



APPROPRIATIONS COMMITTEE

MEETING MINUTES

Thursday, February 27, 2020

Selectmen's Meeting Room

7:00 p.m.

MEMBERS PRESENT: Bob D'Amico
George Brenckle
Rick Nieber
Tony Poteete
Janice Hight

MEMBERS ABSENT: Elaine, Kelly, Chair

ALSO PRESENT: John Coderre, Town Administrator
Scott Charpentier, DPW Director

ELECTION OF OFFICERS

Ms. Hight moved the Committee vote to postpone the Election of Officers to a future meeting; Mr. Poteete seconded the motion; all members voted in favor.

APPROVAL OF MINUTES – FEBRUARY 20, 2020

Ms. Hight moved the committee vote to approve the meeting minutes of the February 20, 2020 meeting as submitted; Mr. D'Amico seconded the motion; all members voted in favor.

FY2021 BUDGET UPDATE

Mr. Coderre referenced the following overall budget goals and objectives as discussed at the December 12, 2019 Financial Trend Monitoring Presentation:

1. To protect and improve the Town's overall Financial Condition
2. To develop a budget that is in conformance with the Town's comprehensive financial policies
3. To maintain Northborough as an affordable place to live and operate a business
4. To protect the Town's long-run solvency

Following a brief review of the FY2021 revenue assumptions, including State Aid, New Growth and Local Receipts, Mr. Coderre reviewed the following issues that will impact the key budgets.

Mr. Coderre reviewed the factors that will most impact the key budgets. He reported that the single biggest issue with the FY2021 budget is the ARHS Assessment, which was projected to increase at 7-8% due to shifting enrollments. This is not the result of any decision made by the School Administration and is mainly the result of increasing Northborough enrollment as it relates to the State's Chapter 70 formula for minimum local contribution.

The overall tax impact is estimated to be approximately \$65 lower than the \$390 preliminary estimates discussed at the Financial Trend Monitoring presentation in December. Also, the required use of excess levy capacity will be significantly reduced.

Lastly, Mr. Coderre reported that based upon revised assumptions, the target budgets for the key departments are proposed to increase as follows:

- Northborough K-8 Schools increase \$785,859 or 3.15% to \$25,714,417
- General Government (Town) increases \$783,694, or 3.5% to \$23,174,967
- The overall Assabet Valley Vocational HS operating budget is increasing 4.15%. However, Northborough's Operating Assessment increases by \$170,364, or 24.52% to \$865,186 as enrollment increases from 45 to 53 students. Debt service associated with the completed renovation project decreases from \$141,488 to \$137,660, a 2.71% reduction.
 - Net effect of the combined Operating Assessment and new debt service is \$1,002,846, an overall increase of \$166,536, or 19.91%
- The overall Algonquin Regional High School (ARHS) budget is increasing 3.31%. The ARHS Operating Assessment is increasing \$533,979, or 4.36% to \$12,786,493 based upon Northborough enrollment and related impacts to the State's foundation budget and minimum local contribution formula. The debt for ARHS increases by \$10,787 or 1.74% to \$632,229.
 - Net effect of the combined Operating Assessment and new debt service is an overall increase of \$544,766, or 4.23%

Mr. Coderre reminded the Committee that the various departments, including the Schools will present their budget proposals to the Committee over the next few weeks.

DPW PROJECT UPDATE

DPW Director Scott Charpentier reviewed his January 13, 2020 memo and provided an update on the following projects:

Pavement Management

Annual spending of \$1.1 million is necessary to maintain or slightly improve the Town's current pavement conditions. The DPW Director reviewed the list of past projects from the previous construction season and noted the Town's roadway surface rating continues to improve based on the consistent investment made by the Town.

Rice Avenue Culvert Replacement

This project replaced the Rice Avenue culvert which conveys flow of a tributary to the Assabet River. The previous culvert pipe and stone retaining wall were in poor condition and needed to be replaced. The invert of the pipe had deteriorated such that the pipe collapsed and the dry laid stone wall was significantly out of plumb. Chapter 90 funds in the amount of \$425,000 were

allocated for design and construction of this critical culvert crossing. The project team was able to complete the work under budget and in a single construction season.

Town Common

The Community Preservation Fund provided resources at three annual town meetings for purchase of the land, design, and construction in the amount of \$972,400. The project scope increased in 2018 through the donation of a parcel of land from a private landowner. The Town received a matching state grant in the amount of \$215,000 to help offset some of the project costs. The work was completed on-budget and within a single construction season and includes a memorial dedicated to the Town's Gulf War and Global War on Terrorism Veterans. Two private donations were made from donor brick sales and from a private donor in the amounts of \$10,560 and \$91,041 respectively. These funds will be used for the future construction of a shade pergola and associated benches and amenities. A dedication ceremony will be held sometime in June of 2020.

Water and Sewer Garage Operations Building

The 2019 Annual Town Meeting allocated \$75,000 for development of a space study, preliminary design, and land use permit applications for a second building at the water and sewer department. The preliminary design is complete and land use permit applications have been submitted for review. The project will be phased with the goal of having the site work, foundation, and building envelope publicly bid and built. The Town is planning to team with Assabet Valley Regional Tech. to supply the labor for all interior framing and finish work at no cost to the Town. Refer to Page 5 of these minutes – the FY2021 Capital Request for the Water and Sewer Garage Operations Building for further details.

Assabet Hill Water Tank Rehabilitation

The 2019 Annual Town Meeting allocated \$70,000 toward the design and permitting for rehabilitation and improvements to the Assabet Hill Water Storage Tank. The Town's top priority tank being Assabet Hill warranted last year's design and this year's construction as the most pertinent and appropriate direction for improvements. The Assabet Hill Water Storage Tank Improvements project design is complete and all required state permits have been issued. Refer to Page 6 of these minutes – the FY2021 Capital Request for the Assabet Hill Water Tank Rehabilitation for further details.

Sanitary Sewer Inflow and Infiltration (I&I) Program

The Town is required by current MassDEP regulations to conduct a comprehensive study and implement a detailed Operations and Maintenance Plan to mitigate inflow and infiltration into the Town's sanitary sewer system. Inflow is from stormwater and runoff making its way into sanitary sewer manhole covers, or by illicit connections of storm drains or sump pumps into the sanitary sewer system. Infiltration is the seeping of groundwater into the system through pipe connections, cracks in manholes, or other small openings in the system below grade. Identifying and mitigating this I&I greatly reduces the volume of 'clean' water sent to the wastewater treatment plant for processing resulting in significant cost savings. The first year of I&I elimination was completed in 2019 through issuance of a construction bid package. Work included pipe lining, manhole and pipe repair, as well as other miscellaneous repairs to eliminate infiltration. Evaluation work is funded through the operating budget while the physical

elimination of I&I was and will continue to be funded through the Capital Improvement Plan and paid for by sewer user fees.

Incremental Sewer Pump Station Improvements

The Town introduced to the operating budget in FY2019 an incremental pump station improvement line item. The goal is to update the Town's aging sewer pump stations through smaller and more systematic improvements as an alternative to full scale reconstruction. FY2020 funds are being utilized for improvements to the Forbes Road Pump Station. The work includes replacement of the backup power generator and installation of an automatic transfer switch. The goal is to utilize future operational funds to implement communication and alarm controls at this station which will allow it to function similar to those stations that have recently undergone full rehabilitation.

DPW FY2021 CAPITAL REQUESTS

Mr. Charpentier reviewed the FY2021 Capital Budget requests for the DPW as follows:

Wing Mower Replacement - \$75,000

This request is to replace the 2013 John Deere large area mower with a newer model. The mower is used at all the large, town-owned fields including the fields at the elementary and middle schools, as well as the cemetery. This is the only wide area mower in the Public Works fleet. The useful life expectancy of this piece of equipment is 8-10 years. Mr. Charpentier commented that the cost to outsource the mowing is approximately \$80,000 per year.

Loader - \$240,000

This request is to replace the 2006 John Deere loader with a new model. At the Public Works Garage, the loader is regularly used to transfer materials, remove the debris piles and load the spreaders with salt for snow removal operations. Off-site, it is used throughout Town on various construction projects, as well as during snow removal operations. The loader is exposed to many different environments including corrosive materials which cause disintegration of the Public Works equipment. As the equipment ages, it requires additional mechanical and body work to keep it operational. This capital request includes \$7,600 for body repair and painting of the 2014 model year loader as well.

Highway Garage Emergency Generator - \$35,000

This request is to replace and upgrade the emergency generator at the highway garage. The current generator is undersized such that it cannot provide power to critical components of the facility. During power outages, the fuel island does not have power, thus hindering emergency service operations. The Town submitted a grant application to the Federal Government requesting 75% of the \$130,000 total project cost, resulting in an anticipated Town expense of approximately \$35,000.

Assabet Park ADA Compliance - \$102,775

This request seeks funds to reconfigure portions of Assabet Park and to replace equipment and surfaces within the playground area. Assabet Park is one of the most popular parks in Town, specifically for pre-school children. Currently the playground area is not compliant with the Massachusetts Architectural Access Board accessibility regulations (521 CMR 19) and requires substantial surface and equipment improvements to allow safe and efficient use by all residents.

The overall park space is in need of reconfiguration to maintain and expand features for the target age group of children and to incorporate better pedestrian circulation. Full project funding is proposed through a combination of \$102,775 in the Capital Budget, as well as \$452,225 from the Community Preservation Fund, for a total project cost of \$555,000.

Culvert & Drainage Replacements - \$250,000

The Town recently completed a town-wide culvert inventory and condition assessment. Several culverts have been found in need of replacement due to deteriorated pipes and end treatments. Drainage systems in Town are aging and many have surpassed their functional life. The Town video inspects those systems where repeated repairs have been needed to identify and prioritize the replacement projects. This request seeks funds to replace/rehabilitate multiple culverts and replace/repair failing drainage systems. The FY2021 request is for replacement of culverts on Ridge Road, Lyman Street and Davis Avenue.

One Ton Dump Truck with Plow - \$110,000

This request seeks to replace a 2008 F450 dump truck with a similar model truck. As part of this capital item an existing vehicle will be repurposed to extend its useful life. The one-ton dump trucks are one of the most heavily used pieces of equipment in the DPW fleet. The Public Works employees use these vehicles to perform their everyday tasks including moving materials and equipment that is carried and towed by these vehicles. These trucks are also paired with 20-ton dump trucks to perform snow removal operations in the winter months. The useful life expectancy of these vehicles is 10 to 12 years. At the time of replacement, the existing trucks will have reached the end of their useful lives. The Town currently has 7 one-ton dump body trucks in service and has a program to replace one every other year, resulting in a 14-year replacement cycle.

One-Ton Pickup Truck with Plow - \$65,000

This request seeks to replace a 2003 pickup truck with a similar model. As part of this capital item an existing pickup truck will be repurposed to further its useful life. Pickup trucks are the most used equipment in the fleet. The Public Works employees use these vehicles to perform their everyday tasks including moving materials and equipment that is carried and towed by these vehicles. These trucks are also responsible for snow removal at the municipal buildings during the winter months. The useful life expectancy of these vehicles is 10 to 12 years.

Roadway Improvements/Maintenance - \$300,000

The Town's initial pavement management plan inventory and assessment was first completed in 2013 which measured an average Town-wide Roadway Surface Rating (RSR) of 71. In FY2015 the Legislature authorized a \$300 million Chapter 90 program; however, subsequent years' funding levels have been reduced to \$200 million. Annual spending of at least \$1.1 million is necessary to maintain or slightly improve our current pavement conditions. Under that standard, the Town's Annual Chapter 90 allocation of approximately \$500,000 plus a local appropriation of \$300,000 results in a \$300,000 funding gap, which would be filled if the statewide Chapter 90 funding were released at \$300 million. Our recent update to the pavement management assessment completed in 2019 found that, through implementation of our pavement management plan, the Town-wide RSR increased slightly from 73.4 to 73.9. This FY2021 capital request of

\$300,000 from Free Cash would get the Town's investment up to the minimum \$1.1 million target investment.

Water/Sewer Garage Operations Building - \$900,000

This request seeks to fund construction of a new operations building for the Water and Sewer Departments. The existing garage was originally constructed in 1964 to house only the Water Department. The Town installed sewers in the 1970's, and this expansion of the departmental operations required additional staff and equipment that was not contemplated when the original garage was built. The current facility is undersized for the number of vehicles and equipment it houses. It requires security improvements and HVAC and electrical upgrades to allow the Town to maximize the benefits of new technologies, including electronic alarms and monitoring systems. Currently several pieces of equipment are stored outside with some utilizing on-board water, thus requiring it to be drained and winterized after each use, and others housing sophisticated global positioning and communication gear. The existing garage will be reconfigured for equipment storage. The Assabet Valley Technical School has agreed to assist the town with interior fit-out of the building. This will provide the Town with significant savings in labor costs and afford the students the opportunity to work on an important project for their community. Funding for this project will be split between the Water and Sewer Enterprise Funds.

Assabet Hill Water Storage Tank Rehabilitation - \$725,000

As a result of water storage tank inspections, which were performed as required by MassDEP, repairs and a recoating are recommended for the Assabet Hill Tank, which is a 3.5 million gallon concrete water storage tank. A tank disposition and recommendations report has been prepared and the determination is that Edmunds Hill Tank provides little to no flow or pressure benefit to the community, therefore the appropriate expenditure of funds is on the Assabet Hill Tank. The 2019 Annual Town Meeting funded design and permitting for repair and improvements to this tank and this request is to fund construction which will include repair and coating of the tank, installation of a non-mechanical mixing system to improve water quality, and updated controls and communication equipment.

DPW FY2021 OPERATING BUDGET

Mr. Charpentier indicated that overall, the Department of Public Works General Fund budget is increasing \$126,868 or 4.63%. The majority of the increase is attributed to contractual wage increases for Union and Non-Union personnel, as well as a \$40,000 increase under Engineering for additional consulting services needed to comply with the Town's Stormwater Management Plan and Stormwater Pollution Prevention Plan as required by the EPA's final MS4 permit. The only personnel change contained in the budget is the reallocation of funds from the vacant Assistant DPW Director position to a new Heavy Equipment Operator in order to meet increasing demands associated with stormwater compliance mandates and the Town's expanding facilities responsibilities such as White Cliffs and the new Town Common. The total authorized personnel count remains level.

Mr. Charpentier informed the Committee that the Environmental Protection Agency's (EPA) General Permits for Stormwater Discharges from Small Municipal Separate Storm Sewer Systems (MS4) requires the Town of Northborough, and each of our peer towns, to comply with

Federal water quality standards for our municipal drainage discharges. The MS4 permit (effective July 1, 2018) covers a 10-year period with implementation of different compliance tasks each year. The objective of this permit program is to reduce non-point source pollution to our local surface water bodies.

The Town funds permit compliance through the engineering division operating budget. The first two years of compliance (FY19 and FY20) were managed with level funding in the amount of \$35,000. Tasks required for compliance in the coming years are more extensive and thus increasing the need for funding. Significant tasks associated with the first 5 permit years are summarized as follows:

FY2019 - \$35,000

Notice of Intent filing to EPA, performed annually
Illicit Discharge Detection and Elimination (IDDE) Plan, developed once and updated annually
Stormwater Management Plan, developed once and updated annually

FY2020 - \$35,000

Outfall connectivity inventory, performed annually
Begin Phase I drainage system mapping, performed once
Begin dry weather outfall screening, performed once
Municipal good housekeeping planning, performed once with ongoing implementation
Annual MS4 report, completed annually

FY2021 - \$70,000

Complete Phase I drainage system mapping; performed once and updated annually
Complete dry weather outfall screening, performed once and when new outfalls installed
Update post-construction stormwater requirements, performed once
Annual MS4 report, completed annually

FY2022 - \$75,000

Outfall treatment retrofit assessment, performed once
Investigate critical and problem catchments, performed annually
Evaluate local design criteria, performed once
Identify possible best management practices retrofit sites, performed once
Annual MS4 report, completed annually

FY2023 - \$75,000

Identify and remove illicit connections, ongoing
Investigate high priority catchments, performed annually
Start "Phase II" drainage system mapping, ongoing
Annual MS4 report, completed annually

The MS4 permit is a 10-year permit period and is written such that if a new permit is not issued, the current permit conditions will continue to be in-force beyond the 10-years. The goal and object of Public Works is to comply with all permit requirements to improve the quality of our

surface waters while working within a stabilized budget structure for this fiscal year and for those to come.

Water Enterprise Fund

Mr. Charpentier indicated that the FY2021 Water Enterprise Fund is budgeted at \$2,619,543, which is an overall increase of \$70,863, or 2.78%. The increase is primarily due to an 8.65% escalation in the MWRA water assessment, which in turn, is partially offset by the elimination of the Enterprise Fund's share of the Assistant DPW Director position. Also included in the budget are modest increases for equipment replacement and the introduction of a banking lockbox service to improve bill processing efficiency.

In the second quarter of FY2014, a base charge was added to each water account to recover a portion of fixed costs paid from the enterprise funds such as debt, meter reading, billing and collection, regardless of the amount of water usage. Based upon formal rate studies, the water utility user rates are expected to increase approximately 4-5% per year due to a combination of inflationary pressures (between 2% and 3% annually), annual water use fluctuations, and the need to make regular infrastructure investments.

Mr. Charpentier commented that the primary focus for the DPW Water Division Enterprise Fund is the successful implementation of the Capital Improvement Plan. The plan is the result of a multi-disciplinary approach to infrastructure management. It includes replacement of poor condition and undersized water mains in concert with roadway improvement projects, repairs and improvements to the Assabet water storage tank, and systematic replacement of vehicles and equipment.

Sewer Enterprise Fund

Mr. Charpentier indicated that the FY2021 Sewer Enterprise Fund is budgeted at \$2,305,158, which is an overall increase of \$61,757 or 2.75%. The budget reflects an estimated 5% increase in the Marlborough use charge which is offset by the elimination of the Sewer Enterprise Fund's share of the Assistant DPW Director position. Several smaller initiatives account for the remainder of the increase including new payment processing services, small equipment replacement, and OSHA compliance requirements.

Mr. Charpentier noted that the critical issue facing the DPW Sewer Enterprise Fund continues to be negotiations for a new Intermunicipal Agreement with the City of Marlborough. The matter is currently in litigation, the outcome of which will establish our contribution to the operational expenses of the Westerly Wastewater Treatment Plan as well as Northborough's share of the \$30 million plant improvement project. Sewer rates were recently increased in the second quarters of FY2014, FY2016, FY2017, and FY2018 in anticipation of a large plant improvement payment to Marlborough. The sewer use charges for FY2019 increased by 5% but were maintained with no increase for FY2020. A small increase is expected for FY2021 to account for regular operating cost increases and periodic capital expenditures. Final rate adjustments will be based upon the most recent rate study.

Solid Waste is reduced \$60k due to contract finalized and recycling stabilized

The Solid Waste/Recycling budget under the new contract includes price adjustments based upon recent changes in the recycling commodities market. The General Fund subsidy to the trash program will be reduced by \$80,000 based upon the final contract, and bag fees will remain unchanged during FY2021.

The Committee thanked Mr. Charpentier for his thorough presentation and commented on the enhanced planning, especially for needed capital improvements. Mr. Coderre stated that it is important that rates support not only operating costs, but long-term infrastructure investments as well.

MEETING SCHEDULE

The Committee agreed to meet on the following dates:

Meeting Date	Meeting Topics
3/7/2020	(Sat 9AM-1PM – Lunch Provided) K-8 Schools and ARHS Budget Presentations; Draft Town Meeting Warrant Summary
3/12/2020	Assabet Valley Regional Technical HS; Police Budget Presentation; Fire Budget Presentation
3/19/2020	Senior Center & Library Presentations & other departments, if needed
3/23/2020	Joint Meeting with Board of Selectmen – Budget Hearing (Charter 6-5)
3/26/2020	Finance Office, Debt Budget; Health Insurance; Economic Development Update; Community Preservation Committee Project Requests; Review of ATM Warrant Articles and Vote on Committee Recommendations
4/27/2020	6:15 PM Pre-Town Meeting @ARHS
4/27/2020	7:00 PM Annual Town Meeting @ ARHS
June 2020	Wrap-Up; Year-end Transfers as needed

ADJOURNMENT

Ms. Hight moved the Committee vote to adjourn; Mr. Brenckle seconded the motion; all members in favor.

Meeting adjourned at 8:50 p.m.

Respectfully submitted,

John W. Coderre
Town Administrator

Documents used during meeting:

1. February 27, 2020 Meeting Agenda
2. February 20, 2020 Meeting Minutes
3. Town Administrator's Budget Update Memo dated February 21, 2020
4. DPW Director's Project Update Memo dated January 13, 2020
5. Information packet – DPW General Fund Budget
6. Information packet – Water & Sewer Enterprise Fund Budgets