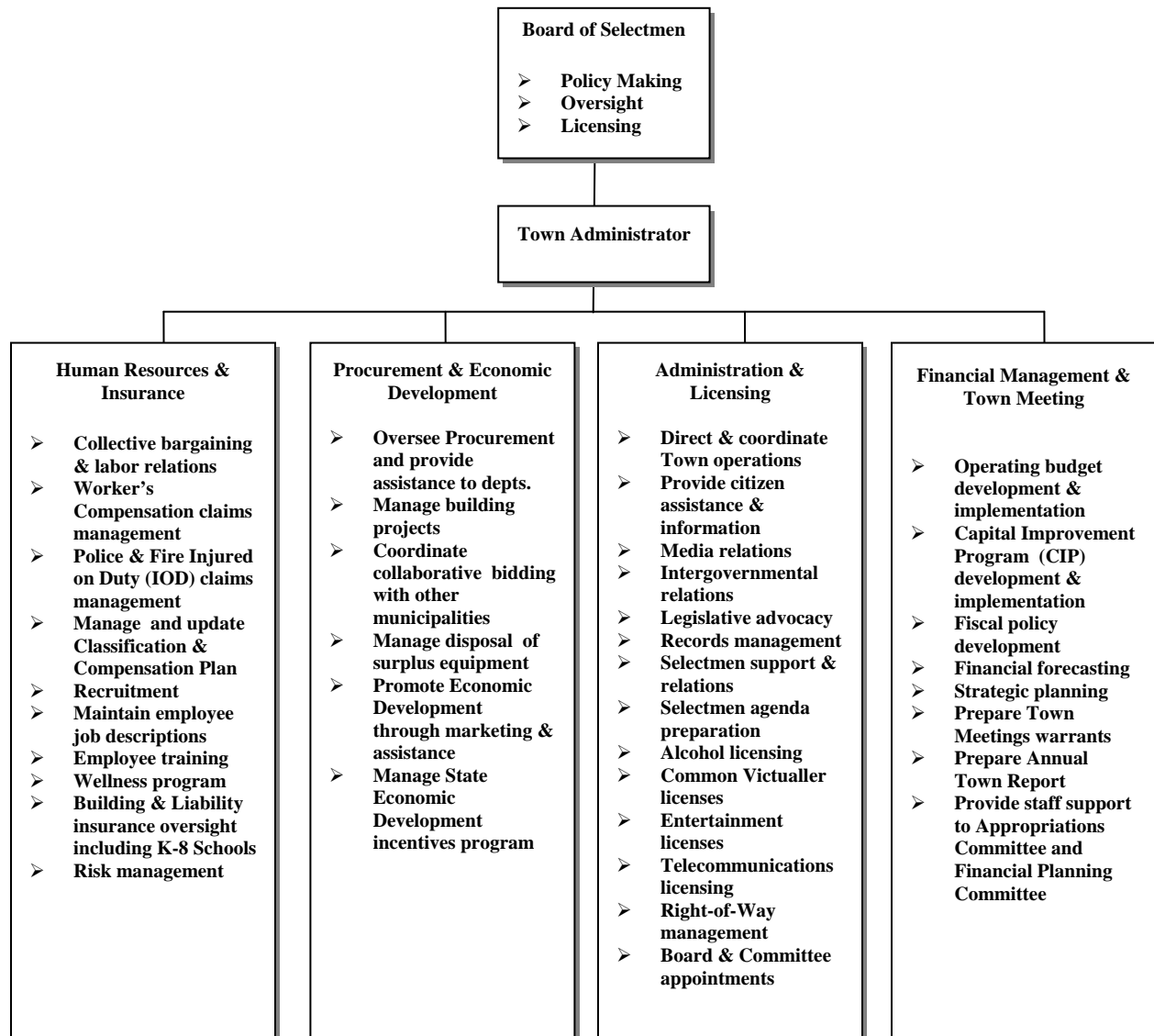
1. GFOA Distinguished Budget Award Program: Continue to refine the Town's Award winning budget for the FY2013 submission to the Government Financial Officers Association (GFOA) Distinguished Budget Award Program. FY2013 enhancements will focus on more long-range financial planning and the creation of a Fiscal Indicators Report using the International City Manager's Association (ICMA) best practices model. The data collection portion of the project started in FY2012 and will be completed during FY2013.
2. Downtown Traffic Improvements: The proposed downtown traffic improvement project consists of widening along Route 20 to provide left turn lanes at Church Street (eastbound), South Street (westbound) and Hudson Street (eastbound), with additional widening along Church Street and Hudson Street to provide additional turn lanes. The existing signal equipment at Church Street and South Street will be upgraded and a new traffic signal will be installed at Hudson Street. The three (3) signals will be designed as a coordinated signal system for improved vehicle progression. The design also incorporates provisions for emergency vehicle access and pre-emption for the Fire Department, protected pedestrian crossings at signalized locations and railroad pre-emption for the at-grade crossing of Route 20. After a delay in finding a solution to the Patty Lane component of the redesign, the project is scheduled to begin construction in March 2012 and last at least twelve months.
3. Town Offices Building Improvements: During FY2010 a building assessment was conducted on the Town Offices Building and a series of prioritized improvements were recommended. The first phase of improvements during FY2011 focused on the building envelope and included repairs to the roof as well as the front and side entry ways. Included in the FY2013 Capital Budget are funds to replace the HVAC system and make other related repairs. This project will require significant coordination in order to minimize disruption to the various departments.
4. All Collective Bargaining to be Negotiated: FY2013 is the last year of the previously negotiated collective bargaining agreements for Police Patrol Officers (0%), Police Sergeants (0%), Fire (1%), and the Northborough Municipal Employees Association (1%). A significant amount of time in FY2013 will be devoted to negotiating fair and sustainable increases for personnel in FY2014, including possible modifications to health insurance plans.

Significant Budget Changes or Initiatives

There are no significant budget changes planned for the Executive Office in FY2013. The Selectmen's Budget contains \$3,500 in the event that the receipt of Federal Funds is significant enough to require a single audit. The wage adjustments in FY2013 for non-union personnel are budgeted at 1%.



Executive Office Programs and Services





EXECUTIVE OFFICE				
Personnel Summary				
Position	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE	FY 2013 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



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
BOARD OF SELECTMEN						
Personnel Services						
51110 Selectmen Stipends	5,356	5,356	5,356	5,356	2,678	5,356
51120 Executive Assistant	54,450	56,000	57,399	57,880	26,798	58,344
51220 Part-Time Executive Assistant	41,039	41,920	42,884	43,410	20,133	43,758
51410 Longevity Pay	700	700	700	700	700	1,000
SUBTOTAL	101,545	103,976	106,339	107,346	50,309	108,458
Expenses						
52850 Annual Independent Audit	19,360	19,300	19,940	24,040	24,040	24,655
53090 Advertising	420	224	98	250	0	250
56930 Town Meeting Expenses	0	326	218	500	0	500
57320 Subscriptions	1,881	0	808	600	190	600
57330 Memberships	6,601	2,255	2,305	2,380	2,255	2,305
57340 Meetings	193	0	60	1,250	0	1,250
57810 Unclassified	1,122	69	404	1,000	84	1,000
SUBTOTAL	29,577	22,173	23,834	30,020	26,569	30,560
TOTAL: SELECTMEN	131,121	126,149	130,173	137,366	76,878	139,018



Executive Office

Section 2-7

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
TOWN ADMINISTRATOR						
Personnel Services						
51100 Town Administrator	127,245	118,450	121,411	123,853	56,755	126,329
51120 Assistant Town Administrator	76,860	66,950	68,624	71,390	32,079	74,204
51410 Longevity Pay	550	200	200	200	200	200
SUBTOTAL	204,656	185,600	190,235	195,443	89,033	200,733
Expenses						
53110 Printing	150	765	912	1,600	0	1,600
54290 Office Supplies	1,503	25	0	1,200	0	1,200
57110 Travel/Mileage	3,600	3,600	3,600	3,600	1,800	3,704
57310 Dues	1,248	1,247	1,317	1,350	1,398	1,350
57320 Subscriptions	289	403	765	550	132	550
57340 Meetings	834	1,336	1,920	3,500	710	3,500
SUBTOTAL	7,624	7,376	8,514	11,800	4,040	11,904
TOTAL: TOWN ADMINISTRATOR	212,280	192,976	198,749	207,243	93,073	212,637

Section 2-8

Executive Office



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
ECONOMIC DEVELOPMENT						
Expenses						
54290 Office Supplies	18	0	156	200	0	200
57110 Travel/Mileage	50	0	0	235	0	235
57310 Dues	275	335	335	275	0	275
57320 Subscriptions	0	0	0	50	0	50
57340 Meetings	0	40	0	540	0	540
SUBTOTAL	343	375	491	1,300	0	1,300
TOTAL: ECONOMIC DEVELOPMENT	343	375	491	1,300	0	1,300

ANNUAL TOWN REPORTS

Expenses

52800 CONTRACTUAL SERVICES	1,386	1,400	2,970	1,400	0	1,400
53110 PRINTING	2,612	2,623	1,455	3,025	0	3,025
SUBTOTAL	3,998	4,023	4,425	4,425	0	4,425
TOTAL: ANNUAL TOWN REPORTS	3,998	4,023	4,425	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 and the Regional School District 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 2010 FTE	FY 2011 FTE	FY 2012 FTE	FY 2013 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



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
PUBLIC BUILDINGS						
Personnel Services						
51100 Full-time Salaries	0	0	0	0	0	0
51970 Part-time Custodian	18,461	19,210	19,784	20,153	9,264	20,509
SUBTOTAL	18,461	19,210	19,784	20,153	9,264	20,509
Expenses						
52110 Utilities Town Office Building	56,525	40,143	45,671	56,990	15,187	56,990
52460 Office Machine Maintenance	11,710	11,570	14,266	13,950	4,610	15,000
52800 Contractual Services	0	0	0	0	0	3,000
53410 Telephone	28,889	26,034	15,286	30,000	12,939	30,000
53420 Postage	32,226	32,461	33,612	35,000	10,955	35,000
54290 Office Supplies	5,958	6,197	6,294	9,000	2,501	9,000
54490 Repairs and Maintenance	21,900	31,549	22,324	31,000	11,197	32,140
54590 Supplies	8,270	10,053	8,861	10,000	6,595	11,000
54820 Gasoline	117,259	118,900	124,101	135,000	64,097	151,150
58700 Water Charges	7,234	7,952	10,691	15,000	8,507	15,000
58705 Sewer Charges	1,625	1,829	2,234	3,000	1,138	3,000
58708 Solid Waste Charges	25,053	25,495	27,337	30,000	6,000	30,813
SUBTOTAL	316,650	312,183	310,675	368,940	143,727	392,093
TOTAL: PUBLIC BUILDINGS	335,111	331,393	330,459	389,093	152,991	412,602



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.

Assessing Division

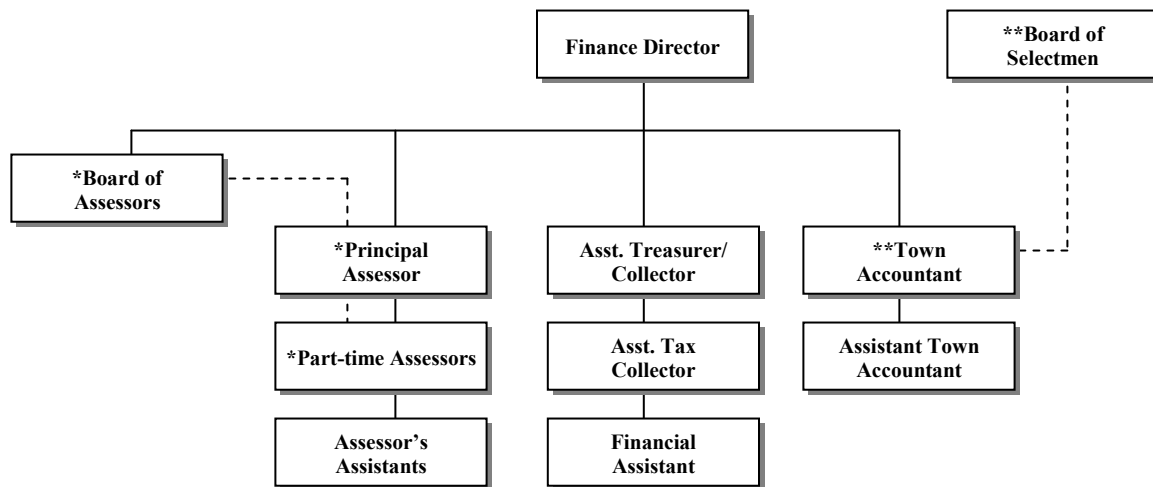
The primary role of the Assessor's Division, under the direction of the Board of Assessors, is the valuation of all real and personal property in the Town. The State Department of Revenue (DOR) requires that all property be valued at full and fair cash value which ensures that all property owners pay 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 FY2012 Initiatives and Accomplishments

Treasurer/Collector's Office:

1. Worked closely with the Department of Public Works to track revenue, enhance the billing process and develop Water Enterprise, Sewer Enterprise and DPW budgets in the absence of a DPW Director.
2. Introduced electronic card readers at the counter for taxpayers to use to pay outstanding tax bills at Town Hall using their credit card.
3. Continued to pursue the uncollected Personal Property taxes and prepared to issue a request for proposal for a collection agency to pursue these obligations. The collection of overdue accounts will increase our revenue and the information gathered regarding uncollectible accounts will be useful in the abatement process.
4. Foreclosed on two properties and actively pursued the collection of several significant properties in tax title.
5. Continued to participate in a Computer Technology Working Group to enhance our use of technology.

Assessor's Division:

1. Successfully completed the FY2012 interim-year market adjustments of all personal and real property to establish the tax rate at \$15.49 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 FY2012.
3. Monitored and identified the new growth in Town resulting in approximately \$81.4 million in value added to the tax levy during FY2012 and over \$1.2 million in new tax revenue.
4. Assisted over 150 senior citizens with application filings for real estate tax relief.

Accounting Division:

1. Completed the FY2011 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 FY2011.



3. Progress made toward closing prior year capital projects balances so that remaining balances can provide a source for the Town's Capital Improvement Plan at the 2012 Annual Town Meeting.
4. Achieved compliance with Government Account Standards Board (GASB) Statement 45 for third year, and implemented Statement 54 for its first year starting with the FY2011 financial statements.

Finance Department FY2013 Goals and Initiatives

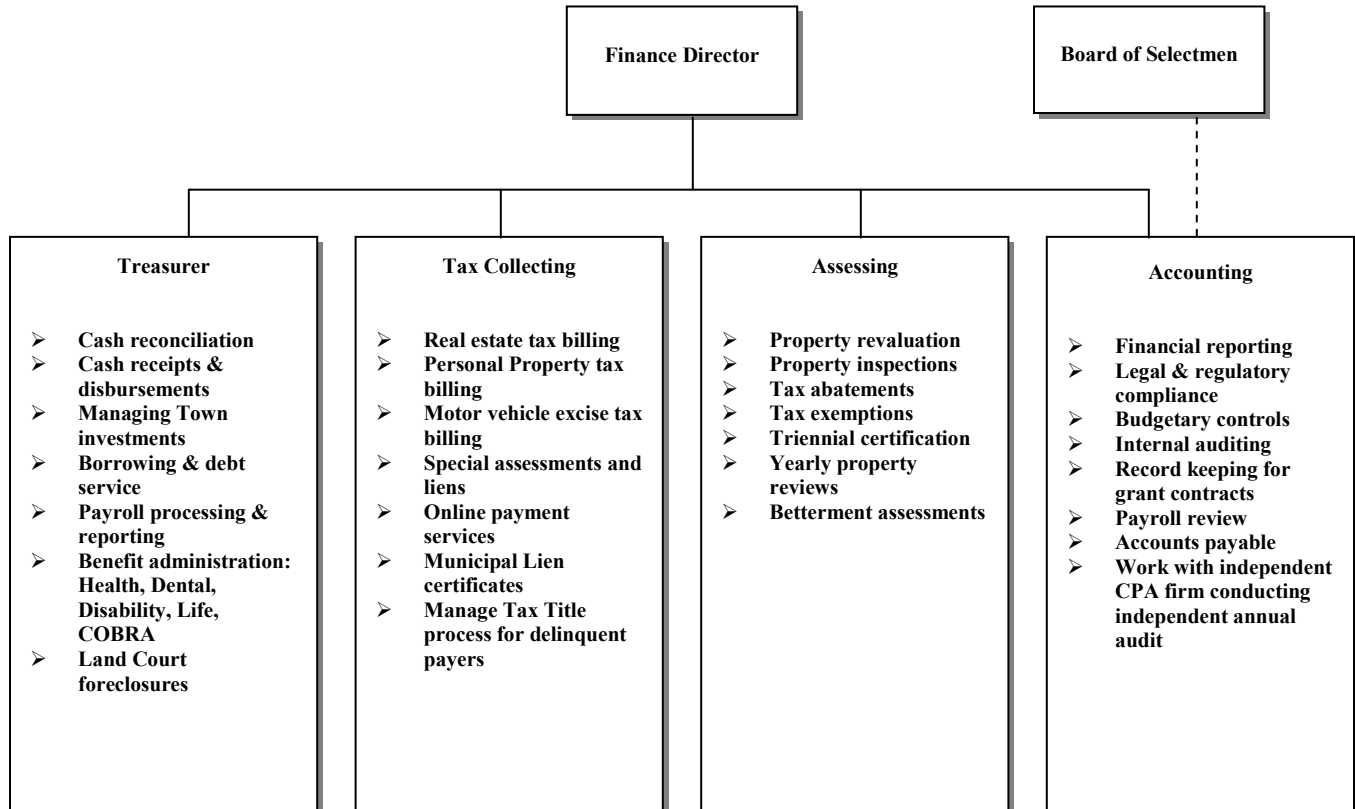
1. Continue to work to improve the budget document and again achieve the Government Finance Officers Association Distinguished Budget Award in FY2013.
2. Continue to refine comprehensive financial and investment policies to improve financial procedures and expand internal controls to efficiently manage 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. Continue to refine schedules to address developing requirements of GASB statements.

Significant Budget Changes or Initiatives

The next triennial recertification must be completed by the Assessing Division for FY2013. This process began on January 1, 2012 and continues until the valuations and tax rate are certified by the Department of Revenue, Bureau of Local Assessment. In order to meet the requirements of the triennial recertification to perform valuation field work for Commercial and Industrial real estate inspections, data collection and sales analysis of Residential properties as well as for tracking personal property updates, the Assessing Division's Contractual Services line was increased to \$50,550.



Financial Offices Programs and Subprograms



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

	FY 2010	FY 2011	FY 2012	FY 2013
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	.75	.75	.85	.85
Total Full-time Equivalents	9.75	9.25	9.35	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. Previously, the Assistant Town Accountant position was also reduced from 40 hours per week to 30 hours per week. In FY2012, the budget restored 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

		FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
		ACTUAL	ACTUAL	ACTUAL	BUDGET	SIX MONTHS	PROPOSED
TREASURER/COLLECTOR							
Personnel Services							
51100	Finance Director Salary	81,360	83,801	91,410	93,757	42,963	95,631
51120	Treasurer Office Staff Salaries	165,568	148,478	152,946	155,261	71,391	157,459
51410	Longevity Pay	1,100	1,050	1,200	1,400	1,400	1,400
51970	Treasurer's Stipend	1,000	1,000	1,000	1,000	1,000	1,000
	SUBTOTAL	249,028	234,328	246,556	251,418	116,754	255,490
Expenses							
52800	Contractual Services	1,265	1,239	1,279	1,500	603	1,500
53040	Computer Services	5,678	5,620	5,809	5,938	2,738	6,429
53090	Advertising	862	623	710	1,000	656	1,000
53110	Printing	5,697	5,427	5,687	6,943	900	6,723
53160	Banking Services	665	1,233	1,529	1,250	134	1,400
54290	Office Supplies	1,020	631	831	675	515	675
57110	Travel/Mileage	301	307	155	758	171	758
57310	Dues	192	255	475	475	290	475
57340	Meetings	414	370	795	990	177	990
57810	Unclassified	1,785	1,807	2,387	1,840	1,635	1,840
		0	0	0	0	0	0
	SUBTOTAL	17,879	17,512	19,656	21,369	7,818	21,790
TOTAL: TREASURER/COLLECTOR		266,907	251,841	266,212	272,787	124,572	277,280

Section 2-18

Finance Department



		FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
		ACTUAL	ACTUAL	ACTUAL	BUDGET	SIX MONTHS	PROPOSED
ASSESSOR							
Personnel Services							
51100	Principal Assessor Salary	81,360	83,801	85,895	86,755	40,153	87,622
51120	Assessor Asst. Salaries	82,015	77,180	86,548	88,155	40,395	89,927
51130	PT Assessors Salaries	22,228	26,977	30,378	30,843	11,861	31,460
51410	Longevity	650	650	650	1,000	1,000	1,000
	SUBTOTAL	186,253	188,608	203,471	206,753	93,409	210,009
Expenses							
52800	Contractual Services	28,660	39,203	11,358	44,450	1,978	50,550
53090	Advertising	0	561	0	150	0	150
53110	Printing	177	281	433	285	0	285
54290	Office Supplies	27	10	529	200	0	200
57110	Travel/Mileage	858	1,015	880	1,200	720	1,200
57310	Dues	409	356	409	409	444	444
57320	Subscriptions	724	1,027	1,048	1,085	724	1,135
57340	Meetings	259	323	304	1,200	440	1,200
	SUBTOTAL	31,114	42,777	14,961	48,979	4,307	55,164
TOTAL: ASSESSOR		217,366	231,385	218,432	255,732	97,715	265,173



Finance Department

Section 2-19

		FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
		ACTUAL	ACTUAL	ACTUAL	BUDGET	SIX MONTHS	PROPOSED
ACCOUNTING							
Personnel Services							
51100	Accountant Salary	54,619	72,100	74,913	86,755	40,153	87,622
51120	Asst. Accountant Salary	23,417	35,987	37,067	42,801	19,612	43,546
51410	Longevity	0	200	200	200	200	350
	SUBTOTAL	78,036	108,287	112,181	129,756	59,965	131,518
Expenses							
52800	Contractual Services	42,857	4,785	1,236	1,000	834	1,000
53110	Printing	0	159	1,086	450	57	450
54290	Office Supplies	698	212	315	200	0	200
57310	Dues	70	105	125	150	125	150
57320	Subscriptions	0	0	0	125	0	125
57340	Meetings	767	2,525	1,626	3,200	231	3,200
	SUBTOTAL	44,392	7,786	4,387	5,125	1,247	5,125
TOTAL: ACCOUNTING		122,429	116,073	116,568	134,881	61,212	136,643

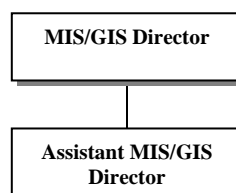


**Management Information Systems (MIS) & Geographic Information Systems (GIS)
Departmental Statement**

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 Board and 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 FY2012 Initiatives and Accomplishments

1. Personal Computers at Town Hall were replaced or updated, including licenses for Windows 7 and Office 2010. Training was offered for all departments.
2. Connectivity throughout the Town-wide network was made more efficient during FY2012. Smaller sites on the Town's leased I-Net were instead connected through a VPN, dropping costs in half moving forward. Other sites not previously on the Town network were added at minimal expense.
3. Remaining work on the Town's GIS online viewer was completed, bringing various features and applications up to date.
4. The Town's network infrastructure weathered both Tropical Storm Irene and the October snowstorm. Current practices in place as well as security efforts after similar situations paid off in response to these events.
5. Mapping of the storm drainage system was updated in FY2012 in anticipation of the Environmental Protection Agency's National Pollutant Discharge Elimination System (NPDES) requirements and other mandates. GIS mapping of the Town's sewer network was updated to reflect recent economic development activity.

MIS/GIS FY2013 Goals and Initiatives

1. The Town's suite of financial applications, known as MUNIS, is slated to undergo conversion to the Windows/SQL Server environment. The current Linux/Informix environment will no longer be supported by the vendor.
2. A wireless network is planned for the Town Hall, Police and Fire Departments in FY2013. This will make available secure wireless access while providing/enhancing the ability for wireless data transmission from public safety vehicles once within range of the network.
3. In FY2013, the MIS/GIS Department will be part of an effort to review various security and privacy mandates, including HIPAA and MGL 93H/93I.
4. Coordination of a new phone system installation.
5. Planning for the future of the Town's network infrastructure, including a review of the currently-leased I-Net and alternatives will be explored.

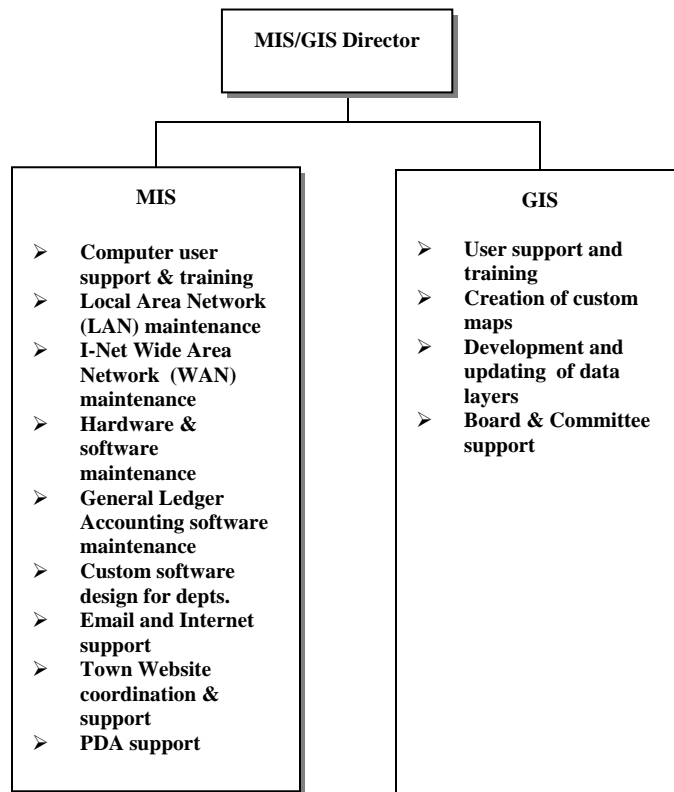
Significant Budget Changes or Initiatives

The MIS/GIS budget is increasing \$32,517, or 10%. Approximately \$24,000 of the increase is due to hardware and software purchases for the planned migration of the Town's financial applications (MUNIS). MUNIS currently operates in the Linux operating system using an Informix database. This environment is scheduled to be retired by the vendor in April 2013, with the last W-2s and 1099s being issued in 2012. Accordingly, a migration to Microsoft's Windows Server operating system and SQL Server database is scheduled to occur shortly after the current



fiscal year is closed in late summer or early fall. FY2013 wage increases for non-union personnel are budgeted at 1%.

MIS/GIS Programs and Services





MIS/GIS DEPARTMENT				
Personnel Summary				
Position	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE	FY 2013 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 FY2013 salary total is \$87,622 (\$67,622 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



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
MIS/GIS DEPARTMENT						
Personnel Services						
51110 MIS/GIS Director Salary (GF)	61,360	63,801	65,895	66,755	20,153	67,622
51120 Asst. MIS/GIS Director Salary	73,492	75,697	77,589	78,366	36,270	79,149
51410 Longevity Pay	550	550	550	700	700	700
SUBTOTAL	135,402	140,047	144,035	145,821	57,122	147,471
Expenses						
52800 Contractual Services	4,398	491	1,482	15,000	3,150	22,500
53040 Computer Services	16,504	27,609	34,383	42,630	12,970	36,340
53190 Training	5,725	0	0	9,300	0	9,150
53720 Computer Maintenance	44,809	41,635	41,217	56,567	60,158	67,575
54290 Office Supplies	13,952	11,796	13,487	14,770	7,074	15,765
57110 Travel/Mileage	35	95	75	637	0	493
57310 Dues	175	100	75	175	0	175
57320 Subscriptions	322	140	187	375	20	375
57340 Meetings	3,511	0	0	1,184	0	1,782
58690 New Equipment	23,964	8,506	14,392	37,900	8,565	55,250
SUBTOTAL	113,395	90,372	105,298	178,538	91,936	209,405
TOTAL: MIS/GIS	248,797	230,419	249,332	324,359	149,058	356,876

* The MIS/GIS Director's salary is shared between the General Fund and the Water/Sewer Enterprise Funds. The FY2013 salary total is \$87,622 (\$67,622 in the General Fund Budget above, \$12,000 in the Water Enterprise Fund Budget and \$8,000 in the Sewer Enterprise Fund Budget).

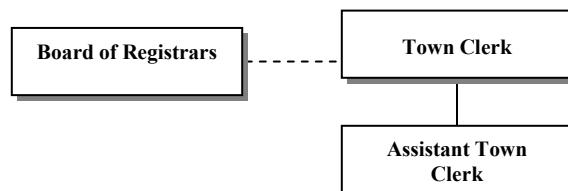


Town Clerk's Office Departmental Statement

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 FY2012 Initiatives and Accomplishments**

1. Successfully managed re-precincting required as a result of the 2010 U.S. Census.
2. Continue to manage the requirements under the revised 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 FY2013 Goals and Initiatives

1. Implement credit card counter payment acceptance for the purchase of dog licenses and vital records (birth, death, marriage certificates). This will allow residents to use a credit card in the office when paying for a dog license or vital record. This new option is in addition to the current online payment system which residents may use to pay for a dog license or vital record.
2. Continue the final phase of historic record preservation utilizing funding obtained from the Community Preservation Committee.

Significant Budget Changes or Initiatives

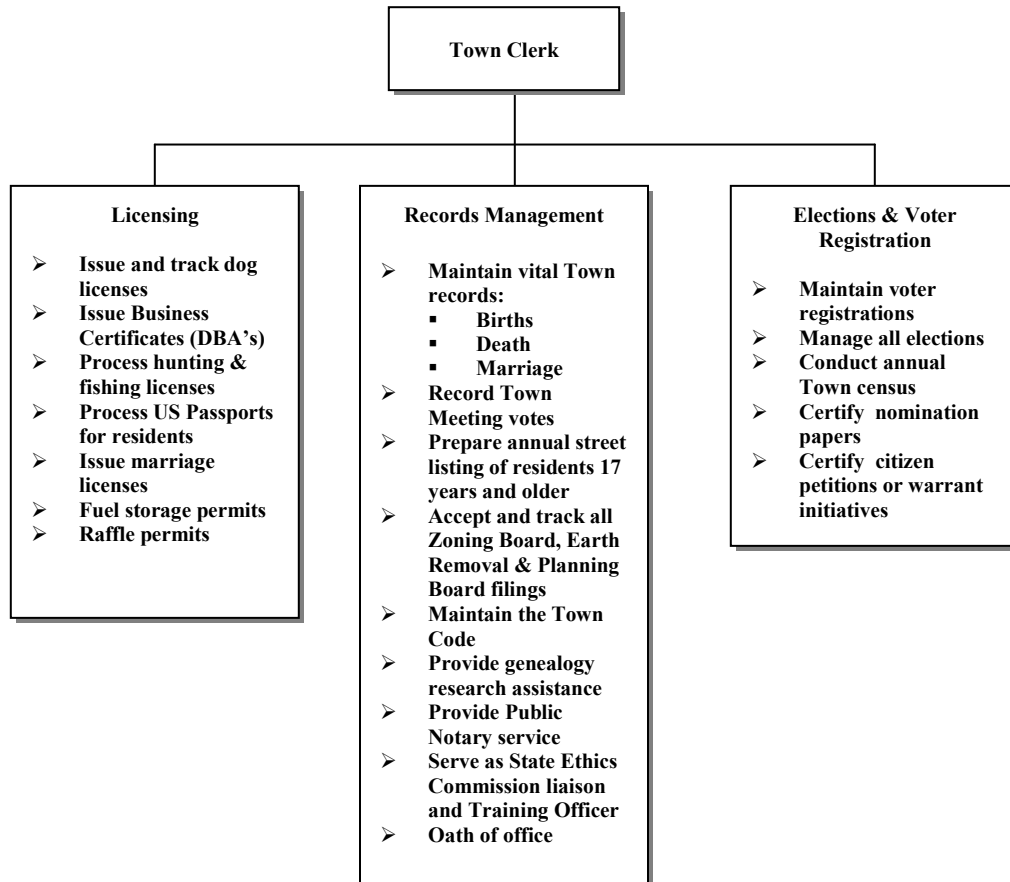
There are no significant changes in the Town Clerk's budget; however there is an \$8,876 increase in the Elections/Voter Registration budget since there are three (3) elections to be held during FY2013. There were only two (2) elections budgeted in FY2012.

The FY2013 scheduled elections are as follows:

- State Primary Election September 6, 2012
- State General Election November 6, 2012
- Annual Town Election May 13, 2013



Town Clerk's Programs and Services




TOWN CLERK'S OFFICE
Personnel Summary

	FY 2010	FY 2011	FY 2012	FY 2013
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 working 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

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
TOWN CLERK'S OFFICE						
Personnel Services						
51110 Town Clerk Salary	64,864	67,480	69,167	70,559	32,333	71,969
51120 Assistant Town Clerk Salary	43,025	44,268	45,602	45,993	21,287	46,337
51410 Longevity Pay	1,000	1,000	1,000	1,000	1,000	1,000
51970 Stipend	1,000	1,000	1,000	1,000	0	1,000
SUBTOTAL	109,889	113,748	116,769	118,552	54,619	120,306
Expenses						
52800 Contractual Services	0	200	800	500	400	500
53190 Training	790	0	0	900	975	900
57110 Travel/Mileage	653	512	317	400	425	400
57310 Dues	340	200	285	285	125	285
57340 Meetings	1,230	920	736	1,000	748	1,000
SUBTOTAL	3,013	1,832	2,138	3,085	2,673	3,085
TOTAL: TOWN CLERK	112,902	115,580	118,907	121,637	57,292	123,391

Section 2-30

Town Clerk's Office



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
ELECTIONS/VOTER REGISTRATION						
Personnel Services						
51240 Registrars	1,250	1,450	1,250	1,250	1,025	1,250
51250 Census Workers	6,155	6,124	6,515	6,571	3,041	6,620
51260 Town Election Workers	9,981	3,310	7,738	9,717	0	14,586
51270 Town Meeting Workers	452	0	256	512	0	512
SUBTOTAL	17,838	10,884	15,758	18,050	4,066	22,968
Expenses						
52720 Film Storage	194	198	198	200	198	200
52800 Contractual Services	4,090	2,665	4,241	6,500	85	9,250
53110 Printing	1,590	1,066	1,466	1,600	0	1,600
54290 Office Supplies	54	0	69	650	205	975
55820 Street Listing	1,100	1,931	1,236	1,200	0	1,300
55830 Census	1,018	1,003	1,036	1,200	0	1,200
55840 Election Expenses	2,098	977	1,838	1,200	0	1,800
57110 Travel/Mileage	132	155	222	92	0	150
57340 Meetings	621	498	952	550	135	675
58690 New Equipment	0	0	0	0	0	0
SUBTOTAL	10,897	8,493	11,258	13,192	623	17,150
TOTAL: ELECTIONS/VOTER REG	28,735	19,377	27,016	31,242	4,689	40,118



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.

		FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
		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.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
APPROPRIATIONS						
Expenses						
53110 Printing	572	572	0	900	0	900
57310 Dues	0	200	0	240	200	240
57340 Meetings	0	146	150	555	0	555
57810 Unclassified	253	0	0	0	0	0
SUBTOTAL	825	918	150	1,695	200	1,695
TOTAL: APPROPRIATIONS	825	918	150	1,695	200	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.

		FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
		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 costs associated with merit pay, limited town-wide training, drug testing and legal expenses associated with collective bargaining negotiations. The account is also used for consultant or temporary labor services associated with personnel transitions. During the course of the fiscal year funds are transferred out as appropriate and reflected in the departmental budgets, such as a settled labor contract. Any unused funds are closed out to free cash at the end of the fiscal year.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
PERSONNEL BOARD						
Expenses						
51980 Compensation Adjustments	0	0	3,000	32,432	0	80,000
52800 Contractual Services	0	0		0	0	0
53170 Drug & Alcohol Testing	1,159	730	1,995	2,000	730	2,000
53190 Training	0	204	1,500	1,000	1,472	1,000
57310 Dues	250	385	353	400	250	250
57320 Subscriptions	0	0	0	0	0	0
57340 Meetings	63	420	605	700	140	700
SUBTOTAL	1,472	1,739	7,453	36,532	2,592	83,950
TOTAL: PERSONNEL BOARD	1,472	1,739	7,453	36,532	2,592	83,950



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.

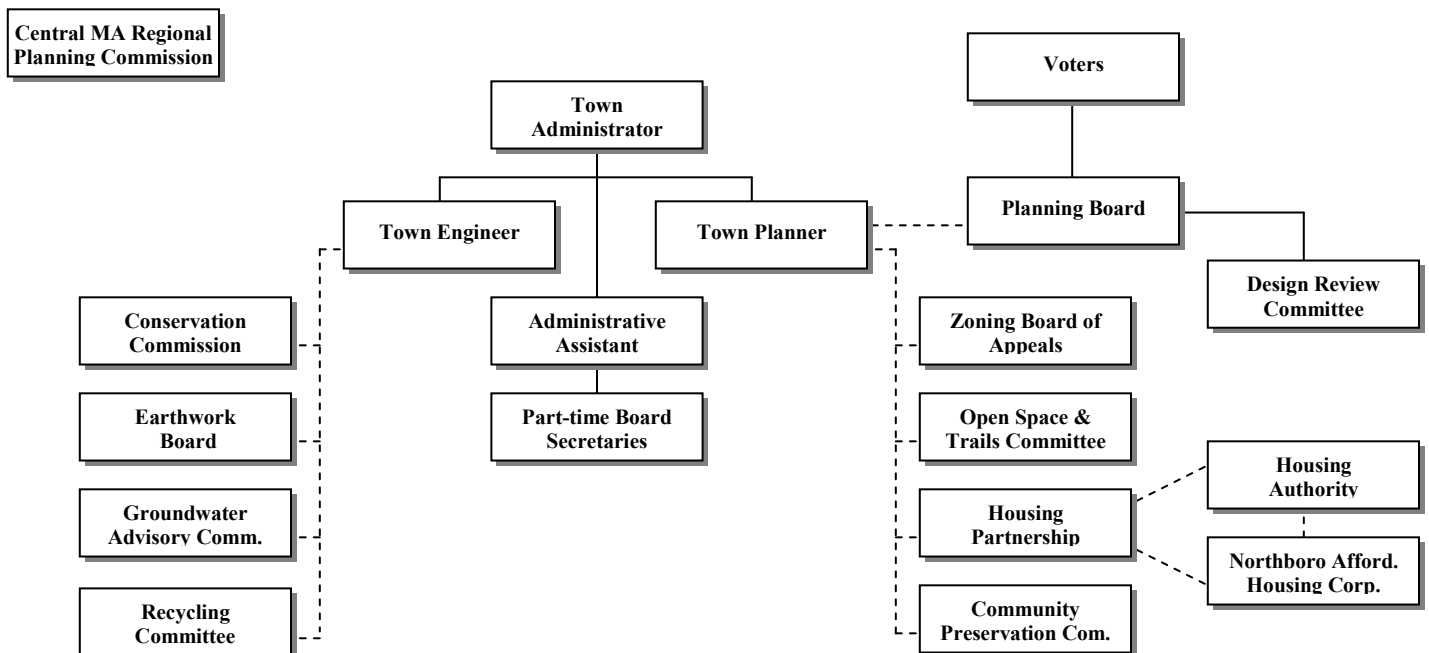
		FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
		ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
TOWN COUNSEL							
Expenses							
53020	Legal Services	58,610	68,669	69,106	85,000	26,186	85,000
	SUBTOTAL	58,610	68,669	69,106	85,000	26,186	85,000
TOTAL:	TOWN COUNSEL	58,610	68,669	69,106	85,000	26,186	85,000



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, Earthwork Board, 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 FY2012 Initiatives and Accomplishments

Planning

1. The Town Planner and Open Space Committee completed comprehensive update of Open Space and Recreation Plan with assistance from the Central Massachusetts Regional Planning Commission. This Plan was funded in part by Community Preservation Act funds. The Plan received approval from the Division of Conservation Services and will allow Town to participate in DCS grant rounds through October 2017.
2. The Town Planner and Housing Partnership have completed the final draft of the 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. The Town received a \$60,000 implementation grant from the MetroWest Community Health Care Foundation for phase II of the 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. With this funding the group was able to accomplish the following: ten community gardens were planted, gardens were also planted at each elementary school; a pilot program called Take 10! was started at the Zeh Elementary School; Catch Kids Club (CKC) was started by the Northborough Extended Day Program as part of the afterschool program; Building a Healthy Northborough community newsletter was developed and the first edition was distributed in town; and walking maps are in the process of being created with the assistance of WalkBoston.
4. Planning Board Rules & Regulations were adopted in January 2011.
5. 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.
6. A large scale scanner/copier was purchased with Community Preservation Act funds and scanning project has begun to scan all plans submitted to the Town. Master cataloging system will be created for inclusion on the Town’s website.

Engineering

1. The Town signed a five (5) year contract with Central Mass Disposal (CMD) of Auburn, Massachusetts for the curbside collection of solid waste and the curbside collection and disposal of recycling materials, which became effective on July 1, 2011. Prior to the execution of this collection contract and after much discussion and deliberation the Board of Selectmen determined the current PAY AS YOU THROW bag program initiated on January 1, 2003 was the most practical and cost effective available thus deciding not to change to a toter based system for trash collection.
2. The Engineering Department worked with the Recycling Committee on the annual swap meet - TAKE IT OR LEAVE IT DAY – which was relocated to the DPW Garage at 190 Main Street and was expanded to include scrap metal collection and cardboard. This past



year the Northborough Junior Women's Club organized a Styrofoam recycling day which coincided with TAKE IT OR LEAVE IT DAY at the DPW Garage, which was also very successful. The annual Household Hazardous Waste Day continues to be successful each fall.

3. The Wind Turbine Committee, utilizing funds from an \$85,000 grant provided by the Massachusetts Clean Energy Center, completed a feasibility study at the Tougas Family Farm in order to determine the available wind energy in the Ball Hill area of Northborough. The Feasibility Study is available online at (www.town.northborough.ma.us/reports and documents). The study indicates a wind turbine is not feasible and the Committee has discontinued its efforts to develop a community wind project in Northborough at this time.
4. The Town awarded a contract to Aquatic Control Technologies of Sutton, Massachusetts for an herbicide treatment at Bartlett Pond to control nuisance vegetation as part of a plan to promote continued recreational use of Bartlett Pond.
5. The Town Engineer working with the GIS Director secured the services of Applied Geographics, Inc. to locate drainage outfalls and other utilities within the Town as part of the Stormwater Management program.
6. The Town Engineer working with the Massachusetts Department of Transportation (Mass DOT) and the traffic consultant Greenman-Pedersen, Inc. (GPI) saw the contract for the Downtown Traffic Improvements awarded to Tropeano Construction this past fall. The proposed project includes two upgraded signals at the intersections of Main Street (Route 20) with Church Street and South Street and the installation of a new signal at the Patty Lane, Main Street and Hudson Street intersection. The project will be administered and paid for by the Mass DOT. Work will begin in March of 2012, weather permitting.

Planning & Engineering FY2013 Goals and Initiatives

Planning

1. Complete Housing Needs Analysis and Housing Production Plan. Work with Housing Partnership to implement goals.
2. Work with Open Space Committee to implement Open Space and Recreation Plan Action Plan items.
3. Complete Design Review Guidelines.
4. Begin process of updating the Groundwater Protection Overlay District Zoning Bylaw with the Town Engineer, DPW Director, and Health Agent.
5. Update Planning Board and Zoning Board of Appeals submittal forms.
6. The Town was recently awarded an additional \$60,600 grant from the MetroWest Community Health Care Foundation for the second year of implementation of Phase II of the Childhood Obesity Initiative "Building a Healthy Northborough". Tasks will include: working with local restaurants and food establishments to improve the availability and



identification of healthy foods; creation of additional community gardens on Valentine Road; and increasing community collaboration.

Engineering

1. Work with the Massachusetts Department of Transportation (Mass DOT) and its contractor to complete the downtown traffic improvements and discuss future traffic signal needs along Route 20 in Northborough.
2. Work with the Conservation Commission to hire a contractor to apply a supplemental herbicide application at Bartlett Pond.
3. Work with the DPW and our consultant Greenman-Pedersen, Inc. (GPI) on the evaluation of the Church Street bridge over Cold Harbor Brook. The evaluation will determine if the bridge can be rebuilt or needs to be replaced and the funding for the evaluation is being provided by the Community Preservation Act funds approved at the 2012 Annual Town Meeting.
4. Work with the DPW and GIS Director to develop and file a Stormwater Management Plan with Environmental Protection Agency.
5. Continue to work with the Recycling Committee to increase recycling and to reduce the volume of trash to be disposed at the Wheelabrator-Millbury waste to energy facility.
6. Begin process of updating the Groundwater Protection Overlay District Zoning Bylaw with the Town Planner, DPW Director and Health Agent.

Significant Budget Changes or Initiatives

Overall, the Planning and Engineering Budgets are up \$31,971, or 11.21%. The majority of the increase is attributable to the mid-year addition of a Part-time Conservation Agent that is being proposed in order to free up engineering resources for DPW project support. Previously, there was an Assistant Town Engineer position that was dedicated at 20 hours per week for Conservation Commission work, but the position has been left unfilled due to financial constraints. The Town Engineer's time has subsequently been taken up by Conservation-related duties at the expense of higher priority engineering projects that require attention. The FY2013 Conservation Budget contains \$13,000 to fund the position beginning January 1, 2013. Also contained in the Conservation budget is \$7,500 for a follow-up weed control treatment to Bartlett Pond.

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

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

	FY 2010	FY 2011	FY 2012	FY 2013
Position	FTE	FTE	FTE	FTE
Town Planner	1	1	1	1
Town Engineer	1	1	1	1
Assistant Town Engineer	0	0	0	0
Part-time Conservation Agent	0	0	0	.5
Administrative Assistant	1	1	1	1
Part-time Board Secretaries for				
Conservation Commission	.13	.15	.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	3.23	3.23	3.73

***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)
 - Earthwork 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. During FY2013 a Part-time Conservation Agent is being added mid-year in order to free up engineering resources for DPW project support.



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.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
PLANNING DEPARTMENT						
Personnel Services						
51100 Town Planner Salary	76,097	78,412	81,469	83,107	38,083	84,769
51120 Administrative Assistant wages	23,447	24,419	25,150	25,621	11,739	26,073
51410 Longevity Pay	650	650	650	800	800	1,000
SUBTOTAL	100,193	103,481	107,269	109,528	50,622	111,842
Expenses						
52800 Contractual Services	200	0	-	200	0	200
53090 Advertising	685	1,441	404	1,560	87	1,560
53110 Printing	2,134	75	1,203	2,250	0	2,250
54290 Office Supplies	488	457	555	660	133	460
56820 Central MA RPC Assessment	3,294	3,376	3,376	3,377	3,376	3,411
57110 Travel/Mileage	1,479	1,602	1,533	1,775	782	1,980
57310 Dues	170	450	450	400	460	400
57320 Subscriptions	113	542	85	665	365	665
57340 Meetings	471	755	1,336	2,100	409	3,100
SUBTOTAL	9,033	8,697	8,942	12,987	5,613	14,026
TOTAL: PLANNING DEPARTMENT	109,227	112,178	116,211	122,515	56,235	125,868

* 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.

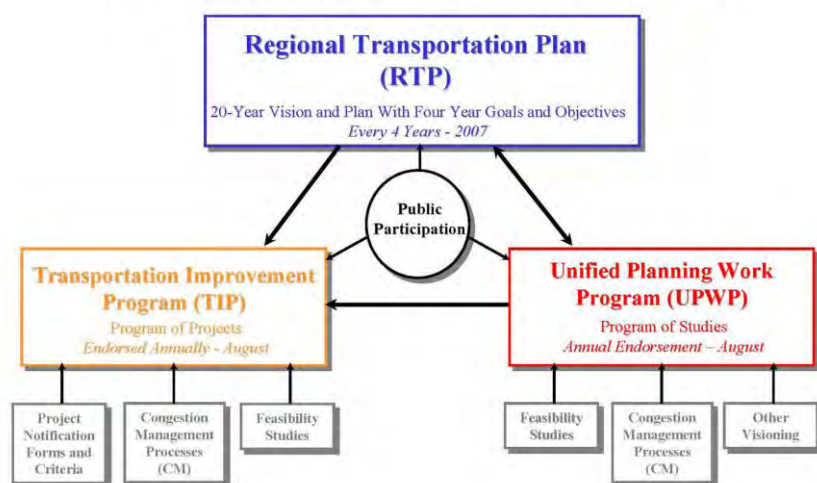
Central Massachusetts Metropolitan Planning Organization¹ (CMMPO)

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.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
ZONING BOARD OF APPEALS						
Personnel Services						
51140 Part-time Board Secretary wages	1,466	1,056	1,088	2,176	170	2,198
SUBTOTAL	1,466	1,056	1,088	2,176	170	2,198
Expenses						
53090 Advertising	870	1,926	1,280	2,200	284	2,200
53110 Printing	60	0	0	80	80	80
54290 Office Supplies	30	0	266	30	30	30
57310 Dues	59	0	0	60	0	60
57320 Subscriptions	0	0	0	0	0	0
57340 Meetings	290	0	0	300	0	300
SUBTOTAL	1,309	1,926	1,546	2,670	394	2,670
TOTAL: ZONING BOARD OF APPEALS	2,775	2,982	2,634	4,846	564	4,868



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, Earthwork 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, Earthwork Board, Groundwater Advisory Committee and the Recycling Committee.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
ENGINEERING						
Personnel Services						
51100 Town Engineer Salary	92,317	95,087	97,464	98,439	45,560	99,423
51120 Administrative Assistant wages	17,760	18,314	18,863	19,216	8,804	19,555
51410 Longevity Pay	350	350	350	550	550	550
SUBTOTAL	110,428	113,751	116,677	118,205	54,915	119,528
Expenses						
52800 Contractual Services	2,550	0	0	13,700	0	21,700
54290 Office Supplies	312	302	239	365	228	365
55980 Field Supplies	59	0	138	100	0	100
57110 Travel/Mileage	2,475	2,895	2,674	3,000	1,042	3,000
57310 Dues	166	231	176	360	181	360
57320 Subscriptions	0	96	0	150	0	150
57340 Meetings	210	60	815	600	60	600
SUBTOTAL	5,772	3,585	4,043	18,275	1,511	26,275
TOTAL: ENGINEERING	116,200	117,336	120,719	136,480	56,426	145,803



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.² This 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.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
CONSERVATION COMMISSION						
Personnel Services						
51120 Administrative Assistant wages	5,803	6,105	6,287	6,406	2,935	6,518
51220 Part-time Conservation Agent	0	0	0	0	0	13,000
51140 Part-time Board Secretary wages	5,408	5,839	6,701	7,084	2,997	7,141
SUBTOTAL	11,211	11,944	12,988	13,490	5,932	26,659
Expenses						
52800 Contractual Services	0	0	0	0	0	0
53090 Advertising	590	579	497	1,200	311	1,200
53110 Printing	0	0	0	400	0	400
54290 Office Supplies	16	13	266	100	50	100
55980 Field Supplies	0	0	0	100	0	100
57310 Dues	449	483	518	550	533	585
57340 Meetings	380	1,470	190	1,540	0	1,540
57840 Conserv. Property Maintenance	0	1,000	1,500	2,500	0	8,500
SUBTOTAL	1,435	3,545	2,971	6,390	894	12,425
TOTAL: CONSERVATION COMMISSION	12,646	15,489	15,960	19,880	6,826	39,084

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.



Earthwork Board

The Earthwork 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 Earthwork 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 Earthwork Board conducts hearings and issues permits for the removal of earth material from any land not in public use in accordance with Town Bylaws.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
EARTHWORK BOARD						
Personnel Services						
51140 Part-time Board Secretary wages	1,456	1,445	1,441	1,495	753	1,511
SUBTOTAL	1,456	1,445	1,441	1,495	753	1,511
Expenses						
53090 Advertising	0	12	0	50	0	50
53110 Printing	0	0	0	0	0	50
57320 Subscriptions	0	0	0	100	0	100
SUBTOTAL	0	12	0	150	0	200
TOTAL: EARTHWORK BOARD	1,456	1,457	1,441	1,645	753	1,711



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, \$150,000 in April 2010 and \$52,000 in 2011 to NAHC, pursuant to the Community Preservation Act. Although the use of these funds is at the sole discretion of NAHC, the Town has entered into an agreement with NAHC to use these funds to renovate the former Senior Center building located on Centre Drive.



This Page Intentionally Blank

Public Safety

Section 3



This Page Intentionally Blank

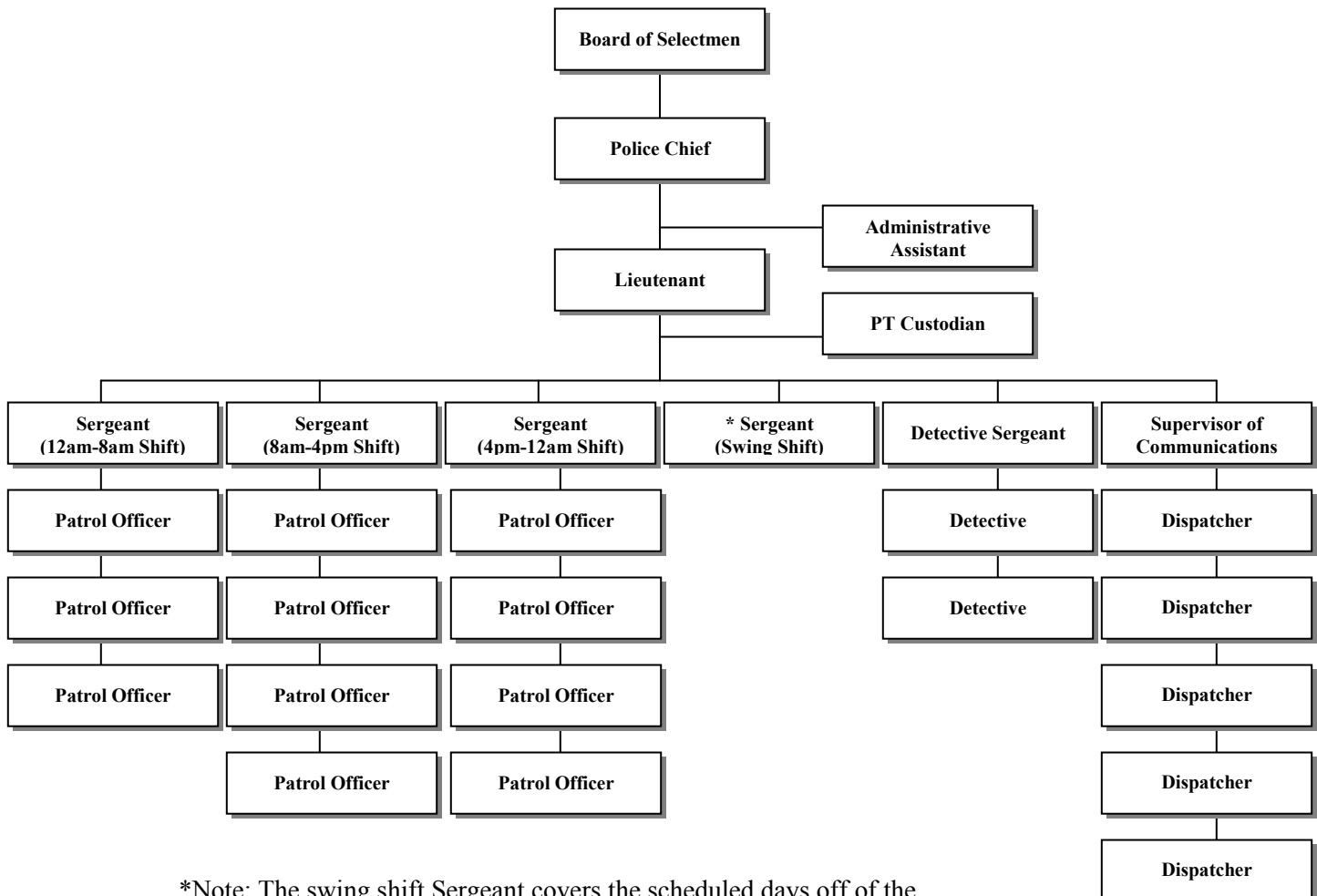


Police Department Mission Statement

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.
- 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 FY2012 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; and
 - e. Support town functions, such as Applefest, Big Truck Day, the Memorial Day Parade and Recreation Department functions.
2. Continued our proactive crime prevention patrols of buildings, parks, schools and related properties.
3. Continued our participation in the Massachusetts Police Accreditation Program, having won our fourth State Accreditation Award in January, 2012. As one of only thirty-two municipal police departments in Massachusetts achieving full accreditation, we are very proud of this coveted status.

Police Department FY2013 Goals and Initiatives

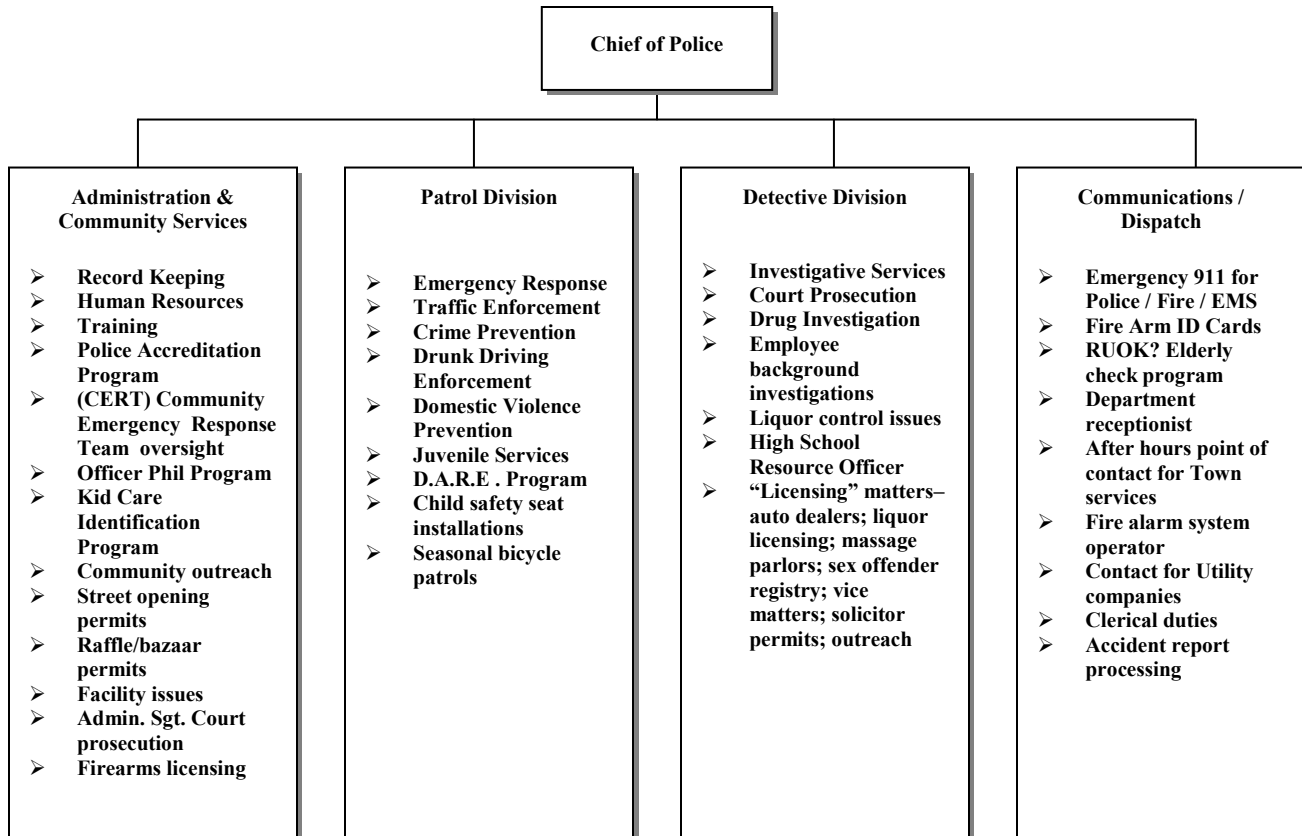
1. Maintain our high-profile involvement in Items 1a through 1e above.
2. Maintain our aggressive building and property check program.
3. Continue our participation in the Massachusetts Police Accreditation Program.
4. Continue implementation of our new professional development incentive program. This voluntary program facilitates professional development and career guidance through a structured, formalized program. By identifying personal development and career goals, we will strive to establish individual plans to facilitate achieving these goals. Visible recognition of progression towards achievement of goals and advancement is accomplished through the issuance of insignia indicating achievement of minimum standards and demonstration competencies in identified areas.
5. Continue our comprehensive review of the communications function, to include:
 - a. Policy and procedure review; and
 - b. Continued identification of areas in need of improvement, such as:
 - i. Basic, advanced and in-service training for communications personnel
 - ii. Review and/or revise communications performance standards
 - iii. Physical environment and improvements

Significant Budget Changes or Initiatives

Personnel wage adjustments include Patrol Officers (0%), Police Sergeants (0%) and Dispatchers (1%) in accordance with the approved collective bargaining agreements currently in place. Increases in overtime and equipment maintenance have been adjusted to better reflect historic levels. Overall, the FY2013 Police Department budget is up \$69,624, or 3.20%.



Police Programs and Services



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

	FY 2010	FY 2011	FY 2012	FY 2013
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

	FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
POLICE DEPARTMENT						
Personnel Services						
51100 Police Chief Salary	103,121	106,214	108,870	109,959	50,556	111,059
51120 Administrative Assistant Salary	50,070	51,574	52,868	53,397	24,547	53,931
51150 Sergeant Salaries	299,492	318,711	316,481	315,665	146,835	315,665
51160 Patrol Officer Salaries	635,545	675,945	673,057	683,363	307,651	691,203
51170 Dispatcher Salaries	223,780	236,757	228,606	285,391	129,494	294,443
51200 Detective Pay	15,794	7,899	8,527	8,559	4,263	8,559
51210 Lieutenant Salary	81,360	83,801	87,541	86,754	39,887	87,622
51300 General Overtime	93,787	88,260	124,661	88,000	64,093	102,235
51310 Dispatcher Overtime	30,493	19,719	31,752	19,500	15,556	27,320
51320 Christmas Overtime	1,897	2,225	2,212	2,277	0	2,277
51330 Dispatcher Christmas Overtime	699	709	778	558	0	564
51400 Longevity pay	10,150	10,350	7,950	7,900	8,250	8,700
51410 Dispatcher Longevity Pay	1,350	1,350	950	950	950	1,750
51420 Holiday Pay	42,947	45,233	44,924	45,790	20,656	46,145
51430 Dispatcher Holiday Pay	10,178	10,928	10,809	12,041	5,396	12,467
51440 Shift Differential	1,010	2,732	3,156	2,190	0	2,190
51450 Court Time	10,574	10,868	5,019	10,500	2,515	10,500
51460 Quinn Bill Educational Incentive	179,703	125,910	202,812	210,037	105,978	214,178
51920 Uniforms	30,374	30,190	32,171	33,925	22,914	33,925
51930 In-service Training	4,868	2,090	0	4,000	1,561	4,000
51940 Fitness Incentive	18,000	18,736	15,600	21,400	9,500	21,400
51950 Roll Call	0	395	0	0	0	0
51960 Dispatcher Differential	946	3,005	2,148	2,044	0	2,044
51965 Officer In Charge Pay	2,434	3,077	2,158	2,200	1,097	2,200
51970 Part-time Custodian	18,462	18,474	19,784	20,181	9,187	20,182
SUBTOTAL	1,867,034	1,875,149	1,982,832	2,026,581	970,884	2,074,559

Section 3-6

Police Department



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
POLICE DEPARTMENT						
Expenses						
52110 Utilities	29,581	33,309	31,512	32,613	13,992	32,613
52690 Radio Equipment Maintenance	2,800	4,421	3,016	3,000	4,239	3,000
52800 Contractual Services	13,674	13,188	15,808	15,000	7,273	15,800
53110 Printing	1,488	326	450	500	356	500
53190 Training	9,302	2,641	3,104	2,500	5,479	5,000
53410 Telephone	13,689	13,918	12,621	13,500	5,508	13,500
53420 Postage	540	560	328	500	0	500
53430 Radio Line Rentals	5,257	5,228	5,853	5,554	2,314	5,900
53720 Computer Services	20,342	16,050	18,840	20,000	17,072	25,000
54290 Office Supplies	2,729	2,925	2,722	2,000	1,115	2,000
54490 Repairs & Maintenance	4,825	15,966	7,725	10,000	5,887	10,000
54590 Custodial Supplies	5,896	7,790	4,910	5,500	3,451	5,500
54840 Oil	0	0	0	0	0	0
54850 Vehicle Maintenance	24,179	30,901	18,484	20,000	10,330	20,000
55970 Special Investigations	300	0	0	0	0	0
55980 Field Supplies	3,849	2,955	3,652	4,000	2,646	4,000
57810 Unclassified	1,412	2,355	1,098	1,500	813	1,500
58690 New Equipment	6,008	1,958	4,445	4,500	12,192	17,500
SUBTOTAL	145,870	154,489	134,567	140,667	92,668	162,313
TOTAL: POLICE	2,012,904	2,029,638	2,117,399	2,167,248	1,063,552	2,236,872



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.

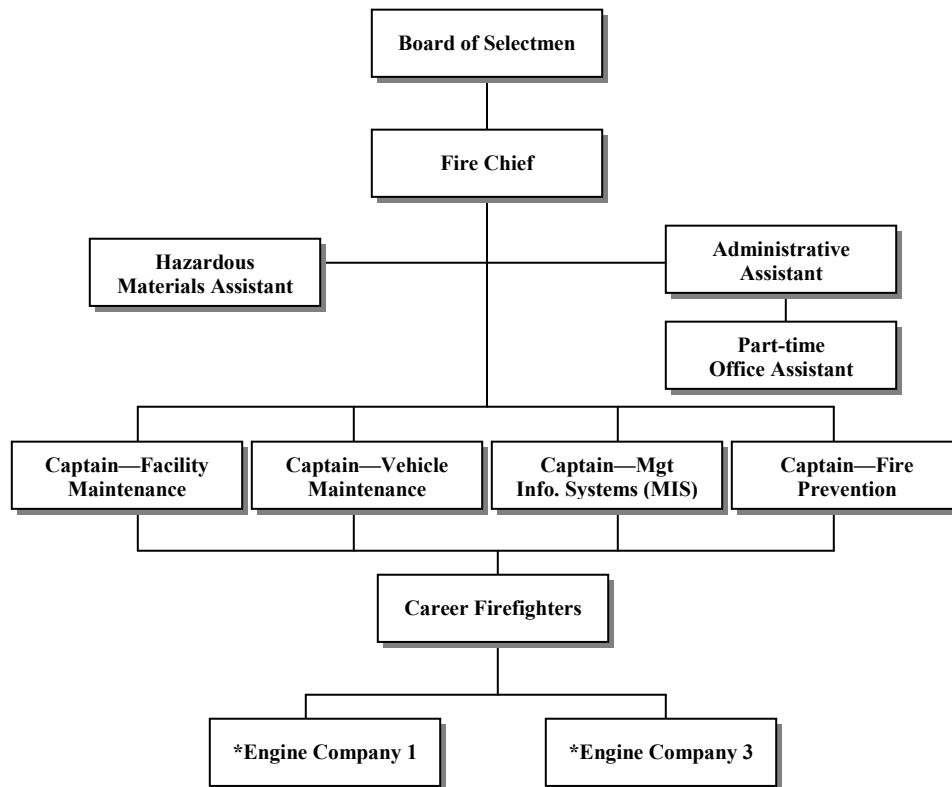
In keeping with the protection of life as our highest priority, the department is licensed by the state to operate its emergency medical ambulance service at the advance life support paramedic level. Through the department’s paramedics, intermediates, and EMTs, the highest standard of pre-hospital emergency 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 FY2012 Initiatives and Accomplishments

1. Maintained service levels and response times through a budget authorization of sixteen career positions or four full-time employees per shift.
2. Received two grants from the Massachusetts Emergency Management Agency. The first was an Emergency Management Performance Grant (EMPG) for the purchase of three portable generators and dewatering pumps, as well as an 800 MHz portable radio for mutual aid and disaster operations. The second was a Hazardous Materials Emergency Planning Grant (HMEP) for costs related to the operation of the Local Emergency Planning Committee.
3. Submitted two Assistance to Firefighters' Grants for vehicle replacement and firefighter operations. One was for the replacement of Engine Three, a 1982 pumper, and the other was for the replacement of wild land personal protective clothing. Unfortunately, the department was denied a 2011 grant for the replacement of Engine Three.
4. Received a 2011 Assistance to Firefighters' Grant for radio equipment to receive "Man Down" emergency radio signals and related equipment. Additionally, the department received grant funding through this program to equip all self-contained breathing apparatus with Pak Tracker technology. Upon emergency activation or on behalf of a motionless firefighter, this equipment sends out a unique radio signal which is detected and aids in the rapid location of an injured or distressed firefighter.
5. Exercised the Town's Comprehensive Emergency Management Plan through a table-top exercise in order to maintain Local Emergency Planning Committee certification. The drill, which conformed to the Department of Homeland Security's exercise objectives, revolved around a hazardous material scenario and severe winter weather.
6. Placed into service a 2011 four-wheel-drive diesel, crew cab pick-up truck to replace the 2005 Car Two. This vehicle is used for inspections and investigations, as the primary trailer tow vehicle, and as a paramedic chase vehicle for ambulance calls.
7. Continued to provide resources and assistance to the Boy Scouts of America's Explorer Fire Post 25.
8. The Massachusetts Department of Public Health's Office of Emergency Medical Services inspected and renewed the Department's license to operate two paramedic-advanced life support ambulances.

Fire Services FY2013 Goals and Initiatives

1. Advocate and communicate for the maintenance and increase of staffing given limited resources while recognizing the above-average service demand and anticipated service increases resulting from residential and commercial development from Avalon Bay, Northborough Crossing and town-wide growth.



2. Continue to explore and develop alternative funding sources for departmental operations and capital needs, as well as for life safety and fire prevention programs through private and public partnerships.
3. Continue to apply for Assistance to Firefighters' Grants and Staffing for Adequate Fire and Emergency Response (SAFER) grants for supplemental full-time career staffing.
4. Support the department's Explorer Scout Program as this group serves as a pool for future call firefighters.
5. Through Massachusetts Fire District Fourteen and the Massachusetts Department of Fire Services, address mutual aid needs, specialized equipment, and training to augment departmental incidents and hazardous materials responses.
6. Continue to utilize a customer service evaluation tool for direct customer input as to the Department's performance as well as to meeting our customers' expectations.
7. Continue to foster open and positive communication and interaction with all of the Department's members with an emphasis on their contribution and on firefighter safety and survival.
8. Renewed emphasis on participation and acknowledgment of the value of our call firefighters and expansion of call department membership in conformance with unfunded state physical and medical mandates.

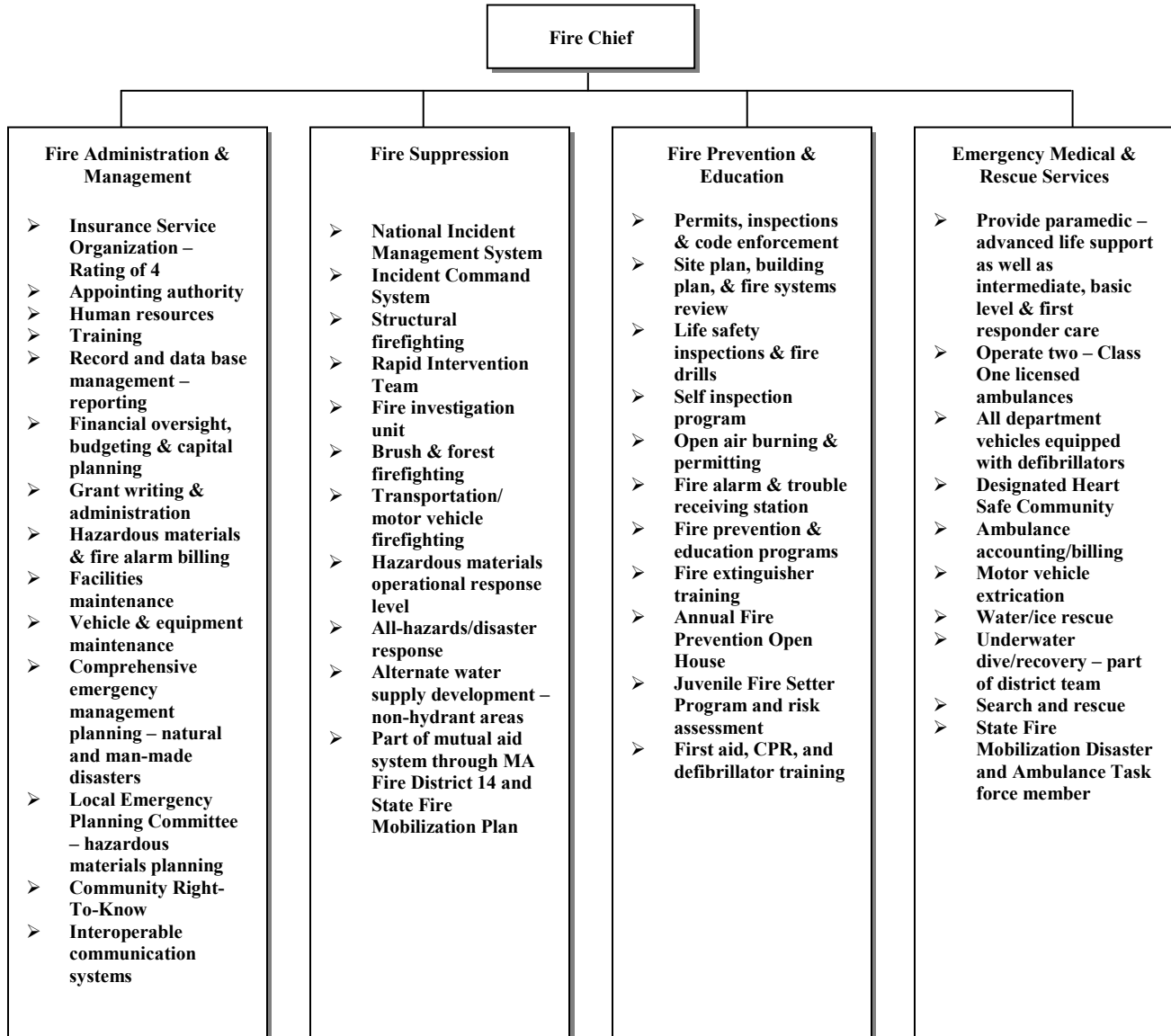
Significant Budget Changes or Initiatives

The budget as presented includes a 1% wage increase for all Union and non-union personnel in FY2013. FY2013 expenses include the restoration of \$25,000 to the capital outlay line in order to return to purchasing hose and protective gear as an operational expense rather than funding through the capital budget. During FY2010 the General Fund portion of the Hazardous Materials position was temporarily shifted to the Hazardous Materials Revolving Fund. The FY2013 budget returns that portion of the Hazardous Material Assistant position to the General Fund because the position can no longer be sustained through the revolving fund.

With regard to the Fire Station itself, there is a project placeholder in the FY2014/2015 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 2012 to better define the proposed project location, design and cost estimates.



Fire Programs and Services



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

	FY 2010	FY 2011	FY 2012	FY 2013
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	0.80	0.76
Total Full-time Equivalent	19.73	19.73	19.71	19.67

***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 11 active Call Firefighters that work on an as-needed basis. During FY2013 Call Firefighter wages average \$21.83/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 0.76 FTEs ($\$34,582 / \$21.83 = 1,584$ hrs per year/ 52 weeks = 30.46 hrs per week / 40hrs per week = .76 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 a combination of the Fire Department budget, 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

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
FIRE DEPARTMENT						
Personnel Services						
51100 Fire Chief's Salary	99,587	103,602	106,192	108,327	49,723	110,493
51110 Administrative Salary	43,723	45,036	46,388	46,844	21,717	47,138
51120 Firefighters Salaries	714,093	792,699	820,590	853,665	377,375	859,643
51130 Part-time Salaries	6,237	6,462	6,624	6,763	3,127	6,732
51132 Hazardous Materials Assistant	5,904	0	0	0	0	7,000
51230 Call Firefighter wages	10,933	6,111	5,754	13,833	3,101	13,833
51300 Overtime	89,706	77,635	79,989	85,455	45,072	86,703
51410 Longevity Pay	5,550	5,800	10,050	10,950	10,050	11,150
51420 Fire Holiday Pay	17,551	15,302	15,409	16,204	7,003	16,414
51460 Educational Incentive	5,450	5,888	6,750	7,625	1,713	8,625
51930 In-service Training	15,736	17,475	14,574	17,431	8,774	17,560
51940 Participation Incentive	301	303	204	1,000	0	1,000
SUBTOTAL	1,014,771	1,076,313	1,112,525	1,168,097	527,654	1,186,291

Section 3-14

Fire Department



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
FIRE DEPARTMENT						
Expenses						
52110 Utilities	25,750	21,181	23,445	29,500	7,846	29,500
52410 Equipment Maintenance	16,056	16,266	19,821	18,500	10,063	18,500
53110 Printing	204	119	332	500	0	500
53190 Training Expenses	1,027	271	559	750	0	750
53210 Fire Prevention Education	464	134	715	1,850	0	1,850
53410 Telephone	2,676	2,453	2,512	2,950	2,309	2,950
53420 Postage	892	824	574	1,200	249	1,200
53720 Computer Services	8,599	11,460	11,101	11,622	8,480	11,622
54290 Office Supplies	1,509	1,022	1,381	1,755	590	1,755
54490 Building Maintenance	9,275	10,108	6,231	9,000	5,121	9,000
54590 Custodial Supplies	2,879	2,325	2,296	2,000	511	2,000
55130 Uniforms	18,809	13,515	14,814	18,700	2,691	18,700
55990 Materials & Supplies	10,647	14,894	11,196	11,900	5,394	11,900
57110 Travel / Mileage	646	167	155	490	2	490
57310 Dues	2,375	2,049	2,929	2,565	1,350	2,565
57320 Subscriptions	1,026	1,055	1,063	1,103	80	1,103
57340 Meetings	291	109	153	604	63	604
57360 NFPA 1500 Compliance	1,436	1,606	2,853	1,625	896	1,625
58530 Capital Outlay	1,727	14,032	2,902	2,500	0	25,000
SUBTOTAL	106,287	113,589	105,031	119,114	45,644	141,614
TOTAL: FIRE	1,121,058	1,189,901	1,217,556	1,287,211	573,298	1,327,905

In addition to the total General Fund budget above of \$1,327,905 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 FY2013 this amount is \$77,447. 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 \$1,894,385.



Fire Department

Section 3-15

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
EMERGENCY PREPAREDNESS						
Personnel Services						
51130 Stipend for EP Director	5,000	5,000	5,125	5,500	0	5,500
51130 Stipend for Shelter Coordinator	0	0	0	0	0	500
SUBTOTAL	5,000	5,000	5,125	5,500	0	6,000
Expenses						
52690 Equipment Maintenance	0	0	0	0	0	0
53410 Telephone	0	0	0	0	0	0
55980 Field Supplies	500	0	391	1,250	1,250	1,250
58690 New Equipment	0	0	0	0	0	0
SUBTOTAL	500	0	391	1,250	1,250	1,250
TOTAL: EMERGENCY PREPAREDNESS	5,500	5,000	5,516	6,750	1,250	7,250

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 Massachusetts State Emergency Response Commission (SERC). Re-Certification was issued on 9/11/09. Certification is given for a three year period.

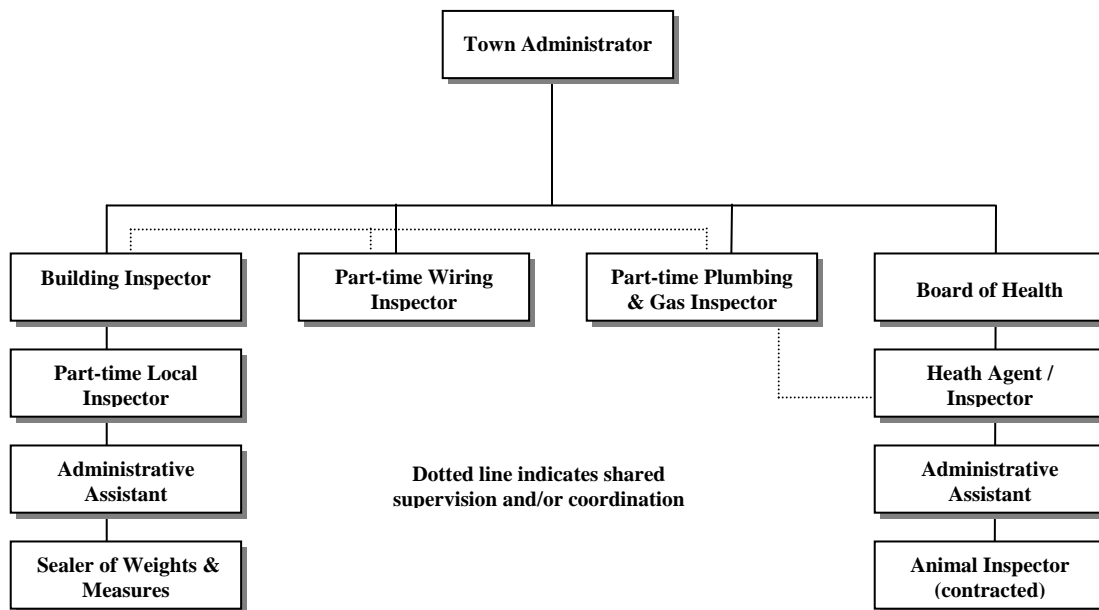
During FY2013 an emergency Shelter Coordinator stipend was added to the budget.



Building Department Mission Statement

The Building Department is responsible for administering and enforcing Massachusetts Codes regarding building, sheet metal, 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 FY2012 Initiatives and Accomplishments

1. The Building Department continues to work with the developers of Northborough Crossing to review plans, issue permits and conduct inspections.
2. Coordinated inspections for several large developments in Town including four mixed-use buildings at 269 West Main Street; a 12-unit townhouse dwelling at Westbrook Road; the Fed Ex freight terminal on Bartlett Street; and a residential sub-division off of Bartlett Street.
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 2013 Goals and Initiatives

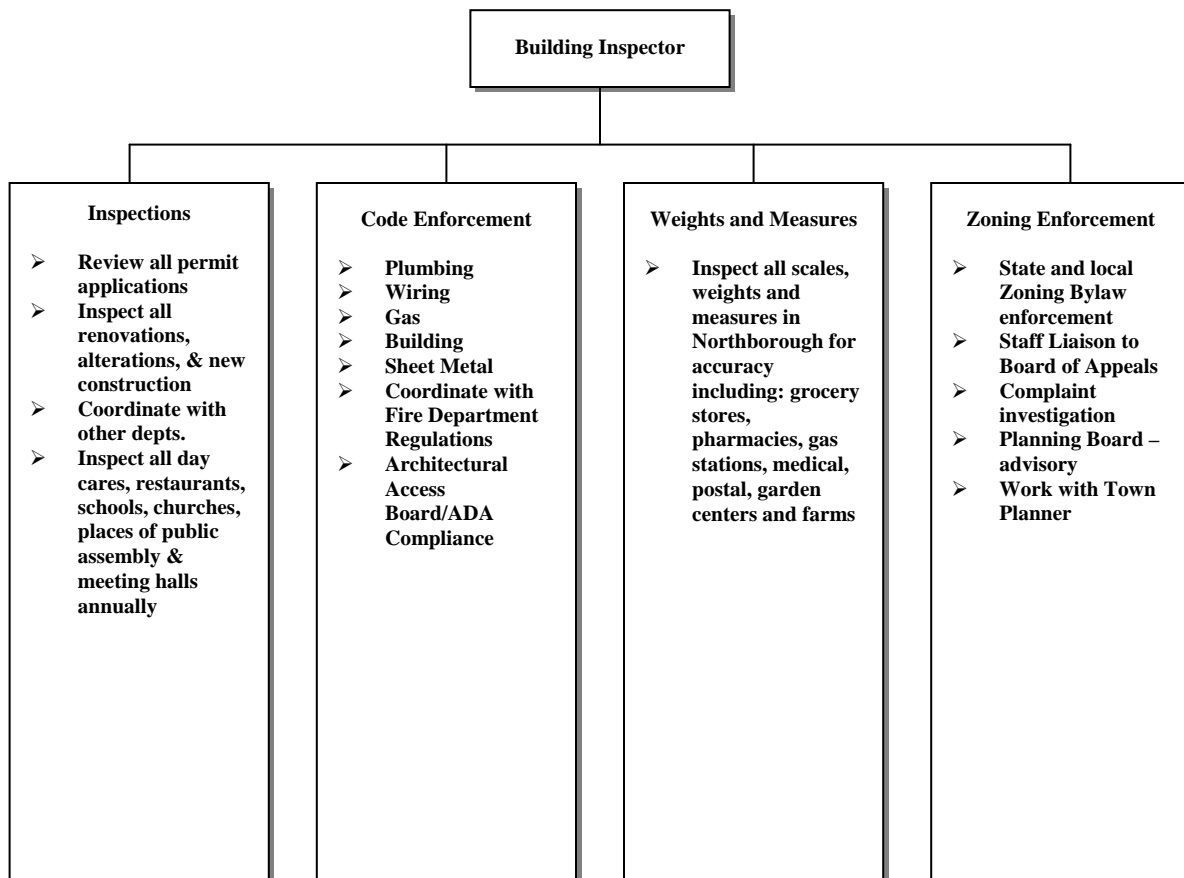
1. The Building Department will, to the best of its ability, maintain public safety and ensure compliance with all applicable codes and by-laws.
 - Provide careful review all permit applications
 - Inspect building, electrical, plumbing, gas and sheet metal projects in a timely manner
 - Enforce state and 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 FY2013. The budget reflects a 1% wage increase for both union and non-union personnel. During FY2013 the Town increased the Sealer of Weights and Measures budget from \$4,000 to \$8,000 and is reviewing the possibility of contracting out for these services, which have increased dramatically due to the opening of the 640,000 square foot shopping plaza know as Northborough Crossing.



Building Department Programs and Services



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

	FY 2010	FY 2011	FY 2012	FY 2013
Position	FTE	FTE	FTE	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	TBD
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 has historically been a stipend position at \$4,000 annually. During FY2013 the Town increased the budget to \$8,000 and is reviewing the possibility of contracting out for these services, which have increased dramatically due to the opening of the 640,000 square Northborough Crossing shopping plaza.

Section 3-20

Building Department



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
BUILDING INSPECTOR						
Personnel Services						
51100 Building Inspector Salary	70,980	73,843	75,689	77,975	35,381	79,149
51120 Part-time Local Inspector wages	18,540	19,115	21,073	25,238	12,261	25,684
51130 Part-time Salaries	0	0	0	0	0	0
51140 Administrative Assistant	47,852	49,705	51,187	52,143	23,893	53,061
51220 Temporary Part-time Wages	0	0	0	0	0	0
51410 Longevity Pay	700	700	775	850	850	1,000
SUBTOTAL	138,072	143,363	148,725	156,206	72,386	158,894
Expenses						
53190 Training	100	206	110	600	0	600
54290 Office Supplies	205	359	442	350	0	350
54850 Vehicle Maintenance	449	1,081	1,210	1,000	112	1,000
55980 Field Supplies	0	0	0	100	0	100
57110 Travel / Mileage	633	420	544	600	395	600
57310 Dues	165	165	165	165	190	190
57340 Meetings	176	55	25	500	30	500
58690 New Equipment	0	0	0	0	0	0
SUBTOTAL	1,728	2,285	2,496	3,315	726	3,340
TOTAL: BUILDING INSPECTOR	139,800	145,648	151,221	159,521	73,112	162,234



Building Department

Section 3-21

	FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
GAS INSPECTOR						
Personnel Services						
51130 Gas Inspector Salary	8,995	9,265	9,496	9,592	4,796	9,688
SUBTOTAL	8,995	9,265	9,496	9,592	4,796	9,688
Expenses						
53190 Training	80	30	0	125	0	125
54290 Office Supplies	0	105	256	155	0	155
57110 Travel / Mileage	407	426	424	485	577	500
57310 Dues	140	125	75	90	15	90
58690 New Equipment	80	0	100	100	0	100
SUBTOTAL	707	686	855	955	592	970
TOTAL: GAS INSPECTOR	9,702	9,950	10,351	10,547	5,387	10,658

Section 3-22

Building Department



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
WIRING INSPECTOR						
Personnel Services						
51130 PT Wiring Inspector Wages	11,128	12,715	14,775	15,701	8,320	15,975
51140 PT Permanent wages	639	467	299	1,000	212	1,000
SUBTOTAL	11,767	13,182	15,074	16,701	8,531	16,975
Expenses						
53190 Training	0	0	199	250	0	250
54290 Office Supplies	271	260	434	550	0	550
57110 Travel / Mileage	1,202	1,507	1,597	1,836	327	2,000
SUBTOTAL	1,473	1,767	2,230	2,636	327	2,800
TOTAL: WIRING INSPECTOR	13,240	14,949	17,304	19,337	8,858	19,775



Building Department

Section 3-23

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
SEALER OF WEIGHTS & MEASURES						
Personnel Services						
51130 Sealer Salary	4,000	4,000	4,000	4,000	1,307	0
SUBTOTAL	4,000	4,000	4,000	4,000	1,307	0
Expenses						
52800 Contractual Services	0	0	0	0	0	8,000
53190 Training	0	0	0	100	0	0
54290 Office Supplies	54	115	51	350	0	0
57110 Travel / Mileage	485	528	528	528	313	0
57310 Dues	0	0	0	50	0	0
SUBTOTAL	539	643	579	1,028	313	8,000
TOTAL: SEALER WEIGHTS/MEASURES	4,539	4,643	4,579	5,028	1,621	8,000



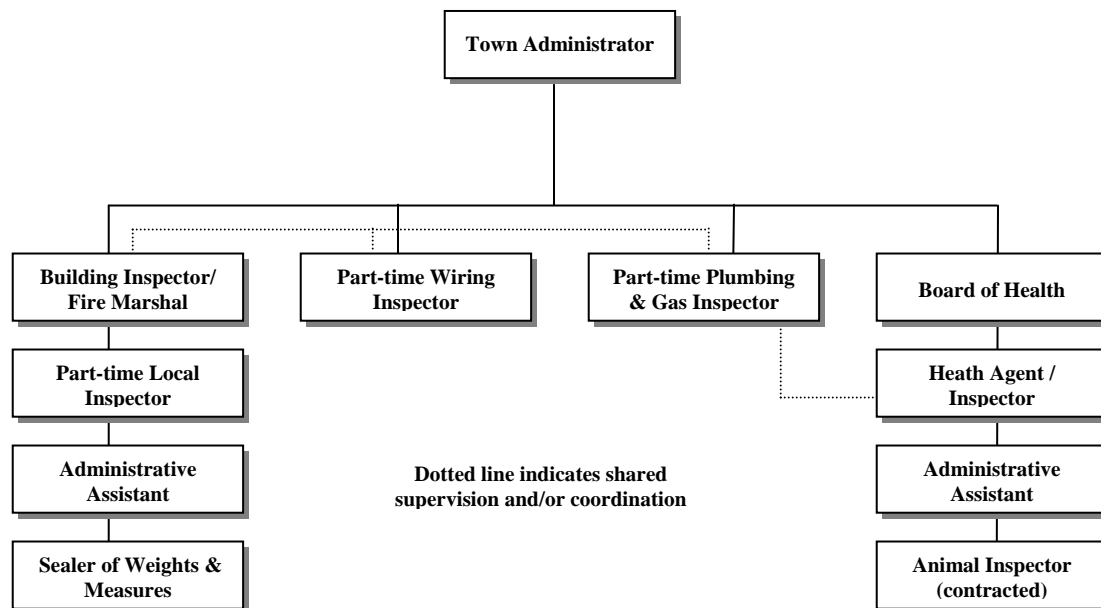
Health Department Mission Statement

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 FY2012 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. With this funding the group was able to accomplish the following: Ten community gardens were planted, gardens were also planted at each elementary school; A pilot program called Take 10! was started at the Zeh Elementary School; Catch Kids Club (CKC) was initiated by the afterschool program Northborough Extended Day Program or NEDP; Building a Healthy Northborough community newsletter was developed and first edition was distributed in Town; and walking maps are in the process of being created with the assistance of WalkBoston.
2. Reviewed plans, observed construction and actively inspected new food service establishments at Northborough Crossing and other locations throughout Town. (i.e. Wegmans, BJ's, Freshway Pizza)
3. Conducted outreach and educational efforts to promote awareness of seasonal flu and how to reduce transmission. Held flu clinics to vaccinate the public.
4. Continued wellness promotion through Employee Health & Wellness Committee.
5. Conducted compliance inspections of new State Allergen Regulation regarding protection of those with celiac disease or life threatening allergies in all licensed food establishments.
6. Developed emergency response plans to incorporate drive through vaccination clinic.
7. Developed procedures and protocol with all food establishments as to necessary protective measures required in the event of a power outage.

Health Department FY2013 Goals and Initiatives

1. Further develop plans for the Emergency Dispensing Site, including new potential 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. The Town has recently been awarded with a second year implementation grant from the MetroWest Community Health Care Foundation which will extend phase II of its Childhood Obesity Initiative called “Building a Healthy Northborough” by an additional year. 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. Through the continuation of this initiative an additional \$60,600 was awarded to fund the following



initiatives: Work with restaurants and food establishments to improve the availability and identification of healthful foods. The Health Agent will work with a nutritionist and a graduate student to assist food establishments in offering healthy meal options and/or reduce sodium content, serving sizes and incorporate a healthy balance of fruits/vegetables and low-fat foods in some menu items. In addition the number of community gardens will be increased on Valentine Road. Also increased and continued community collaboration will continue, especially building on the growing enthusiasm brought forward through the elementary schools.

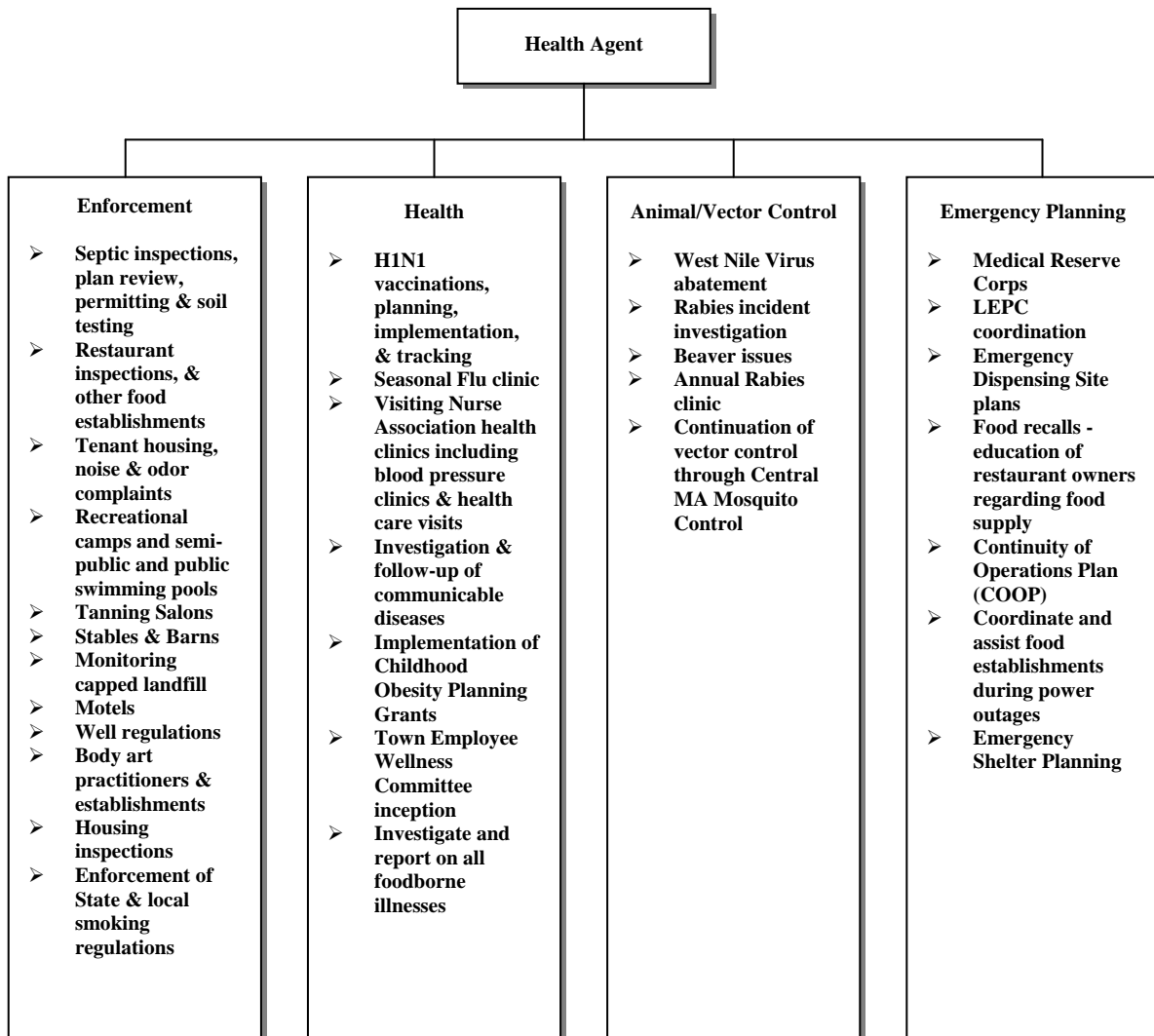
4. Continue to assist new and existing home owners and business establishments with compliance of codes including food, septic, well and tobacco regulations.
5. Continue to build relationship with schools to monitor and effectively track absenteeism.
6. Work with other departments to develop and establish a shelter operations plan and procedure.

Significant Budget Changes or Initiatives

There are no significant budgetary changes planned during FY2013. The budget reflects a 1% wage increase for both union and non-union personnel. The Nursing Service line remains 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 2010 FTE	FY 2011 FTE	FY 2012 FTE	FY 2013 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.



Health Department

Section 3-29

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
HEALTH DEPARTMENT						
Personnel Services						
51100 Health Agent	51,207	60,581	60,417	63,972	23,492	65,878
51120 Part-time Animal Inspector	6,000	1,500	0	0	0	0
51130 Part-time Plumbing Inspector	11,220	12,001	17,874	14,288	17,346	14,417
51140 Administrative Assistant wages	47,852	49,705	51,187	52,143	23,893	53,061
51220 Temporary wages	0	0	0	0	0	0
51410 Longevity Pay	200	200	275	350	350	550
SUBTOTAL	116,479	123,987	129,753	130,753	65,081	133,906
Expenses						
52800 Contractual Animal Inspector	0	1,636	2,260	6,000	600	6,000
53090 Advertising	118	0	55	250	0	250
53170 Testing	2,268	0	240	12,480	0	12,480
53990 Nursing Services	5,325	4,326	4,035	6,500	2,025	6,500
54290 Office Supplies	584	593	825	690	249	1,740
57110 Travel / Mileage	1,686	2,763	2,645	2,958	1,224	4,299
57310 Dues	160	361	221	492	281	492
57320 Subscriptions	0	0	0	0	0	0
57340 Meetings	113	145	100	500	0	500
57810 Unclassified	57	103	422	100	23	100
58690 New Equipment	0	16	71	200	0	200
SUBTOTAL	10,310	9,944	10,873	30,170	4,401	32,561
TOTAL: HEALTH DEPARTMENT	126,789	133,931	140,626	160,923	69,483	166,467



Animal Control Services Statement

Animal Control has primary responsibility for the enforcement of Chapter 2-24 of the Town Code—Dogs and Other Animals, as amended, and Massachusetts General Laws, Chapter 140—Licenses, Sections 136A through 175 (regulation of dogs and other animals) as amended, and any other applicable laws or regulations. Duties include, but are not limited to licensing enforcement; enforcing state and local leash laws and regulations; investigating complaints relative to alleged violations of laws, bylaws and regulations related to domesticated animals; and participating in any hearings before the Board of Selectmen and/or prosecution of cases in Court as needed. Animal Control is also responsible for assisting with general animal-related situations, as appropriate.

Significant Budget Changes or Initiatives

During FY2012 the Dog Officer position became vacant due to a retirement. As vacancies occur, every effort is made to re-examine positions with a view toward restructuring, reducing or eliminating the position, where possible. In reviewing the service demands for the Dog Officer, as well as the full cost of providing the service, the Town decided to investigate outsourcing the duties in lieu of hiring another full-time employee.

After completing a detailed financial analysis of the alternatives, it was determined that contracting out for the service could reduce direct and indirect budgetary costs from approximately \$120,000 per year down to about \$40,000. This analysis included a review of the direct departmental expenses such as wages and the rental of kennel facilities, and also included costs accounted for elsewhere in the budget, such as health insurance, pension costs, vehicle gasoline and insurance. Some of the potential savings are also derived through cost avoidances, such as eliminating the need to purchase and maintain a new vehicle.

It should be noted that the previous year's FY2012 Dog Officer budget was funded through a combination of General Fund Revenues (taxes) and Revolving Fund Revenues (fee & fine revenues). The combination of these two sources of funding represented most of the direct resources expended for the Dog Officer service. In FY2013 the fees from dog licenses and fines will come into the General Fund as revenue that will largely off-set the anticipated costs of an Animal Control services contract. In FY2013 those revenues are projected to be \$35,000.

At the time of this writing the Town is in the process of conducting a formal "Request for Proposals" (RFP) process in compliance with MGL c. 30B procurement laws. The goal of the RFP is to enter into a multiple-year contract for both Animal Control and Animal Inspector services. Animal Inspector services, currently a contracted position, is provided for in the Health Department budget.



Animal Control				
Personnel Summary				
Position	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE	FY 2013 FTE
Dog Officer	1	1	1	Contracted
Assistant Dog Officer	as needed	as needed	as needed	Contracted
Total Full-time Equivalent	1	1	1	0

*Personnel Explanation:

- FY2013 Personnel Table Explanation: During FY2012 the position of Dog Officer became vacant due to a retirement. The Town is in the process of contracting out these services for FY2013 in lieu of hiring another full-time employee.

Prior to the planned outsourcing of the Animal Control services in FY2013 there were two on-call Assistant Dog Officers that served on an “as-needed” basis to cover absences of the full-time Dog Officer. The costs associated with the Assistant Dog Officers were funded through the Dog Officer’s Revolving Fund where dog license fees and related fines are collected and deposited for use in support of the service.

Section 3-32

Animal Control



	FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
ANIMAL CONTROL						
Personnel Services						
51130 Dog Officer Salary (35hrs/wk)	49,296	51,284	52,563	53,017	25,682	0
51410 Longevity Pay	950	950	950	950	0	0
SUBTOTAL	50,246	52,234	53,513	53,967	25,682	0
Expenses						
51920 Uniforms	0	0	0	0	0	0
52800 Contractual ACO Services	0	0	0	0	8,750	40,000
SUBTOTAL	0	0	0	0	8,750	40,000
TOTAL: ANIMAL CONTROL	50,246	52,234	53,513	53,967	34,432	40,000

The FY2013 Animal Control budget reflects the change from using Town employees to contracting out for the service.

The FY2012 and earlier Dog Officer budgets above reflect only the General Fund contribution, which supported 35 hours per week of the Dog Officer's salary. An additional 5 hours per week of the salary was paid directly from the Dog Officer's Revolving Fund along with various other departmental expenses.

Dog Officer's Revolving Fund Explanation:

The Revolving Fund is where dog license fees and related fines are collected and deposited for use in support of the service. The full FY2012 budget for the Dog Officer service was 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 (exclusive of benefits and other indirect expenses accounted for elsewhere in the Town Budget).

During FY2013 the fees from dog licenses and fines will come into the General Fund as a transfer to off-set the costs of the Animal Control services contract. In FY2013 the revolving fund revenues are projected to be \$35,000 and the estimated cost for contractual Animal Control services is \$40,000, resulting in a net tax-supported service expense of just \$5,000.

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 original 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

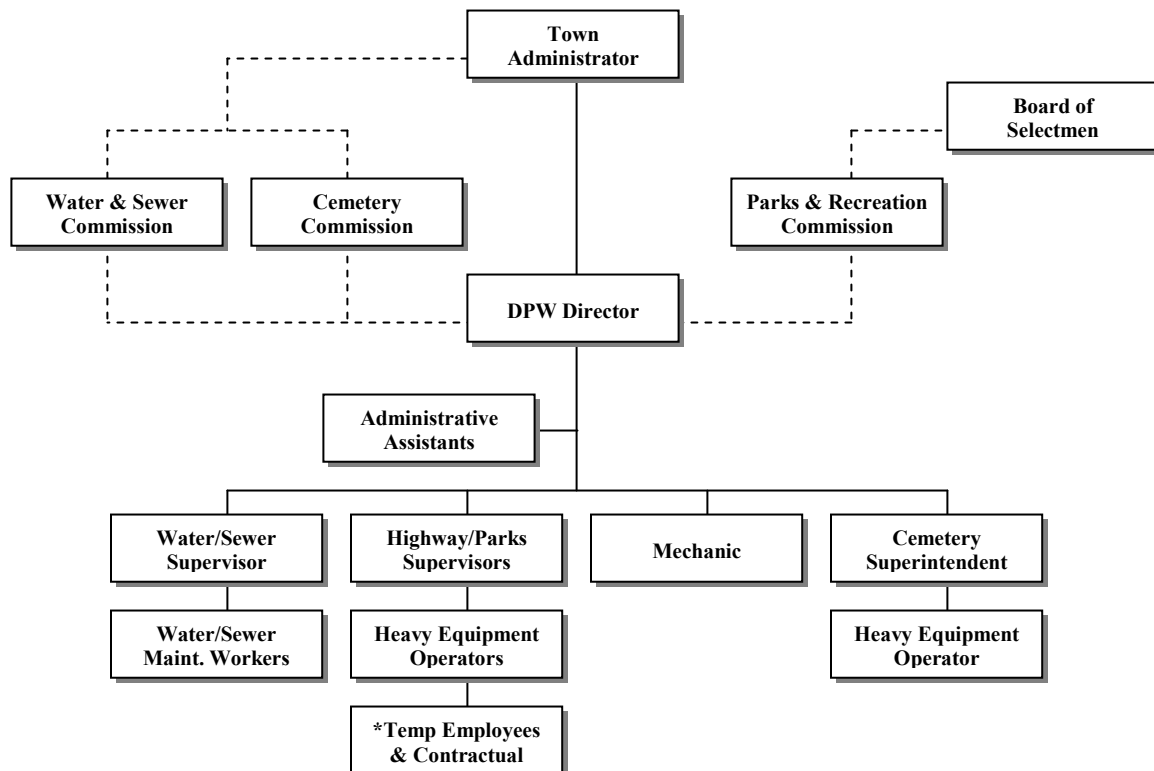
The Parks & Recreation Commission consists of five members appointed by the Board of Selectmen for three-year terms. The Commission is responsible for the development of policies, rules and regulations pertaining to the care, superintendence and management of the public recreation programs, facilities 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 FY2012 Initiatives and Accomplishments**

1. On August 28, 2011, Tropical Storm Irene's heavy rains and high winds resulted in significant storm damage throughout Town, including dozens of downed trees and power lines, widespread power outages and localized flooding. During the storm and in its aftermath, DPW staff were dispatched throughout Town to remove downed trees and clear debris blocking roadways. Debris was also cleared from the Town's right of way and public lands. Brush drop off at the Highway Garage was expanded to allow residents greater opportunity to dispose of debris removed from their yards. During the storm, staff assisted public safety personnel with road closures and worked to clear debris from overflowing catch basins.
2. On October 29, 2011, high winds and heavy wet snow on trees that had not yet lost their leaves resulted in unprecedented tree damage throughout Town and a Town-wide, multi-day power outage. DPW staff initially engaged in snow removal operations then quickly switched to debris removal. In the storm's immediate aftermath, DPW staff, crews from the State Department of Conservation and Recreation, National Grid tree crews, and hired contractors worked to open roadways blocked by fallen trees and clear trees from power lines in order to restore power. The Town's bucket truck, authorized by Town Meeting in April 2009 and purchased during fiscal 2010, was in use virtually daily from the time the storm ended through early January to take down the most severely damaged trees within the right of way as well as to remove dangerous "hangers" (damaged limbs) hanging precariously over sidewalks and roadways. The residential brush drop off at the Highway Garage was again expanded, with brush drop off allowed during the weekday in addition to extra Saturday drop offs. The approximately 4,300 cubic yards of brush that accumulated at the Highway Garage from late summer through winter reflected both deposits from residents' private properties as well as the DPW's removal of debris from public property. DPW staff also helped set up the Town's emergency shelter which was opened at the Senior Center following the storm.
3. Favorable weather conditions during the 2011-2012 winter months allowed DPW staff to clear a significant backlog of tree removal work (approximately 100 trees) that had accumulated in recent years. Given the demands on the staff during the spring and fall, tree work is typically completed during the late fall to early winter timeframe. In recent years though, due to limited resources and early winters, the Town has been unable to keep pace with the growing list of trees in need of removal. Trees that are identified as unhealthy and in need of removal are marked before a public hearing is held pursuant to Chapter 296 of the Acts of 1908.
4. Staff performed regular maintenance operations (mowing, weeding, trimming, pruning, and re-setting of grave markers) at the cemetery located on Howard Street in addition to laying out plots and preparing plots for burials.
5. The following items, presented as part of the FY2012 Capital Budget and approved by Town Meeting in April 2011, were purchased: a highway garage truck lift, a Ford F-350 one-ton pick-up truck, a Ford F-550 pick-up and a street sweeper. The DPW's mechanic performs regular maintenance and repair work on all new equipment and also keeps many of the pieces of heavy equipment in the DPW's aging fleet in service well beyond their estimated useful lives. The Department continues to identify and plan for future equipment needs through the Town's Capital Improvement Plan (CIP).



6. DPW staff, aided by temporary seasonal staff, performed regular grounds and equipment maintenance at the Town's parks, including Ellsworth-McAfee and Assabet Parks. Staff repaired damaged playground equipment and repaired structures damaged by vandalism.
7. In collaboration with the "Building a Healthy Northborough Initiative," DPW staff assisted with the construction of 20 community garden plots on Valentine Road.
8. The DPW staff also assisted the Northborough K-8 Schools with snow removal, grounds maintenance and tree removal.
9. Completed numerous catch basin and drainage repairs/installations, including projects on Pleasant, South, Davis, Ball and Newton Streets.
10. Staff attended risk management training programs offered free of charge by the Town's property, casualty and liability insurer. Training topics have included bucket truck safety, tree removal safety, trench safety and driver training. As a result of staff participation in these safety programs, the Town's insurance premiums are discounted annually.
11. Repair and replacement of street and traffic signs, including continued installation of new (maroon) street signs to comply with federal mandates. In FY2012, 112 new street signs were installed; replacement is expected to be completed in FY2013. Re-painting of crosswalks and centerlines throughout Town is performed annually.
12. Conducted snow plowing and/or sanding operations for all snow events occurring between October 29th and March 5th.

Water and Sewer Division:

1. Quarterly billing has been successfully implemented, which required two additional meter readings per year.
2. 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. The project will be under independent review during FY2013 given recent changes to DEP regulations and potential cost implications.
3. Inspected all utility installations at the ongoing Northborough Crossing retail development.

Department of Public Works FY2013 Goals and Initiatives

1. Develop a Town-wide roadway inventory in order to effectively prioritize future paving projects.
2. Eliminate the backlog of trees approved for removal from the Town's right of way.



3. Finalize installation of street signs to comply with federal standards.
4. 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 the track has deteriorated over time, and there is significant crumbling and pitting of the pavement. In conjunction with this project, staff will continue replacement of guard rails at Ellsworth-MacAfee Park.
5. Continue efforts to move burial data to a searchable electronic format.
6. Bring the Lyman Street Well back online. In June 2011, during routine bacteria sampling, the Lyman Street well tested positive for E. Coli contamination in the raw water sample from the well, at which time the well was taken offline. (Note: no bacteria was found in any sampling taken from the system.) A proposed upgrade was submitted to the Department of Environmental Protection to construct a new building near the well to house a calcium hypochlorite tablet feed system and raw water sample port. The necessary upgrades to the well have been designed and approved by DEP.
7. Perform an in-depth cost-benefit analysis regarding the viability of the Brigham Street well project.
8. Replace and upgrade radio-read water meters.
9. 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.
10. Begin updating water and sewer regulations.

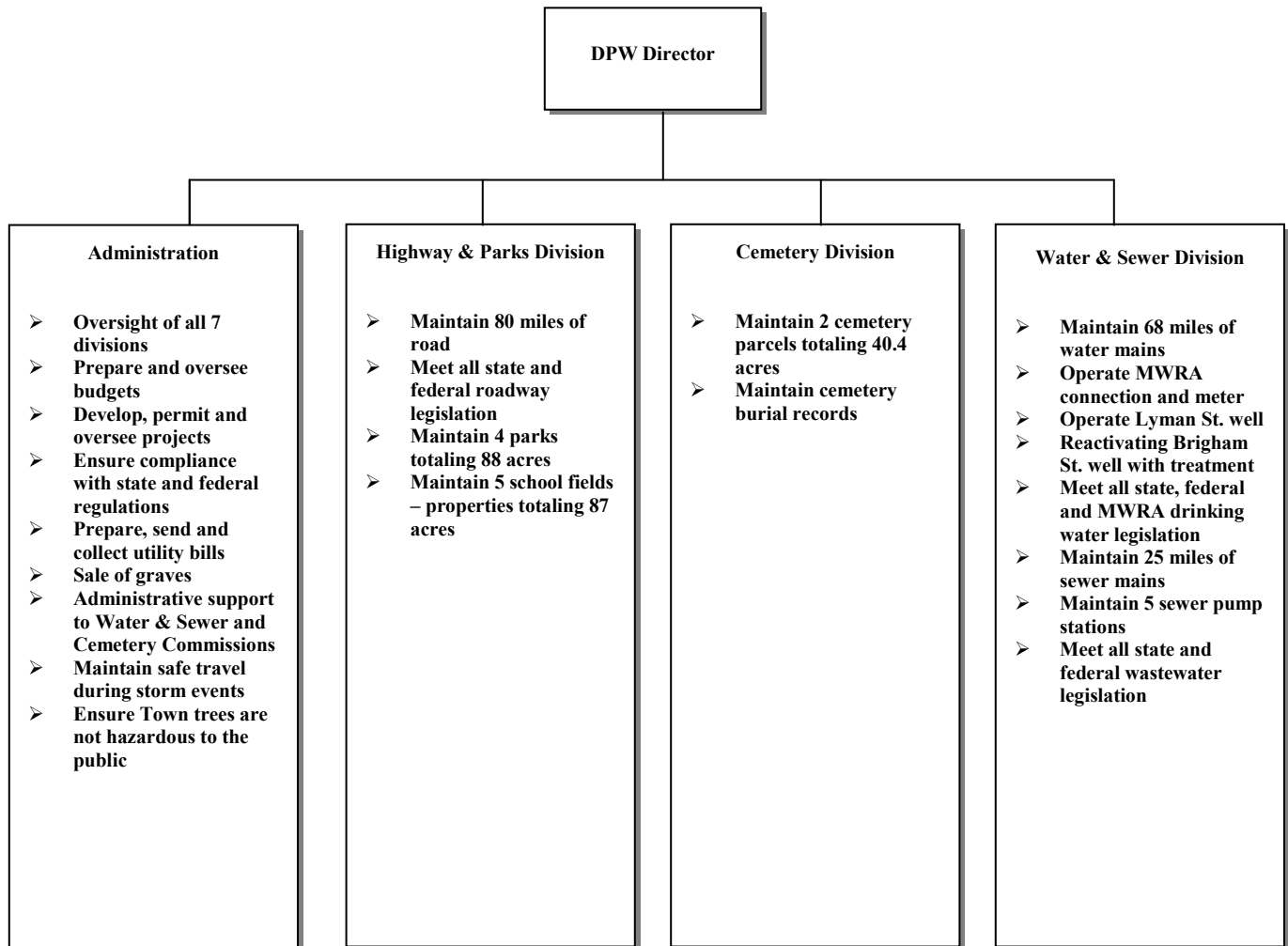
Significant Budget Changes or Initiatives

Overall, the DPW budget is up \$97,462, or 7.03%. The majority of the increase is in tree removal and drainage work. The FY2013 tree budget is being increased by \$17,000 to help eliminate a backlog in trees that need to be removed. The drainage budget is increasing \$30,000 in order to complete various projects that were postponed during previous budget cycles due to fiscal constraints.

In terms of personnel expenses, the budget reflects a 1% wage increase for both union and non-union employees. However, there is a small increase of 5 hours per week in the Administrative Assistant line. The budget continues to rely upon seasonal help in the parks and cemetery divisions. The temporary help has become increasingly important 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. These reductions in permanent personnel have all been continued in FY2013.



DPW Programs and Subprograms





DEPARTMENT OF PUBLIC WORKS				
Personnel Summary				
Position	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE	FY 2013 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	1.88
<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	16.88

*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 FY2013.
- 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 FY2013 budget contains funding in the Parks budget to hire additional seasonal help.
- 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 75 hrs/week (1.88 FTEs) of Administrative Assistants are budgeted 22.5 hrs/week (.56 FTE) in the Water Enterprise Fund, 15 hrs/week (.38 FTE) in the Sewer Enterprise Fund and 37.5 hrs/week (.94 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 2010 FTE	FY 2011 FTE	FY 2012 FTE	FY 2013 FTE
<u>Administration</u>				
Budgeted in Divisions below				
<u>Highway/Parks Division</u>				
DPW Director	.5	.5	.5	.5
Administrative Assistants	.87	.87	.87	.94
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 Assistants	.53	.53	.53	.56
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 Assistants	.35	.35	.35	.38
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	16.88

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



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
HIGHWAY ADMINISTRATION						
Personnel Services						
¹ 51100 DPW Director Salary (50%)	49,340	52,205	53,510	54,046	17,523	52,520
51410 Longevity Pay	250	250	325	325	0	0
SUBTOTAL	49,590	52,455	53,835	54,371	17,523	52,520
Expenses						
52110 Utilities	9,148	9,162	8,256	10,000	3,725	10,000
52140 Fuel	21,043	19,747	11,326	20,000	1,747	20,000
53090 Advertising	501	150	414	250	22	250
53410 Telephone	3,209	3,146	4,445	3,440	1,555	5,380
54290 Office Supplies	408	227	650	250	130	250
54490 Building Maintenance	289	2,633	3,835	17,000	1,617	17,000
54590 Custodial Supplies	907	1,155	1,310	1,000	516	1,000
57310 Dues	175	175	185	175	0	750
SUBTOTAL	35,680	36,394	30,422	52,115	9,311	54,630
TOTAL: HIGHWAY ADMINISTRATION	85,270	88,849	84,258	106,486	26,834	107,150

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

FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED

HIGHWAY DIVISION CONSTRUCTION & MAINTENANCE

Personnel Services

51010 Labor Wages	486,997	493,909	511,378	518,417	239,388	525,024
² 51100 Salaries Full-time	0	0	0	0	0	0
³ 51140 Wages Part-time Permanent	44,823	46,198	47,467	47,872	23,430	51,922
51300 Overtime	76,753	111,844	71,064	81,960	50,007	95,067
51410 Longevity Pay	4,275	4,275	5,100	5,250	5,250	5,525
51970 Stipends	0	0	0	1,500	60	1,500
SUBTOTAL	612,848	656,227	635,010	654,999	318,135	679,038

Expenses

51920 Uniforms	6,337	6,474	6,778	6,300	2,027	6,300
52690 Equipment Maintenance	61,183	60,547	68,851	59,000	24,976	64,650
52800 Contractual Services	6,091	4,079	3,799	5,000	1,979	5,000
54840 Oil	2,542	2,982	2,538	3,000	2,743	4,000
55320 Supplies	12,304	3,672	9,575	10,000	7,634	10,000
55420 Materials	0	0	0	0	0	0
58690 New Equipment	5,000	5,638	3,318	5,000	0	17,000
58710 Roadway Maintenance	37,788	42,959	33,048	62,012	18,424	72,000
58715 Drainage	0	923	10,479	15,000	5,516	45,000
SUBTOTAL	131,244	127,274	138,386	165,312	63,299	223,950

TOTAL: HIGHWAY CONST & MAINT.

744,092	783,501	773,396	820,311	381,434	902,988
----------------	----------------	----------------	----------------	----------------	----------------

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

³ Line 51140 represents 37.5 hours per week of Administrative Assistant time dedicated to the Highway Division

Section 4-12

Department of Public Works



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
PARKS DIVISION						
Personnel Services						
451130 Labor Wages	30,914	30,000	27,720	39,930	10,080	0
51220 Seasonal Temporary Labor	19,784	14,700	19,442	24,700	14,536	55,975
51300 Overtime	3,891	4,167	3,300	3,993	0	0
51410 Longevity Pay	0	0	0	0	0	0
SUBTOTAL	54,589	48,867	50,462	68,623	24,616	55,975
Expenses						
51920 Uniforms	700	696	558	500	250	1,200
52110 Utilities	1,810	1,998	1,648	2,000	1,077	2,000
52610 Building Maintenance	3,987	3,225	3,182	3,225	620	3,225
52650 Equipment Maintenance	2,230	5,708	5,373	3,500	2,353	5,500
52800 Contractual Services	1,000	2,498	2,996	2,500	0	0
54610 Grounds care	20,309	15,529	11,608	15,000	7,415	23,000
54710 Supplies	865	3,439	2,214	2,000	2,701	5,000
58690 New Equipment	0	0	0	12,000	11,995	0
SUBTOTAL	30,900	33,094	27,580	40,725	26,411	39,925
TOTAL: PARKS DIVISION	85,490	81,961	78,042	109,348	51,027	95,900

⁴ Funding previously included in Line 51130 has been collapsed into Line 51220 to fund seasonal/temporary help instead of a permanent laborer position



Department of Public Works

Section 4-13

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
CEMETERY DIVISION						
Personnel Services						
51010 Labor Wages	21,057	35,029	35,672	36,717	16,919	37,347
⁵ 51100 Superintendent's Salary	37,340	0	0	0	0	0
51300 Overtime	1,182	3,503	1,170	3,636	4,308	0
51410 Longevity Pay	200	200	200	200	200	350
SUBTOTAL	59,779	38,732	37,041	40,553	21,427	37,697
Expenses						
51920 Uniforms	788	700	700	700	510	700
52110 Utilities	885	945	300	1,260	130	1,260
52140 Fuel	12,886	1,318	0	1,675	289	0
52690 Equipment Maintenance	2,758	2,429	1,127	2,000	0	2,000
54290 Office Supplies	40	100	0	0	0	0
54490 Building Repair	133	452	0	300	0	600
54590 Custodial Supplies	41	0	0	0	0	0
54690 Material & Supplies	1,600	1,090	0	1,000	117	11,000
54840 Oil	152	150	0	150	0	150
57310 Dues	0	0	0	0	0	0
58690 New Equipment Capital	81,236	13,196	2,250	5,200	0	0
SUBTOTAL	100,519	20,380	4,376	12,285	1,046	15,710
TOTAL: CEMETERY DIVISION	160,298	59,112	41,418	52,838	22,472	53,407

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



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
SNOW & ICE						
Personnel Services						
51220 Miscellaneous Labor	53,327	0	0	0	0	0
⁶ 51300 Overtime	11,055	8,074	103,003	7,200	0	7,200
SUBTOTAL	64,382	8,074	103,003	7,200	0	7,200
Expenses						
⁷ 52800 Contractual Services	56,880	43,560	96,224	36,000	9,414	46,000
55350 Salt	202,618	135,961	152,126	110,000	30,278	110,000
55360 Sand	54,430	41,635	53,675	30,000	3,307	30,000
57810 Unclassified	9,359	7,232	11,170	6,500	571	6,500
SUBTOTAL	323,287	228,388	313,196	182,500	43,570	192,500
TOTAL: SNOW & ICE	387,669	236,462	416,199	189,700	43,570	199,700

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

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
TREES						
Expenses						
52690 Equipment Maintenance	2,518	581	500	500	254	1,000
52800 Contractual Services	4,588	6,500	5,293	6,500	6,840	22,000
54700 Supplies	417	919	1,000	1,000	0	2,000
SUBTOTAL	7,523	8,000	6,793	8,000	7,094	25,000
TOTAL: TREES	7,523	8,000	6,793	8,000	7,094	25,000

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
STREET LIGHTING						
Expenses						
52130 Utilities	90,030	91,703	98,366	100,000	49,911	100,000
SUBTOTAL	90,030	91,703	98,366	100,000	49,911	100,000
TOTAL: STREET LIGHTING	90,030	91,703	98,366	100,000	49,911	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



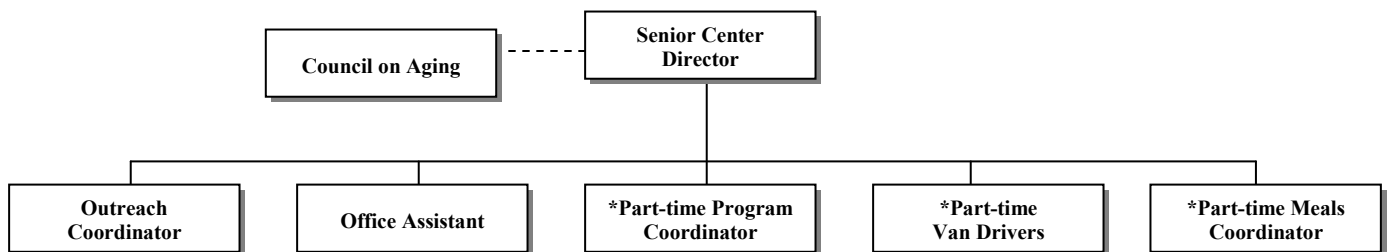
This Page Intentionally Blank



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



*The Part-time Program Coordinator and Part-time Meals Coordinator positions are funded through donations from the Friends of the Senior Center. The Part-time Van Driver positions are funded through an agreement with the Worcester Regional Transit Authority. Please see the Personnel Tables on pages 5-4 and 5-5 for more detail.

**Senior Center FY2012 Initiatives and Accomplishments**

1. Expanded programs and class schedules to incorporate new and innovative programs including Zumba Gold, Pool League, Harmonica Club, Pickleball, Evidence Based Health & Wellness courses such as the Arthritis Self-Management Program and A Matter of Balance.
2. Expanded programming on Tuesday evenings when the Senior Center is open until 9:00 PM to allow seniors who may remain in the workforce to participate in classes. Exercise classes (Tai Chi, Yoga) and craft classes (Hand Applique, Sewing) were incorporated into the schedule. Community groups such as the Garden Club, Cub Scouts and Helping Hands have also utilized meeting space at the Senior Center on Tuesday evenings.
3. The Center was awarded two grants from BayPath Elder Services, Inc. One grant provided continued funding for the Volunteer Coordinator position. The other grant funded a "Medley of Movement" 12-week series targeting younger seniors who may still be in the workforce. The program sampled 6 exercise classes offered at the Senior Center during the day (Aerobics, Line Dancing, Yoga, Tai Chi, Zumba Gold and Weight Training). Because of the success of this sampling, classes were added to the existing class schedule.
4. Continued to serve lunch Monday – Friday at The Bistro @119 and expanded the hours of operation to include an evening menu on Tuesdays. This addition has been very successful with 50-70 people dining every week. The Bistro @ 119 is open to the public for both the lunch and dinner meals.
5. Through a generous donation from the Friends of the Northborough Senior Center, Inc., a part-time, temporary Meals Program Coordinator position was funded and filled. This position is responsible for management of the Bistro @119.
6. Through a generous donation from the Friends of the Northborough Senior Center, Inc., a part-time, temporary Program Coordinator position was funded and filled. This position is responsible for program development and implementation.

Senior Center FY2013 Goals and Initiatives

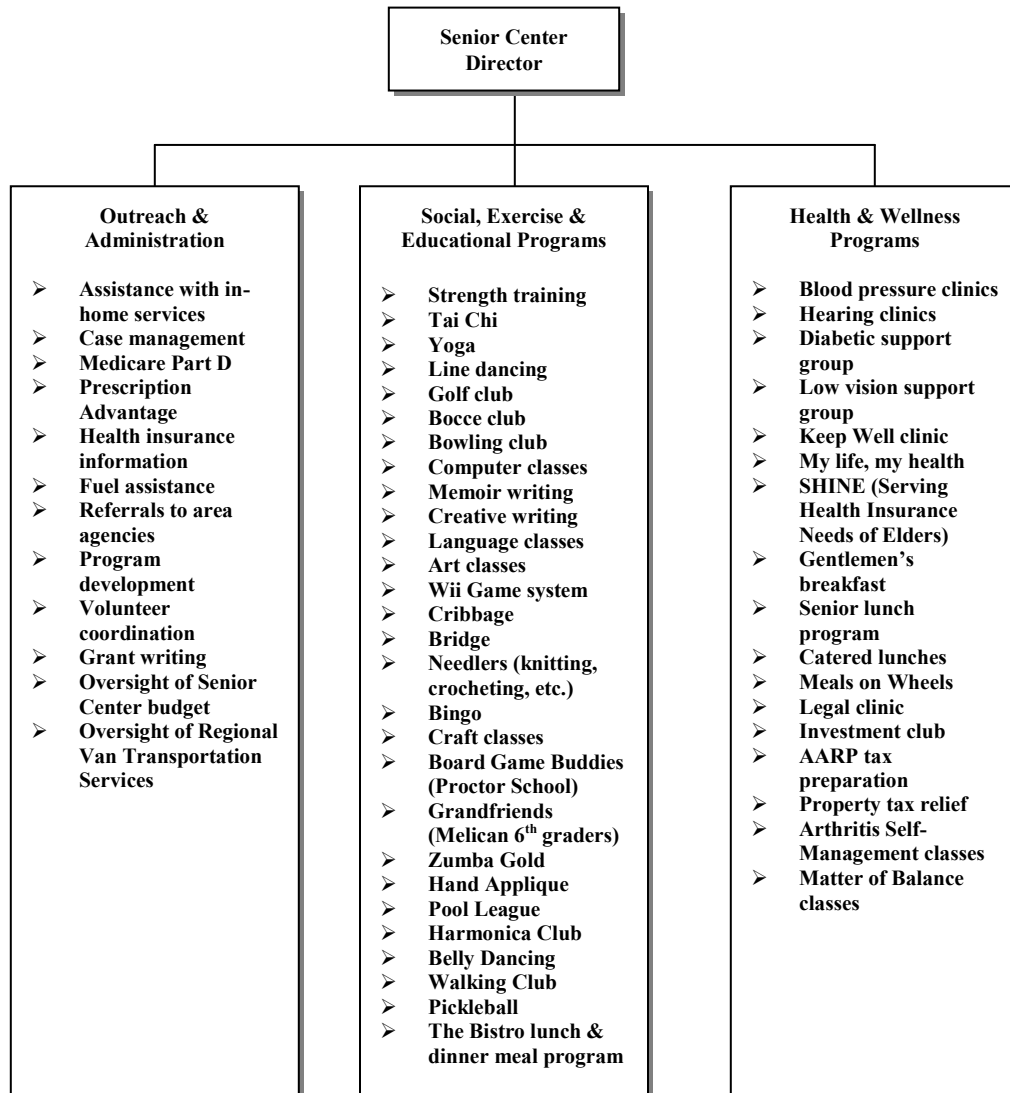
1. Increase and enhance programs and activities at the Senior Center.
2. Increase the number of volunteers and participants at the Senior Center.
3. Expand revenue producing programs to help provide financial sustainability and offset personnel expenses currently funded through grants and/or donations.

Significant Budget Changes or Initiatives

Overall, the FY2013 Senior Center Budget is up just 3.1%, or \$6,386. The two previously part-time Outreach Coordinator positions have been consolidated into one full-time position (.86 FTE to 1 FTE). The increase in personnel costs is partially off-set by reduced electricity costs due to lower rates on a new Town-wide contract. In FY2013 the Friends committed to making available previously donated but unused funds in the amount of \$21,462 toward the contractual services line of the budget, which is used to pay for the cleaning of the center. The \$21,462 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 2010	FY 2011	FY 2012	FY 2013
Position	FTE	FTE	FTE	FTE
Director	1	1	1	1
Office Assistant	1.03	1.03	1	1
Outreach Coordinator	0.86	0.86	0.86	1
Total Full-time Equivalent	2.89	2.89	2.86	3

***Personnel Explanation:**

- During FY2011 there were two part-time Office Assistants. One worked 27hrs per week (27hrs/40hrs = 0.68 FTE) and the other worked 14hrs per week (14hrs/40hrs = 0.35 FTE). In FY2011 the 14hr position became vacant and the 27hr position became full-time at 40hrs per week. This change is brought forward in FY2012, resulting in a negligible decrease of 0.03 FTEs. The position continues to be budgeted at 1 FTE for FY2013.
- During FY2012 there were two budgeted part-time Outreach Coordinators. One worked 19hrs per week (19hrs/40hrs = 0.48 FTE) and the other worked 15hrs per week (15hrs/40hrs = 0.38 FTE). After the 15hr position became vacant the 19hr position became full-time at 40hrs per week. This change was brought forward in FY2013.

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				
	FY 2010	FY 2011	FY 2012	FY 2013
Position	FTE	FTE	FTE	FTE
Part-time Program Coordinator	.48	.48	.38	TBD
Part-time Van Drivers	1.69	1.69	1.69	1.69
Part-time Bistro (meals) Coordinator	0	0	.38	TBD
Total Full-time Equivalent	2.17	2.17	2.45	TBD

- In addition to the staffing included in the General Fund, there was a 19hr/wk (.48 FTE) part-time Program Coordinator position funded during FY2011 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 funded by the Friends again in FY2013.
- 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.

- During FY2012 the Friends of the Senior Center donated funds to hire a part-time Meals Coordinator position to help run the lunch and dinner program known as the Bistro @ 119. The program serves lunch Monday through Friday and dinner on Tuesday evenings. It is unclear at the time of this writing if the position will be funded by the Friends again in FY2013.

Section 5-6

Senior Center/COA



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
SENIOR CENTER						
Personnel Services						
51100 Director Salary	59,312	61,792	63,337	64,611	29,657	65,902
51120 Administrative Staff Wages	37,216	39,565	36,130	41,514	17,416	42,287
51140 Outreach Worker Wages	31,481	26,333	27,855	40,930	23,735	50,252
51220 Part-time wages	0	0	0	0	0	0
51290 Custodian Wages	8,261	0	0	0	0	0
51410 Longevity Pay	578	350	700	700	700	700
SUBTOTAL	136,848	128,041	128,022	147,755	71,507	159,141
Expenses						
52110 Utilities	3,096	17,010	32,680	39,200	11,509	34,200
52730 Transportation	0	0	0	0	0	0
52770 Special Trips	0	0	0	0	0	0
52800 Contractual Services ¹	6,487	11,717	17,149	10,000	11,031	10,000
53110 Printing	238	284	296	300	188	300
53420 Postage	338	425	364	400	50	400
54490 Repairs & Maintenance	200	0	0	2,000	1,852	2,000
54590 Custodial Supplies	551	626	1,733	1,700	587	1,700
55990 Senior Center Programs	496	707	759	1,000	391	1,000
57110 Travel/Mileage	775	588	336	850	0	850
57310 Dues	243	572	262	300	423	300
57340 Meetings	93	83	78	520	350	520
SUBTOTAL	12,516	32,013	53,657	56,270	26,381	51,270
TOTAL: SENIOR CENTER	149,364	160,054	181,680	204,025	97,888	210,411

¹ FY2013 Contractual Services line does not include the \$21,462 in donated funds from the Friends of the Northborough Senior Center, Inc.

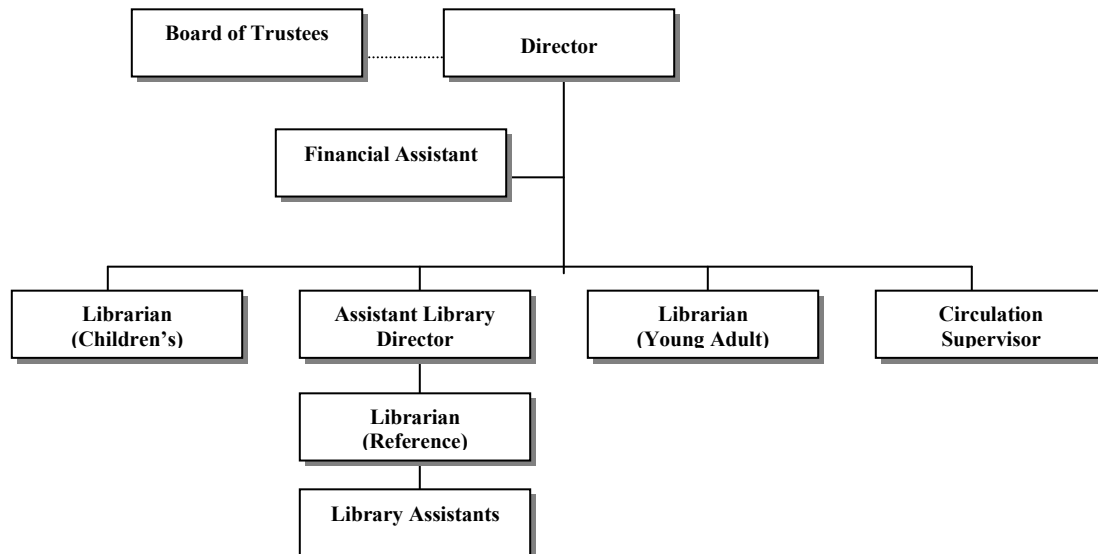


Library Departmental Statement

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 Board of 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 FY2012 Initiatives and Accomplishments**

1. Prepared staff for migration to Evergreen software, a new open-source platform for C/W MARS. Staff attended off-site training sessions and in-house webinars and viewed videos on new screens and procedures.
2. Notified patrons of new software with postings in the library and on our website and in our newsletter. Provided amnesty on replacement library card fee of \$5 to encourage patrons to have physical card with proper barcode during software transition.
3. Systematically weeded adult collections in preparation for new software based on initial reports that circulation “history” would not migrate. With use of a volunteer, shifted some of the collection – notably, the entire fiction collection to make more room for large print books. The volunteer also shifted some of the non-fiction to allow space for large print non-fiction.
4. Recruited and trained 26 volunteers to re-barcode the adult and young adult collections; children’s staff did the children’s collection. Under new state-wide interlibrary delivery standards, all barcodes must be on the upper left exterior corner of books and media for efficient sorting by machine. The new system will reduce staff labor and paper use and speed the process of book delivery.
5. Launched a new page on library website for access to the reference databases. Changed the look of the children’s pages on library website so that the pages are more engaging, dynamic and have better flow for users.
6. Registered 600 children in the Children’s Summer Reading program with the theme, “One World, Many Stories.” Children read 5,041 books for a total of 5,603 hours. They wrote 1,742 book reviews. The library offered 49 programs in conjunction with the reading program; 1,410 children attended. Registered 70 teens in the teen version of the state-wide summer reading program; offered 9 programs, which were attended by 92 teens. Registered 49 adult participants in the “Novel Destinations” summer program, who read 178 books. Offered 3 related programs culminating in an international-themed buffet.
7. Arranged at least one program for adults per month. Included were how-to programs on identifying edible wild plants, and on drawing with pastels. Hosted speakers on hiking (overcoming challenges), wisdom of the brain, and nutrition; held an author talk.
8. Introduced new children’s programs: two book groups and “Mother Goose on the Loose.” Introduced “Story Walks,” which combine local hikes with reading pages of a story posted along the hike.
9. Offered a winter reading program for children through grade 5. Children register online and log the pages they’ve read; they can then select a free book at the library.
10. Initiated a video game collection in the children’s room, a service requested by parents. The library already has a collection in the teen room.



11. Reconfigured children's room office to provide better work space and workflow.
12. Reviewed and revised several library policies and procedures with the Board of Trustees.
13. Participated with Friends of the Library in the Holiday Trolley with a "Fictional Event" (fiction book sale); provided a craft program for children.

Library FY2013 Goals and Initiatives

1. Conduct a town-wide survey (method to be determined) to solicit ideas for the materials, programs, and other services that citizens want. Results will be used to prioritize resources, both financial and staff, to meet the needs of the patrons.
2. Develop criteria for selecting e-books for patron download on their own e-readers.
3. Add at least one new technological device or service, either for in-house use or check-out, to help patrons keep abreast of new methods of reading, viewing, listening, or conducting research.
4. Investigate a self-checkout station compatible with Evergreen software. We intended to provide this service after we opened the expanded library; however, the plans were put on hold when C/W MARS announced the move to a new software platform, which may not have been compatible with those developed for Innovative Interfaces Inc.
5. Provide training and support for staff and patrons on features of Evergreen as they develop.
6. Participate in National Novel Writing Month in November 2012.
7. Bring back story hours at times other than the current lunch time sessions; provide more programs for pre-school aged children.
8. Continue to develop fiction collection for the older elementary school reader.
9. Collaborate with other departments or agencies to engage student population during early school release days in suitable activities. Potential partners could be the School Department, Recreation Department, Police Department, or perhaps a recreational facility.

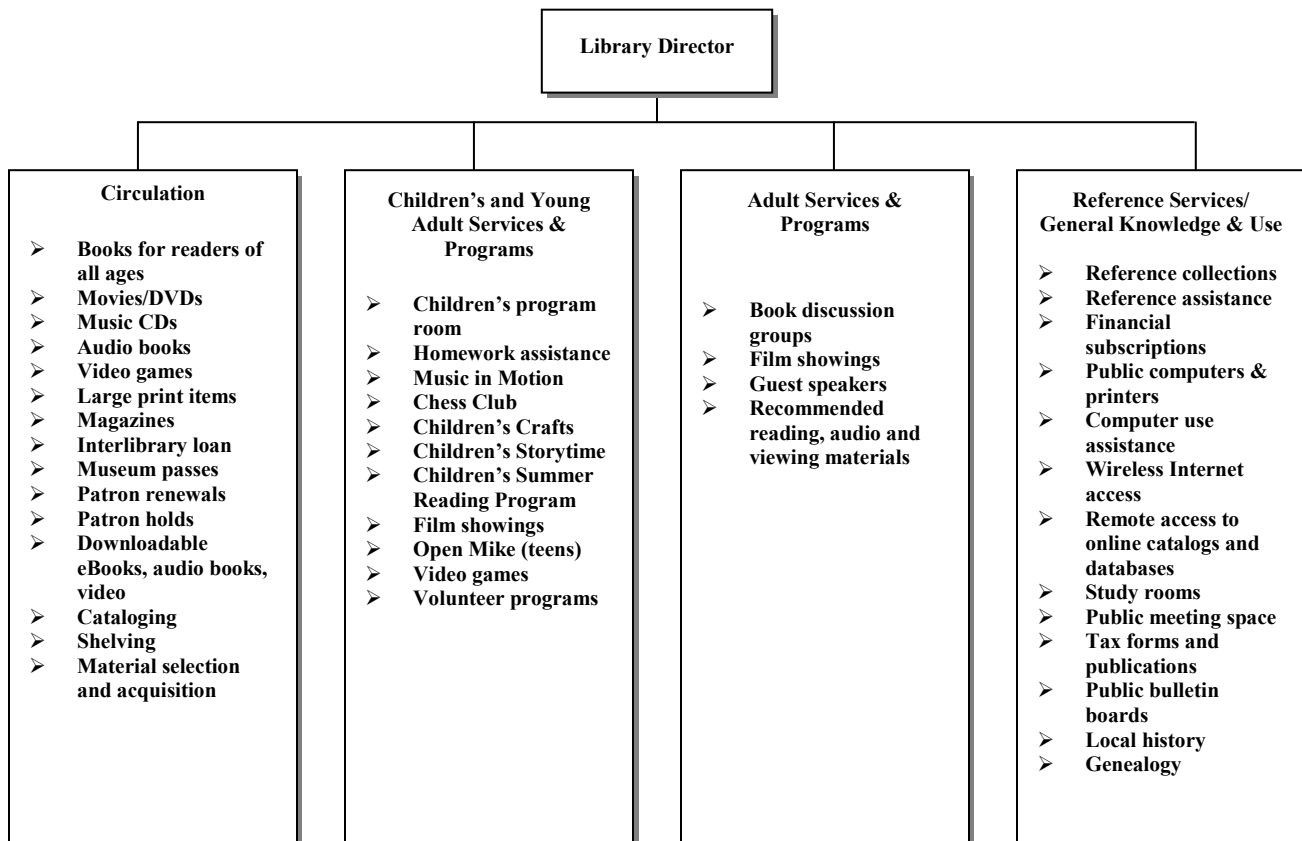
Significant Budget Changes or Initiatives

Overall, the FY2013 Library Budget is up 2.9%, or \$19,334, compared to FY2012 due primarily to another increase in the books and periodicals line of \$12,700. Ongoing restoration of the books and periodicals budget is necessary to ensure that the Northborough Library is able to 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 the Library reduced its hours on Monday mornings and Thursday evenings. The reduced schedule will continue by necessity during FY2013, with the Library open to the public 53 hours per week.



Library Programs and Services





Library

Section 5-11

LIBRARY

Personnel Summary

	FY 2010	FY 2011	FY 2012	FY 2013
Position	FTE	FTE	FTE	FTE
Director	1	1	1	1
Assistant Library Director	0	0	0	0
Librarians	2	3	3.48	3.48
Circulation Supervisor	.88	.88	.88	.88
Library Assistants	4.33	3.65	2.82	2.81
Financial Assistant	0.98	0.98	0.98	0.98
Custodian	0	0	0	0
Pages	0	0	0	0
Total Full-time Equivalent	9.19	9.51	9.16	9.15

*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. In FY2012 budget resources were reallocated from the open Library Assistant positions to add another 0.48 FTE Librarian position. The reduction in total FTEs was a function of the higher wage rates for Librarians. In FY2013 minor adjustments to the scheduling of the Library Assistants' hours resulted in the FTE count going to 9.15.
- Custodial services are provided through a contractual cleaning service.

Section 5-12

Library



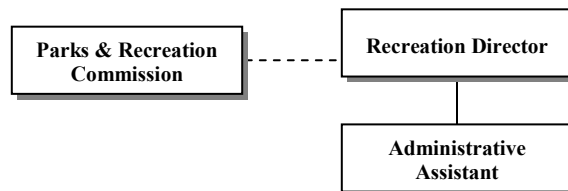
	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
LIBRARY						
Personnel Services						
51100 Professional Librarian Salaries	214,991	196,699	240,367	261,006	110,495	265,188
51120 Library Assistant Salaries	218,022	201,303	195,049	194,417	89,273	197,822
51140 Pages Salaries	16,668	3,424	0	0	0	0
51290 Part-time Custodian Wages	14,887	0	0	0	0	0
51300 Overtime	0	0	0	0	0	0
51410 Longevity Pay	2,323	2,200	2,200	1,700	1,700	2,000
SUBTOTAL	466,891	403,626	437,616	457,123	201,469	465,010
Expenses						
52110 Utilities	19,754	24,933	23,928	30,000	15,611	27,000
52140 Fuel	4,848	5,425	6,731	6,000	799	7,000
52640 Equipment Maintenance	466	695	641	1,000	50	1,000
52680 HVAC Maintenance	0	0	6,213	7,569	4,085	7,500
52800 Contractual Services	13,658	55,019	37,963	39,406	21,706	37,973
53090 Advertising	779	223	211	0	0	0
53410 Telephone	1,079	1,563	1,479	1,689	758	2,565
54290 Office Supplies	9,022	10,002	9,428	10,950	8,956	10,950
54490 Building Maintenance	1,058	5,116	9,136	9,300	5,072	10,400
54590 Custodial Supplies	1,013	1,020	915	1,164	691	1,352
54690 Materials & Supplies	81	245	56	200	0	250
55120 Books and Periodicals	83,417	68,469	20,631	66,075	33,334	78,775
55130 Supplies	2,647	3,463	2,368	4,175	1,630	3,800
55290 Non-print Media	23,838	20,215	18,809	21,410	8,879	21,410
57110 Travel Mileage	161	0	0	0	0	150
57210 Out of State Travel	0	0	0	0	0	0
57310 Dues	724	680	605	775	525	775
57340 Meetings	80	490	0	0	0	260
57810 Unclassified	300	75	84	250	0	250
58690 New Equipment	0	308	0	0	0	0
SUBTOTAL	162,927	197,940	139,199	199,963	102,095	211,410
TOTAL: LIBRARY	629,818	601,566	576,815	657,086	303,564	676,420



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 FY2012 Initiatives and Accomplishments**

1. Increased afterschool programming to five (5) programs/week at each of the elementary schools.
2. The Friends of Northborough Recreation raised over \$20,000 to be used for summer camp scholarships in 2012.
3. As of December 1, 2011, Northborough Recreation had 9,542 program participants, 6,919 of whom are Northborough residents and 2,623 of whom are non-residents.
4. The Department increased its gym and recreation center rental revenue over the prior fiscal year's.
5. Increased the number of preschool birthday parties held at the Southwest Cutoff location which now average 2-3 parties per weekend.
6. 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 and 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. With this funding, the group was able to accomplish the following: ten community gardens were planted and gardens were planted at each of the elementary schools; a pilot program called Take 10! was started at the Zeh Elementary School; Catch Kids Club was initiated by the Northborough Extended Day Program (NEDP); a Building a Healthy Northborough Newsletter was distributed Town wide; and walking maps are being created with the assistance of WalkBoston.

Recreation Department FY2013 Goals and Initiatives

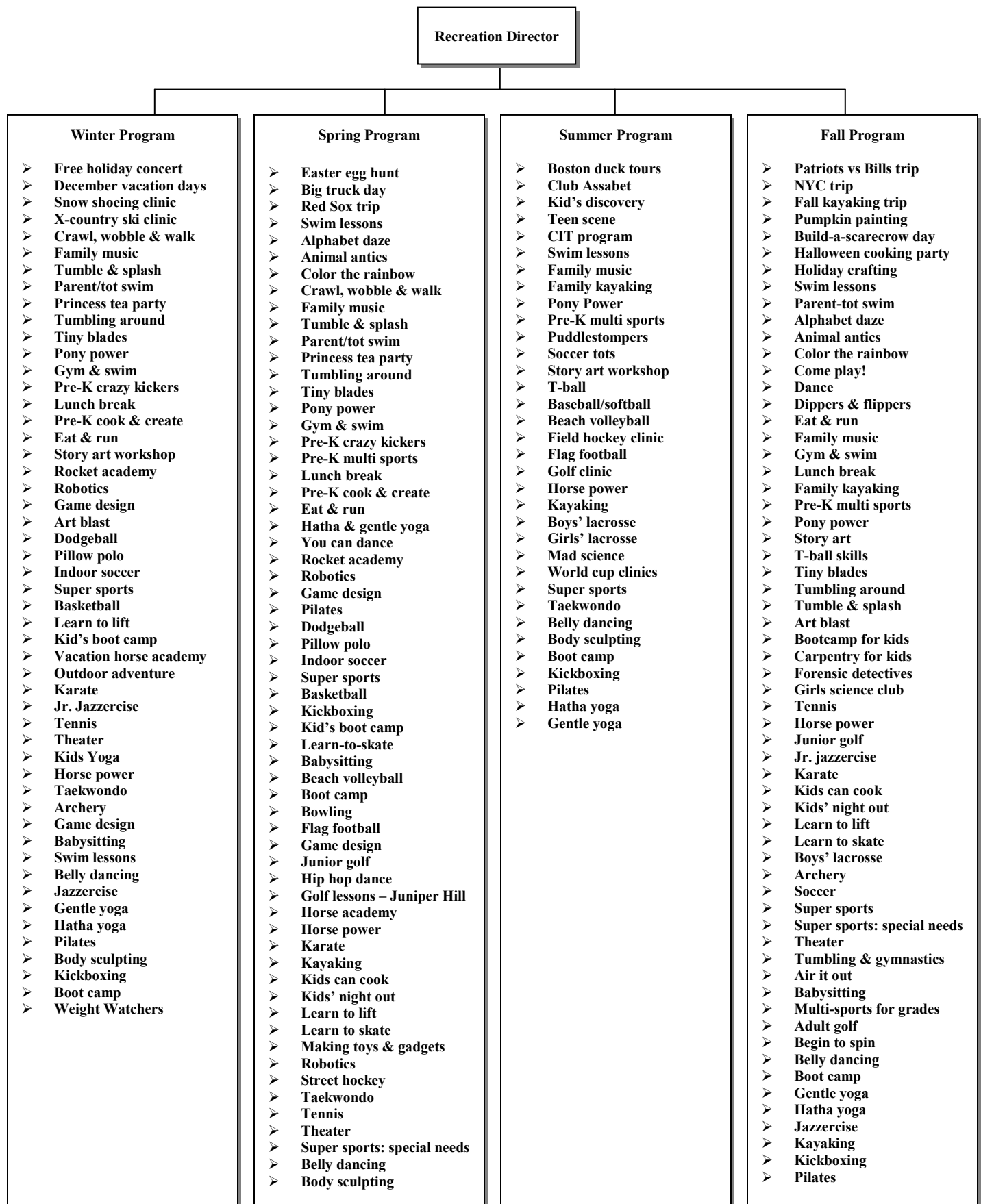
1. To continue to increase the number of recreational activities and programming available to residents of Northborough and encourage the development of new facilities.
2. To market the recreational opportunities available through the Recreation Department through direct mailing of four seasonal brochures, promotion of the website, and utilization of the growing e-mail distribution list.
3. To cover 100% of the FY2013 direct budget expenses associated with the Recreation Department operations through program fees.

Significant Budget Changes or Initiatives

There are no significant changes in the Recreation Department budget. The budget as presented reflects a 1% wage increase for union and non-union personnel. Beginning in FY2009 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 2010	FY 2011	FY 2012	FY 2013
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

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
¹RECREATION DEPARTMENT						
Personnel Services						
51100 Director & Asst Dir salaries	104,576	109,292	113,111	116,015	52,845	118,927
51140 Part-time Permanente wages	0	0	0	0	0	0
51410 Longevity Pay	200	200	400	400	400	550
SUBTOTAL	104,776	109,492	113,511	116,415	53,245	119,477
Expenses						
52800 CONTRACTUAL SERVICES	918	918	0	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	918	918	0	0	0	0
TOTAL: RECREATION DEPARTMENT	105,694	110,410	113,511	116,415	53,245	119,477

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

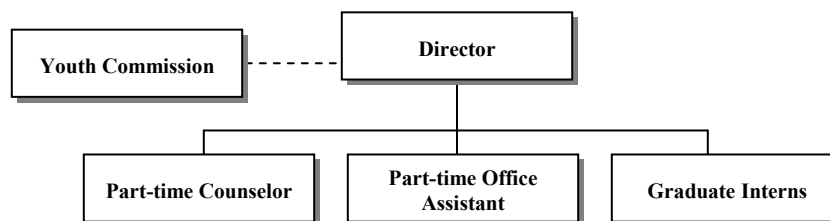
The mission of the Family & Youth Services (FYS) Department is to identify and respond to the Town's human service needs to enhance the lives of Northborough youth, families and individuals of all ages. FYS services are shaped by community need and developed through ongoing collaboration with the Youth Commission, schools, police, fire and 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. Student liaisons from the high school also participate in the monthly meetings.

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 FY2012 Initiatives and Accomplishments

1. For the 3rd consecutive year, the Family & Youth Services Director, Town Planner, Health Agent and Recreation Director received a grant from MetroWest Health Foundation. This \$59,077 grant supports our “Building a Healthy Northborough” initiative, a town-wide response to address Childhood Obesity. The following is a list of accomplishments to date, to name just a few:
 - State-wide recognition of the progress of Northborough’s initiative;
 - Expansion of coalition members such as all 4 elementary schools; the school wellness guidelines subcommittee; Northborough restaurants;
 - Implementation of “Take 10” at all 4 elementary schools, a curriculum that integrates academic learning objectives with movement;
 - Policy changes made by coalition organizations showing positive results. For instance, the Zeh Elementary School changed recess time to before lunch, resulting in students eating slower and having more energy; and
 - The community gardens built in Town have been well-received and resulted in a waitlist of residents wanting to participate when the new gardens are built.

We also commend Zeh School for receiving a Safe Routes to School Infrastructure Grant to assess the neighborhood to enhance its walk-ability and bike-ability

2. Family & Youth Services submitted the final report of the Basic Health Needs Grant we received from MetroWest Health Foundation. This \$25,000 grant allowed us to hire a part-time clinician to successfully eliminate our waitlist for counseling services. In addition, our outcomes far exceeded the grant expectations. For instance, instead of serving 60 residents we assisted a total of 95 residents directly due to this grant.
3. Our staff has worked hard to address the growing number of residents turning to us for help. To maintain our service level we have received grant awards and utilized the professional help of Graduate Interns. In addition, we have asked for a contribution toward the cost of our mental health services, netting some additional funds.
4. We recruited two (2) Boston College Graduate Interns who provided mental health and school-based services free of charge to the Town. We continue to have a positive rapport with area colleges and receive positive feedback about the experience of our interns and high quality of our service. For instance, in comparison to other mental health agencies, we have an extremely low rate of client “no shows” for counseling.
5. In FY2012 Family & Youth Services remained true to its mission to identify and respond to the changing needs in Town. For instance, we participated on a new committee composed of school personnel, clergy and food pantry volunteers to address basic needs of homeless families living in hotels in Town; we responded to an increased number of families who moved into a large apartment complex; and we increased our role in assisting in town-wide emergencies in response to outages from a storm.

**Family & Youth Services FY2013 Goals and Initiatives**

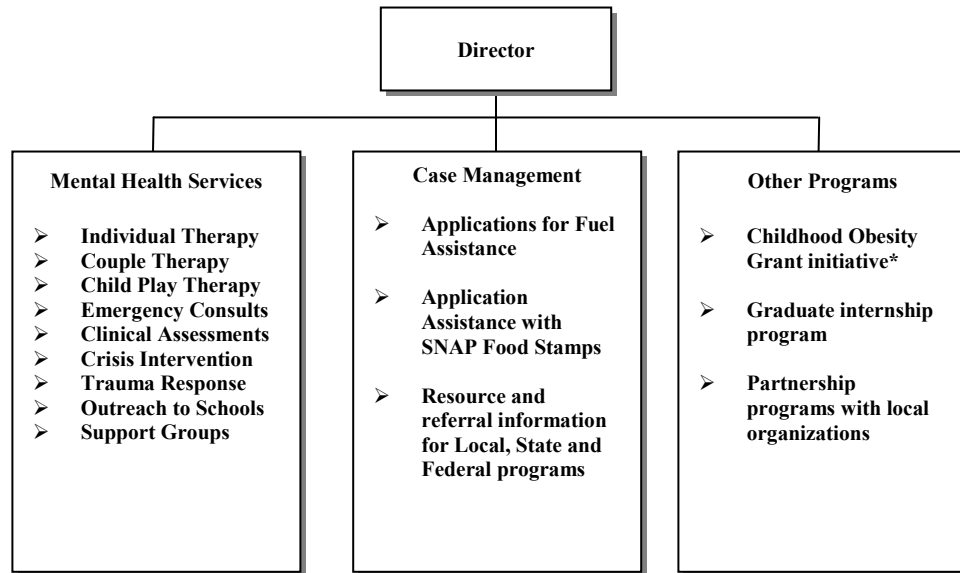
1. Continue to meet our mission to identify and respond to the Town's changing human service needs in collaboration with our community partnerships. Support residents through counseling, crisis intervention, application assistance for fuel and food; and serve as the town's centralized information and referral source for human service needs, linking residents to local, state and federal programs.
2. Maintain service levels of increased demand in light of level-service funding through creative avenues. For instance, application to grants; recruitment of graduate interns; expanded community partnerships; and additional funding from contributions toward the cost of our mental health services.
3. Increase awareness of our expanding role as consultants to continue to support other town departments, the schools and community organizations. Consultation may include intervening in addressing a mental health crisis; consultation in regard to child behavioral issues; supporting community volunteers in addressing the needs of a new population, etc.
4. Increase the number of Northborough residents applying for resources such as fuel and food programs. This will be accomplished by increasing awareness of various resources available to Northborough residents through outreach efforts. For instance, posting updated announcements on the Family & Youth Services website, interviews with local newspapers, etc.
5. Continue our active participation in the "Building a Healthy Northborough" initiative funded through MetroWest Health Foundation. Activities include the recruitment of new coalition members to expand town-wide participation; supporting Northborough Extended Day Program and the schools commitment to this initiative, etc.
6. Continue our involvement in regional collaborative Network Meetings with other Youth & Family Services Departments. In addition, expand our involvement on a state-wide basis through our membership with the Local Office of Human Services Council through the Massachusetts Municipal Association.
7. Assess the need for psycho-educational groups or workshops to address contemporary issues impacting today's youth and families. For instance, the increased prevalence of anxiety among high school students and/or challenges facing today's families such as child behavioral health issues in response to parental separation or divorce; the military deployment of a parent; or parenting issues in general. For instance, provide a group for parents to introduce evidenced based programs such as 1-2-3 Magic.

Significant Budget Changes or Initiatives

There are no significant changes in the FY2013 Family & Youth Services budget. The FY2013 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 2010	FY 2011	FY 2012	FY 2013
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

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
FAMILY & YOUTH SERVICES						
Personnel Services						
51100 Director Salary	68,005	69,380	72,831	74,296	34,045	75,781
51120 Part-time Counselor	21,726	11,077	14,345	25,771	11,283	26,222
51130 Asst. Director Salary	0	0	0	0	0	0
51140 Part-time Admin. Asst Wages	15,851	16,196	17,024	17,798	7,783	18,111
51410 Longevity Pay	0	0	0	0	0	200
SUBTOTAL	105,583	96,653	104,201	117,865	53,111	120,314
Expenses						
53080 Clinical Consultants	800	1,775	1,750	3,000	0	3,000
53190 Training	149	763	395	600	225	600
53580 Program Supplies	623	639	288	525	446	625
57110 Travel/Mileage	912	610	657	758	437	767
57320 Subscriptions	350	225	322	285	0	442
SUBTOTAL	2,834	4,011	3,412	5,168	1,109	5,434
TOTAL: FAMILY & YOUTH SERVICES	108,417	100,665	107,613	123,033	54,220	125,748



Cable Access TV Departmental Statement

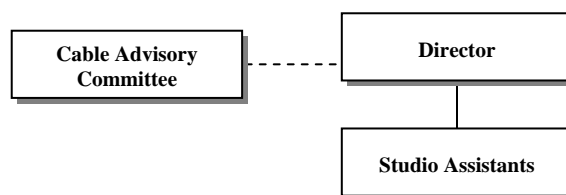
The Cable Access TV Department, under the direction of the Cable Access Director, is responsible for the operations of the three local access television stations, which are Public Access, Educational Access and Government Access Television. The Director is also responsible for overseeing the provisions 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 FY2012 Initiatives and Accomplishments

1. Substantially increased local educational programming including sports, performance, informational and classroom activities.
2. Trained over 25 new local producers now certified to produce local cable programming
3. Continued ascertainment proceedings regarding community needs in anticipation of the expiration of the cable contract with Charter communications.
4. Monitored Verizon's underground service installations to ensure 100% build out in Northborough by negotiated deadline of September 2012.

Cable Access TV Department FY2013 Goals and Initiatives

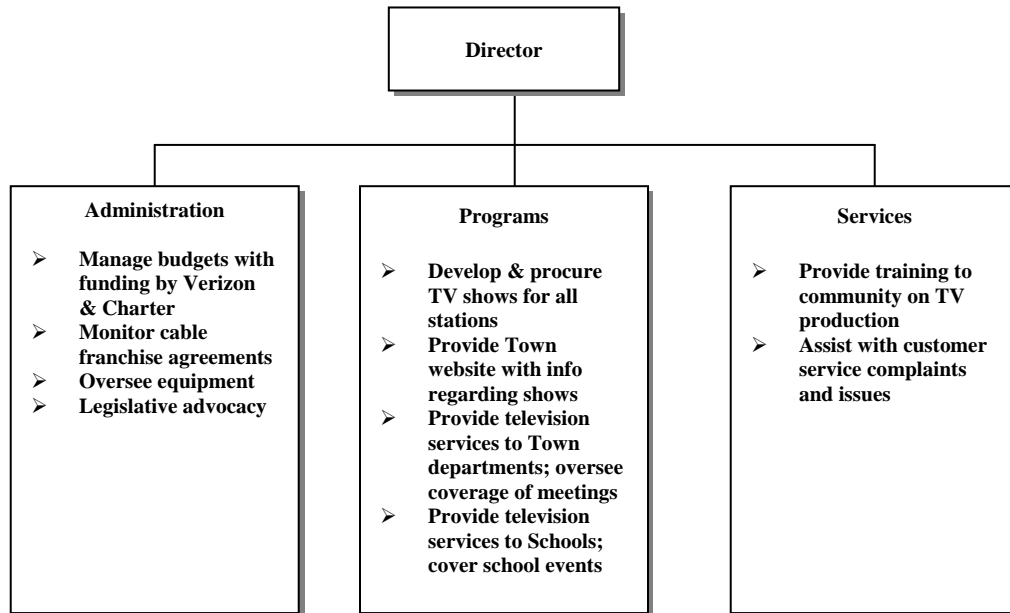
1. Enhance emergency communications systems related to bulletin board announcements on local channels as well as emergency video cablecasts.
2. Expand Web and social media presence as well as Video on Demand capabilities for public ease of use and awareness. Promote fee community productions opportunities.
3. Utilize studio and equipment to promote, educate and market the Town of Northborough to the community, residents and business.
4. Continue to expand television content for underserved viewers including seniors and young children.

Significant Budget Changes or Initiatives

Contracted capital payments received from Charter Communications and Verizon continue to provide funding for equipment upgrades that allow for more advanced and expanded community programming and training. FY2013 will continue to reflect only a small increase in the operating budget with stable personnel hours and a 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				
Position	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE	FY 2013 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



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
CABLE ACCESS TV						
Personnel Services						
51110 Director Salary	52,607	54,728	56,015	56,757	26,266	58,368
51120 Studio Assistant	10,847	14,827	16,538	22,304	10,341	26,769
51410 Longevity Pay	200	350	350	350	350	350
SUBTOTAL	63,655	69,904	72,903	79,411	36,957	85,487
Expenses						
52800 Contracted Services	12,414	200	410	1,650	0	12,250
53040 Computer Services	430	1,540	1,905	11,680	1,134	12,600
53720 Maintenance	275	0	74	250	801	2,600
53410 Telephone	1,217	1,011	1,258	1,211	557	1,300
54290 Office Supplies	5,947	8,099	4,449	3,750	648	3,750
54690 Studio Materials	0	0	0	0	0	9,750
57110 Travel	0	0	0	0	0	50
57310 Dues	100	130	165	165	100	300
57320 Subscriptions	143	24	33	0	0	0
51750 Health Insurance	16,304	16,304	17,282	16,876	0	17,184
58220 Retirement Assessment	5,106	5,578	5,756	6,396	6,396	6,921
58690 New Equipment	115,190	40,805	77,643	68,000	2,073	62,100
SUBTOTAL	157,126	73,690	108,975	109,978	11,709	128,805
TOTAL: CABLE ACCESS TV	220,780	143,595	181,878	189,390	48,666	214,292
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 obtain 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 FY2013 Goals and Initiatives

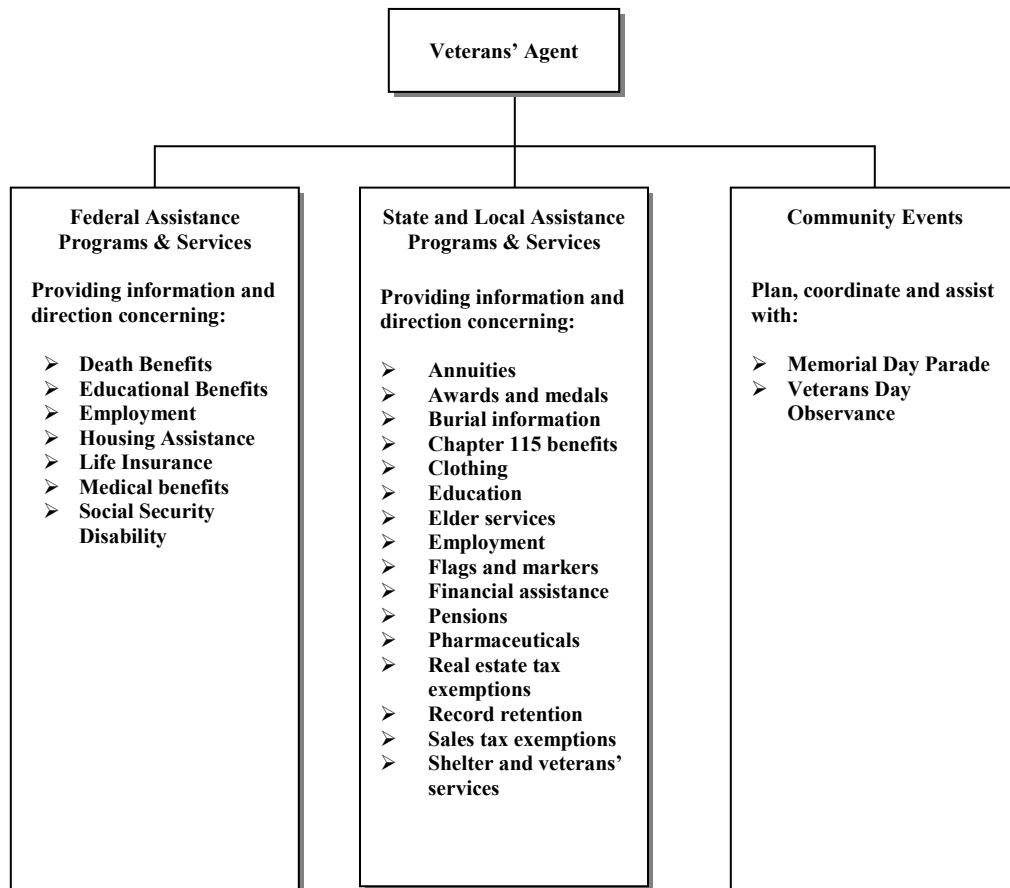
The Veterans' Services Department is planning to meet the needs of both our resident veterans as well as those returning from active service. We intend to enhance our website to ensure current and up to date information is available and to continue our outreach to resident veterans and their families.

We hope to have all resident veterans file a copy of their discharge and DD214 Form 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

The benefit line in the Veterans budget was increased from \$10,500 in FY2012 to \$30,000 in FY2013 to reflect the increased demand for services as veterans begin returning from overseas. During FY2012 a mid-year transfer was required from the Appropriations Committee Reserve Account to accommodate the increased benefit demand. Although any approved benefits paid to Northborough veterans will eventually be subject to a 75% reimbursement from the Commonwealth's Department of Veterans' Services, it is still the responsibility of the Town to budget adequate benefits on the front end to cover those expenses. There are no other significant changes proposed in the FY2013 Veterans' Services budget.

**Veterans' Services Programs and Services**



VETERANS' SERVICES

Personnel Summary

Position	FY 2010 FTE	FY 2011 FTE	FY 2012 FTE	FY 2013 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



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
VETERANS' SERVICES						
Personnel Services						
51130 Director Salary	17,390	17,912	18,360	18,544	9,272	18,729
SUBTOTAL	17,390	17,912	18,360	18,544	9,272	18,729
Expenses						
55030 Ordinary Benefits	3,497	4,501	4,948	10,500	8,381	35,000
55090 District Expenses	2,575	890	661	1,155	100	1,155
57340 Meetings	0	0	0	200	0	200
57810 Unclassified	4,453	2,956	5,038	4,500	1,000	4,500
SUBTOTAL	10,525	8,347	10,647	16,355	9,481	40,855
TOTAL: VETERANS' SERVICES	27,915	26,259	29,006	34,899	18,753	59,584



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.

		FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
		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.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
COMMUNITY AFFAIRS						
Expenses						
57810 Unclassified	500	500	500	500	0	500
SUBTOTAL	500	500	500	500	0	500
TOTAL: COMMUNITY AFFAIRS	500	500	500	500	0	500

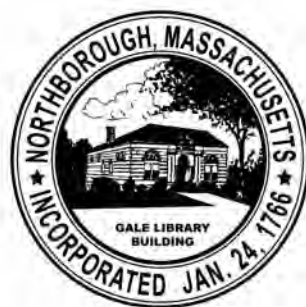


Historical Commission

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.

	FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
HISTORICAL COMMISSION						
Expenses						
52800 Contractual Services	0	0	0	0	0	0
53090 Advertising	0	0	0	0	0	0
53110 Printing	220	115	157	0	0	0
57340 Meetings	40	35	70	500	40	500
58690 New equipment	47	0	0	0	0	0
SUBTOTAL	307	150	227	500	40	500
TOTAL: HISTORICAL COMMISSION	307	150	227	500	40	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.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
UNDISTRIBUTED EXPENSES SUMMARY						
EMPLOYEE BENEFITS& INSURANCE						
Health Insurance	4,155,041	3,795,744	3,873,469	4,513,248	2,464,996	4,664,094
Life Insurance	7,101	7,004	7,023	8,730	3,527	8,730
Other Benefits/FICA	273,244	312,663	322,225	356,739	165,730	361,693
County Assessments	892,411	974,865	1,006,365	1,118,192	1,118,191	1,210,083
Workers Comp	77,989	85,828	78,103	101,800	63,032	104,704
SUBTOTAL EMPLOYEE BENEFITS	5,405,786	5,176,104	5,287,185	6,098,709	3,815,476	6,349,304
Building & Liability Insurance	198,515	166,126	125,879	213,955	135,463	213,955
Debt Service	1,696,637	2,265,276	1,953,195	2,489,898	385,033	2,509,484
State Assessments	352,490	459,224	469,196	376,427	168,083	444,680
Reserve for Abatements¹	215,351	284,717	342,209	351,739	0	350,600
Cherry Sheet Offset Items²	30,571	22,263	20,514	22,815	0	23,084
Stabilization Fund Contribution	0	0	0	0	0	0
Reserve Fund	0	0	0	150,000	0	150,000
FY2012 Emergency Storm	0	0	0	0	0	100,000
Special Articles	0	0	100,000	0	0	0
Capital Budget	0	0	27,600	804,000	0	3,086,000
TOTAL: UNDISTRIBUTED EXPENSES	7,899,349	8,373,710	8,325,778	10,507,543	4,504,054	13,227,107

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 Health Maintenance Plan (HMO), Fallon Preferred Provider Plan (PPO), Harvard/Pilgrim HMO and Tufts HMO. 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, 2012 a total of 281 active employees (77 Town and 204 K-8 School), 111 retirees (33 Town and 78 K-8 School) and 36 dependents (9 Town and 27 School) were enrolled in one of the Town's health insurance plans.

The following estimated rate schedule was used in budgeting for FY2013.

Health Insurance Plan		7/1/2012 Renewal Monthly Rates	Town Employees				School Employees			
			7/1/2012 Town Monthly Expense		7/1/2012 Employee Monthly Expense		7/1/2012 Town Monthly Expense		7/1/2012 Employee Monthly Expense	
Fallon	Ind	733.49	66%	484.60	34%	248.99	75%	550.12	25%	183.37
	Fam	1,907.06	66%	1,259.18	34%	647.88	75%	1,430.30	25%	476.76
Fallon Pref Care PPO	Ind	1,065.17	50%	532.59	50%	532.58	50%	532.59	50%	532.58
	Fam	2,769.47	50%	1,384.74	50%	1,384.73	50%	1,384.74	50%	1,384.73
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	673.76	68%	455.86	32%	217.90	75%	505.32	25%	168.44
	Fam	1,751.74	68%	1,185.17	32%	566.57	75%	1,313.81	25%	437.93



Undistributed Expenses

Section 6-3

Several years ago, the Town negotiated a 60% Town and 40% Town employee share of any premium changes. Therefore in FY2013, the Town contribution will be 66% to 68% of the monthly HMO premiums for Town employees depending upon the specific health plan. Beginning in FY2012, the Town contribution decreased from 80% to 75% of the monthly HMO premiums for K-8 School employees and the 75% contribution will remain in place for FY2013. In accordance with Chapter 32B, the Town pays 50% of the monthly premium for the Fallon Preferred Provider Plan for both K-8 School and Town employees. The employees pay the remaining premium through bi-weekly payroll deductions.

The FY2013 budget was prepared using an estimated 5% increase effective with the Senior plan renewal on January 1, 2013. The following rate schedule was in place until the calendar year renewal.

Health Insurance Plan		1/1/2012 Renewal Monthly Rates	Medicare Eligible Ret Empl*			
			1/1/2012 Town Monthly Expense		1/1/2012 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	422.00	70%	295.40	30%	126.60
Complement	Ind x2	844.00	70%	590.80	30%	253.20
Tufts Medicare	Ind	232.00	70%	162.40	30%	69.60
Preferred	Ind x2	464.00	70%	324.80	30%	139.20
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 its 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 FY2013.



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 GASB 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.³ At the close of FY2011, a GASB 45 update was required and due to the implementation of Section 18, our AAL has been reduced to \$28.1 million. By introducing a variety of 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 FY2013 budget request of \$4.66 million represents a total increase of \$150,847 or 3.3% from the amount budgeted last year.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
HEALTH INSURANCE						
Expenses						
51750 Town Health Insurance	973,251	932,021	986,985	1,146,641	639,010	1,455,460
51800 School K-8 Health Insurance	3,181,790	2,857,803	2,879,976	3,356,607	1,822,086	3,198,634
51850 Health Reimbursement Account	0	5,920	6,509	10,000	3,900	10,000
SUBTOTAL	4,155,041	3,795,744	3,873,469	4,513,248	2,464,996	4,664,094

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.

	FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
LIFE INSURANCE						
Expenses						
51740 Town Life insurance	2,537	2,452	2,459	4,244	837	4,244
51745 School K-8 Life Insurance	4,564	4,552	4,564	4,486	2,690	4,486
SUBTOTAL	7,101	7,004	7,023	8,730	3,527	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 50 weeks of benefits per claimant – up to 30 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.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
OTHER BENEFITS/FICA						
Expenses						
51730 FICA Town Share	75,494	79,008	83,293	87,673	40,704	88,588
51733 FICA School Share	165,217	183,479	195,518	193,903	92,942	197,212
51735 Unemployment Compensation	18,454	42,569	35,629	60,000	22,429	60,000
55090 Miscellaneous Benefits	14,079	7,607	7,785	15,163	9,655	15,893
SUBTOTAL	273,244	312,663	322,225	356,739	165,730	361,693



Worcester Regional Retirement Assessment

The Town participates in the Worcester Regional Retirement System which is a contributory retirement system comprised of ninety four (94) member towns and districts from Worcester County. Subject to the provisions of Chapter 32B and 34B of the Massachusetts General Laws, the retirement system, as well as all public retirement systems in Massachusetts, is overseen by the Public Employee Retirement Administration Commission (PERAC).

The Public Employee Retirement Administration Commission, through an actuarial study determines the appropriate funding schedule for the retirement system's total Unfunded Actuarial Accrued Liability (UAAL). The Municipal Relief Act of 2010 extended the requirement for full funding of the pension system's liability until the year 2040. The total source of funding is the annual Town assessment together with employee contributions for each member unit.

The FY2013 assessment will be the first of a three-year phase in to the actuarial method of assessment calculation. Previously, the Worcester Regional Retirement System based its assessment to each member unit upon actual payroll. The actuarial method of assessment, once fully implemented, will base the assessment on an actuarial determination using the employee age, service and average salary data of each individual member unit. The Town of Northborough's system's total Unfunded Actuarial Accrued Liability is \$16,826,370 as of January 1, 2010. The Worcester Regional Retirement System regards the actuarial method as a "more fair and transparent way of assessing each unit's true liability" and noted that this is also consistent with the standards of the Government Accounting Standards Board (GASB).

In recent years there have been changes to Massachusetts pension benefits brought about by various Pension Reform legislation in an attempt to reign in pension liability costs. The liability had increased due to lack of performance in investments and the inability of the pay-as-you-go funding to keep pace with the defined benefits. It is important to note that a municipal employee hired after 1996 will contribute 9% of their total compensation plus another 2% of any regular compensation over \$30,000 to the retirement system. This employee, if retired with 25 years of creditable service and the investment return assumption is met, will effectively pay for their entire pension.⁴ The Town's assessment together with the employee contributions are intended to meet the pension costs for all Town and Northborough K-8 School (non-teaching positions) retirees covered by this retirement system, as well as 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 with an appropriation by the Commonwealth of Massachusetts and employee contributions.

⁴ Information from Actuary, James R. Lamenzo of the Public Employee Retirement Administration (PERAC).



Section 6-8

Undistributed Expenses

The total FY2013 Worcester Regional Retirement Assessment is \$1,269,982. The \$1,210,083 portion included in the General Fund budget below does not include the retirement costs contained in the Water Enterprise Fund (\$31,786), the Sewer Enterprise Fund (\$21,192) or the Cable Access TV (\$6,921)⁵.

		FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
		ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
WORCESTER REGIONAL RETIREMENT							
Expenses							
56220	Retirement Assessment	892,411	974,865	1,006,365	1,118,192	1,118,191	1,210,083
	SUBTOTAL	892,411	974,865	1,006,365	1,118,192	1,118,191	1,210,083

⁵ 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.)



Undistributed Expenses

Section 6-9

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 Massachusetts⁶. 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 premium for police and fire personnel is contained in the Building & Liability Insurance budget.

	FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
WORKERS' COMPENSATION INSURANCE						
Expenses						
51710 Workers' Compensation	74,700	82,965	75,894	96,800	61,601	99,704
53080 Police/Fire Injured on Duty (IOD) Medical Payments	3,289	2,863	2,209	5,000	1,432	5,000
SUBTOTAL	77,989	85,828	78,103	101,800	63,032	104,704

⁶ 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.



Building & Liability Insurance

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

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 FY2013.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
BUILDING & LIABILITY INSURANCE						
Expenses						
57410 Building & Liability Ins.	198,515	166,126	125,879	213,955	135,463	213,955
SUBTOTAL	198,515	166,126	125,879	213,955	135,463	213,955



Undistributed Expenses

Section 6-11

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).

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

For FY2013, the total Debt Service budget for the General Fund is \$2.51 Million, a slight increase of \$19,586.

	FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
DEBT SERVICE						
Expenses						
59100 Principal/Long-term Debt	1,176,097	1,617,021	1,428,085	1,094,148	64,534	1,727,834
59150 Interest/Long-term Debt	324,324	484,940	384,645	350,458	320,499	593,433
59270 Interest/Temporary Loans	196,216	163,314	140,464	1,045,292	0	188,217
SUBTOTAL	1,696,637	2,265,276	1,953,195	2,489,898	385,033	2,509,484

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 our most recent ratings review, Moody’s Investors Service indicated their expectation that our debt position should remain manageable. Moody’s cited our overall debt burden at 1.8% of our Equalized Valuation and our average rate of 71.4% principal amortization within the next ten years as indicators of a manageable debt burden.

Section 6-12

Undistributed Expenses



Statutory Debt Limit

The aggregate level of our 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 our total Equalized Valuation (EQV). The EQV is determined every other year by the State Department of Revenue.

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.

Debt Policy Limits

Further there is a local limit placed on Northborough's debt obligation through the Debt Policy adopted by the Board of Selectmen in September 2000. The Debt Policy provides for 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 estimated FY2013 General Fund debt service budget appears to be well under the local debt policy limits. The estimated Gross Debt is 7.65% and the estimated Net Debt is 6.88% of the FY2013 proposed budget.

Bond Rating

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

The 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 the Town's previous rating of Aa3 up to a bond rating of Aa2.

Moody's
Bond
Rating
Symbols

Aaa
Aa1
Aa2
Aa3

A1
A2
A3

Baa1
Baa2
Baa3

Ba1
Ba2
Ba3



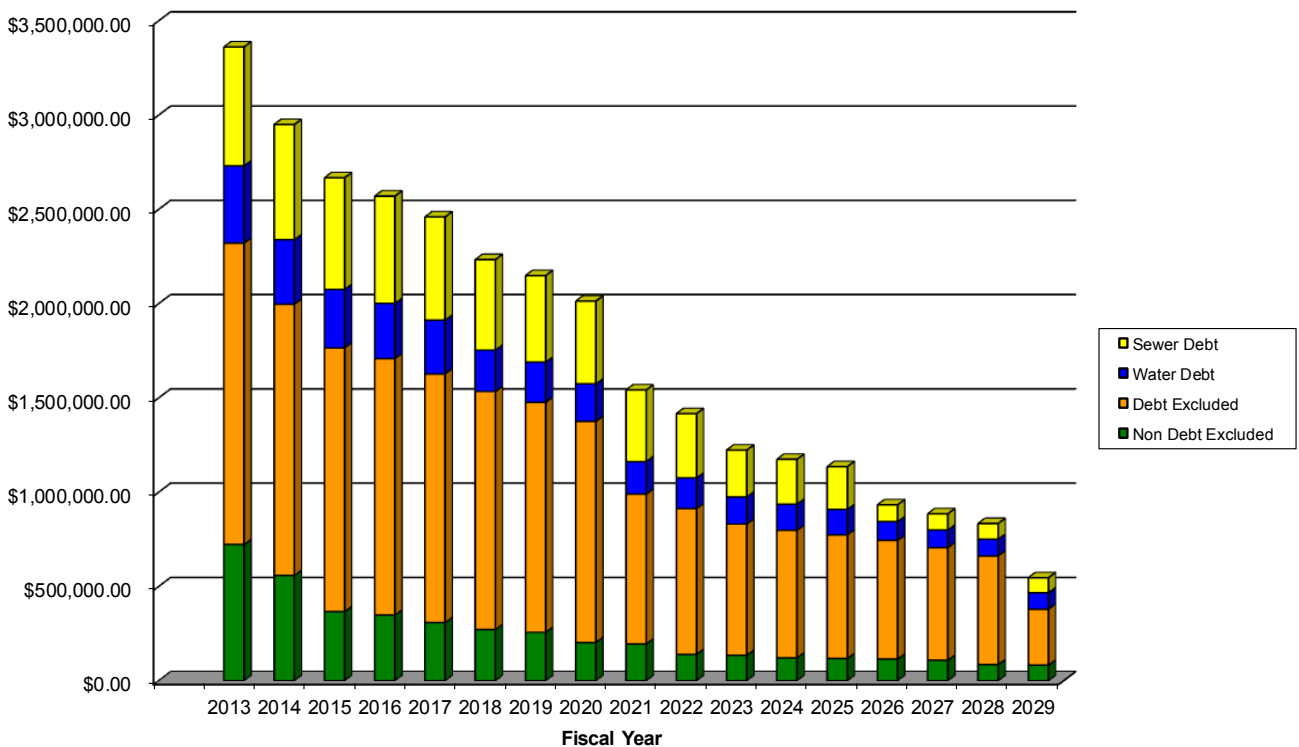
Undistributed Expenses

Section 6-13

Total Long Term Debt Service - All Funds

The total long term annual debt service, from FY2013 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	General Fund	General Fund Debt Excluded	Water Enterprise Fund	Sewer Enterprise Fund	Total Debt Service
2013	722,814	1,598,453	410,094	630,301	3,361,662
2014	558,674	1,439,055	341,301	611,097	2,950,127
2015	366,627	1,399,096	310,047	591,717	2,667,487
2016	348,447	1,360,272	292,803	568,682	2,570,204
2017	308,585	1,319,481	284,544	547,472	2,460,082
2018	271,541	1,263,024	219,409	479,971	2,233,945
2019	257,546	1,218,877	213,928	458,612	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
	4,144,440	16,463,902	3,394,285	6,096,527	30,099,154



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 89% 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.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
STATE ASSESSMENTS						
Expenses						
56390 Mosquito Control Assessment	44,901	44,730	44,376	45,349	22,676	48,834
56400 Air Pollution Assessment	4,387	4,439	4,539	4,744	2,372	4,769
56410 County Assessment ch. 35	26,255	13,524	0	0	0	0
56420 MBTA	72,111	73,790	75,790	75,090	37,546	75,030
56430 Regional transportation Ch 161 B	20,966	19,272	16,871	17,265	8,633	16,983
56440 Charge Against Receipts--SPED	0	0	10,100	0	0	0
56450 Parking Surcharge Ch 90	8,840	9,180	0	10,100	4,390	8,120
56455 School Choice Sending Tuition	9,500	0	0	15,000	6,667	20,000
56460 Charter School Sending Tuition	165,530	294,289	317,520	208,879	85,799	270,944
SUBTOTAL	352,490	459,224	469,196	376,427	168,083	444,680



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 FY2013 our proposed funding for the Overlay Reserve for Abatements and Exemptions is \$350,600.

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 FY2013 include \$8,409 for school lunch grants and \$14,675 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.

	FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
	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



Undistributed Expenses

Section 6-17

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 was appropriated from Free Cash as a separate Warrant Article at Town Meeting. The FY2013 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.

		FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
		ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
RESERVE FUND							
Expenses							
59810	Reserve Fund	0	0	0	0	0	See warrant
	SUBTOTAL	0	0	0	0	0	Articles
TOTAL:	RESERVE FUND	0	0	0	0	0	0



Warrant Articles

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

The warrant articles contain proposed funding for these items using a combination of several sources. The various funding sources include repurposed bond proceeds, Free Cash, municipal bonds, donations, Water and Sewer Enterprise Funds as well as partnering for project funding with both the Massachusetts School Building Authority (MSBA) and the Community Preservation Committee. The use of these funding sources results in a very minimal additional tax impact.

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 Free Cash Policy is on page 2 in Appendix A of this budget document, which contains the Town's comprehensive financial policies. The 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 FY2013 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
2. \$100,000 for Emergency FY2012 Storm Expenditures—This amount provides approximately 25% of the total emergency spending of \$400,000 from the October 29, 2011 Nor'easter. We also expect to receive a 75% reimbursement from the Federal Emergency Management Agency or FEMA.
3. \$350,000 for a Fire Engine Tender Truck—This project seeks to replace a 1984 fire engine, which has exceeded its useful life with a fire engine tender (tanker truck). The Insurance Service Organization (ISO) requires us to maintain three pumping engines to sustain our ISO rating of four, which ensures cost effective fire insurance rates for business and residential properties in Town. The replacement engine tender will provide immediate water on wheels for non-hydrant areas and will have the ability to quick dump its tank water into a portable tank. The funding for this apparatus will come entirely from donations.
4. \$85,000 for Narrowband Radio Conversion—This project seeks funding for the conversion to narrowband radios for our Fire Department, Police Department and Department of Public Works. The Federal Communications Commission has mandated that all non-Federal public safety licenses using 25 kHz radio systems must migrate to narrowband kHz channels by January 1, 2013. The funding for this apparatus will be from Free Cash.
5. \$1,152,000 for Town Offices Building Repair— This project seeks funding for the Town Offices Building repair project to repair the HVAC, replace the phone system and other renovations. The project will be funded by using \$802,000 of repurposed bond proceeds together with \$350,000 from Community Preservation Funds for a total project cost of \$1,152,000.



Undistributed Expenses

Section 6-19

6. \$40,000 for Track Improvements at Ellsworth McAfee Park—This project will upgrade a portion of the track that was not repaired in 2009. This section of the track has deteriorated over time, and there are significant problems with the track surface and pavement. The project will use \$30,000 in donations and partner with private organizations for a total project cost of \$40,000.
7. \$56,000 for a DPW One-Ton Service Truck— This request is for a one-ton pick-up truck that will replace a 2000 Ford F350 pick-up truck that has surpassed its useful life of 10-12 years. The funding for this departmental equipment will be from Free Cash.
8. \$153,000 for a Sidewalk Plow—This request is for second sidewalk plow. The existing equipment has reached its expected useful life and is the only piece of equipment available to clear and sand sidewalks throughout the Town. The funding for this departmental equipment will be from Free Cash.
9. \$100,000 for a Portable Emergency Generator—This is a request to purchase a portable emergency generator and to properly wire the Public Safety buildings and Sewer Pump Stations for its use. This will allow this equipment to serve as a backup to any of those facilities in an emergency. This departmental equipment will be funded by \$25,000 in Free Cash and \$75,000 in funding from the Sewer Enterprise Fund Free Cash for a total of \$100,000.
10. \$250,000 for Lyman Street Well Repairs — This project seeks funding for the repair and upgrade to the Lyman Street Well as required by the Department of Environmental Protection. The project will be funded by using \$190,217 of repurposed Water Enterprise Fund bond proceeds together with \$59,783 from Water Enterprise Fund Free Cash for a total project cost of \$250,000.
11. \$500,000 Lincoln Street Elementary School Feasibility Study—This project provides the authority for a feasibility study for the potential addition/renovation of the Lincoln Street School. Approximately 48%, or \$240,000 of the cost of the project will be reimbursed by a MSBA grant and the remaining 52% or \$260,000 will be funded through municipal bonds and represents the only item which will result in an additional tax impact in the FY2013 Capital Budget.
12. \$400,000 for an Emergency Generator Replacement—This request is to replace an existing generator at the Melican Middle School which was originally installed in 1973. The old generator is not compatible with the new boilers, replaced in 2011. Since the Middle School serves as the Town's primary emergency shelter and the existing generator provides only limited emergency power, it was recommended that the generator be replaced immediately. The proposed replacement generator will power the building sufficiently to provide, heat, showers and kitchen facilities in the event of an emergency. The project will be funded by using \$114,000 of repurposed bond proceeds together with \$286,000 in Free Cash for a total project cost of \$400,000.

Section 6-20

Undistributed Expenses



TOWN MEETING SPECIAL WARRANT ARTICLES

Expenses

52022 Declaratory Judgment ARHS
58018 Voting Machines
59810 Reserve Fund ART 19
Fire Pickup ART 21
Police Phone System ART 22
DPW Truck Lift ART 23
DPW Pickup w/ Plow ART 24
DPW Street Sweeper ART 25
DPW Hwy Dump Truck ART 26
Peaslee School Roof ART 27
Reserve Fund
Emergency 10/29/12 Storm Exp.
Fire Engine Tender Truck
Narrowband Radio Conversion
Town Offices Building Repair
Ellsworth McAfee Park Track
DPW One-Ton Service Truck
Sidewalk Plow
Portable Emergency Generator
Lyman Street Well Repairs
Lincoln School Feasibility Study
Middle School Emer Generator

SUBTOTAL

FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
0	0	100,000	0	0	0
0	0	27,600	0	0	0
0	0	0	150,000	0	0
0	0	0	60,000	0	0
0	0	0	35,000	0	0
0	0	0	60,000	0	0
0	0	0	39,000	0	0
0	0	0	164,000	0	0
0	0	0	71,000	0	0
0	0	0	375,000	0	0
0	0	0	0	0	150,000
0	0	0	0	0	100,000
0	0	0	0	0	350,000
0	0	0	0	0	85,000
0	0	0	0	0	1,152,000
0	0	0	0	0	40,000
0	0	0	0	0	56,000
0	0	0	0	0	153,000
0	0	0	0	0	100,000
0	0	0	0	0	250,000
0	0	0	0	0	500,000
0	0	0	0	0	400,000
0	0	127,600	954,000	0	3,336,000

Public Education

Section 7



This Page Intentionally Blank



Public Education

Section 7-1

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.

As of October 1, 2011, a total of 1,893 students attend the Northborough schools. Enrollment of 1,238 students in grades K-5 at the four (4) town elementary schools and an enrollment of 655 students for grades 6-8 at the Middle School.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
NORTHBOROUGH K-8 SCHOOLS						
51100 K-8 School Department	16,544,801	17,450,696	17,791,049	18,702,867	6,154,289	19,495,277
TOTAL	16,544,801	17,450,696	17,791,049	18,702,867	6,154,289	19,495,277

****For detailed information regarding the Northborough K-8 Public School budget, initiatives and goals, please see the School Superintendent's FY2013 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

As of October 1, 2011, a total of 823 Northborough students attend the Northborough Southborough Regional High School. This represents 57.03% of the total student enrollment in grades 9-12 at the regional high school.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
ALGONQUIN REGIONAL HIGH SCHOOL						
19981 Algonquin Regional Assessment	7,838,259	7,962,259	7,696,524	7,817,716	3,908,858	8,100,321
19981 Debt- Exclusion – Prop 2 1/2	1,404,375	875,871	1,131,427	1,267,629	633,814	1,289,094
19981 Debt – Not Excluded	0	0	0	0	0	0
TOTAL	9,242,634	8,838,130	8,827,951	9,085,345	4,542,672	9,389,415

****For detailed information regarding the Northborough/Southborough Regional High School budget, initiatives and goals, please see the School Superintendent's FY2013 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, 2011, 50 Northborough Students attend Assabet Valley, which represents 7.06% of their FY2013 budget, or \$656,645. This is an increase from the 41 Northborough students on October 1, 2010.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
ASSABET VALLEY REG TECH HIGH SCH						
53260 Assabet Regional Assessment	643,760	600,335	680,836	517,488	258,744	656,645
TOTAL	643,760	600,335	680,836	517,488	258,744	656,645

****For more information regarding the Assabet Valley Regional Technical High School budget, initiatives and goals, please see the Assabet Valley's School Superintendent's FY2013 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.

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
NORFOLK AGRICULTURAL HIGH SCHOOL						
56470 Norfolk Agricultural Assessment	27,117	33,277	0	0	0	0
TOTAL	27,117	33,277	0	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 FY2013 Budget Changes or Initiatives

The Solid Waste Enterprise Fund does not generate sufficient revenue to cover all its expenses. Total fee revenues are estimated in FY2013 to be \$483,520 and the expenses \$781,090, leaving a projected general fund subsidy of \$247,570 with a transfer from the Solid Waste Fund Free Cash of \$50,000. In FY2013, the appropriation will contain a \$50,000 Contingency Reserve account within the Solid Waste Fund to ensure adequate funding for the potential of an unforeseen event in the coming year.

In 2010, 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. The new contract will set the collection costs at \$475,000 per year for a five (5) year period. This collection cost contract results in a significant savings of more than \$31,000 over the last year of the previous contract. As a result of the decision by the Board of Selectmen and the favorable prices obtained from the IFB, a \$247,570 General Fund subsidy is again recommended in FY2013 in order to balance the Enterprise Fund. The total PAYT FY2013 budget is \$781,090. 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 FY2013 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 \$72.48/ton. Based upon the most recent information from the Bureau of Labor and Statistics and the formula in the agreement, the tip fee for FY2013 has been estimated at \$74.95/ton, which will apply to the amount of trash disposed of between 7/1/12 and 6/30/13.

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 FY2013:

Actual tonnage for the last 12 months (calendar year 2011) is 2092 tons (which is actually a 0.3% 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 14 new units ÷ 4816 existing homes = 0.3%. Projected Tonnage: (2092 x 1.003) = 2098, which is rounded to 2200 tons for budgeting purposes.

Collection Costs:



Solid Waste Enterprise Fund

Section 8-3

On July 1, 2011 the Town began 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. The FY2013 total collection contract cost of \$475,000 includes \$265,000 for Trash Collection and \$210,000 for Recycling Collection.

		FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
		ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
SOLID WASTE ENTERPRISE FUND							
Expenses	Services						
52810	Unclassified	69,639	19,735	79,898	91,200	8,485	91,200
52910	Trash Collection/Hauler	517,506	530,444	504,884	475,000	236,500	475,000
57810	Trash Disposal-Wheelabrator	153,552	147,927	148,194	161,370	64,313	164,890
59810	Extra Ordinary & Unforeseen Exp	0	0	0	0	0	50,000
	SUBTOTAL	740,698	698,105	732,976	727,570	309,298	781,090
TOTAL:	SOLID WASTE	740,698	698,105	732,976	727,570	309,298	781,090

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.:

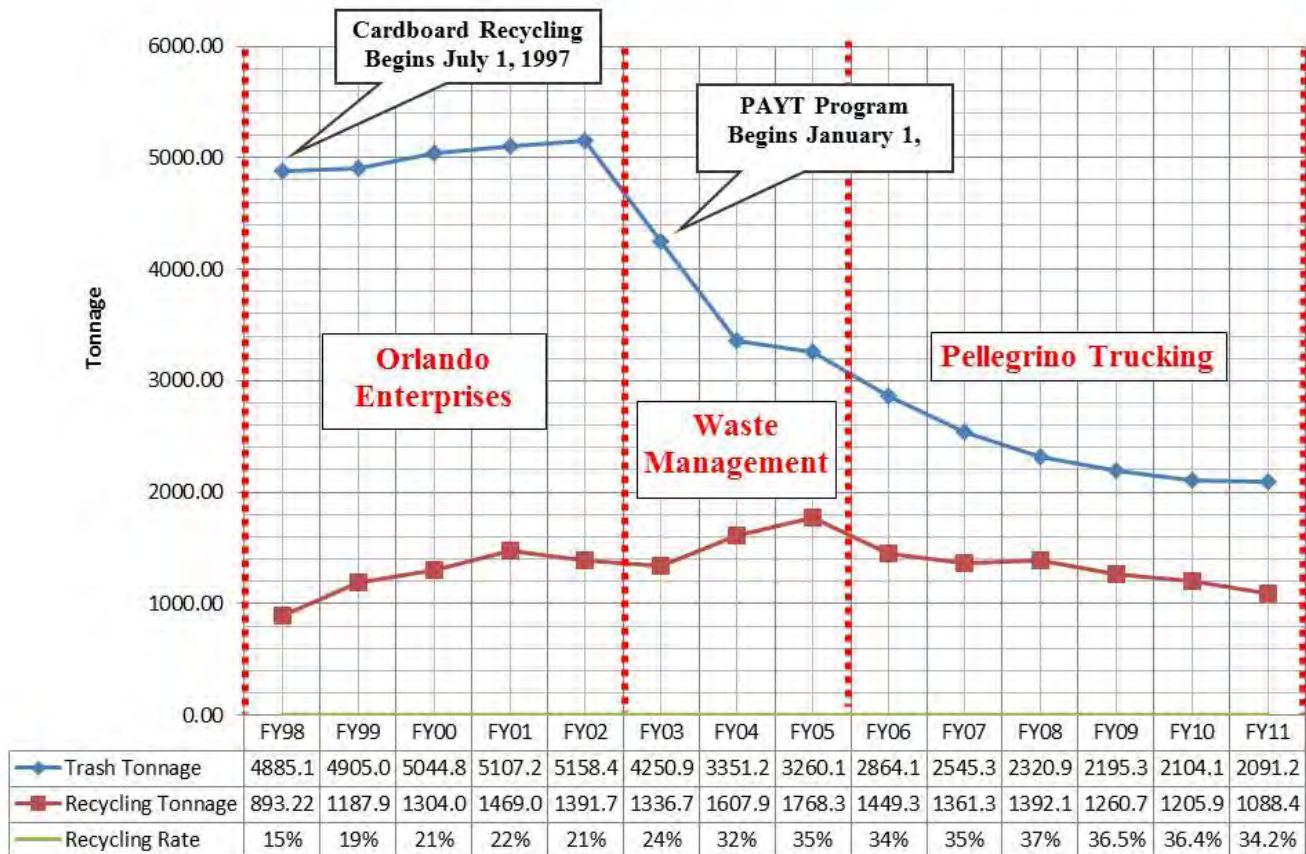
7/1/12 - 6/30/13: 2200 tons x \$74.95	<u>\$164,890</u>
Sub-total	\$164,890

Contingency Reserve	<u>\$ 50,000</u>
Sub-total	\$ 50,000

Grand Total \$781,090



Waste & Recycling Trends from FY1998 to FY2011



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 2,091 tons in FY2011. In addition, recycling rates over the same time period went from 21% in FY2002 to over 34% in FY2011. The difference between 5,158 tons of trash and 2,091 tons of trash is 3,067. In FY2013 that difference, multiplied by the projected tonnage disposal rate of \$74.95, represents approximately \$229,871 in cost avoidance. That cost avoidance will become increasingly more important as disposal costs continue to rise in the future.



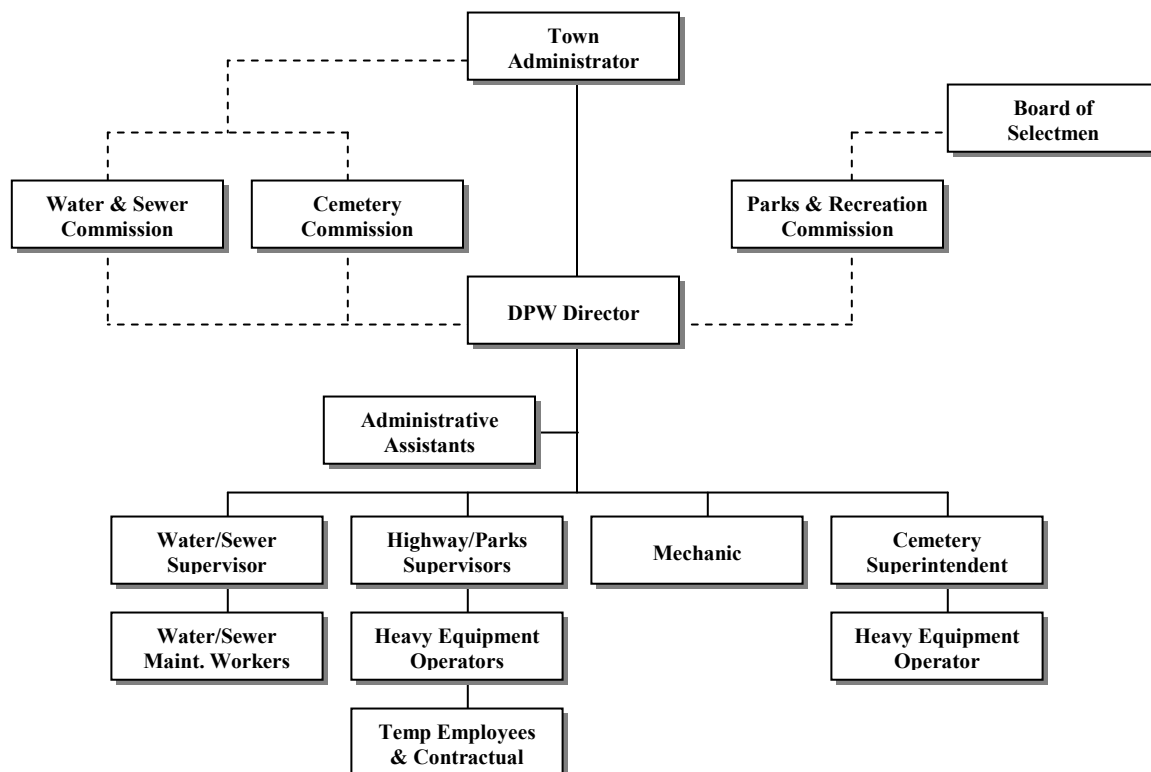
Water & Sewer Enterprise Funds

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.

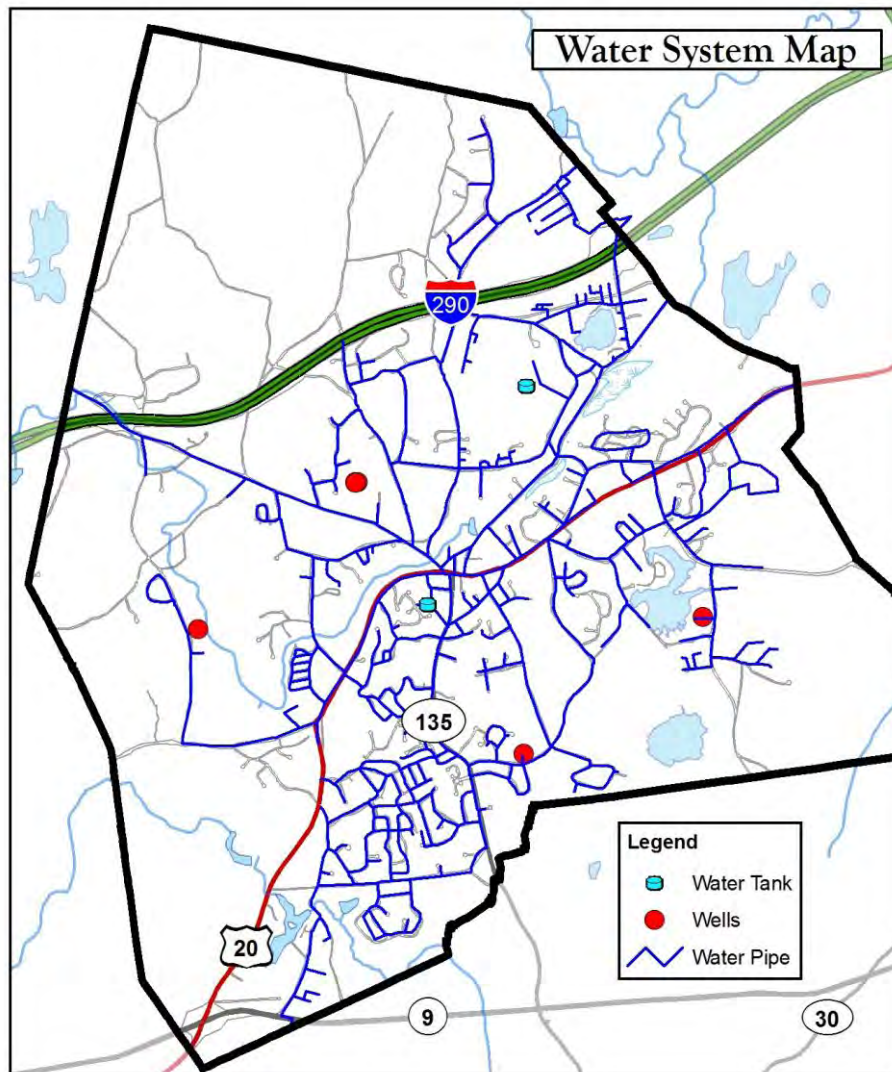
To address requirements of the Safe Drinking Water Act and to make the Town's water compatible, treatment alternatives were evaluated. The Town's consultant, Tata & Howard Inc., designed a new chemical addition facility at the Lyman Street well which the Town subsequently built. The Lyman Street well was reactivated in 2009 and produced approximately 225,000 gallons per day of the necessary 1 million gallons per day of average daily water usage in Northborough. Unfortunately, in June 2011, routine testing of the Lyman Street well indicated the presence of bacteria and the well was taken offline. The FY2013 Capital Improvement Plan requests funding to construct permanent improvements, required by the Department of Environmental Protection, in order to once again bring this important water source back on line.

The design of a new treatment facility for the Brigham Street well has also been initiated. If constructed, the treatment facility to be located 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. The project will be under independent review during FY2013 given recent changes to DEP regulations and potential cost implications.

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 FY2013 Budget Changes or Initiatives

The most important initiative for the DPW Water Division Enterprise Fund will be the reactivation of the Lyman Street well. Since there is a significant cost to the water currently purchased from the MWRA, by pumping and possibly 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 7-10 years.

Section 8-8

Water & Sewer Enterprise Funds



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
WATER ENTERPRISE FUND						
Personnel Services						
² 51010 Full-time Wages	160,331	132,383	136,380	137,535	63,847	139,152
³ 51100 Full-time Salary	37,637	31,323	32,106	32,428	10,514	31,512
⁴ 51120 Full-time Permanent wages	33,617	27,719	28,480	28,724	14,058	31,154
51130 Part-time Salaries	1,350	1,350	1,350	1,080	0	1,080
⁵ 51135 GIS Salary	15,000	12,000	12,000	12,000	12,000	12,000
51300 Overtime	35,860	25,190	36,874	33,847	19,565	34,246
51410 Longevity Pay	1,894	1,605	1,785	1,785	1,590	1,635
51970 Stipends	1,275	1,275	1,020	1,285	0	1,020
SUBTOTAL	286,965	232,845	249,996	248,684	121,574	251,799

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

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
WATER ENTERPRISE FUND						
Expenses						
51710 Workers' Compensation	9,904	7,923	7,923	8,122	8,122	8,122
51730 F.I.C.A.	3,855	3,179	2,753	3,414	3,414	3,836
51740 Life Insurance	110	110	110	88	88	88
51750 Health Insurance	58,373	51,835	38,778	44,362	44,362	50,274
51920 Uniforms	2,077	1,676	1,680	1,680	623	1,680
52110 Electricity	1,863	1,696	1,717	2,300	548	2,300
52610 Building Maintenance	5,121	2,400	5,656	3,000	344	3,000
52620 Equipment Maintenance	10,555	11,391	12,913	15,000	3,824	20,000
52800 Contractual Services	10,998	5,510	33,352	35,000	18,951	73,000
52850 Audit	1,980	1,620	1,632	1,680	1,680	1,731
53020 Legal Services	833	7,129	3,986	9,000	2,378	9,000
53110 Printing	5,184	9,490	10,084	6,120	2,889	6,120
53170 Water Analysis	637	6,429	11,700	10,000	162	10,000
53190 Training	1,555	559	360	400	520	650
53410 Telephone	5,115	6,429	4,730	7,200	1,725	7,200
54290 Office Supplies	241	164	200	500	120	500
54350 Howard Street Well	0	0	0	0	0	0
54370 Private Work	874	540	1,555	1,000	0	1,000
54380 Brigham Street Well	354	0	0	1,000	25	1,000
54390 Hudson Street Well/MWRA	856,326	826,744	797,120	745,000	374,993	884,392
54400 Lyman Street Well	3,049	8,200	13,254	18,000	779	18,000
54410 Crawford Street Well	949	736	442	1,000	81	1,000
54420 Distribution of Materials	7,872	128	37,435	15,000	2,968	15,000
54820 Gasoline	11,700	12,051	12,051	9,650	9,650	9,650
54840 Natural Gas	4,879	3,005	3,620	5,000	118	5,000
55990 Chemicals	0	30,652	35,365	40,000	0	40,000
56220 Worcester Regional Retirement	29,302	25,608	33,044	29,372	29,372	31,786
57110 Travel/Mileage	0	0	0	360	0	360
57310 Dues	3,445	3,475	3,190	3,005	2,526	3,005
57340 Meetings	0	0	0	0	0	0
57410 Liability/Building Insurance	16,078	12,862	12,862	14,062	14,062	14,062
57810 Unclassified	111	84	104	0	0	0
59810 Extraordinary and Unforeseen	0	0	0	75,000	0	75,000
SUBTOTAL	1,053,341	1,041,624	1,087,615	1,105,315	524,323	1,296,756

Section 8-10 Water & Sewer Enterprise Funds



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
WATER ENTERPRISE FUND						
Expenses (Capital)						
58530 Capital Outlay	15,242	11,662	29,734	15,000	31,548	50,400
SUBTOTAL	15,242	11,662	29,734	15,000	31,548	50,400

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
WATER ENTERPRISE FUND						
Expenses (Debt Service)						
59100 Principal / Long Term Debt	240,650	292,400	300,616	307,386	15,000	308,700
59150 Interest /Long Term Debt	77,887	114,479	102,510	92,610	56,515	101,395
59270 Interest / Temporary Loans	31,751	8,451	8,451	92,935	0	8,580
SUBTOTAL	350,288	415,331	411,578	492,931	71,515	418,675

FY2011 EMERGENCY EXPENSE

			61,000		
--	--	--	---------------	--	--

TOTAL: WATER ENTERPRISE FUND

1,705,835	1,701,463	1,778,922	1,922,930	748,961	2,017,630
------------------	------------------	------------------	------------------	----------------	------------------



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.

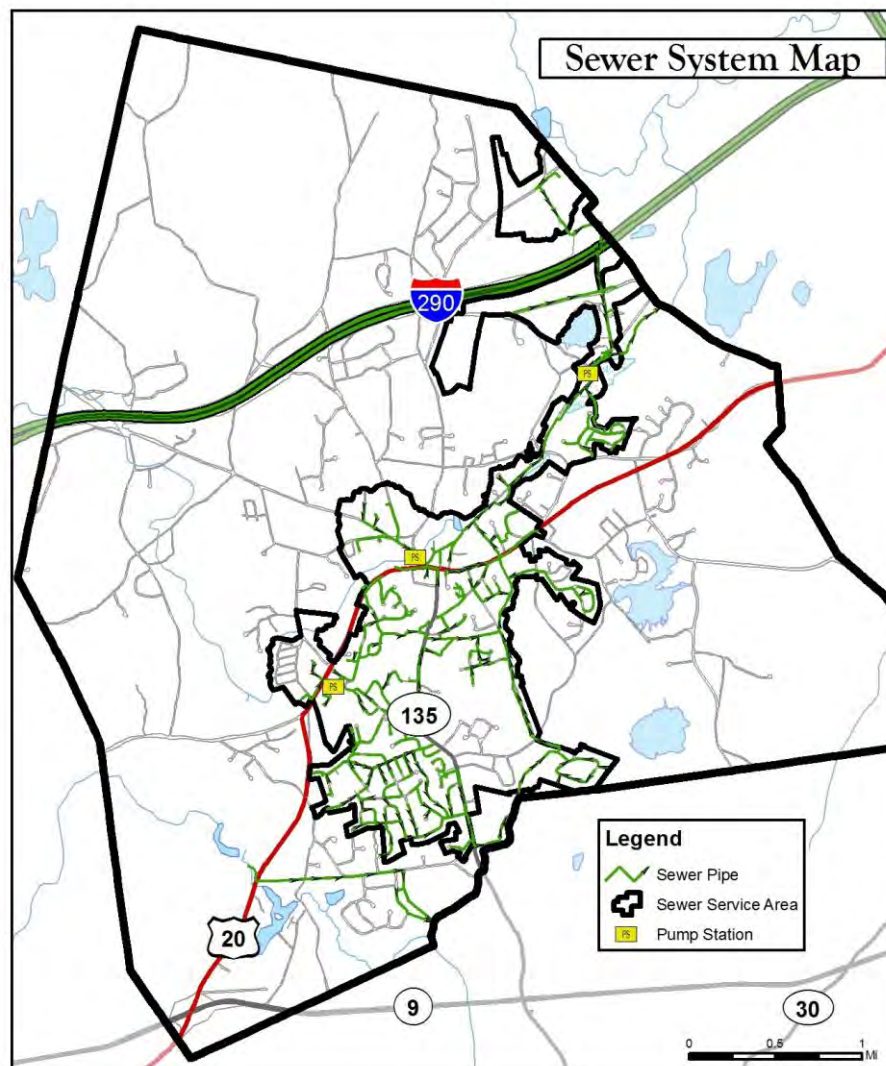
Status of the Marlborough Westerly plant expansion

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 FY2013 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



	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
SEWER ENTERPRISE FUND						
Personnel Services						
51010 Full-time Wages	53,869	88,256	90,920	91,670	42,565	92,768
51100 Full-time Salary	12,546	20,882	21,404	21,619	7,009	21,008
51120 Full-time Permanent wages	11,206	18,479	18,987	19,149	9,372	20,769
51130 Part-time Salaries	450	450	450	720	0	720
51135 GIS Salary	5,000	8,000	8,000	8,000	8,000	8,000
51300 Overtime	11,953	16,793	25,843	22,564	13,044	22,831
51410 Longevity Pay	206	1,070	1,190	1,190	1,060	1,090
51970 Stipends	425	425	680	1,180	0	680
SUBTOTAL	95,655	154,355	167,475	166,092	81,049	167,866

	FY2009 ACTUAL	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 BUDGETED	FY2012 SIX MONTHS	FY2013 PROPOSED
SEWER ENTERPRISE FUND						
Expenses						
51710 Workers' Compensation Ins.	3,301	5,282	5,282	5,415	5,415	5,415
51730 F.I.C.A.	1,285	2,120	1,836	2,275	2,275	2,813
51740 Life Insurance	37	37	37	59	59	59
51750 Health Insurance	19,458	34,557	25,851	29,575	29,575	33,516
51920 Uniforms	700	834	1,109	1,120	281	1,120
52110 Utilities	29,790	31,901	28,644	33,000	11,034	33,000
52310 Marlborough Use Charge	180,692	148,625	132,275	277,500	50,000	297,500
52600 Building Maintenance	19,577	4,290	17,408	5,000	11,810	5,000
52620 Equipment Maintenance	0	0	0	2,500	1,395	2,500
52800 Contractual Services	9,907	0	0	5,000	0	25,000
52850 Audit	660	1,080	1,088	1,120	1,120	1,154
53020 Legal Services	5,729	3,043	3,416	5,000	1,382	5,000
53080 Consultant Rate Studies	0	0	0	0	0	0
53110 Printing	0	0	0	4,080	1,683	4,080
53170 Testing	0	0	0	1,700	0	1,700
53410 Telephone	2,101	2,115	2,201	2,200	1,073	2,200
54420 Distribution of Materials	0	0	0	2,500	0	2,500
54820 Gasoline	3,900	4,017	4,017	6,500	6,500	6,500
55990 Chemicals	0	0	0	2,500	0	2,500
56220 Worcester Regional Retirement	9,767	17,504	11,015	19,583	19,583	21,192
57110 Mileage	0	0	0	240	0	240
57410 Liability/Building Insurance	5,359	8,575	8,575	9,175	9,175	9,175
59810 Extraordinary and Unforeseen	0	0	0	75,000	0	75,000
SUBTOTAL	292,264	263,980	242,753	491,042	152,360	537,164



Water & Sewer Enterprise Funds

Section 8-15

	FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
SEWER ENTERPRISE FUND						
Expenses (Capital)						
58530 Capital Outlay	3,784	0	0	0	0	33,600
SUBTOTAL	3,784	0	0	0	0	33,600

	FY2009	FY2010	FY2011	FY2012	FY2012	FY2013
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	SIX MONTHS	PROPOSED
SEWER ENTERPRISE FUND						
Expenses (Debt Service)						
59100 Principal / Long Term Debt	348,777	344,641	443,590	460,390	175,563	451,690
59150 Interest /Long Term Debt	99,266	198,001	224,589	194,351	109,487	178,612
59270 Interest / Temporary Loans	114,539	192,596	1,047	0	0	0
59990 Other Financing Uses	105,000	0	0	0	0	
SUBTOTAL	667,582	735,239	669,226	654,741	285,050	630,302

TOTAL: SEWER ENTERPRISE FUND	1,059,284	1,153,574	1,079,454	1,311,875	518,460	1,368,932
-------------------------------------	------------------	------------------	------------------	------------------	----------------	------------------



This Page Intentionally Blank

Proposed Capital Improvement Program



2013 - 2018

Town of Northborough, Massachusetts

CAPITAL IMPROVEMENT PROGRAM

Table of Contents

Town Administrator's Transmittal Letter	1
FY2013 Proposed Capital Budget	4-5
Introduction of Frequently Asked Questions	7
Capital Projects Flow Chart	12
Part I Capital Improvement Program FY2013-2018 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)	36-37
Parks & Recreation Commission	38-39
Department of Public Works: Highway/Parks/Cemetery Divisions	40-52
Department of Public Works: Sewer Enterprise Fund Division	53-58
Department of Public Works: Water Enterprise Fund Division	59-63
Northborough K-8 Public Schools	64-75
Part III Financial Planning Committee Report	77



John W. Coderre
Town Administrator

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

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

March 12, 2012

To: Board of Selectmen
Financial Planning Committee
Appropriations Committee

It is my pleasure to submit herewith the Proposed FY2013-2018 Capital Improvement Program (CIP), the first year of which constitutes the requested FY2013 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 is an important component of the Town's capital plan.

As in recent years, the CIP is incorporated in its entirety as Section 9 of the annual Operating Budget document. While the physical document continues to be improved, the main focus again in FY2013 is on the financing of the projects themselves, as the Town seeks to fund more projects using available funds such as Free Cash, without incurring debt. In addition to using available Free Cash, the preparation of our FY2013 Capital Budget included a concerted effort to close out completed capital projects and repurpose available bond proceeds to fund new projects.

The Free Cash Policy

The process of preparing the CIP and the FY2013 Capital Budget has remained essentially the same in recent years. However, the Board of Selectmen adopted a Free Cash Policy in November of 2010, which provides a recurring funding source for projects, other than municipal bonds. Interested readers are encouraged to refer to the complete Free Cash Policy on page 2 of 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 that was certified at the close of FY2011 (June 30, 2011) is available for use in the FY2013 (July 1, 2012) Capital Budget.

The adopted Free Cash Policy attempts to align one-time revenues with appropriate one-time expenditures, thereby minimizing the level at which recurring expenses, such as personnel, are dependent upon this non-recurring 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 (\$500,000) Subsidy of the Operating Budget
3. Contribution to the Town's Stabilization Fund
4. Fund Projects in the Capital Improvement Program
5. Extraordinary Deficits & Emergency Appropriations

Under the 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 use 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 impact to the operating budget and related services.

The FY2013 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 FY2011 Free Cash was certified at \$1.86 million. Of the total Free Cash, \$615,000 is available to finance the FY2013 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 FY2013 capital projects and will likely play a significant role in capital projects during the coming years.

FY2013 Proposed Free Cash Plan

Free Cash Certification 7/1/2011		1,865,000.00	100.00%
FY2013	Appropriated Reserve	-150,000.00	8.04%
FY2013	Operating Budget FY2013	-500,000.00	26.81%
FY2013	Stabilization Fund	0.00	0.00%
FY2012	Emergency 10/29/11 Storm Exp	-100,000.00	5.36%
FY2013	Capital Projects	-615,000.00	32.98%
Available Free Cash after FY2013 Plan		500,000.00	26.81%

In addition to the use of Free Cash in FY2013, the Town will also be using other one-time revenues in the form of mitigation funds from new developments, repurposed bond proceeds, Community Preservation Act Funds and a Massachusetts School Building Authority (MSBA) grant to finance capital projects.

Repurposed Bond Proceeds

Massachusetts General Laws, Chapter 44, Section 20 allows for Town Meeting to approve the appropriation of the balance of any bond proceeds that remain from completed projects.

These remaining funds can be repurposed for any project for which a loan of a similar term or longer could be authorized. The repurposing of these funds will provide significant funding for the FY2013 Capital Budget with no additional tax impact on residents.

At this time, it is anticipated that \$1,106,217 in repurposed bonds will be used to fund the various projects contained in the proposed FY2013 Capital Budget. Below is a summary table of those previously issued, but remaining bond proceeds.

FY2013 Repurposed Bonds

Date of Approval	Warrant Article	Original Purpose	Unexpended Amount
4/28/2008	#21	119 Colburn St. Remediation	\$ 819,941
4/28/2008	#47	Lincoln Street School Roof	\$ 1,509
4/28/2008	#48	Lincoln Street School Floors	\$ 2,711
4/23/2007	#23	Water Tank Improvements	\$ 190,217
4/24/2006	#30	Police Station Repairs	\$ 35,098
4/24/2006	#31	Highway Garage Improvements	\$ 469
4/24/2006	#52	Middle School Elevator Repairs	\$ 141
4/24/2006	#56	Peaslee School Roof	\$ 1,765
4/26/2005	#33	School Pneumatic System	\$ 2,052
4/26/2004	#37	School Technology Plan	\$ 54
4/26/2004	#39	Peaslee School Cafeteria Equip	\$ 21
4/26/2004	#40	Lincoln Street Exterior Doors	\$ 1,097
4/28/2003	#19	Fire Rescue Pumper	\$ 85
4/22/2002	#41	Middle School Heating System	\$ 900
4/23/2001	#37	School Building Repairs	\$ 25,932
4/27/1998	#24	Town Computer Network	\$ 4,842
4/23/1997	#34	School Feasibility Study	\$ 19,383
Total Bonds to be Repurposed			\$1,106,217

It is anticipated that repurposed bonds will be significantly less in subsequent years, as the backlog of completed projects get cleared from the books. Looking forward, the Town anticipates closing out completed projects on a routine

schedule with equipment purchases lapsing one year after authorization and building projects closing after three years.

MSBA Lincoln Street Elementary School Building Project

In addition to Free Cash and repurposed bond proceeds, it is anticipated that Massachusetts School Building Authority (MSBA) grant funds will also be available to fund a portion of the proposed \$500,000 Lincoln Street School Feasibility project. Under the MSBA grant program approximately 48% of the Feasibility Study costs are eligible for reimbursement.

For the past several years the Town has been annually submitting what is known as a "Statement of Interest" (SOI) to the MSBA. The SOI is essentially the justification for a project that the Town is requesting funding for under the MSBA grant program. The Lincoln Street School SOI is available on the Town's web page under "documents and reports" and explains the project goals to modernize and expand Lincoln Street School in more detail.

Following years of advocacy, the Town was finally notified on January 25, 2012 that MSBA voted to move the Feasibility Study for the Lincoln Street School renovation/addition project into its capital pipeline. The Town is now in the process of submitting all the MSBA eligibility requirements. The Town is also working with MSBA on an overall project schedule with the ambitious goal of completing the Feasibility Study in time to bring a building project forward for consideration at next year's April 2013 Town Meeting. However, this goal is dependent upon MSBA's schedule and process, both of which are largely beyond the Town's control.

If approved at Town Meeting, approximately 48% of the cost of the proposed Feasibility Study will be funded with a grant from MSBA. In addition, any resulting building project will also be eligible for a similar reimbursement rate, subject to future MSBA review and approval.

FY2013 Proposed Capital Budget

The table on the following page represents the FY2013 proposed capital requests of the General Government Department and the Northborough K-8 Schools. The table also provides a matrix of the various sources of funding for the proposed projects.

Although the detail for proposed projects has been incorporated as Section 9 of the annual Operating Budget document, funding for all recommended FY2013 projects requires Town Meeting approval of specific Articles contained in the April 2012 Annual Warrant. The adoption of the Capital Budget and any associated borrowing is done strictly in accordance with the Town Charter and Massachusetts General Laws.

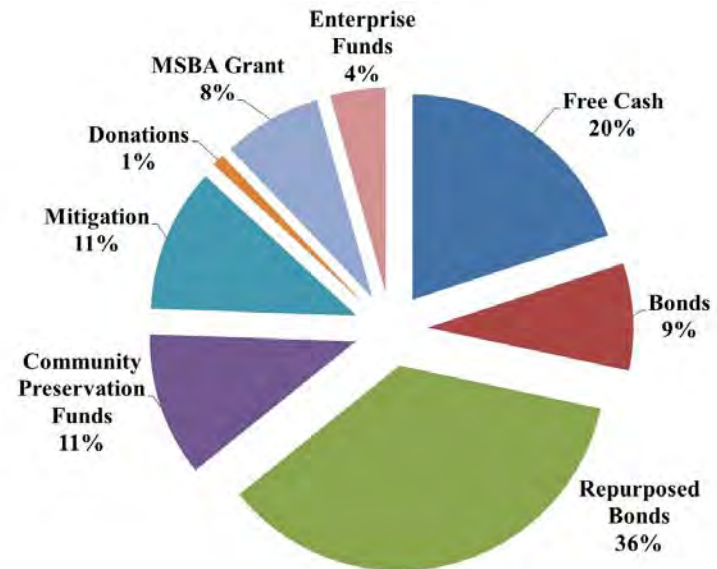
The proposed FY2013 Capital Budget totals \$3,086,000, of which only \$260,000 is anticipated to be funded through debt. The balance of the Capital Budget, or 91% of all project expenses, is proposed to be funded using a combination of Free Cash, MSBA grants, available mitigation funds, Community Preservation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

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

For additional information regarding each of the proposed FY2013 Capital Budget projects, please refer to the Project Detail Sheets contained in Part II of this document. Project Detail Sheets are also included for each project contained in the six-year CIP.

It should be clearly noted that projects listed in the Capital Improvement Program for years other than FY2013 will not be authorized at the 2012 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.

FY2013 Capital Budget Funding Sources



FY2013 Proposed Capital Budget

PROJECTS BY DEPARTMENT		EXPENDITURE	FUNDING SOURCES							
Fire			Free Cash	Bonds	Repurposed bonds	Community Preservation	Mitigation	Donations	MSBA Grant	Enterprise Funds
	Engine 3 Replacement	350,000					350,000			
	Conversion to Narrow Radio Banding	85,000	85,000							
	Fire Subtotal	\$435,000								
Town Offices										
	Town Offices Repairs	1,152,000			802,000	350,000				
	Town Hall Subtotal	\$1,152,000								
Parks & Recreation Commission										
	Ellsworth McAfee Track Replacement	40,000	10,000					30,000		
	Parks & Rec Comm Subtotal	\$40,000								
DPW: Highway Division										
	One Ton Service Truck w/Plow	56,000	56,000							
	Sidewalk Plow	153,000	153,000							
	Highway Subtotal	\$209,000								
DPW: Sewer Enterprise Fund										
	Portable generator	100,000	25,000							75,000
	Sewer Enterprise Fund Subtotal	\$100,000								
DPW: Water Enterprise Fund										
	Lyman Street Well Repairs	250,000			190,217					59,783
	Water Enterprise Fund Subtotal	\$250,000								
Northborough K-8 Public Schools										
	Summary of School projects									
Lincoln Elementary	Feasibility Study	500,000		260,000					240,000	
Melican Middle School	Emergency Generator Replacement	400,000	286,000		114,000					
	Northborough K-8 Schools Subtotal	\$900,000								
TOTAL FY13 CAPITAL BUDGET		\$3,086,000	\$615,000	\$260,000	\$1,106,217	\$350,000	\$350,000	\$30,000	\$240,000	\$134,783

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 incurring debt for smaller capital items. FY2013 is the second year such an approach is being implemented, since adoption of the Free Cash Policy.

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 review the report.

Wind Turbine Project Conclusion

I would be remiss not to mention one major change to the CIP this year. Following years of study the Wind Turbine Committee concluded that a project would not be economically feasible in Town due to less than optimal wind speeds. As a result, the FY2014 \$4.5 million placeholder in last year's CIP document has been removed.

The Wind Committee was established in 2009 by the Board of Selectmen with the charge of investigating the feasibility of constructing a wind turbine in Northborough. The Committee completed a site analysis and received an \$85,000 grant to complete a feasibility study using the consulting firm Sustainable Energy Development (SED). Copies of SED's feasibility study and conclusions are available on the Town web page under "Reports and Documents."

The Board of Selectmen would like to thank all the members of the Wind Committee for the hard work and enthusiasm they brought to this project.

In closing, it is obvious that the Town continues to make great strides towards improving its 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

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 FY2013 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, 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 Aa2 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 FY2013-2018 Capital Improvement Program and its associated FY2013 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.

CAPITAL IMPROVEMENT PROGRAM

- *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?

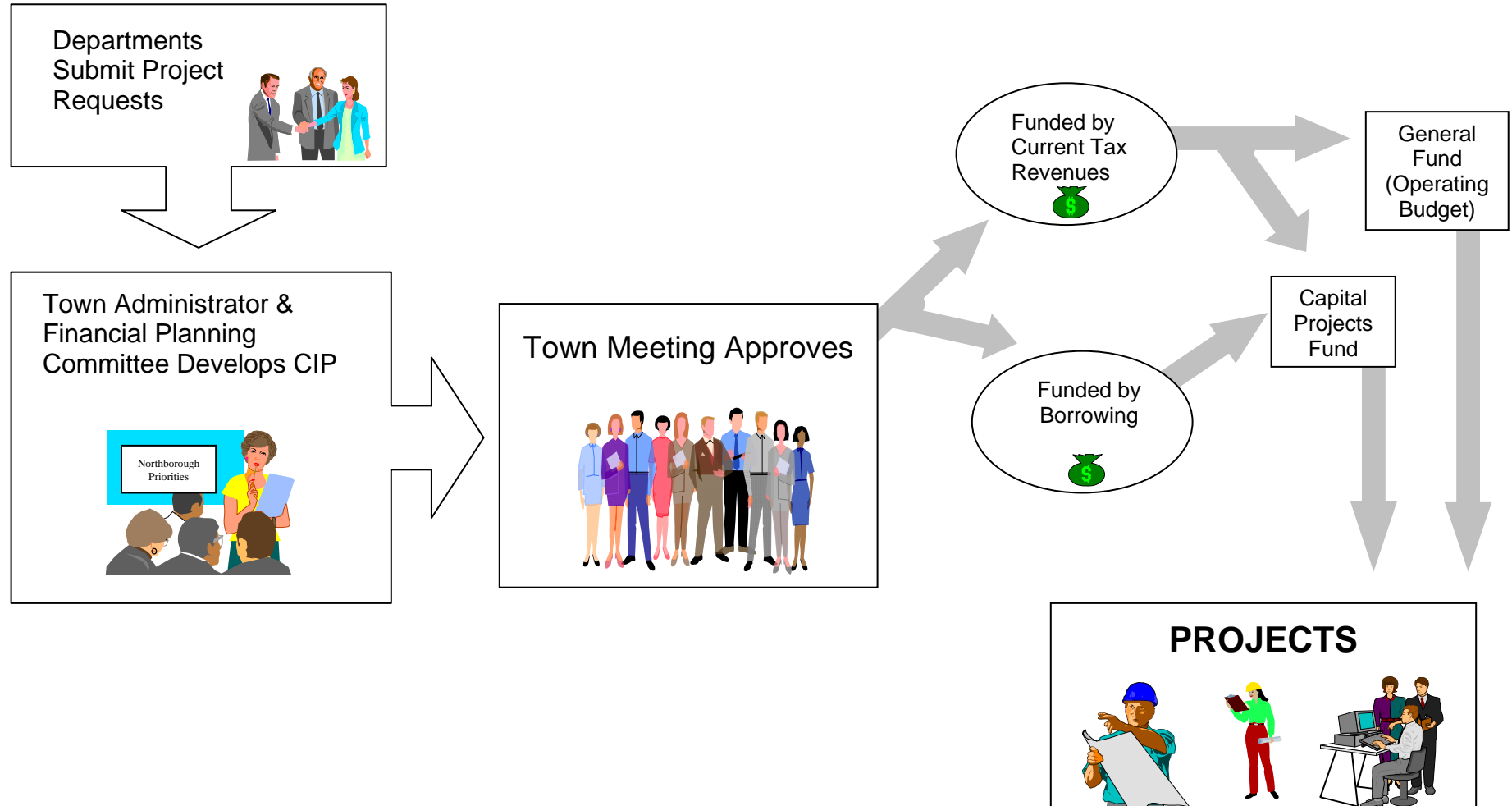
The CIP must be reviewed annually by Town departments and citizens to insure its effectiveness as a flexible, mid-range strategic plan that links the annual budget with our multi-year financial forecasts and the more static long-range Master Plan of Development. Each year, Town Meeting reviews the capital 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 2013-2018



This Page Intentionally Blank

**Town of Northborough
Capital Improvement Program Summary
Fiscal Years 2013-2018**

PROJECTS BY DEPARTMENT	Page #	Source of Funds	Six-Year Total	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Fire									
Engine 3 Replacement	21	2/6	350,000	350,000					
Narrowband Radio Conversion	22	6	85,000	85,000					
Fire Hose Replacement	23	6	98,000		98,000				
Fire Station Addition/Renovation	24	2	6,650,000		650,000	6,000,000			
SCBA Compressor Replacement	25	6	50,000		50,000				
Personal Protective Equipment	26	6	124,000		124,000				
Car One Replacement	27	6	66,000			66,000			
Forestry One Replacement	28	2/6	175,000			175,000			
Engine 2 Replacement	29	2/6	663,000				663,000		
Ambulance Replacement	30	5	280,000				280,000		
Pick-Up Truck Replacement	31	6	80,000					80,000	
Fire Subtotal			\$8,621,000	\$435,000	\$922,000	\$6,241,000	\$943,000	\$80,000	\$0
Police									
Police Station Roof Replacement	32	2/6	80,000			80,000			
Communications Dispatch Console	33	2/6	132,500				132,500		
Police Subtotal			\$212,500	\$0	\$0	\$80,000	\$132,500	\$0	\$0
Town Offices									
Town Offices Building Repair Project	34	2/6	1,152,000	1,152,000					
Town Hall Subtotal			\$1,152,000	\$1,152,000	\$0	\$0	\$0	\$0	\$0
Planning Department									
Master Plan	35	6	100,000			100,000			
Planning Dept Subtotal			\$100,000	\$0	\$0	\$100,000	\$0	\$0	\$0

**Town of Northborough
Capital Improvement Program Summary
Fiscal Years 2013-2018**

PROJECTS BY DEPARTMENT	Page #	Source of Funds	Six-Year Total	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Management Information Systems/Geographic Information Systems									
New Wide-Area Fiber Network	36	6	75,000		75,000				
Data Storage Network	37	6	40,000			40,000			
MIS/GIS Subtotal			\$115,000	\$0	\$75,000	\$40,000	\$0	\$0	\$0
Parks & Recreation Commission									
Ellsworth McAfee Track Replacement	38	6	40,000	40,000					
Lincoln Elementary School Irrigation	39	6	30,000				30,000		
Parks & Rec Comm Subtotal			\$70,000	\$40,000	\$0	\$0	\$30,000	\$0	\$0
DPW: Highway/Parks/Cemetery Division									
One Ton Service Truck w/Plow	40	6	56,000	56,000					
Sidewalk Plow	41	2/6	313,000	153,000			160,000		
Loader	42	2/6	185,000		185,000				
6-wheel Dump Truck w/ Sander & Plow	43	2/6	600,000		190,000		200,000		210,000
All Purpose Tractor	44	6	50,000		50,000				
Mini Excavator	45	6	70,000		70,000				
One Ton Dump Truck w/Plow	46	6	152,000			74,000		78,000	
Roadside Mower	47	2/6	120,000			120,000			
New Sand/Salt Shed	48	2	700,000			700,000			
Highway Garage Renovation/Expansion	49	2	2,900,000			700,000	2,200,000		
Backhoe	50	2/6	130,000			130,000			
Vac Truck	51	2/6	260,000					260,000	
Roof Replacement Cemetery Garage	52	6	40,000						40,000
Highway/Parks/Cemetery Subtotal			\$5,576,000	\$209,000	\$495,000	\$1,724,000	\$2,560,000	\$338,000	\$250,000

**Town of Northborough
Capital Improvement Program Summary
Fiscal Years 2013-2018**

PROJECTS BY DEPARTMENT	Page #	Source of Funds	Six-Year Total	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
DPW: Sewer Enterprise Fund									
Portable Emergency Generator	53	6/7	100,000	100,000					
Milk Porridge/Sunset/Brigham sewer const.	54	7	1,500,000		1,500,000				
Mill St./St. James Dr. sewer const.	55	7	310,000			310,000			
Leland/Rodney Terrace sewer const.	56	7	655,000				655,000		
Church/Colby/Prospect/Mulberry sewer const.	57	7	1,100,000					1,100,000	
Allen/Hudson St. sewer const.	58	7	750,000						750,000
Sewer Enterprise Fund Subtotal			\$4,415,000	\$100,000	\$1,500,000	\$310,000	\$655,000	\$1,100,000	\$750,000
DPW: Water Enterprise Fund									
Lyman Street Well Repairs	59	8	250,000	250,000					
Brigham St. Well Project	60	8	0		TBD				
Crawford St. Main	61	8	535,000		535,000				
Clean & Paint Tanks	62	8	200,000		200,000				
Main St. Main	63	8	400,000			400,000			
Water Enterprise Fund Subtotal			\$1,385,000	\$250,000	\$735,000	\$400,000	\$0	\$0	\$0
TOTAL GENERAL GOVERNMENT (NON-SCHOOL)									
Fire Subtotal			\$8,621,000	\$435,000	\$922,000	\$6,241,000	\$943,000	\$80,000	\$0
Police Subtotal			\$212,500	\$0	\$0	\$80,000	\$132,500	\$0	\$0
Town Offices Subtotal			\$1,152,000	\$1,152,000	\$0	\$0	\$0	\$0	\$0
Planning Dept Subtotal			\$100,000	\$0	\$0	\$100,000	\$0	\$0	\$0
MIS/GIS Subtotal			\$115,000	\$0	\$75,000	\$40,000	\$0	\$0	\$0
Parks & Rec Comm Subtotal			\$70,000	\$40,000	\$0	\$0	\$30,000	\$0	\$0
DPW: Highway/Parks/Cemetery Subtotal			\$5,576,000	\$209,000	\$495,000	\$1,724,000	\$2,560,000	\$338,000	\$250,000
DPW: Sewer Enterprise Fund Subtotal			\$4,415,000	\$100,000	\$1,500,000	\$310,000	\$655,000	\$1,100,000	\$750,000
DPW: Water Enterprise Fund Subtotal			\$1,385,000	\$250,000	\$735,000	\$400,000	\$0	\$0	\$0
TOTAL GENERAL GOVERNMENT			\$21,646,500	\$2,186,000	\$3,727,000	\$8,895,000	\$4,320,500	\$1,518,000	\$1,000,000

**Town of Northborough
Capital Improvement Program Summary
Fiscal Years 2013-2018**

PROJECTS BY DEPARTMENT	Page #	Source of Funds	Six-Year Total	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Northborough K-8 Public Schools Summary of School projects									
Lincoln Elementary									
Feasibility Study	65	2/3	500,000	500,000					
Architectural Fees/Renovation	65	2/3	13,060,000		13,060,000				
**Design / Fire & Sprinkler Systems	66	2/3	384,000			TBD	384,000		
Peaslee Elementary									
Feasibility Study	67	2/3	500,000				500,000		
Architectural Fees/Renovation	67	2/3	14,313,000					14,313,000	
**Design / Fire & Sprinkler Systems	68	2/3	384,000				TBD	384,000	
**Floor Tile Replacement	69	2/6	40,000				40,000		
Proctor Elementary									
Roof Repairs	70	2/6	85,000				85,000		
Melican Middle School									
Emergency Generator Replacement	71	6	400,000	400,000					
Feasibility Study FY18	72	2/3	500,000						500,000
Architect Fees/Renovation FY19 (\$43 million)	72	2/3	0						
District									
Tractor	73	2/6	40,000		40,000				
Hot Water Heater Tank Replacement	74	2/6	72,000		72,000				
Parking Lot/ Sidewalk Paving	75	2/6	194,000			194,000			
Northborough K-8 Public Schools Subtotal			\$30,472,000	\$900,000	\$13,172,000	\$194,000	\$1,009,000	\$14,697,000	\$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
FY2013-2018



This Page Intentionally Blank

CAPITAL IMPROVEMENT PROGRAM

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 in 1997 and then refurbished. In 2013, the vehicle will be twenty-nine years old, far exceeding its useful and safe life. Engine 3 currently serves as a back-up reserve to the 1996 Engine 2 and its 1,000 gallon tank allows it to be used to provide additional water to fire incidents outside of the municipal water supply district. The Insurance Service Organization (ISO) requires Northborough to maintain three pumping engines to sustain its ISO rating of four, which ensures cost effective fire insurance rates for businesses and residential properties in Town. The replacement engine tender will provide immediate water on wheels for non-hydrant areas and will have the ability to quick dump its tank water into a portable tank. The requested vehicle will be a non-custom, commercial chassis with a larger (1,500 - 1,800 gallon) water tank.</p>	
	

RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6		350000					
G. Contingency								
H. Other								
TOTAL			\$350,000					

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: Narrowband Radio Conversion	
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 a significant amount of radio equipment, along with re-licensing and re-programming of existing equipment will still be needed. This request includes radio equipment replacements for the Fire Department, Police Department and Department of Public Works and potentially replacement of the fire repeater on the Colburn Street cell tower.	

RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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 |

CAPITAL IMPROVEMENT PROGRAM

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 after fifteen to twenty years of use and the Department has not purchased hose in bulk quantity since 1999. 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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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:

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 to better define the proposed project location, design and cost estimates.



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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

CAPITAL IMPROVEMENT PROGRAM

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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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

CAPITAL IMPROVEMENT PROGRAM

Project Title: Personal Protective Equipment Replacement	
Department: Fire	Category: 2-B
Description and Justification: <p>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 for structural and NFPA 1977 for wildland equipment. The Department last replaced its structural protective clothing in 2005 through an Assistance to Firefighters grant. In FY2014, the equipment will be nine years old and at the end of its useful life. The majority of the wildland equipment was purchased in 1999, and the pants were received through an Assistance to Firefighters grant in 2006. Through use, sunlight, fire products and chemical exposure, the external vapor barriers break down and become less effective over time. The recommended useful life is ten years. New fabrics, safety features, and designs will be available, contributing to increased firefighter safety and survival.</p>	
	

RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	124000		124000				
G. Contingency								
H. Other								
TOTAL		\$124,000		\$124,000				

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 sport 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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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: **Forestry One Replacement**

Department: **Fire**

Category: **2-B**

Description and Justification:

This project seeks to replace a 1999 F-550 diesel forestry/brush truck with a newer model truck with a portable pump and 300-gallon water tank. As the primary response brush truck, this vehicle is equipped with traditional fire storage compartments for equipment and two hose reels for rapid attack on forest and brush fires. At the proposed time of replacement, the existing vehicle will be 17 years old and will have exceeded its useful life. The vehicle is also used to perform inspections, respond to medical calls and serves as a primary response unit during natural disasters for town-wide assessments. Maintenance costs are currently included within the operating budget.



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	175000			175000			
G. Contingency								
H. Other								
TOTAL		\$175,000			\$175,000			

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: <p>This project seeks to replace the 1996 Engine 2. In 2016 the vehicle will be 20 years 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", and has a 2,000 gallon portable water storage tank and extra hose for areas not served by municipal water supply. 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.</p>	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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 |

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: **Ambulance Replacement**

Department: **Fire/EMS**

Category: **1-C**

Description and Justification:

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 ambulance which was purchased in FY2012, and the 2008 back-up ambulance. This request proposes to replace the back-up 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. The planned, regularly scheduled replacement of emergency ambulances is critical to ensuring public safety.



RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: **Pick-up Truck Replacement**

Department: **Fire**

Category: **2-B**

Description and Justification:

This project seeks to replace a 2011, one-ton, four-wheel-drive crew cab 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 six 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. This vehicle also serves as the department's primary tow vehicle for its various trailered equipment. The annual operating cost is already contained within the vehicle maintenance budget.



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	80000					80000	
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

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: Police Station Roof Replacement	
Department: Police	Category:
Description and Justification: <p>The Police Station roof is original to the building at 211 Main Street, 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 is expected to 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	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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 |

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: **Public Safety Communications Dispatch Console**

Department: **Police/Fire/DPW**

Category:

Description and Justification:

The existing two-position, analog-based public safety dispatch console is twenty-two years old (installed in 1988 but of older design) and is experiencing significant maintenance issues. There is no additional space available for needed expansion, which has resulted in a "cobbled" system of critical two-way radios and computer equipment. Some components are no longer manufactured, requiring innovation attempts to keep essential components operational. All police, fire, emergency medical services and public works personnel and equipment are dispatched from the Town's public safety dispatch center, located within the Police Department at 211 Main Street. Post 9/11 attempts at interoperability are hampered by an infrastructure designed in pre-computer times. This essential equipment is relied upon and expected to be fully operational on a 24/7 basis.



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	132500				132500		
G. Contingency								
H. Other								
TOTAL		\$132,500				\$132,500		

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: Town Offices Building Repair Project								
Department: Town Administrator					Category: 3-A			
Description and Justification: During FY2010, the Town completed 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 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. The study recommended converting the existing boilers to hot water and installing new piping. The project also seeks to replace roof-top air conditioning condensor units and flooring throughout the building. Additionally, the current phone system, which has limited functionality, and experiences degraded signal quality and static on lines due to the poor condition of existing copper wiring, will be replaced. The proposed financing for this project is repurposing of previously authorized debt and Community Preservation Funding. If approved, these funding sources would yield no additional tax impact.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment	2/6	1152000	1152000					
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$1,152,000	\$1,152,000					
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: Master Plan Update	
Department: Planning Department	Category:
Description and Justification: <p>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.</p>	



RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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 |

CAPITAL IMPROVEMENT PROGRAM

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 Department, Highway Garage, Town Hall, Library 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. 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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

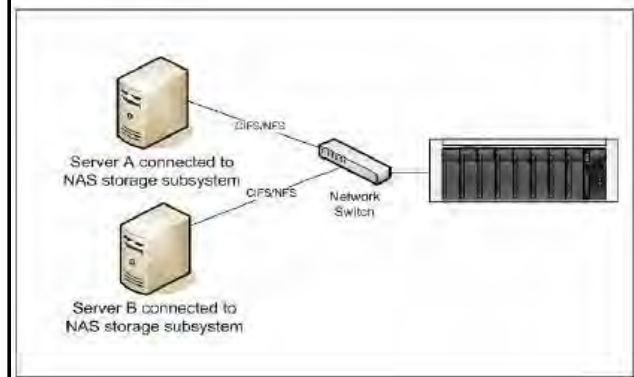
Project Title: **Data Storage Area Network**

Department: **MIS/GIS**

Category: **2**

Description and Justification:

This project will provide for a centralized, highly available storage system for the Town's increasing data needs. Currently, the Town's network design allocates 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.



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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 play set, 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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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			
Description and Justification: <p>This request is to install a complete irrigation system for the lower baseball/softball field at the rear of the Lincoln Street School. The project 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 limits the field usage. Irrigation will allow for the implementation of a year-round maintenance program. In the past, various youth athletic groups have provided funding to offset the costs of irrigation projects as well as aided with ongoing field maintenance. Moving forward, this project will need to be re-evaluated in the context of the pending Lincoln Street School renovation/addition project Feasibility Study scheduled for funding in FY2013.</p>								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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		
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 Service Truck w/ Plow**

Department: **DPW - Highway**

Category: **2-B**

Description and Justification:

This request is to replace a 2000 Ford F-350 pick up truck with a newer model service truck similar to the one depicted in the photo to the right. This vehicle is used daily to move small equipment such as mowers, message boards, light towers, etc. and to assist with the daily functions of the DPW as well as plowing snow during the winter. The existing vehicle has had rust repair and re-painting, and is at the end of its 10-12 years of practical useful life.



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	56000	56000					
G. Contingency								
H. Other								
TOTAL		\$56,000	\$56,000					

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: Sidewalk Plow	
Department: DPW - Highway	Category: 1-B
Description and Justification: <p>This request seeks to add a second sidewalk plow to the DPW fleet. The existing sidewalk plow is now ten years old and has reached its expected useful life. It is the only piece of equipment available to clear and sand sidewalks throughout Town. The equipment's age, in combination with increased usage due to several harsh winters in recent years has resulted in more frequent breakdowns, which is particularly problematic during significant snow events. The Town purchased a replacement snow thrower attachment during the 2007-2008 winter; however, using the snow thrower attachment rather than the plow attachment significantly increases the time it takes to clear sidewalks after a storm. The FY13 request will add a new frontline plow and with the FY16 request, the 2002 machine will be taken out of service.</p>	
	

RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	313000	153000			160000		
G. Contingency								
H. Other								
TOTAL		\$313,000	\$153,000			\$160,000		

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 with a newer model. Used on an almost daily basis, the loader is one of the most heavily-used pieces of equipment in the DPW fleet. At the Highway Garage, it is regularly used to move and mix sand and salt used to treat roadways as well as to load the sanders. Off-site, the loader is used during snow removal operations to move snow, and it is also used for most construction projects. In 2011, the loader reached 8,500 hours of usage. The loader is exposed to many of the same corrosive materials that cause disintegration of the metal truck bodies. As the equipment ages, it requires additional mechanical and body work to keep it operational. 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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	185000		185000				
G. Contingency								
H. Other								
TOTAL		\$185,000		\$185,000				

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: 6-Wheel Dump Truck with Sander and Plow	
Department: DPW - Highway	Category: 2-B
Description and Justification: <p>This request is to schedule replacement of the Town's 1990, 1994 and 1997 6-wheel dump trucks with sanders & plows over the next six years. 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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	600000		190000		200000		210000
G. Contingency								
H. Other								
TOTAL		\$600,000		\$190,000		\$200,000		\$210,000

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: All-Purpose Tractor	
Department: DPW - Highway	Category: 2-B
Description and Justification: This request is for a compact tractor to be used by the DPW at the cemetery for backfilling of graves and general clean-up in areas that are inaccessible to the larger machines. It will also be used to mow the large open-space areas in Town that are only done 2-3 times per year (conservation areas, easements, etc.). The tractor will replace 1986 and 1987 tractors that are well past their useful lives. The Northborough K-8 Schools is also seeking funding for a similar tractor in FY2014. DPW is currently working with the Schools' maintenance department to spec out a tractor that will serve both needs so it can be shared. If successful, the tractor currently listed under the School department's FY2014 request may be eliminated.	

RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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 |

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: Mini Excavator	
Department: DPW - Highway/Parks/Cemetery Divisions	Category: 2-B
Description and Justification: This request is for a mini excavator to be used by the DPW at the cemetery. As the number of gravesites at the cemetery increases, it becomes more difficult to maneuver the larger backhoe between the graves. The mini excavator will also be used by the Highway Division when it cleans and installs drains, culverts and swales that are inaccessible to the larger machine.	

RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	70000		70000				
G. Contingency								
H. Other								
TOTAL		\$70,000		\$70,000				

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 Dump Truck w/ Plow	
Department: DPW - Highway	Category: 2-B
Description and Justification: <p>This request is to replace the 2000 and 2006 Ford F-350 trucks with the same model truck. These vehicles are used daily to move small equipment such as mowers, message boards, light towers, etc. and to assist with the daily functions of the DPW as well as plowing snow during the winter. The vehicles will be past their expected useful lives of 10-12 years at replacement.</p>	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	152000			74000		78000	
G. Contingency								
H. Other								
TOTAL		\$152,000			\$74,000		\$78,000	

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: **Roadside Mower**

Department: **DPW - Highway**

Category: **2-B**

Description and Justification:

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 counter balance the boom arm.



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: Garage Project - Sand/Salt Shed								
Department: DPW - Highway					Category: 2-B			
Description and Justification: 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 the loading of vehicles must be done under cover. New storm water regulations will require all towns to address potential contamination from municipal salt stores.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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			
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: **Garage Project - Design & Construction**

Department: **DPW - Highway**

Category: **2-B**

Description and Justification:

This project is for the design and construction of improvements to the highway garage as outlined in the 2006 Weston & Sampson 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.



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: Backhoe	
Department: DPW - Highway	Category: 2-B
Description and Justification: <p>This project seeks to replace the Highway Division's 2005 backhoe, which will be 10 years old and at the end of its expected useful life in FY2015. The backhoe is one of the most heavily used pieces of equipment in the DPW's fleet, and is regularly used for snow removal operations, cemetery operations, drainage and catch basin repairs, tree removal, road construction, and for processing materials at the Highway Garage.</p>	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	130000			130000			
G. Contingency								
H. Other								
TOTAL		\$130,000			\$130,000			

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: **Vacuum Truck**

Department: **DPW - Highway**

Category: **2-B**

Description and Justification:

This request seeks to replace the 1994 vacuum truck that is used in the regular cleaning and repair of catch basins and storm drains, to unclog sewer and drain lines, and to alleviate flooding/overflowing catch basins due to heavy rains and melting snows. The truck is a critical piece of equipment used to comply with DEP regulations requiring more frequent maintenance of the Town's catch basins and drains. At the time of replacement, the existing truck will be 23 years old and will have surpassed its useful life. Currently, the truck requires significant maintenance to keep it operational. The picture to the right is of a new replacement vehicle.



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	2/6	260000					260000	
G. Contingency								
H. Other								
TOTAL		\$260,000					\$260,000	

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: Garage Roof Replacement - Cemetery	
Department: DPW - Cemetery	Category: 2-B
Description and Justification: <p>This project seeks to replace the roofing on the two garages at the Howard Street Cemetery where the DPW stores its heavy equipment and mowers used for cemetery maintenance and operations. One of the existing roofs is a corrugated metal roof and the other is an asphalt shingle roof. A January 2012 roof inspection revealed that both roofs are in failed condition. The metal roof, original to the 1975 building, is almost completely rusted, has failed flashings and is no longer watertight, allowing moisture to enter the building. The shingles on the other building are dry and brittle and are no longer waterproof, necessitating complete replacement. This request replaces the existing roofs with a galvanized roofing system with a 50-year life, and includes the installation of all new rakes, gutters, downspouts and re-flashing of all roof penetrations.</p>	
	

RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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: Portable Emergency Generator and Building Wiring	
Department: Sewer Enterprise	Category: 1-A
Description and Justification: <p>This project seeks to purchase a portable generator that would serve as a back-up generator for the Hudson Street Sewer Pump Station. All of the Town's sewerage passes through the Hudson Street Pump Station en route to the Marlborough Westerly Treatment Plant. The current generator at the pump station is nearing the end of its useful life, and recent prolonged storm-related power outages have underscored the need for a back-up generator to ensure that the pump station remains operational. The project also includes the rewiring of the larger pump stations in Town so that the portable generator will be able to bypass the existing electrical system without the need of an electrician. This project includes \$25,000 in General Fund Free Cash to rewire the Town's Police and Fire stations to allow this portable generator to serve as a backup to those facilities in the event the existing building generators should fail.</p>	
	

RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6/7	100000	100000					
G. Contingency								
H. Other								
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 |

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: Milk Porridge/Sunset/Brigham Sewer	
Department: Sewer Enterprise	Category: 1-A
<u>Description and Justification:</u> <p>This project entails the 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. This project is temporarily on hold, pending evaluation of plans to build a new Brigham Street Water Treatment Plant.</p>	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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 |

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

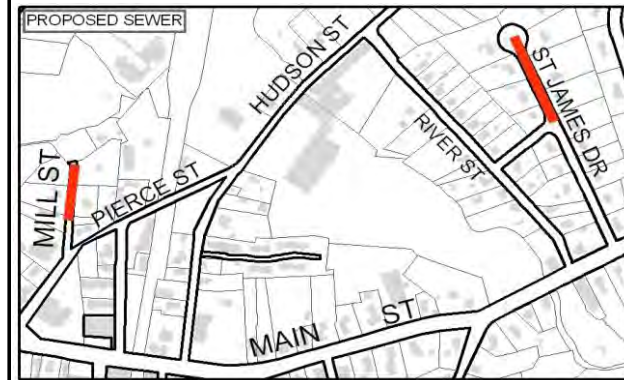
Project Title: **Mill/ Saint James Sewer**

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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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

CAPITAL IMPROVEMENT PROGRAM

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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: Church/Colby/Prospect/Mulberry Sewer	
Department: Sewer Enterprise	Category: 2-D
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p><u>Description and Justification:</u></p> <p>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.</p> </div> <div style="width: 35%; text-align: center;"> </div> </div>	

RECOMMENDED FINANCING

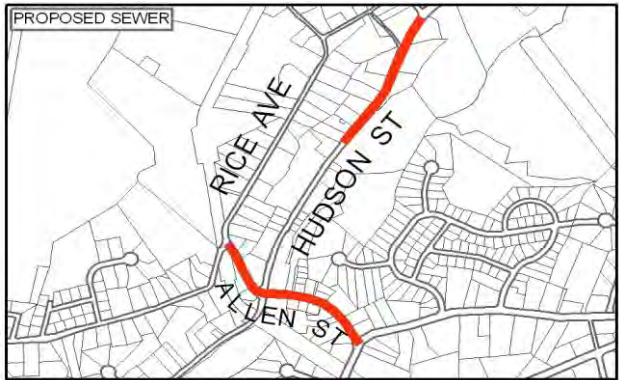
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	7	1100000					1100000	
E. Furnishings/Equipment								
F. Departmental Equipment								
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 |

CAPITAL IMPROVEMENT PROGRAM

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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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		

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: Lyman Street Well Repairs	
Department: Water Enterprise	Category: 2-B
Description and Justification: <p>In June 2011, during routine bacteria sampling, the Lyman Street well tested positive for E. Coli contamination in the raw water sample from the well, at which time the well was taken offline. (Note: no bacteria was found in any sampling taken from the system.) A proposed upgrade was submitted to the Department of Environmental Protection to construct a new building near the well to house a calcium hypochlorite tablet feed system and raw water sample port. The six-inch water line from the well will enter the building where water will be treated and then pass into a 20-inch line for more detention time upon leaving the building. The water will then be treated in the existing building, where a new chlorine analyzer will be interlocked with the new chlorine feed system to ensure appropriate chlorine residuals are maintained before the water enters the system. The necessary upgrades to the well have been designed and approved by DEP. This appropriation will allow the project to proceed and get the well back online.</p>	



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	8	250000	250000					
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$250,000	\$250,000					

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: Brigham Street Well								
Department: Water Enterprise					Category: 2-B			
Description and Justification: This project seeks additional funding for the Brigham Street water treatment facility construction project previously approved at the April 2009 Annual Town Meeting. The project involves the construction of a .45 million gallon per day water treatment facility off of School Street to treat water from the existing Brigham Street gravel packed well. As originally conceived, the project was expected to cost \$4 million. Following DEP review of the Town's initial design proposal, the Town's engineering consultants have projected increased construction costs associated with additional design elements necessary to meet DEP requirements and permit conditions. Given the projected increase in costs, the project is currently under review, including a detailed cost-benefit analysis to determine if it is more economical to build the treatment plant or simply purchase water from the MWRA.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	8			TBD				
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL								
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: 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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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					

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: Clean & Paint Water Tanks	
Department: Water Enterprise	Category: 2-A
Description and Justification: 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.	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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 |

CAPITAL IMPROVEMENT PROGRAM

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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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 Detail 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 Elementary School. For the past several years, the Town has annually submitted a "Statement of Interest" (SOI) to the Massachusetts School Building Authority (MSBA). The SOI is essentially the justification for the project for which the Town is requesting MSBA grant funding. The Lincoln Street School SOI is available on the Town's website under "documents and reports" and explains the project goals. If approved at Town Meeting, approximately 48% of the cost of the proposed FY2013 Feasibility Study will be funded by an MSBA grant. The Town is working with the MSBA on an overall project schedule with the ambitious goal of completing the study in time to bring a building project forward for consideration at next year's April 2013 Town Meeting. Any proposed building project resulting from the completed Feasibility Study will also be eligible for a similar reimbursement rate, subject to MSBA review and approval.																
RECOMMENDED FINANCING																
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year													
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018								
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 <table style="width:100%; border:none;"> <tr> <td>(1) Operating Revenues</td> <td>(3) State Aid</td> <td>(5) EMS Revolving Fund Fees</td> <td>(7) Sewer Enterprise Fund Fees</td> </tr> <tr> <td>(2) Municipal GO Bonds</td> <td>(4) Trust Funds</td> <td>(6) Free Cash / Other</td> <td>(8) Water Enterprise Fund Fees</td> </tr> </table>									(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
(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: <p>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:</p> <ul style="list-style-type: none"> - 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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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: 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.								
RECOMMENDED FINANCING								
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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					

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: FIRE/SPRINKLER SYSTEM - PEASLEE SCHOOL	
Department: NORTHBOROUGH PUBLIC SCHOOLS	Category:
Description and Justification: 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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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	

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 REPLACEMENT - PEASLEE SCHOOL**

Department: **NORTHBOROUGH PUBLIC SCHOOLS**

Category:

Description and Justification:

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

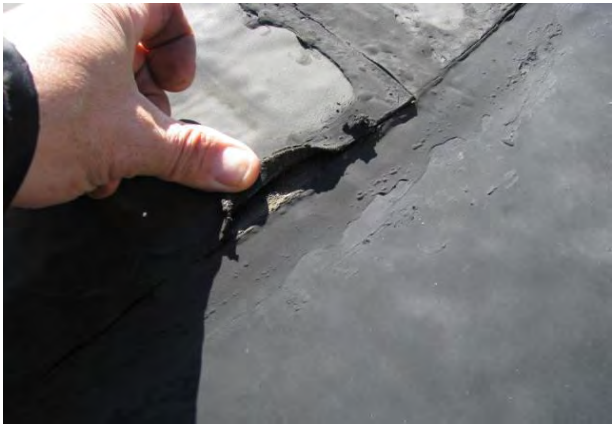
	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	2/6	40000				40000		
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$40,000				\$40,000		

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: ROOF REPAIRS - PROCTOR SCHOOL	
Department: NORTHBOROUGH PUBLIC SCHOOLS	Category:
Description and Justification: 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.	
	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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 |

CAPITAL IMPROVEMENT PROGRAM

PROJECT DETAIL SHEET

Project Title: **EMERGENCY GENERATOR REPLACEMENT- MELICAN MIDDLE SCHOOL**

Department: **NORTHBOROUGH PUBLIC SCHOOLS**

Category: **2-B**

Description and Justification:

The existing generator at the Melican Middle School was originally installed in 1973. During 2011 the school's boilers were replaced under the Massachusetts School Building Authority's Green Repair Program. Following the upgrade it was determined that the old generator was not compatible with the newly modernized boiler system. Since the Middle School serves as the Town's primary emergency shelter, it was recommended that the generator be replaced immediately. The existing generator provides only limited emergency power, making for a marginal shelter facility. The proposed replacement generator will power the building sufficiently to provide heat, showers and kitchen facilities in the event of an emergency.



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	6	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

CAPITAL IMPROVEMENT PROGRAM

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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
A. Feasibility Study	2/3	500000						500000
B. Design								
C. Land Acquisition								
D. Construction	2/3		\$43,000,000 construction cost anticipated in FY 2019					
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: JOHN DEERE TRACTOR - DISTRICT	
Department: NORTHBOROUGH PUBLIC SCHOOLS	Category:
Description and Justification: This project seeks 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. The Town's DPW is also seeking funding for a similar tractor in FY2013. The DPW and the school maintenance department are working together to spec out a tractor that will serve both needs so it can be shared. If successful, the K-8 Schools' FY2014 request may be eliminated.	

RECOMMENDED FINANCING

	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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: **HOT WATER HEATER STORAGE TANKS - LINCOLN STREET, PEASLEE & PROCTOR SCHOOLS**

Department: **NORTHBOROUGH PUBLIC SCHOOLS**

Category:

Description and Justification:

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.



RECOMMENDED FINANCING


	Source of Funds	Total Six -Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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

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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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



This Page Intentionally Blank

Part III

Report of the Financial Planning Committee
Fiscal Years 2013-2018

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 2012 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
Heidi Bourque-Gleason	Northborough K-8 School Committee	April 2012
David DeVries	Town Moderator	April 2014
Roger Leland	Town Moderator	April 2014
Richard Smith	Appropriations Committee	April 2012

Fiscal Year 2012 Committee Activities

Meeting Date	Action
October 27, 2011	Reorganization: Jason Perreault, Chair; Michael Hodge, Vice-Chair. Review FY13 Capital Improvement Plan budget and process. Review preliminary Free Cash Plan. Update on Assabet Valley building project.
November 17 2011	Discuss capital project categorization/priority rating.
January 5, 2012	Update on Free Cash Plan. Overview of FY13 Capital Improvement Plan.
January 12, 2012	Review Police and Fire Depts. capital projects.
January 19, 2012	Review Northborough K-8 Schools' capital projects. Review Dept. of Public Works capital projects.
February 23, 2012	Review FY13 Capital Budget. Discuss financing options for capital projects.
March 1, 2012	Review Community Preservation Act (CPA) capital projects. Vote Committee recommendations on FY13 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 capital investment, department heads must have confidence that their submitted projects will be implemented within the timeframe planned in the Program. The Committee recognizes that the municipal and school administrations 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, debt service projections and metrics were not yet finalized and available to the Committee, but conservative preliminary estimates prepared by the Town Administrator indicate that the Program will be well within the guidelines set forth in the Debt Policy both for Credit Standing and Affordability.

Subject to verification of compliance with Debt Policy guidelines, and to comments and recommendations made herein for specific capital projects proposed for Fiscal Year 2013, the Committee is pleased to recommend this Capital Improvement Program as an effective 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

For the second consecutive year, 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 FY12 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 tool. Further, GFOA raises the bar by requiring past award winners to demonstrate ever greater clarity and completeness in their budget document. To repeat as a GFOA award winner reflects the continuing efforts of the Financial Team to improve communication and transparency in Town finance and apply best practices to municipal budgeting.

Rescind Authorization for Unissued Bonds; Repurpose Unused Bond Proceeds

Following the Financial Team's review of the status of past capital projects, two measures are proposed to be taken at Town Meeting that will 1) strengthen the Town's financial position, and 2) apply unused funds from prior years' capital projects to FY13 capital projects, thereby funding them with no additional impact to the tax rate.

The first measure -- rescinding authorization for unissued bonds -- addresses the case where a combination of lower than expected costs and/or higher than expected alternate funding sources materialize prior to bond issuance; thus, the actual amount issued is less than the full amount authorized by Town Meeting. The unused portion of the authorization remains open on the Town's books, representing additional debt the Town potentially could incur. Rescinding the unused authorization eliminates that perceived exposure and further strengthens the Town's financial position, particularly as it relates to bond rating. Rescission will be the subject of a single warrant article.

The second measure -- repurposing of unused bond proceeds -- addresses the case where a combination of lower than expected costs and/or higher than expected alternate funding sources materialize after bond issuance; thus, bond proceeds exceed what is actually needed to complete the capital project for which the bond was issued. Massachusetts General Law Chapter 44 Section 20 allows for Town Meeting to approve the appropriation of the balance of any bond proceeds that remain from completed projects; said remaining funds can be reallocated to any project for which debt of a similar term, or longer, could be authorized. Repurposed bond proceeds will be cited in each capital spending warrant article for which they are proposed to be applied as a source of funding.

Consequent to the review of past capital projects, the Financial Team has expressed to the Committee its intent to more closely monitor capital project execution by Town departments. With few exceptions, most capital projects will be initiated within the fiscal year for which the appropriation was made, completed expeditiously, and closed and reconciled promptly so that any unissued bond authorizations and/or unused bond proceeds can be presented to Town Meeting for rescission or repurposing, as appropriate.

Free Cash Policy

The FY13 budget year marks the second implementation of the recently 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 include DPW and Public Safety vehicles and equipment; municipal and school building infrastructure components (heating, cooling, electrical, plumbing, etc.); telecommunication systems; office and cafeteria equipment; and capital project feasibility studies and needs analyses. In the past, the Town had funded projects of this scale with debt, a practice discouraged by bond rating agencies. Under the Free Cash policy, capital items of this scale are now funded from free cash and other available one-time revenues. Debt capacity is conserved for larger scale projects such as building construction and renovation, major roadway construction and repair, water/sewer infrastructure, and land acquisition for municipal use or to preserve open space.

From the \$1.865M certified free cash balance, \$615K is allocated to FY13 capital projects. This amount, in combination with the carefully planned use of other one-time funding sources (mitigation funds, repurposed capital project bond proceeds, state grant, CPA funds, and donations), provides for a proposed total capital investment of \$3.086M in FY13 -- with virtually no impact to the tax rate.

School Renovation Projects and Capital Repair Contingencies

Lincoln Street School, the first of three K-8 schools slated for phased renovation in the Capital Improvement Plan, has been accepted by Massachusetts School Building Authority to proceed with a grant-eligible renovation/addition project. The next phase will entail a Feasibility Study to analyze both structural and programmatic needs. This approval comes after a very lengthy waiting period, and in competition with numerous school districts throughout the Commonwealth. Much credit is due the K-8 School Administration and the Town's Financial Team to present a unified front and tirelessly advocate for MSBA's approval of this project.

In addition to comprehensive renovation projects proposed for Lincoln Street, Peaslee, and Melican schools, the Capital Improvement Plan may include contingencies for capital repairs that will be needed if those renovations do not proceed within their planned timelines. Examples of such contingencies include boiler and school 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 FY14 and beyond are omitted.

Funding Conveyed to Outside Entities

In recent years, concern has been expressed over the practice of transferring Town funds to an outside Entity 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 helps safeguard the Town's interest in the conveyed funds, and provides feedback to inform citizens' subsequent decisions whether to convey additional funding.

Execution of such an agreement, satisfactory to the Town, will be a necessary condition for the Committee to make a favorable recommendation to allocate funding to outside entities.

Apportionment of ARHS State Construction Grant

Disagreement continues over how the state grant for the Algonquin Regional High School construction project should have been apportioned by the Regional School District 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 state reimbursement to school districts 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.

Significant points of the dispute, summarized in these Committee reports over the past several years, are not repeated here.

In November 2010, having exhausted all options for diplomatic resolution, Northborough filed a request for declaratory judgment, seeking the Court's interpretation of the relevant language in MGL Chapter 70B. The Town now awaits a resolution as the matter makes its way through legal channels.

Capital Projects for FY13

The Committee has reviewed the projects in the Capital Improvement Program for Fiscal Year 2013 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.

Planned sources of funding are noted in the comments for each project.

CAPITAL IMPROVEMENT PROGRAM

Municipal Departments

Project	Sponsor	Cost	Priority	Recommend Approval?
Rescind Authorization for Unissued Bonds	Town Administrator	--	N/A	YES (6-0-0)
<ul style="list-style-type: none">▪ Rescind bond authorizations for prior capital projects that are no longer needed, because actual project cost was lower than estimated, and/or because alternate sources of funding (e.g. grant) were higher than anticipated.▪ Further strengthen Town balance sheet in the eyes of bond rating agencies by eliminating open "lines of credit" that were not and will not be used.▪ No impact to tax rate.				

Project	Sponsor	Cost	Priority	Recommend Approval?
Pumper Truck (Engine 3)	Fire	\$350,000	2	YES (6-0-0)
<ul style="list-style-type: none">▪ Planned replacement of 1984 vehicle that is long past expected useful life. Acquired used in 1997 and refurbished.▪ Insurance Service Organization requires three pumping engines in fleet to qualify for favorable ISO rating 4, which lowers fire insurance rates for business and residential properties.▪ Supply water to areas where hydrants or other water sources are lacking or inaccessible.▪ Funded from mitigation monies received from Avalon Bay / Northborough Crossing projects. No impact to tax rate.				

Project	Sponsor	Cost	Priority	Recommend Approval?
Narrow Band Radio Conversion	Fire	\$85,000	1	YES (6-0-0)
<ul style="list-style-type: none">▪ Federal Communications Commission mandate requires all non-Federal public safety 25 kHz radio equipment to be replaced with or converted to 12.5 kHz narrowband by January 1, 2013.▪ Most radio equipment purchased since 1997 can be reprogrammed; older equipment must be replaced.▪ Funded from free cash. No impact to tax rate.				

CAPITAL IMPROVEMENT PROGRAM

Municipal Departments (continued)

Project	Sponsor	Cost	Priority	Recommend Approval?
Town Offices Repairs	Town Administrator	\$1,152,000	2	YES (6-0-0)
<ul style="list-style-type: none">FY2010 architectural/engineering analysis identified heating/ventilation/air-conditioning infrastructure as a high priority. These components are eligible to be funded under Historic Preservation category of Community Preservation Act.Replace HVAC components (excluding boilers, which are recent). Existing steam heat distribution system is inefficient and difficult to control due to significant steam pipe corrosion and leaks; will be replaced with forced hot water system.Replace telephone system to address limited functionality and degraded signal quality.Funded from repurposed bond proceeds and Community Preservation Act reserves/revenues. No impact to tax rate.				

Project	Sponsor	Cost	Priority	Recommend Approval?
Ellsworth McAfee Track Replacement	Parks & Recreation	\$40,000	2	YES (6-0-0)
<ul style="list-style-type: none">Repair and widen the paved walking track that circles the lower soccer fields at Ellsworth McAfee Park.Bring remainder of track into same condition and utility as the portion that was treated as part of the 2009 playground project.Replace deteriorated pavement and widen track to accommodate increased walking and bicycling traffic.Funded from free cash and donations. Donations expected to cover 75% of cost. No impact to tax rate.				

Project	Sponsor	Cost	Priority	Recommend Approval?
One-Ton Service Truck w/ Plow	Public Works - Highway	\$56,000	2	YES (6-0-0)
<ul style="list-style-type: none">Planned replacement 2000 Ford F350 dump truck which has reached end of useful life for its purpose.Service truck will be used daily to transport equipment and material, and for plowing in the winter.Reconfigure composition of DPW fleet according to expected service needs (replacing dump truck with service truck).Funded from free cash. No impact to tax rate.				

CAPITAL IMPROVEMENT PROGRAM

Municipal Departments (continued)

Project	Sponsor	Cost	Priority	Recommend Approval?
Sidewalk Plow	Public Works - Highway	\$153,000	2	YES (6-0-0)
<ul style="list-style-type: none"> ▪ Supplement existing 2002 sidewalk plow, which is the only piece of equipment for clearing sidewalks and, due to its age, is experiencing more frequent breakdowns and maintenance needs (expected life is 10 years). ▪ Reduce time to clear sidewalks after snowfall (currently 24-36 hours with existing plow / snow thrower). ▪ Funded from free cash. No impact to tax rate. 				

Project	Sponsor	Cost	Priority	Recommend Approval?
Portable Generator & Wiring	Public Works - Sewer	\$100,000	1	YES (6-0-0)
<ul style="list-style-type: none"> ▪ Back-up for generator at Hudson Street sewer pump station that is nearing end of useful life. All of the Town's sewerage passes through this station en route to Marlborough Westerly Treatment Plant, making it a critical point of failure. ▪ Recent power outages have highlighted the lack of, and need for, a back-up generator. ▪ Project includes suitable wiring of other pump stations and public safety facilities to flexibly deploy the portable generator. ▪ Funded from free cash and Sewer Enterprise fund. No impact to tax rate. 				

Project	Sponsor	Cost	Priority	Recommend Approval?
Lyman Street Well Repairs	Public Works - Water	\$250,000	1	YES (6-0-0)
<ul style="list-style-type: none"> ▪ Construct small building at well site to provide additional water treatment in response to June 2011 raw well water sample that tested positive for E. Coli. (No bacteria were found in samples taken from the municipal water system.) ▪ New building will house calcium hypochlorite pretreatment of well water, which will then be processed through existing building for chlorine monitoring and treatment. ▪ Funded from repurposed bond proceeds and Water Enterprise fund. No impact to tax rate. 				

CAPITAL IMPROVEMENT PROGRAM

K-8 Public Schools

Project	Sponsor	Cost	Priority	Recommend Approval?
Renovation Feasibility Study - Lincoln Street School	Public Schools	\$500,000	2	YES (6-0-0)
<ul style="list-style-type: none">▪ A necessary step in the process for planning and executing a grant-eligible, comprehensive school renovation/addition project to replace aging infrastructure and to provide additional and suitably configured space to meet programmatic and service needs.▪ Study is required by, conducted in partnership with, and closely supervised by Massachusetts School Building Authority (MSBA), which oversees school construction grants. State grant is available only at MSBA's discretion and timing.▪ Lincoln Street School is the first of three K-8 schools in the Capital Improvement Plan for which comprehensive renovations are planned and phased over time. Delay to act on Lincoln Street School will have a ripple effect on Peaslee Elementary and Melican Middle Schools which, in the interim, may require significant, unreimbursed capital repairs.▪ Funded by general obligation bond issuance and MSBA school construction grant (approx. 48%).				

Project	Sponsor	Cost	Priority	Recommend Approval?
Emergency Generator - Melican Middle School	Public Schools	\$400,000	1	YES (6-0-0)
<ul style="list-style-type: none">▪ Northborough Public Schools Maintenance Supervisor reports current generator was installed new in 1973.▪ Melican Middle School is designated as a local emergency shelter, but recent power outages revealed that the existing generator does not adequately power it for that use. Only emergency interior lighting and boiler for heating are powered; exterior lighting, interior main lighting, ventilators, and cafeteria equipment are not powered, and there is no hot water for cooking and cleaning.▪ Simpler and more cost-effective to install a larger generator to power the entire building, than to modify existing electrical distribution to selectively power only the subsystems and building areas needed for emergency sheltering.▪ Funded from free cash and repurposed bond proceeds. No impact to tax rate.				

Assabet Valley Regional Vocational School District

Project	Sponsor	Cost	Priority	Recommend Approval?
School Renovation and Repair	Assabet Valley Regional Vocational School District	Total \$3,131,978	2	YES (6-0-0)
<ul style="list-style-type: none">▪ School has received approval from Massachusetts School Building Authority to proceed with planning and execution of a grant-eligible, school renovation and repair project at a principal cost of \$62.4M. Feasibility study is already complete.▪ \$33.1M estimated maximum state grant (53%) is available only at MSBA's discretion and timing.▪ School requires significant capital renovation and repair which must be undertaken shortly, and availability of state grant will do so most cost-effectively.▪ Funded as a component of assessments to regional school members, apportioned according to recent 3-year average enrollment.▪ Northborough's share of cost (est. 7.01%) is favorable due to a comparatively low share of enrollment.▪ Total debt service apportioned to Northborough is estimated to be \$3,131,978.▪ Paid in annual operating assessments from FY13 through FY40, peaking at \$173,850 in FY16 and declining thereafter.				

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	Recommend Approval?
CPA funding for Town Offices Repairs Project	Town Administrator	\$350,000	N/A	YES (6-0-0)
<ul style="list-style-type: none">Renovation of Town Offices was a primary justification behind the Town's adoption of the provisions of the CPA.Provides partial funding for the portion of the Town Offices Repairs project that satisfies CPA Historical Preservation criteria.Clarification: This "project" seeks approval to apply CPA funds toward the cost of the Town Offices Repairs project, described separately in this report under "Municipal Departments". The total cost of the Town Offices Repairs project is estimated to be \$1.152M; of that amount, \$350K is proposed here to be paid from CPA revenues/reserves. This \$350K is a component of, and NOT in addition to, the previously stated \$1.152M of funding needed to complete the project.				

Project	Sponsor	Cost	Priority	Recommend Approval?
Demolition of former Senior Center	Northborough Housing Authority	\$100,000	N/A	YES (6-0-0)
<ul style="list-style-type: none">Demolish the former Senior Center at 1 Centre Drive to make way for additional affordable housing units to be added to the existing affordable housing units at that site.Cost of demolition of the existing structure is the responsibility of the Northborough Housing Authority (NHA).NHA originally expected to bear the cost of demolition from its existing financial resources, based on a faulty, low cost estimate.As an arm of a state agency and recipient of state funding, NHA operates under restrictions to preserve financial resources to maintain its existing portfolio of affordable housing stock. The actual, corrected cost of demolition is too great for NHA to bear without outside assistance.				

CAPITAL IMPROVEMENT PROGRAM

Community Preservation Act Projects (continued)

Project	Sponsor	Cost	Priority	Recommend Approval?
Transfer to Conservation Fund	Open Space Committee	\$50,000	N/A	YES (6-0-0)
<ul style="list-style-type: none">▪ Replenish Conservation Fund, which has been depleted by recent land acquisition and/or protection measures for open space preservation.▪ Have financial resources in place to act quickly when land acquisition and conservation opportunities arise, subject to recommendation by Open Space Committee or Conservation Commission, and consistent with goals and priorities of the Town's Open Space Plan.				

Project	Sponsor	Cost	Priority	Recommend Approval?
CPC Debt Service	Community Preservation Committee	\$11,015	N/A	YES (6-0-0)
<ul style="list-style-type: none">▪ Apply CPA funding to pay debt service on debt issued as a component of the FY12 CPA Green Street land purchase for open space preservation.▪ This year's amount represents interest on short-term interest-only bond anticipation note (BAN), and bond issuance costs.▪ Principal amount of bond will be approximately \$240K to be paid from CPA funds in annual installments over a 5-year term.				

Respectfully submitted,
Northborough Financial Planning Committee
March 8, 2012

CAPITAL IMPROVEMENT PROGRAM

Financial Planning Committee Recommendations for FY13 Capital Project Warrant Articles
Northborough Annual Town Meeting April 2012

Article	Project	Cost	Funding Source	Priority	Vote *	Recommend Approval?
	Rescind Authorization for Unissued Bonds	--	N/A	--	6-0-0	YES
	Fire: Pumper Truck (Engine 3)	350,000	Mitigation	2	6-0-0	YES
	Fire: Narrow Band Radio Conversion	85,000	Free Cash	1	6-0-0	YES
	Police: Town Offices Repair	1,152,000	Repurposed bonds, CPA	2	6-0-0	YES
	Park & Rec: Ellsworth McAfee Track Replacement	40,000	Free Cash, Donations	2	6-0-0	YES
	DPW: One-Ton Service Truck w/ Plow	56,000	Free Cash	2	6-0-0	YES
	DPW: Sidewalk Plow	153,000	Free Cash	2	6-0-0	YES
	DPW: Portable Generator	100,000	Free Cash, Sewer Enterprise	1	6-0-0	YES
	DPW: Lyman Street Well Repairs	250,000	Repurposed bonds, Water Enterprise	1	6-0-0	YES
	K-8: Lincoln Street School Renovation Feasibility Study	500,000	Bonds, State Grant	2	6-0-0	YES
	K-8: Melican Middle School Emergency Generator	400,000	Free Cash, Repurposed Bonds	1	6-0-0	YES
	Assabet Valley School Renovation	3,131,978 (avg. 112K/yr)	Annual Operating Assessment FY13 - FY40	2	6-0-0	YES
	CPA: Funding for Town Offices Repairs	350,000	CPA	***	6-0-0	YES
	CPA: Former Senior Center Demolition	100,000	CPA	***	6-0-0	YES
	CPA: Conservation Reserve Fund	50,000	CPA	***	6-0-0	YES
	CPA: Debt Service for Green St. Purchase	11,015	CPA	***	6-0-0	YES

* 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, 2011. 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, and further by Statement 54, "major funds" are defined as individual funds that have reached a significant threshold with respect to total fund balance, and have dedicated revenue sources. "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.

TOWN OF NORTHBOROUGH, MASSACHUSETTS

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2011

	General Fund	Stabilization Fund	Nonmajor Governmental Funds	Total
Revenues:				
Property taxes	\$ 36,596,925	-	413,411	37,010,336
Excise taxes	2,112,213	-	-	2,112,213
Payments in lieu of taxes	104,744	-	-	104,744
Departmental charges for services	182,268	-	2,356,049	2,538,317
Licenses and permits	505,244	-	177,496	682,740
Intergovernmental	8,116,259	-	2,136,788	10,253,047
Fines and forfeits	1,130	-	182,923	184,053
Investment income	78,194	-	48,396	126,590
Other	421,284	-	1,781,473	2,202,757
Total revenues	48,118,261	-	7,096,536	55,214,797
Expenditures:				
Current:				
General government	1,988,535	-	797,261	2,785,796
Public safety	3,473,826	-	535,463	4,009,289
Education	27,439,352	-	1,861,714	29,301,066
Public works	1,554,084	-	1,132,976	2,687,060
Human services	466,840	-	130,296	597,136
Recreation and culture	779,135	-	529,216	1,308,351
Intergovernmental	469,196	-	-	469,196
Employee benefits	8,811,632	-	-	8,811,632
Other	125,879	-	-	125,879
Debt service	1,726,143	-	125,434	1,851,577
Capital outlay	105,473	-	1,714,494	1,819,967
Total expenditures	46,940,095	-	6,826,854	53,766,949
Excess (deficiency) of revenues over expenditures	1,178,166	-	269,682	1,447,848
Other financing sources (uses):				
Proceeds from issuance of bonds	-	-	8,047,862	8,047,862
Operating transfers in	329,309	-	1,108,098	1,437,407
Operating transfers out	(528,498)	-	(908,909)	(1,437,407)
Total other financing sources (uses)	(199,189)	-	8,247,051	8,047,862
Net changes in fund balances	978,977	-	8,516,733	9,495,710
Fund balance, beginning of year, as previously stated	3,800,692	3,551,789	407,316	7,759,797
Change in Accounting Principle: Inclusion of Stabilization Fund in General Fund Per GASB 54	3,551,789	(3,551,789)	-	-
Fund balance, beginning of year, as restated	7,352,481	-	407,316	7,759,797
Fund balance, end of year	\$ 8,331,458	-	8,924,049	17,255,507

TOWN OF NORTHBOROUGH, MASSACHUSETTS

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended June 30, 2011

	Water Enterprise Fund	Sewer Enterprise Fund	Total
Operating revenues:			
Charges for services	\$ 1,916,713	\$ 1,001,171	\$ 2,917,884
Special Assessments	232,824	1,103,472	1,336,296
Total operating revenues	2,149,537	2,104,643	4,254,180
Operating expenditures:			
Salaries, wages and employee benefits	343,441	227,470	570,911
Energy purchases	797,120	132,274	929,394
Other operating expenses	293,805	162,933	456,738
Depreciation	323,779	207,006	530,785
Total operating expenditures	1,758,145	729,683	2,487,828
Operating income	391,392	1,374,960	1,766,352
Nonoperating revenues (expenses):			
Interest income	752	1,920	2,672
Interest expense	(113,604)	(225,776)	(339,380)
Other	-	9,090	9,090
Total nonoperating revenues (expenses)	(112,852)	(214,766)	(327,618)
Income before transfers	278,540	1,160,194	1,438,734
Operating transfers in (out)	-	-	-
Changes in net assets	278,540	1,160,194	1,438,734
Net assets, beginning of year	6,936,768	5,897,565	12,834,333
Net assets, end of year	\$ 7,215,308	\$ 7,057,759	\$ 14,273,067

TOWN OF NORTHBOROUGH, MASSACHUSETTS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2011

	<u>Special Revenue</u>				
	<u>School</u>	<u>Other</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals</u>
Revenues:					
Property taxes	\$ -	413,411	-	-	413,411
Departmental charges for services	364,684	1,962,315	-	29,050	2,356,049
Licenses and permits	-	177,496	-	-	177,496
Intergovernmental	993,848	1,142,940	-	-	2,136,788
Fines and forfeits	-	182,923	-	-	182,923
Investment income	70	38,125	-	10,201	48,396
Other	-	1,762,526	-	18,947	1,781,473
Total revenues	<u>1,358,602</u>	<u>5,679,736</u>	<u>-</u>	<u>58,198</u>	<u>7,096,536</u>
Expenditures:					
Current:					
General government	-	779,963	-	17,298	797,261
Public safety	-	535,463	-	-	535,463
Education	1,351,707	510,007	-	-	1,861,714
Public works	-	1,132,976	-	-	1,132,976
Human services	-	130,296	-	-	130,296
Recreation and culture	-	529,216	-	-	529,216
Employee benefits	-	-	-	-	-
Debt service	-	125,434	-	-	125,434
Capital outlay	-	692,519	1,021,975	-	1,714,494
Total expenditures	<u>1,351,707</u>	<u>4,435,874</u>	<u>1,021,975</u>	<u>17,298</u>	<u>6,826,854</u>
Excess (deficiency) of revenues over expenditures	6,895	1,243,862	(1,021,975)	40,900	269,682
Other financing sources (uses):					
Proceeds from issuance of bonds	-	-	8,047,862	-	8,047,862
Operating transfers in	-	301,447	806,651	-	1,108,098
Operating transfers out	-	(908,909)	-	-	(908,909)
Net changes in fund balances	6,895	636,400	7,832,538	40,900	8,516,733
Fund balance, beginning of year	<u>570,266</u>	<u>5,615,439</u>	<u>(6,453,853)</u>	<u>675,464</u>	<u>407,316</u>
Fund balance, end of year	\$ <u>577,161</u>	<u>6,251,839</u>	<u>1,378,685</u>	<u>716,364</u>	<u>8,924,049</u>

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 at the close of FY2011 is \$1,869,209 while the GAAP based Fund financial statements reflect an Unassigned Fund Balance of \$2,359,318.

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 FY2013 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, \$615,000 will be used to fund capital expenditures, and \$100,000 will be used to close an FY2012 Emergency Deficit Spending Authorization (to be complimented by pending Federal reimbursements). With respect to the proposed FY2013 budget, no transfers from Stabilization are contemplated, while use of Free Cash in the total amount of \$1,365,000 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	FY2012	FY2013
Certified Free Cash as of June 30 prior year	\$ 1,954,708	\$ 1,869,209
Proposed use for budget	\$ (1,454,000)	\$ (1,365,000)
Unappropriated Certified Free Cash	\$ 500,278	\$ 504,209
Stabilization Fund Balance as of June 30	\$ 3,551,789	\$ 3,605,888
Investment Income through December 31	\$ 23,856	\$ 25,638
Stabilization Fund Balance as of December 31	\$ 3,575,645	\$ 3,631,526
Total Reserves	\$ 4,075,923	\$ 4,135,735
Proposed Expenditure Budget	\$ 47,863,383	\$ 49,659,402
Reserves as Percentage of Budget	8.5%	8.3%

Free Cash will be recalculated for June 30, 2012 once FY2012 is closed and the Town has submitted its balance sheet to the DOR. While the amount voted for use in FY2013 will reduce the amount shown in the preceding calculation, positive results from unspent appropriations and revenues above budget in FY2012 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	FY2011	FY2012
Certified Free Cash as of June 30	\$ 1,954,708	\$ 1,869,209
Stabilization Fund Balance as of June 30	\$ 3,551,789	\$ 3,605,888
Total Reserves	\$ 5,506,497	\$ 5,475,097
Adopted Budget	\$ 45,272,948	\$ 47,744,144
Reserves as Percentage of Budget	12.2%	11.5%

The two tables demonstrate the town's approach to maintain sufficient reserves through conservative fiscal policies, and shows the approach that is used to develop its free cash plan. For FY2013, the slight decrease of Free Cash certified at June 30, 2011 allows for the amounts to be appropriated in addition to the operating fund. In the case of FY2012, \$804,000 in capital expenditures were approved, and for FY2013 the amount contemplated for capital is \$615,000. This approach allows for sufficient reserves to be maintained, while at the same time reserves are 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.

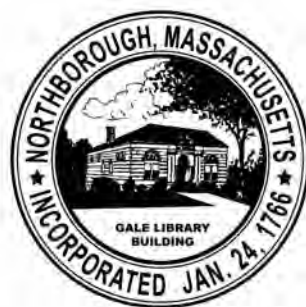
Uniform Municipal Accounting System (UMAS): UMAS succeeds the so-called Statutory System (STAT) and is regarded as the professional standard for municipal accounting in Massachusetts. As a uniform system for local governments, it conforms to Generally Accepted Accounting Principles (GAAP), offers increased 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