

# **Budget Summaries**

## **Section 1**

# Section 1-2

# Balanced Budget

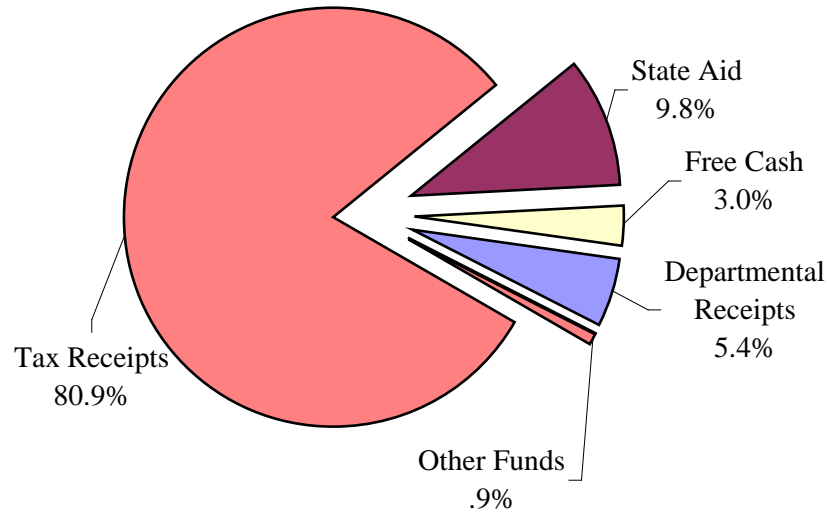


Table 1

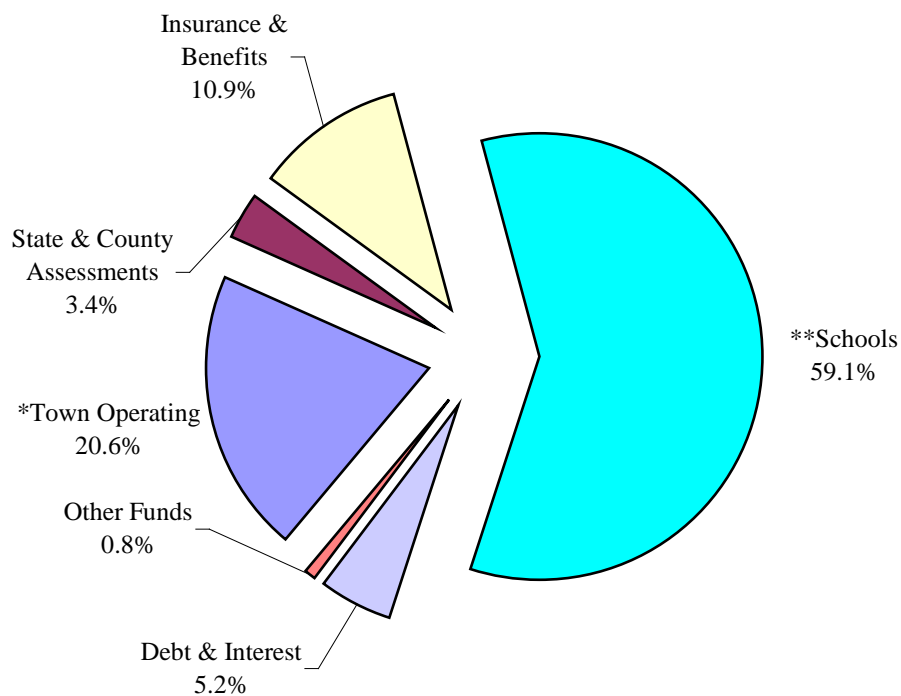
TOWN OF NORTHBOROUGH					
REVENUE & EXPENDITURE SUMMARY FISCAL YEARS 2010--2012					
LEVY LIMIT CALCULATION	FY2010	FY2011	REVISED FY2011	FY2012	% CHANGE
Prior Year Levy Limit	\$32,496,075	\$34,028,610	\$34,028,610	\$35,854,901	
Add 2.5%	\$812,402	\$850,715	\$850,715	\$896,373	
Add New Growth	\$720,133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



## Fiscal Year 2012 Revenue Sources



## Fiscal Year 2012 Expenditures



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

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



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## **REVENUE SUMMARY**

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

### **Property Taxes:**

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

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

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

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

**Table 2**

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



### State Aid

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

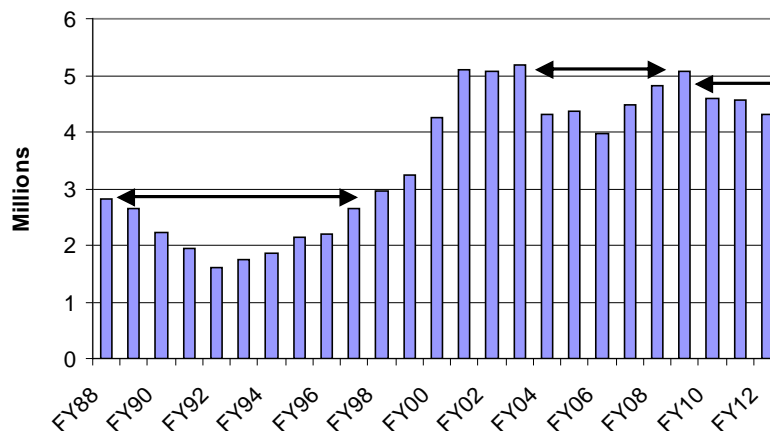
On January 26, 2011, the Governor released his House 1 Budget, which contained his projected FY2012 State Aid figures. Under the Governor's proposed FY2012 budget, Northborough's State Aid would be decreased and at the same time our State Assessments will increase further. Together, this represents loss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

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

**Table 3: State Aid in Millions**

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

**Northborough State Aid FY1988-2012**

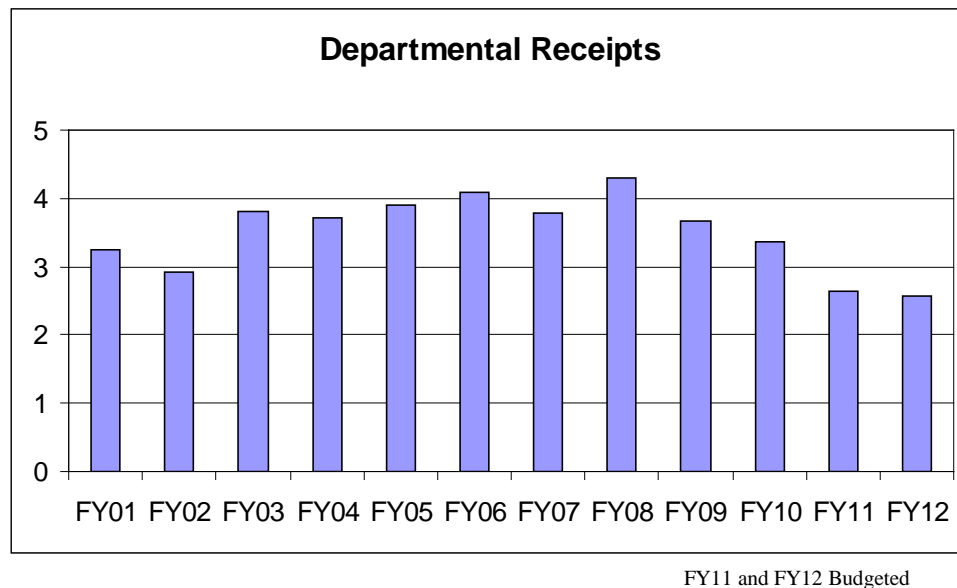


It remains to be seen how closely the Legislature's State Aid figures will align with the Governor's. However, final information regarding State Aid accounts may not be made available until well after April Town Meeting; therefore, a conservative approach is necessary.



### Departmental Receipts

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



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

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



### Available Funds (including Free Cash)

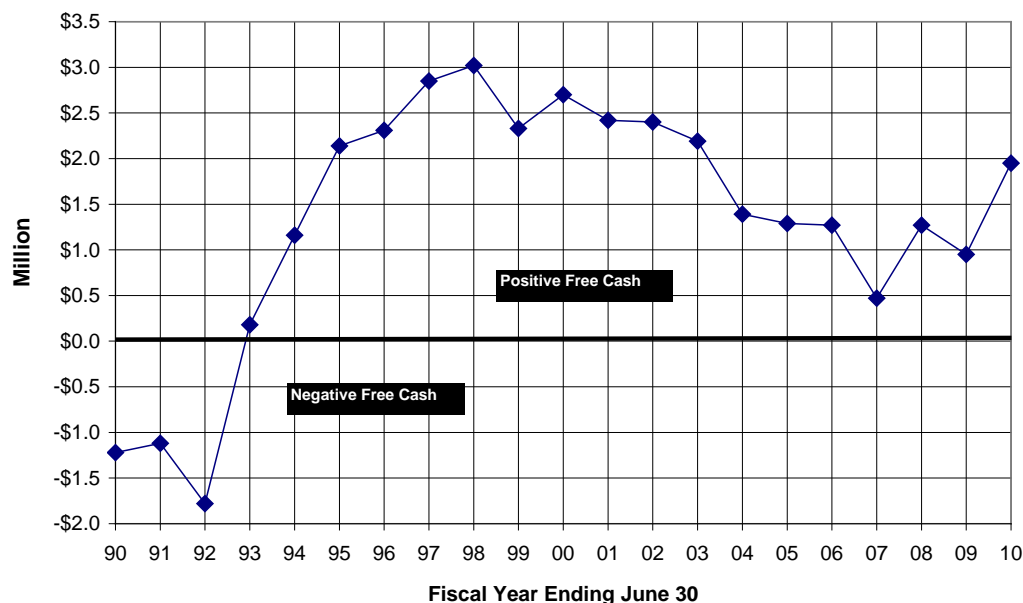
The last category of revenue for the Town is monies in various Special Revenue funds and certified Free Cash available for appropriation from prior years.

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

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

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

**Certified Free Cash FY1990-2010**



\*Source: Massachusetts Department of Revenue





## Revenue Summary

## Section 1-9

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

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

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

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

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

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

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



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## Expenditure Summary

## Section 1-11

### **FY2012 EXPENDITURE SUMMARY**

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

**Table 3**

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

# Section 1-12

# Expenditure Summary



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



## 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**

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



## Section 1-14

## Expenditure Summary

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

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

- **Executive Office**

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

- **Public Buildings**

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

- **Finance Department**

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

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

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



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

- **Town Clerk/Elections**

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

The FY2012 scheduled elections are as follows:

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

- **Advisory Boards/Services**

- **Personnel Board**

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

- **Town Counsel**

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

- **Planning and Engineering**

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



## Section 1-16

## Expenditure Summary

### **Public Safety**

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

### **Public Safety Summary**

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

#### • **Police Department**

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

#### • **Fire Department**

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

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

#### • **Building Department**

There are no significant budgetary changes planned during FY2012.





- **Health Department**

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

- **Dog Officer**

There are no significant budgetary changes planned during FY2012.



## Section 1-18

## Expenditure Summary

### Public Works

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

### Public Works Summary

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

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

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



## Expenditure Summary

## Section 1-19

### **Community Services**

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

### **Community Services Summary**

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

- **Senior Center/Council on Aging**

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

- **Family and Youth Services Department**

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

- **Veterans Services**

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



## Section 1-20

## Expenditure Summary

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

- **Library**

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

- **Recreation Department**

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

### **Undistributed Expenses**

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

- **Employee Benefits & Insurance**

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

Health Insurance, the most significant employee benefit expense, represents a \$193,938 budgetary increase, or 4.5% in FY2012. While the premiums for some individual health insurance plans may increase significantly, plan design changes and the adoption of Chapter 32B, Section 18 in FY2010 have helped limit the budgetary increases in FY2012. Most importantly, the Town has worked closely with the School Superintendent to increase teacher contributions from 20% to 25% for Health Insurance in FY2012, resulting in approximately \$150,000 in savings. The increased



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

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

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

- **Building & Liability Insurance**

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

- **Debt Service**

The proposed FY2012 debt service budget provides for the payment of principal and interest costs for long- and short-term bonds issued by the Town for General Fund purposes. For FY2012, the total Debt Service budget for the General Fund is \$2.49 Million, a significant increase of \$495,559. This increase is driven largely by the issuance of permanent debt for the construction of the new Senior Center. The FY2012 debt service for the Senior Center increased by \$353,965, the debt service for Remediation at 167 Bearfoot Road increased by \$93,758 and the debt service for various other General Fund capital items increased by \$47,836.

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

- **State Assessments**

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

- **Stabilization Fund Contribution**

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



## Section 1-22

## Expenditure Summary

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

- **Reserve Fund**

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

- **Special Warrant Articles**

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

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

### **Public Education**

- **Northborough K-8**

Based upon the revenue forecasts, it was projected that the Town's General Government Budget and the Northborough K-8 Schools may increase by 3.99% in FY2012. Therefore, the FY2012 amount available for the Northborough K-8 School department is \$18,702,867. This represents an increase of \$717,301 from the \$17.9 Million appropriated last year.

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



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

- **ARHS**

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

- **Assabet Valley Regional Technical High School**

Assabet Valley Regional Technical High School is a vocational school comprised of the member communities of Berlin, Hudson, Marlborough, Maynard, Northborough, Southborough and Westborough. Northborough's assessment is based upon the number of students from Town attending the school. As of October 1, 2010, 41 Northborough students attend Assabet Valley, which represents 5.94% of their FY2012 budget, or \$517,488. This assessment is down from 53 students on October 1, 2009, resulting in a FY2012 assessment decrease of \$163,348.

- **Norfolk County Agricultural High School**

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

### **Enterprise Funds**

- **Water and Sewer Enterprise Funds**

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

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





## Section 1-24

## Expenditure Summary

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

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

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

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

### • Solid Waste Fund

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

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

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

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