



APPROPRIATIONS COMMITTEE

MEETING MINUTES

Monday, March 26, 2018
Selectmen's Meeting Room
7:00 p.m.

MEMBERS PRESENT: Chairman, Elaine Kelly
George Brenckle
Rick Nieber
Tony Poteete
Bob D'Amico

MEMBER ABSENT Janice Hight

JOINT MEETING WITH BOARD OF SELECTMEN – FY2019 PROPOSED BUDGET

Present for the Appropriations Committee were Chair Elaine Kelly and members George Brenckle, Bob D'Amico, Richard Nieber and Anthony Poteete.

Also present in the audience were members of the Financial Team - Finance Director June Hubbard-Ward, Town Accountant Jason Little and Assistant Town Administrator Kimberly Foster.

Chairman Kelly called the meeting of the Appropriations Committee to order.

Mr. Coderre presented the FY2019 proposed Budget, which included the latest information available regarding revenue projections and departmental expenditure requests. The FY2019 General Fund Operating Budget, including General Government, Northborough K-8, Regional High School, Assabet Valley Regional High School and Special Warrant Articles is \$69,554,410 or a 3.95% increase over FY2018. This includes one-time pay-as-you-go capital expenditures, \$500,000 to the OPEB Trust Fund and a \$200,000 contribution to the Stabilization Fund.

Mr. Coderre reviewed the following FY2019 Budget goals from the December 14, 2017 Financial Trend Monitoring Joint Meeting:

- To protect and improve the Town's Overall Financial Condition
- To develop a budget that is in conformance with the Town's comprehensive financial policies
- To maintain Northborough as an affordable place to live and operate a business
- To protect the Town's long-run solvency beyond the immediate budget cycle

FY2019 Budget Presentation Cont. . .

Mr. Coderre reported that the proposed budgets for the key departments are estimated to increase as follows:

- Northborough K-8 Schools increase \$820,576 or 3.50% to \$24,265,593
- General Government (Town) increases \$731,587 or 3.5% to \$21,634,080
- Algonquin Operating Assessment increases \$916,663 or 8.81% to \$11,322,989
 - The debt for ARHS decreases by \$49,800 to \$610,774 and will remain relatively constant until final payment in FY2027
- Assabet Valley Vocational High School combined Operating Assessment and Debt Service decreases \$135,171 or 15.14%
 - Operating Assessment decreases \$129,255 or 17.34% to \$612,406 as enrollment decreases from 49 to 41 students
 - Debt service associated with the completed renovation project decreases by 5,916 to \$145,316

The General Government Highlights of the FY2019 Budget include the following:

- All collective bargaining agreements settled for 2% in FY2019
- Total personnel is up 1.5 full-time employees, including a new Public Safety Dispatcher and an increase in hours to the Conservation Agent position from 19 hours to full-time
- Health Insurance currently budgeted at \$5.73 million, an increase of \$210,158 or 3.8%.
 - Includes all active General Government and K-8 School employees and Town & School retirees.
 - Actual Health Insurance Budget requires an increase of \$863,195 or 15.6%.
 - Without negotiated plan changes, the FY2019 Budget is structurally unbalanced by \$653,037. Mr. Coderre reported that agreements have been reached with all bargaining units except one, which is still in negotiations.
- Includes a \$500,000 appropriation into the OPEB Trust Fund
- Pavement Management Plan combined FY2019 funding target of \$1.1M is reached through a combination of Chapter 90 Funds, Operating and Capital Budget appropriations
- FY2019 estimated tax impact of \$333 on the average single family home valued at \$434,740. Estimate is based on 3% estimated increase in FY2018 single family home value of \$422,078

Mr. Coderre reviewed the following FY2019 planning initiatives:

- Fire Station Feasibility Study
- White Cliffs Reuse Study
- Classification & Compensation Study
- IT/GIS Strategic Plan Study
- Town Master Plan Update Study

FY2019 Budget Presentation Cont. . .

In summary, the FY2019 Budget supports core departmental services and missions, protects long-run solvency by addressing unfunded liabilities and invests in equipment, facilities and infrastructure. Mr. Coderre reiterated that the Budget was developed in conformance with the goals and objectives of the Town's comprehensive financial policies and will be balanced within the confines of Proposition 2½.

Lastly, Mr. Coderre announced that the Town recently received its eighth consecutive Distinguished Budget Presentation Award for its Fiscal Year 2018 Budget from the Government Finance Officers Association of the United States and Canada (GFOA). He noted that only 16 other municipalities in Massachusetts achieved this award, adding that 10 of them are communities that were either assisted by Northborough or introduced to GFOA best practices at one of the state-wide training sessions taught by Northborough. Members of the Board congratulated Mr. Coderre and his staff on this significant achievement.

Following several questions and comments from members of the Board of Selectmen, Mr. Coderre thanked the Appropriations Committee and members of the Financial Team – Assistant Town Administrator Kimberly Foster, Finance Director June Hubbard-Ward and Town Accountant Jason Little. Members of the Board expressed their appreciation to Mr. Coderre, the Financial Team and the Finance Committees. On behalf of the Appropriations Committee, Chairman Elaine Kelly thanked Mr. Coderre for his efforts.

ADJOURNMENT

Ms. D'Amico moved the Committee vote to adjourn from the Joint Meeting; Mr. Nieber seconded the motion; all members voted in favor.

Joint Meeting adjourned at 8:50 p.m.

Respectfully submitted,

John W. Coderre
Town Administrator

Documents used during meeting:

1. March 26, 2018 Meeting Agenda
2. FY2019 Proposed Budget Presentation
3. FY2019 Budget Message
4. 2018 Town Meeting Warrant