



**TOWN OF NORTHBOROUGH  
63 MAIN STREET  
SELECTMEN'S MEETING ROOM  
NORTHBOROUGH, MA 01532**

**APPROPRIATIONS COMMITTEE**

**MEETING AGENDA**

**Thursday, April 14, 2022  
7:00 p.m.**

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**AGENDA ITEMS**

1. [Approval of April 7, 2022 Meeting Minutes](#)
2. [Review and Approval of Committee's Report to Town Meeting](#)
3. Next Meeting Date – Monday, April 25 – 5pm  
Algonquin High School.
4. Any other business to come before the Committee



## **APPROPRIATIONS COMMITTEE** **MEETING MINUTES**

April 7, 2022  
7:00 PM

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**MEMBERS PRESENT:** George Brenckle  
Robert D'Amico  
Janice Hight  
Tim Kaelin  
Rick Nieber  
Tony Poteete

The meeting was called to order at 7:00 p.m.

### **APPROVAL OF MINUTES – MARCH 17, 2022 REGULAR MEETING**

Mr. D'Amico moved the Committee vote to approve the March 17, 2022 meeting minutes; Ms. Hight seconded the motion; all members voted in favor.

### **APPROVAL OF MINUTES – MARCH 24, 2022 REGULAR MEETING**

Ms. Hight moved the Committee vote to approve the March 24, 2022 meeting minutes; Mr. Poteete seconded the motion; all members voted in favor.

### **SOLID WASTE ENTERPRISE FUND BUDGET PRESENTATION**

DPW Director Scott Charpentier indicated that overall, the Solid Waste and Recycling budget is increasing \$8,969, or 0.98%. The FY2023 fee revenues are projected to be \$470,000 and the FY2023 expenses are estimated at \$928,113 leaving a projected general fund subsidy of \$337,160 in addition to a transfer from the Solid Waste Fund Free Cash of \$120,953. In FY2023, the appropriation will again contain a \$10,000 Contingency Reserve account within the Solid Waste Fund to ensure adequate funding for the potential of an unforeseen event in the coming year.

Mr. Charpentier recommended a General Fund subsidy of \$337,160 in order to balance the Enterprise Fund. This is a result of the fees projected to be collected and the FY2023 expenses of \$928,113.

### **PAYT Revenues and Overhead Costs:**

Trash and recycling disposal tonnage has been fairly constant for the last several years, although trash increased during the pandemic as more people were at home. Consistent trash tonnage and consistent bag prices have resulted in a stable revenue stream of approximately \$470,000 each of the last few years.

In FY2023, the Solid Waste budget includes \$7,000 to offset the cost of purchasing recycling bins and to offset the cost of producing and mailing the recycling calendar to each household in June.

The total projected FY2023 overhead costs for the Pay-As-You-Throw program (purchase of bags, stickers, labels and their distribution) is estimated at \$90,000.

The Solid Waste budget also includes the cost of removing and disposing of the yard waste material (brush, leaves and grass) residents dispose of at the Highway Garage. The total cost for disposal of all yard waste is estimated to be \$100,000 for FY2023.

Disposal Costs and Projected Tip Fee:

The tip fee for FY2023 has been estimated at \$76.00/ton, which will apply to the amount of trash disposed of between 7/1/22 and 6/30/23.

Due to the improved quality of the recycling material being processed at the facility, the Recycling Net Processing Cost Adjustment has been set as a credit of \$80.26 per ton for the actual amount of recycling materials collected in calendar year 2021 (1043 tons), resulting in a disposal cost credit of \$83,751 for FY2023.

Projected Solid Waste Tonnage:

Actual tonnage for the last 12 months (calendar year 2021) was 2,166 tons, a 3.3% increase from the previous 12 months. The projected tonnage for FY2023 is approximately 2240 tons ( $2,166 \times 1.033 \times 1.0012$ ), resulting in a FY2023 budget of \$174,800 based upon the projected tipping fee of \$76.00/ton.

Collection Costs:

Under the contract with Republic Services, Inc for solid waste/recyclable materials, collection costs will increase by 3% in FY2023. The total FY2023 collection costs are \$602,714, which consists of \$281,159 for Trash Collection and \$321,555 for Recycling Collection and Disposal.

PAYT Program

Recycling rates have risen from 21% in FY2002 to approximately 39% in FY2014. The difference between the 5,158 tons of trash in FY2002 and the 2,300 tons of trash projected to be disposed in FY2023 is 2,858. In FY2023 that difference, multiplied by the projected disposal rate of \$76.00/ton, represents approximately \$217,208 in cost avoidance.

**WATER AND SEWER ENTERPRISE FUNDS BUDGET PRESENTATION**

Mr. Charpentier indicated that the FY2023 Water Enterprise Fund is budgeted at \$2,636,103, a decrease of \$317,871 or 10.8%. The decrease is attributable to two primary factors. The first is that the MWRA preliminary assessment was reduced by \$251,513 due to a shift in the share of the overall use from “bedroom communities” such as Northborough to Metro Boston as a result of businesses reopening after the initial effects of the pandemic. The opposite effect was experienced in FY2022 when Northborough’s share of the total MWRA budget was disproportionately driven up by 24.3%. The second factor is that while the reduced MWRA assessment has a positive budgetary impact, the resulting loss in revenues due to reduced consumption resulted in a 10% reduction in revenue projections for FY2023. In addition, FY2022 was a wet year with a lot of precipitation, which drove consumption down even further. One way the revenue shortfall is being managed is through a one year pause to the hydrant replacement program for a budget reduction of \$65,000.

Mr. Charpentier informed the Committee that the FY2023 user rates will be adjusted based upon a detailed rate study but are currently projected to increase between 3% and 4%. The base charge will also be evaluated as part of the rate study in an effort to maintain the appropriate ratio of fixed verse volumetric revenues.

Mr. Charpentier indicated that the FY2023 Sewer Enterprise Fund is budgeted at \$2,397,488, an overall increase of \$24,028 or 1.0%. The budget reflects an estimated 10% or \$81,323 increase in the Marlborough use charge. This value, along with several other smaller increases, is substantially offset by a \$109,715 reduction in debt payments which are spread across several past debt issuances.

Mr. Charpentier stated that the critical issue facing the DPW Sewer Enterprise Fund continues to be negotiations for a new Intermunicipal Agreement with the City of Marlborough. Sewer rates were increased significantly in the second quarters of FY2014, FY2016, FY2017, and FY2018 in anticipation of a large plant improvement payment to Marlborough. The sewer use charges will be evaluated as part of a comprehensive rate study. While final rate adjustments will be based upon the updated rate study, a modest increase is anticipated in FY2023.

Mr. Coderre added that negotiations with the City of Marlborough is currently in litigation. The outcome will establish the Town's contribution to the operational expenses of the Westerly Wastewater Treatment Plan, as well as Northborough's share of the \$30 million plant improvement project.

Mr. Charpentier and Mr. Coderre responded to questions and comments from Committee members throughout the presentations on the Solid Waste and Water & Sewer Enterprise Funds.

#### **FINANCE OFFICE BUDGET PRESENTATION**

Finance Director Jason Little and Treasurer/Collector Lisa Troast were present. Mr. Little noted that the Finance Department consists of three Divisions including Treasurer/Collector, Assessors and Accounting.

Mr. Little indicated that overall, the Finance Department's FY2023 budget is up \$10,005, or 1.29%. The departmental budget as presented does not include contractual wage increases for Union and Non-Union personnel, as those expenses have been budgeted centrally pending completion of union negotiations. Most of the increase (\$6,910) is due to the hiring of the new Treasurer/Collector at a higher salary.

#### **UNDISTRIBUTED EXPENSES – EMPLOYEE BENEFITS & DEBT BUDGET PRESENTATION**

Mr. Little indicated that 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 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. Mr. Little summarized the expenses below:

##### Health Insurance

The Town's health insurance carrier, Fallon, made the decision to exit the public market, effective June 30, 2022. As a result, the Town conducted a formal bid process to find a new provider. As part of the bid process, a Joint Procurement Association (JPA) was created with ARHS and the

Town of Southborough in order to enhance the market leverage. Following review of the bid results, the Town met with the Insurance Advisory Committee (IAC), which consists of members from all the bargaining units, including the K-8 School department. The IAC voted unanimously to recommend the administration's proposal to select Harvard Pilgrim as the Town's new carrier.

For FY2023, the overall Health Insurance budget increases just 1%, or \$61,228, due to positive enrollment trends. Over the years the Town has periodically made changes to plan design, employee contributions, carrier consolidation, and most recently forming an informal JPA. The overall affect has been an average health insurance budget increase of just 2.88% since FY2010.

In FY2023, the Town will contribute 70% of the monthly HMO premiums for Town employees and 75% for K-8 School Employees. The goal is to achieve parity between all employees at 70% during the next round of collective bargaining.

#### Transfer to OPEB Trust

Recent fiscal constraints associated with the COVID-19 pandemic led to postponement of contributions to the OPEB Trust Fund in FY2021 and FY2022. For FY2023, the Town has brought the contribution back to \$300,000, with the intent of increasing the amount in future years.

In total, the Town has appropriated \$3.05 million into the OPEB Trust Fund since FY2015, not including the \$300,000 contribution planned for FY2023. The Trust Fund balance as of 12/31/21 is \$5.2 million, which represents a funding ratio of 11%.

#### Worcester Regional Retirement Assessment

The total FY2023 Worcester Regional Retirement Assessment is \$2,812,709. The \$2,725,650 portion included in the General Fund budget does not include the retirement costs contained in the Water Enterprise Fund (\$39,515), the Sewer Enterprise Fund (\$26,343) or the Cable Access TV budget (\$21,201). The FY2023 General Fund increase of \$255,049 represents a significant 10.32% rise in costs, primarily due to implementation of the funding schedule designed to eliminate the unfunded pension liability by 2036.

#### Debt Service

For FY2023, the total Debt Service budget for the General Fund is \$1.93 million, a decrease of \$204,621. The largest component of the debt service budget in FY2023 is for the Lincoln Street School, which is \$998,675, a decrease from the FY2017 peak of \$1,144,882. Since that project was completed on time and approximately \$1.38 million under budget, the surplus bond proceeds from this project were used to fund the next phase of the Fire Station building project approved at 2019 Town Meeting.

Mr. Little and Mr. Coderre responded to questions and comments from Committee members throughout the presentation.

#### **REVIEW OF CPC PROJECT REQUESTS**

Community Preservation Committee (CPC) Chair John Campbell was present. The FY2023 applications recommended for funding total \$1,534,000. \$750,000 will be allocated from new revenues and \$784,000 will be allocated from the unreserved account. He reviewed the following CPC warrant articles:

ARTICLE 23: Community Preservation Fund – Construction of Eight Affordable Low-Income, Senior One-Bedroom Rental Units

The Northborough Housing Authority, the Northborough Affordable Housing Corporation, and the MA Department of Housing and Community Development are proposing to develop eight senior rental apartments located in one two-story building at 26 Village Drive. The Town is proposing contributing \$100,000 separately from American Rescue Plan Act (ARPA) funds to supplement the funds appropriated in this article, and transfer of funds will be contingent on grant funding from the State and funds supplemented from the Authority for a total anticipated project cost of \$2,440,000. Transfer of these funds will also be contingent upon successful execution of a contract with the Town.

To appropriate \$1,340,000 from the following sources:

Community Preservation Fund revenues	\$230,548
Community Preservation Affordable Housing Reserve	\$127,863
Community Preservation Unreserved Fund	\$486,274
2009 Annual Town Meeting Article 37	\$ 569
2012 Annual Town Meeting Article 42	\$ 24,746
2015 Annual Town Meeting Article 57	\$ 20,000
2016 Annual Town Meeting Article 38	\$100,000
2017 Annual Town Meeting Article 42	\$100,000
2018 Annual Town Meeting Article 28	\$100,000
2019 Annual Town Meeting Article 23	\$150,000

ARTICLE 24: Community Preservation Fund – Affordable Housing Reserve

\$75,000 from the Community Preservation Fund revenues to the Community Preservation Affordable Housing Reserve Fund to set aside funds for the future creation of affordable housing. This article will be passed over if Article 23 passes. If it does not, the Town is required to set aside at least 10% of new CPA funding for affordable housing.

ARTICLE 25: Community Preservation Fund – Brigham Street Burial Ground Beautification

\$131,679 from the Community Preservation Fund revenues and \$5,821 from Community Preservation Historic Reserve Fund for a total of \$137,500 to the Northborough Department of Public Works and the Northborough Historic District Commission for improvements to the Brigham Street Burial Ground, including removal of dead trees, installation of a signpost and fencing, and overall roadside improvements.

ARTICLE 26: Community Preservation Fund – (2) Signs to Identify the Kizer section of the Northborough Cemetery

\$5,124 from the Community Preservation Fund revenues to the Northborough Historic District Commission for the purchase and installation of two signs for the Kizer section of the Northborough Cemetery to assist with identification of the newer section of the cemetery.

ARTICLE 27: Community Preservation Fund – Shutter Restoration of Historical Society Building

\$55,000 from the Community Preservation Fund revenues to the Northborough Historical Society for replacement of missing building shutters and renovation of damaged building shutters for the building located at 52 Main Street. Thirty-three shutters will be replaced and/or renovated at the Northborough Historical Society building as part of multi-phase restoration and improvement project.

ARTICLE 28: Community Preservation Fund – Design and Project Management for Dog Park  
\$35,500 from the Community Preservation Unreserved Fund to the Northborough Recreation Department and Department of Public Works for the initial assessment and site survey for up to five locations for a dog park. This will be the first phase of a three-phase project to determine a location for a community dog park. Mr. Campbell indicated that construction of a dog park was one of the top requests that came out of the Master Planning process. This article will fund the initial site selection and design work.

ARTICLE 29: Community Preservation Fund – Design of ADA Accessible Trail located at the Senior Center

\$28,500 from the Community Preservation Fund revenues to the Northborough Trails Committee and the Department of Public Works for the design of an ADA accessible trail located at the Northborough Senior Center. The existing trail located at the Senior Center will be upgraded to ADA standards to be the first completely accessible trail in Northborough.

ARTICLE 30: Community Preservation Fund – Preliminary Design of Pedestrian Access Over the Assabet River Aqueduct Bridge

\$55,849 from the Community Preservation Fund revenues, \$813 from the Community Preservation Open Space Reserve fund and \$76,996 from the Community Preservation Unreserved Fund for a total of \$133,658 to the Northborough Trails Committee and the Department of Public Works for the preliminary design of pedestrian access over the Assabet River Aqueduct Bridge. Preliminary design work with cost estimates will include replacement of decking and security rails, structural inspection, relocation of utilities, and submission of a plan to the Massachusetts Water Resources Authority.

ARTICLE 31: Community Preservation Fund – White Cliffs Debt Service

\$185,800 from the Community Preservation Fund revenues to the Northborough Community Preservation Committee for Fiscal Year 2023 for the fifth debt service payment and expenses associated with the acquisition of the White Cliff's property at 167 Main Street.

ARTICLE 32: Community Preservation Fund – CPA Administration

\$37,500 from the Community Preservation Fund revenues to the Northborough Community Preservation Committee for the administration of the Community Preservation Act (CPA), which includes clerical assistance, office supplies, property surveys, appraisals, attorney's fees, recording fees, and printing.

During his presentation, Mr. Campbell responded to several questions and comment from members of the Committee.

**REVIEW OF ANNUAL TOWN MEETING WARRANT ARTICLES AND VOTE ON COMMITTEE RECOMMENDATIONS**

Mr. Nieber acknowledged the Committee's review of the FY2023 Operating and Capital Budget documents and the presentations and detailed materials provided by the various departments. Mr. Coderre also acknowledged the final report of the Financial Planning Committee, which reviewed and unanimously recommended approval of the FY2023 Capital Budget projects included in Warrant Articles 11-21. Given those reviews, Mr. Nieber indicated that it is now appropriate for the Committee to vote its recommendations on those articles that deal with an appropriation for Town Meeting.

Ms. Hight moved the Committee vote to recommend approval of the following Articles to Town Meeting, as presented:

Article 4—Town Budget

Article 5—Water, Sewer & Solid Waste Enterprise Fund Budgets

Article 6—Northborough K-8 School Budget

Article 7—ARHS Budget

Article 8—Assabet Valley Regional Vocational High School Budget

Article 9—Revolving Funds Authorization of Expenditure Limits

Article 10—Appropriations Committee Reserve Fund

Mr. Kaelin seconded the motion; all members voted in favor.

Mr. Poteete moved the Committee vote to recommend approval of the following FY2022 Capital Budget Articles to Town Meeting, as presented, Ms. Hight seconded the motion.

Article 11—Police: Cruiser Replacements

Article 12—Fire: Ambulance Replacement

Article 13—DPW: Road Improvements and Maintenance

Article 14—DPW: Culvert and Drainage Replacement

Article 15—DPW: One-Ton Dump Truck with Plow Replacement

Article 16—DPW: 20-Ton Dump Truck with Spreader and Plow Replacement

Article 17—DPW: Loader Replacement

Article 18—DPW: Backhoe Replacement

Article 19—MPIC: Downtown Master Plan Study

Article 20—Sewer: Inflow & Infiltration (I/I) Mitigation

Article 21—Purchase of 4 West Main Street – Old Town Hall

#### Discussion

Mr. Coderre noted that since the Town's window to re-purchase 4 West Main Street begins on May 1, 2022, Article 21 was added for the re-purchase option and will appropriate the required \$10,000 for that purpose. He added that the Town is finalizing the RFQ to hire a consultant to undertake a feasibility study prior to completing the re-purchase.

Following Mr. Coderre's review of Article 21, all members voted in favor.

Mr. Brenckle moved the Committee vote to recommend approval of the following FY2023 Community Preservation Act Articles to Town Meeting, as presented:

Article 23—Construction of 8 Affordable Senior One-Bedroom Rental Units

Article 24—Affordable Housing Reserve

Article 25—Brigham Street Burial Ground Beautification

Article 26—Signs to Identify the Kizer Section of the Northborough Cemetery

Article 27—Shutter Restoration of Historical Building

Article 28—Design and Project Management of Dog Park.

Article 29—ADA Compliant Accessible Trail at Senior Center

Article 30—Preliminary Design of Pedestrian Access over Assabet River Aqueduct Bridge

Article 31—White Cliffs Debt Service

Article 32—Authorization of Community Preservation Fund Administration Expenses

Mr. Kaelin seconded the motion; all members voted in favor.

### **NEXT MEETING DATES**

Mr. Coderre informed the Committee that one more meeting is needed to review and approve the Appropriations Committee Report to Town Meeting.

April 14<sup>th</sup> – 5:30pm    Review and approval of Committee Report to Town Meeting

April 14<sup>th</sup> – 6:00pm    Joint ARPA Meeting

April 25<sup>th</sup> – 5:00pm    Prep Meeting just prior to the start of Town Meeting

April 25<sup>th</sup> – 6:00pm    Town Meeting

### **OTHER BUSINESS**

None.

### **ADJOURNMENT**

Ms. Hight moved the Committee vote to adjourn; Mr. D’Amico seconded the motion; all members voted in favor.

Meeting adjourned at 8:55 p.m.

Respectfully submitted,

John W. Coderre  
Town Administrator

### **Documents used during meeting:**

1. April 7, 2022 Meeting Agenda
2. March 17, 2022 Meeting Minutes
3. March 24, 2022 Meeting Minutes
4. Solid Waste, Water & Sewer Enterprise Funds FY2023 Budget Presentation
5. Finance Department FY2023 Budget Presentation
6. Undistributed Expenses (Employee Benefits & Debt) FY2023 Budget Presentation
7. CPC Project Requests Presentation

**DRAFT**

Northborough  
Appropriations Committee Report  
Annual Town Meeting  
April 25, 2022

## **Northborough Appropriations Committee Report Annual Town Meeting – April 25, 2022**

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The Northborough Appropriations Committee consists of six (6) members appointed by the Town Moderator for staggered three-year terms. The role of the Appropriations Committee, by statute and charter, is that of advisory to Town Meeting. All articles in the Town Meeting Warrant involving the appropriation or expenditure of money must be considered by the Appropriations Committee. It must recommend approval or disapproval of same, in whole or in part. Immediately after the presentation of such 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 thereof. The report that follows is the Committee's voted recommendations for the Articles on the April 25, 2022 Town Meeting Warrant.

As required by the Charter and Municipal Code of the Town of Northborough, we have made our recommendations on each financial article to you based on the information available to us at the time of our deliberation and may be modified or changed on Town Meeting floor if additional information is forthcoming. Votes on these articles were taken at our meeting on Thursday, April 7, 2022. Town Meeting is the Legislative Body of the Town of Northborough, and the final decision of approval or disapproval of each warrant article is ultimately up to you, the voters.

The Coronavirus Pandemic continues to influence the overall operations of the Town as we plan for FY2023. However, this balanced budget was presented at the March 28<sup>th</sup> Joint Budget Hearing of the Board of Selectmen and Appropriations Committee. The Committee encourages residents to view that recorded meeting, which is available for streaming on Northborough Local Access.

Free Cash, also known as Budgetary Fund Balance, consists of unrestricted funds from operations of the previous fiscal year including unexpended Free Cash from the previous fiscal 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 Town Accountant. It is important to note that Free Cash is not available for appropriation until certified by the State Department of Revenue.

Use of Free Cash in the operating budget has been systematically phased down over the past years from \$700,000 in FY2010, to \$600,000 in FY2011, and ultimately, reaching the Free Cash policy target amount of \$500,000 in FY2012, where it remained through FY2020. In FY2021, in response to the potential economic destabilization caused by the Coronavirus Pandemic, \$878,000 in Free Cash was used to support the operating budget. During FY2022 the Town returned to the policy limit of \$500,000 in Free cash as finances were stabilized by Federal Aid. The FY2023 budget proposes to use the standard policy defined amount of Free Cash in the budget of \$500,000 for operations. By limiting the use of Free Cash to fund operating expenses, the Town has moved to a sound financial policy of appropriating Free Cash to fund one-time expenses, such as capital projects, to avoid incurring debt.

In addition to using \$500,000 to offset the operating budget, the FY2023 proposed budget allocates \$2,024,000 in pay-as-you go (Free Cash) capital investment, resulting in no additional tax impact. These are non-recurring capital expenditures. Since FY2012 the Town has invested \$18.6 million in pay-as-you-go capital investments with no additional tax impact. That includes \$12.9 million in Free Cash and approximately \$5.8 million in other funding sources, exclusive of the \$2,024,000 in Free Cash expenditures planned for FY2023. The result has been fewer tax dollars being used to pay for interest on loans. As always, any use of Free Cash remains subject to Town Meeting approval and appropriation.

Revenue Assumptions in this budget reflect an increase in tax receipts of 3.54% (\$1.97 million); New Growth at \$40 million value (\$659,600 in new revenue); includes Debt Exclusions for the Fire Station design and land acquisition, ARHS, Library, Senior Center and Lincoln Street School projects; Free Cash policy target of \$500,000 is maintained; Local Receipts are level funded at \$4.17 million; and State Aid is funded at \$5.6 million based on the Governor's Budget released on January 26, 2022 indicating a 1.03% increase in local aid.

The final FY2022 General Fund Budget resulted in an increase to the average single family tax bill of \$295 to \$8,195 on a home valued at \$496,961. Please keep in mind that the following projected tax impact numbers referenced within this report are estimates only and are made independent of any market adjustments to individual property values that the Board of Assessors may make for FY2023. At this time, the FY2023 tax impact is estimated to be \$513 on the average single-family home valued at \$546,657 (10% above the FY2022 average single family home value). The actual tax rate will be set by the Department of Revenue in the fall of 2022 using the FY2023 Assessed Valuation for Properties. In FY2022, the Town received its first tranche of American Rescue Plan Act (ARPA) funds and is scheduled to receive the second and final tranche in early FY2023. The total allocation from ARPA is expected to be \$4.5 million. Although the usage of ARPA funding is still being determined, it is the Committee's recommendation that these one-time funds be used responsibly and in accordance with our Financial Policies which seek to pair non-recurring revenues with one-time expenses such as capital investments. These funds should not be used to expand staffing or programs that that cannot be sustained with future recurring revenue growth.

**Health Insurance:** In FY2023, Fallon, the Town's current healthcare provider, will exit the active employer group insurance market. The Town underwent an RFP process, and while forming an informal Joint Purchasing Arrangement (JPA) with the Regional High School district and the Town of Southborough, awarded a contract to Harvard Pilgrim Healthcare (HPHC) for the next plan year. Due to favorable claims data along with the larger group afforded by the JPA, the new contract with HPHC results in a modest premium increase for FY2023. The Town's overall Health Insurance budget is proposed to increase just 1%, including the senior plan renewal which came in at 5%. It is important to note that Northborough's Health Insurance budget has increased, on average, just 2.88% for the past decade.

**Key budgets in FY2023 are:** Northborough K-8 Schools reflect an increase of \$893,275 or 3.46% to \$26,692,953; General Government (Town) increases \$862,353, or 3.65% to \$24,501,963; Algonquin Regional High School (ARHS) combined operating and debt service assessment increases \$38,273 or 0.28% to \$13,568,035. The ARHS operating assessment increases by \$21,469 or 0.17% to \$12,914,966; and the ARHS debt assessment increases by \$16,804 to \$653,069 which will remain relatively constant until final payment in 2027. Enrollment numbers have begun to shift back toward Southborough as predicted by the District, resulting in a relatively flat assessment for Northborough in FY2023. Assabet Vocational High School combined Operating Assessment and debt service is an overall increase of \$185,450 or 17.36%; Operating Assessment increases by \$189,278 or 20.25% to \$1,123,936 due to an increase of 9 students over FY2022 to a total of 68 Northborough students attending in FY2023 and debt service associated with the completed renovation project decreases by \$3,828 (2.86%) to \$130,004.

The FY2023 budget is a balanced budget within the confines of Proposition 2 ½ as required by statute and maintains core departmental services and missions. While the effects of the Coronavirus Pandemic continue to impact the daily lives of residents, businesses, students and staff, Northborough remains in strong financial condition due to the diligence and conservative budgeting approach practiced by the leadership of the community.

We wish to thank all departments and committees with whom we interact during this budgetary process – Municipal and School – for without their cooperation and collegiality during the budgetary process, it would not have been possible to affect such a positive outcome.

As always, if you have any questions on our recommendations, we will be pleased to answer them either collectively or individually during debate on any specific article. Below is a summary of our recommendations for each article that requires an appropriation included on the 2022 Annual Town Meeting Warrant.

### Summary of the Northborough Appropriation Committee Recommendations for FY2023 Warrant Articles

Article	Project	Amount	Vote *	Recommend Approval?
4	Town Budget	\$23,563,961	(6-0-0)	YES
5	Water, Sewer & Solid Waste Enterprise Funds	\$5,961,704	(6-0-0)	YES
6	Northborough K-8 Public Schools	\$26,692,953	(6-0-0)	YES
7	Northborough-Southborough Algonquin Regional School District Assessment (ARHS)	\$13,568,035	(6-0-0)	YES
8	Assabet Valley Regional Technical School District Assessment	\$1,253,940	(6-0-0)	YES
9	Revolving Funds Authorization of Expenditure Limits	various	(6-0-0)	YES
10	Appropriations Committee Reserve Fund	\$175,000	(6-0-0)	YES
11	CIP: Police Cruiser Replacements	\$165,000	(6-0-0)	YES
12	CIP: Fire – Ambulance Replacement	\$400,000	(6-0-0)	YES
13	CIP: DPW – Road Improvements and Maintenance	\$454,000	(6-0-0)	YES
14	CIP: DPW – Culvert and Drainage Replacement	\$300,000	(6-0-0)	YES
15	CIP: DPW – One-Ton Dump Truck with Plow Replacement	\$130,000	(6-0-0)	YES
16	CIP: DPW – 20-Ton Dump Truck with Spreader and Plow Replacement	\$340,000	(6-0-0)	YES
17	CIP: DPW – Loader Replacement	\$290,000	(6-0-0)	YES
18	CIP: DPW – Backhoe Replacement	\$195,000	(6-0-0)	YES
19	CIP: MPIC – Downtown Master Plan Study	\$150,000	(6-0-0)	YES
20	CIP: SEWER – Inflow & Infiltration (I/I) Mitigation	\$360,000	(6-0-0)	YES
21	Purchase 4 West Main Street – Old Town Hall	\$10,000	(6-0-0)	YES
23	Community Preservation Fund – Housing Authority – Construction of Eight Affordable Low-Income, Senior One-Bedroom Rental Units	\$1,340,000	(6-0-0)	YES

Article	Project	Amount	Vote *	Recommend Approval?
24	Community Preservation Fund – Affordable Housing Reserve	\$75,000	(6-0-0)	YES
25	Community Preservation Fund – Brigham Street Burial Ground Beautification	\$137,500	(6-0-0)	YES
26	Community Preservation Fund – 2 Signs to Identify the Kizer Section of Northborough Cemetery	\$5,124	(6-0-0)	YES
27	Community Preservation Fund – Shutter Restoration of Historical Society Building	\$55,000	(6-0-0)	YES
28	Community Preservation Fund – Design and Project Management for Dog Park	\$35,500	(6-0-0)	YES
29	Community Preservation Fund – Design of ADA-Compliant Accessible Trail Located at the Senior Center	\$28,500	(6-0-0)	YES
30	Community Preservation Fund – Preliminary Design of Pedestrian Access Over the Assabet River Aqueduct Bridge	\$133,658	(6-0-0)	YES
31	Community Preservation Fund – White Cliffs Debt Service	\$185,800	(6-0-0)	YES
32	Community Preservation Fund – CPA Administration	\$37,500	(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.

Respectfully submitted,  
Richard Nieber, Chair (2022)  
Janice Hight Vice Chair (2023)  
George Brenckle (2024)  
Robert D’Amico (2022)  
Timothy Kaelin ( 2024)  
Anthony Poteete (2023)

Article	Purpose of Article	Committee Recommendation
☆ NOTE: ALL PROPOSED BUDGET REQUESTS ARE WITHIN THE CONFINES OF PROPOSITION 2½ ☆		
4	<b>Town Budget</b> <i>Raised by taxation</i> \$22,209,340 <i>Plus transfers</i> <u>1,354,621</u> <b>Total Town Budget</b> \$23,563,961	The Appropriations Committee voted to unanimously recommend approval of this Article.
	<i>*Article 4 motion also includes an additional \$200,000 transfer from Free Cash to the Stabilization Account</i>	
<ul style="list-style-type: none"><li>One-time revenues are limited to \$500,000 in Free Cash, or 1%, to support the operating budget in accordance with the Town’s Free Cash Policy</li><li>The motion for Article 4 includes an additional \$200,000 in Free Cash to be transferred to the Stabilization Fund in order to maintain reserves at 8%, well within the Town’s Financial Reserve Policy range of 5-10%</li><li>The FY2023 General Government budget increase is 3.65% which includes additional funding for Norfolk County Agricultural School tuition.</li><li>Overall, departments presented reasonable budgets that maintain services, conform to Town Financial Policies, and minimize the tax impact.</li><li>The FY2023 tax impact is estimated to be \$513 on the average single-family home valued at \$521,809 (10% above the FY2022 average single family home value). The actual tax rate will be set by the Department of Revenue in the fall of 2022 using the FY2023 Assessed Valuation for Properties. Approximately half of the estimated tax increase is due to market increases in single family home values. The Committee notes that surrounding communities are anticipating tax bill increases in excess of \$1,000 due to market value increases.</li><li>The Budget is legally balanced as presented and within the confines of Proposition 2 ½. No excess levy capacity is being used.</li></ul>		
5	<b>Water, Sewer &amp; Solid Waste Enterprise Funds</b>	The Appropriations Committee voted to unanimously recommend approval of this Article.
	\$5,961,704	
<ul style="list-style-type: none"><li>An Enterprise Fund 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.</li><li>In total the FY2023 Enterprise Fund budgets are decreasing (292,575) or -4.7%. The Water Enterprise Fund is budgeted at \$2,636,103 which is a decrease of \$317,871 or 10.8% due to a reduction in the Massachusetts Water Resources Authority Assessment. The FY2023 Sewer Enterprise Fund is budgeted at \$2,397,488, which is an overall increase of \$24,028 or 1.0%. The Solid Waste and Recycling budget is increasing \$8,969, or 0.98% as recycling markets improved.</li><li>The Water and Sewer Enterprise Funds are fully funded by fees; the Solid Waste Enterprise fund receives a \$337,160 General Fund tax subsidy.</li></ul>		

Article	Purpose of Article	Committee Vote and Recommendation
☆ NOTE: ALL PROPOSED BUDGET REQUESTS ARE WITHIN THE CONFINES OF PROPOSITION 2½ ☆		
6	<b>Northborough K-8 Public Schools</b> <div style="text-align: right;"><b>\$26,692,953</b></div>	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>• The FY2023 Northborough K-8 School Budget reflects an increase of \$893,275 or 3.46% to \$26,692,953</li> <li>• The School Committee and Superintendent have presented a fiscally responsible budget that maintains core educational services.</li> <li>• The Appropriations Committee acknowledges the positive collaborative working relationship between the Committee, Town Administrator, the K-8 School Committee, and the Superintendent during this budget process.</li> <li>• Please refer to the Superintendent's FY2023 Budget handout for more detail.</li> </ul>		
7	<b>Northborough-Southborough Algonquin Regional School District Assessment (ARHS)</b> Operating Assessment     \$12,914,966 Debt Exclusion – Prop 2 ½ <u>\$ 653,069</u> <div style="text-align: right;"><b>\$13,568,035</b></div>	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>• The ARHS combined Operating Assessment and Debt Service increases \$38,273 or 0.28% to \$13,568,035</li> <li>• The ARHS Operating Assessment for FY2023 is up 0.17% or \$21,469 over the FY2022 revised ARHS budget. The ARHS Operating Assessment is a nearly level request from FY2022 due to shifting enrollments between Northborough and Southborough.</li> <li>• ARHS Debt Assessment increases by \$16,804 or 2.64% and will remain relatively constant until final payment in FY2027.</li> <li>• The Regional School Committee and Superintendent have presented a fiscally responsible budget that maintains core educational services.</li> <li>• The Appropriations Committee acknowledges the positive collaborative working relationship between the Committee, Town Administrator, the Regional School Committee, and the Superintendent during this budget process.</li> <li>• Please reference Superintendent's FY2023 ARHS Budget handout for more detail.</li> </ul>		
8	<b>Assabet Valley Regional Technical School District Assessment</b> Operating Assessment     \$ 1,123,936 Debt Assessment <u>\$ 130,004</u> <div style="text-align: right;"><b>\$1,253,940</b></div>	The Appropriations Committee voted to unanimously recommend approval of this Article.

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<ul style="list-style-type: none"> <li>The combined Operating Budget Assessment and Debt Assessment represents an overall increase of \$185,450 or 17.36%. Although Assabet's overall district budget increase is 4.3%, Northborough's assessment is being driven up disproportionately due to increasing enrollment, as 68 students will attend the school in FY2023, an increase of 9 students over FY2022.</li> <li>The Debt Assessment is for a 25-year bond scheduled to be paid off in 2042 with declining debt payments each year. FY2023 Debt Assessment for Assabet Valley was reduced in FY2023 by \$3,828, or 2.86%, to \$130,004.</li> <li>Please reference Assabet Valley Superintendent's FY2023 Budget handout for more detail.</li> </ul>		
9	Revolving Funds Authorization of Expenditure Limits	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>Annual reauthorization of expenditure limits for revolving funds for use by certain Town Departments, Boards, Committees, Agencies or Officers pursuant to Massachusetts General Laws, Chapter 44, Section 53E½. Revolving Funds are used where fees are charged for program services and those fees are held in a special fund and used to offset the cost of providing those services.</li> </ul>		
10	Appropriations Committee Reserve Fund  \$175,000	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>Authorized by Massachusetts General Laws, Chapter 40, Section 6, this fund provides the Town and K-8 School operations with an option for funding extraordinary or unforeseen expenditures during the year without the requirement of a Town Meeting.</li> <li>The FY2023 Reserve Fund is budgeted at the normal \$175,000 level and is most often used to cover unanticipated storm expenses.</li> <li>If unused, Reserve Fund appropriations close out to Free Cash from where they were appropriated, resulting in no additional tax impact.</li> <li>Transfers from the Reserve Fund require Appropriations Committee approval.</li> </ul>		
11	CIP: Police Cruiser Replacement  \$165,000	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>This article proposes to purchase three new police vehicles.</li> <li>Police cruisers are replaced on an annual basis, contingent upon the availability of Free Cash, with a typical vehicle used between four and six years or 100,000 miles.</li> <li>This purchase will be funded from Free Cash with no additional tax impact.</li> </ul>		

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12	CIP: Fire – Ambulance Replacement \$400,000	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>This article seeks a borrowing authorization for the replacement of a 2013 ambulance with the debt service to be paid for from EMS Revolving Fund. Debt payments associated with the ambulance replacement will be funded from user fees with no additional tax impact.</li> </ul>		
13	CIP: DPW – Road Improvements and Maintenance \$454,000	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>Funds needed to supplement the Pavement Management Plan due to limited State Chapter 90 Transportation Funding. The Town's Pavement Management Plan requires a minimum spending level of \$1.1 million annually to maintain pavement conditions.</li> <li>Funded from Free Cash with no additional impact to tax rate</li> </ul>		
14	CIP: DPW – Culvert and Drainage Replacement \$300,000	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>Request to fund drainage repairs which may include replacement of the failed Lincoln Street culvert in conjunction with grant funds, or other urgent drainage needs in Town. In 2019, a culvert inventory and assessment was completed indicating that the town had a backlog of drainage work.</li> <li>Funded from Free Cash with no additional tax impact.</li> </ul>		
15	CIP: DPW – One-Ton Dump Truck with Plow Replacement \$130,000	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>Request to replace a 2012 truck used for salting and sanding during snow events. These trucks have a useful life of between 10 and 12 years.</li> <li>Funded from Free Cash with no additional tax impact.</li> </ul>		

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☆ NOTE: ALL PROPOSED BUDGET REQUESTS ARE WITHIN THE CONFINES OF PROPOSITION 2½ ☆		
16	CIP: DPW – 20-Ton Dump Truck with Plow \$340,000	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>Request to replace a 2002 truck used for salting and sanding during snow events. These trucks have a useful life of between 15 and 20 years.</li> <li>Funded from Free Cash with no additional tax impact.</li> </ul>		
17	CIP: DPW – Loader Replacement \$290,000	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>Request to replace a 2006 John Deere loader used for various construction projects throughout town as well as during snow removal operations.</li> <li>Funded from Free Cash with no additional tax impact.</li> </ul>		
18	CIP: DPW – Backhoe Replacement \$195,000	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>Request to replace a 2005 model backhoe used by the Highway Division used for drainage and roadway repairs, plowing of streets, and digging graves in the cemeteries. Useful life is approximately 10 to 12 years. This equipment will be 17 years old when it is replaced.</li> <li>Funded from Free Cash with no additional tax impact.</li> </ul>		
19	CIP: MPIC - Downtown Master Plan Study \$150,000	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>Following the finalization of the Master Plan in 2020, the Master Plan Implementation Committee formally voted to make downtown revitalization its top priority and developed a scope of work for a Downtown Master Plan Study.</li> <li>Funded from Free Cash with no additional tax impact.</li> </ul>		

Article	Purpose of Article	Committee Vote and Recommendation
☆ NOTE: ALL PROPOSED BUDGET REQUESTS ARE WITHIN THE CONFINES OF PROPOSITION 2½ ☆		
20	CIP: DPW/Sewer – Inflow & Infiltration \$360,000	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>Funds to complete the second year of inflow and infiltration elimination from the sanitary sewer system as mandated by MassDEP under 314 CMR 12.04.</li> <li>Funded from Sewer Enterprise Fund's Free Cash with no additional tax impact. Costs for the project are part of the existing fee structure.</li> </ul>		
21	Repurchase 4 West Main Street – Old Town Hall \$10,000	The Appropriations Committee voted to unanimously recommend approval of this Article.
<ul style="list-style-type: none"> <li>In 1983 the Town sold the former Town Hall property, subject to the right to repurchase it in the 40th year after the sale for the sum of Ten Thousand Dollars (\$10,000). This Article proposes the exercise of the repurchase option and the appropriation of funds for that purpose. The Town will undertake a feasibility study prior to completing the repurchase to determine how best to use the property.</li> <li>This amount will be raised by taxation within the confines of Proposition 2 ½.</li> </ul>		
Article 22 does not require a recommendation from the Appropriations Committee		

Article	Purpose of Article	Committee Vote and Recommendation
Articles 23 - 32 are Community Preservation (CPA) articles totaling \$2,033,582 in CPA allocations. Each article represents an allowable spending purpose under the Community Preservation Act enacted in 2000 and adopted by ballot vote in Northborough in November 2004 at a surcharge of 1.5%. The first \$100,000 of a residential property's assessed value is exempt from the surcharge.		
23	Community Preservation Fund – Housing Authority – Construction of Eight Affordable Low-Income, Senior One-Bedroom Rental Units  \$1,340,000	The Appropriations Committee voted to unanimously recommend approval of this Article.
24	Community Preservation Fund – Affordable Housing Reserve \$75,000	The Appropriations Committee voted to unanimously recommend approval of this Article in the event that Article 23 fails or is passed over. If Article 23 passes, Article 24 will be passed over.
25	Community Preservation Fund – Brigham Street Burial Ground Beautification \$137,500	The Appropriations Committee voted to unanimously recommend approval of this Article.
26	Community Preservation Fund – 2 Signs to Identify the Kizer Section of Northborough Cemetery \$5,124	The Appropriations Committee voted to unanimously recommend approval of this Article.
27	Community Preservation Fund – Shutter Restoration of Historical Society Building \$55,000	The Appropriations Committee voted to unanimously recommend approval of this Article.
28	Community Preservation Fund – Design and Project Management for Dog Park \$35,500	The Appropriations Committee voted to unanimously recommend approval of this Article.
29	Community Preservation Fund – Design of ADA-Compliant Accessible Trail Located at the Senior Center \$28,500	The Appropriations Committee voted to unanimously recommend approval of this Article.

Article	Purpose of Article	Committee Vote and Recommendation
<b>30</b>	Community Preservation Fund – Preliminary Design of Pedestrian Access Over the Assabet River Aqueduct Bridge \$133,658	The Appropriations Committee voted to unanimously recommend approval of this Article.
<b>31</b>	Community Preservation Fund – White Cliffs Debt Service \$185,800	The Appropriations Committee voted to unanimously recommend approval of this Article.
<b>32</b>	Community Preservation Fund – CPA Administration \$37,500	The Appropriations Committee voted to unanimously recommend approval of this Article.
<b>Articles 33 – 44 do not require recommendations from the Appropriations Committee</b>		