



APPROPRIATIONS COMMITTEE

MEETING MINUTES

Thursday, March 29, 2018
Selectmen's Meeting Room
7:00 p.m.

MEMBERS PRESENT: Elaine Kelly Chair.
George Brenckle
Rick Nieber
Tony Poteete
Bob D'Amico
Janice Hight

ALSO PRESENT: John Coderre, Town Administrator
June Hubbard-Ward, Finance Director

APPROVAL OF MARCH 22, 2018 MEETING MINUTES

Mr. Nieber moved the Committee vote to approve the March 22, 2018 meeting minutes; Mr. D'Amico seconded the motion. Vote 4-0-1 (Ms. Hight abstained as she was not present at this meeting).

APPROVAL OF MARCH 26, 2018 MEETING MINUTES

Mr. Nieber moved the Committee vote to approve the March 26, 2018 meeting minutes; Mr. D'Amico seconded the motion. Vote 4-0-1 (Ms. Hight abstained as she was not present at this meeting).

UPDATE REGARDING HEALTH INSURANCE

Mr. Coderre indicated that the FY2019 health insurance budget request of \$5.73 million represents a total increase of \$210,158 or 3.8% from the amount budgeted last year. He added that plan design changes and the adoption of Chapter 32B, Section 18 in FY2010 limited budgetary impacts for eight consecutive years. Prior to FY2010 it was common to experience health insurance increases of 8-10% each year, which would consume the majority of new revenues.

Mr. Coderre reported that market trends are resulting in higher health insurance increases, necessitating further action. To this end, the Town successfully negotiated higher copays with all employee groups, effective July 1, 2017 (FY2018). The modifications mitigated the anticipated premium increases of 12%, but still resulted in an 8.33% budget increase. Due to a combination of high claims and general market trends, the FY2019 Health Insurance budget is facing a 15.6% increase. Without negotiated plan changes the FY2019 budget is structurally unbalanced by \$653,037.

UPDATE REGARDING HEALTH INSURANCE CONT. . .

Mr. Coderre reported that in order to address this increase, the Town, working with the employee Insurance Advisory Committee (IAC), bid out its health insurance seeking consolidation under a single carrier. Based upon the bid results, Fallon Community Health Plan (Fallon) was the carrier brought forward to the IAC for recommendation. At its meeting on January 30th, the IAC formally recommended consolidating to Fallon and negotiations began with each bargaining unit for their formal approval to implement the consolidation plan. To date, the Town has received commitments from all but one bargaining unit. He continues to engage in impact bargaining with the one remaining unit with the goal of implementing the IAC recommended consolidation plan, effective July 1, 2018.

UPDATE REGARDING DEBT SERVICE

Mr. Coderre informed the Committee that the proposed FY2019 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 FY2019, the total debt service budget for the General Fund is \$2.8 million, a decrease of \$157,836.

Mr. Coderre noted that in conjunction with the bond issuances for the Lincoln Street School project, Moody's Investors Service upgraded the Town's bond rating from Aa2 to Aa1, which is Northborough's highest rating ever. During the review Moody's cited the Town's manageable debt levels, strong reserves, below average pension liabilities and its ongoing funding of OPEB liabilities as positive factors. With regard to management they commented that "*the Town has a strong management team evidenced by a multi-year trend of conservative budgeting guided by formal fiscal policies.*"

APPROPRIATIONS COMMITTEE RECOMMENDATIONS

The Committee acknowledged the Joint Budget Hearing on March 26th with the Selectmen as well as their review of the FY2019 Operating and Capital Budget documents. All requested information has been received and reviewed by the Committee. The Committee acknowledged the presentations and detailed materials provided by the various departments which have been ongoing. The Committee also acknowledged the final report of the Financial Planning Committee which reviewed all the recommended FY2019 Capital Budget projects included in Warrant Articles 15-23. Given those reviews, the Chair indicated that it is now appropriate for the Committee to vote its recommendations on those articles that deal with an appropriation for Town Meeting.

ARTICLE 29

Mr. Poteete recused himself from discussing or voting on Article 29 as he is a member of the First Parish Unitarian Church.

Mr. Nieber moved the Committee vote to recommend approval of Article 29 (Community Preservation Fund – First Parish Handicap Ramp) at the Annual Town Meeting; Mr. Brenckle seconded the motion. Vote 4-0-1 (Ms. Hight abstained as she was not at the meeting where this article was presented).

ARTICLES 6 & 7

Mr. D'Amico moved the Committee vote to recommend approval of the following articles at the Annual Town Meeting:

Article 6 – Northborough K-8 Schools Budget

Article 7 – Northborough-Southborough Regional School District Budget

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

REMAINING ARTICLES

Mr. Nieber moved the Committee vote to recommend approval of the following articles at the Annual Town Meeting:

Article 4 – Town Budget

Article 5 – Water, Sewer & Solid Waste Funds

Article 8 – Assabet Valley Regional School District Budget

Article 9 – Library Grants

Article 10 – Authorization to Selectmen for Grant Applications

Article 11 – Revolving Funds Bylaw and Authorization of Expenditures Limits

Article 12 – Appropriations Committee Reserve Fund

Article 13 – Stabilization Fund Contribution

Article 14 – Algonquin Regional High School Stabilization Fund

Article 15 – CIP – Police Cruiser Replacements

Article 16 – CIP – MIS/GIS – GIS Aerial Photography and Mapping

Article 17 – CIP – DPW One Ton Dump Truck with Hot Box and Plow

Article 18 – CIP – DPW – Street Sweeper Replacement

Article 19 – CIP – DPW – Skid Steer Replacement

Article 20 – CIP – DPW – Road Improvements & Maintenance

Article 21 – CIP – Water & Sewer- Excavator

Article 22 – CIP – Water – Water Mains Repair and Replacement

Article 23 – CIP – School Department – Zeh School Boiler Replacement

Article 27 – Community Preservation Fund – Library Repairs

Article 28 – Community Preservation Fund – Transfer to NAHC

Article 30 – CIP – Town Common Project – Acceptance of 20 Rear Gale Street Parcel Donation

Article 31 – Community Preservation Fund – Town Common Phase III

Article 32 – Community Preservation Fund – Melican Middle School Field Lighting

Article 33 – Community Preservation Fund – White Cliffs Debt Payment

Article 34 – Community Preservation Fund – CPA Administration

Mr. Brenckle seconded the motion. Vote 5-0-1 (Ms. Hight abstained as she was not present at the meetings where the above articles were presented).

APPROPRIATION COMMITTEE REPORT TO TOWN MEETING

Mr. D'Amico moved the Committee vote to allow the Chair to work with the Town Administrator to finalize the Appropriations Report to Town Meeting based upon the discussion and votes taken this evening; Ms. Hight seconded the motion; all members voted in favor.

NEXT MEETING DATES

Monday, April 23, 2018 @ 6:45 pm at Algonquin High School, Room B124

ADJOURNMENT

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

Meeting adjourned at 7:50 p.m.

Respectfully submitted,

John W. Coderre
Town Administrator

Documents used during meeting:

1. March 29, 2018 Meeting Agenda
2. March 22, 2018 Meeting Minutes
3. March 26, 2018 Meeting Minutes
4. Information Packet – Debt & Health Insurance