



## **FINANCIAL PLANNING COMMITTEE**

### **MEETING MINUTES**

Thursday, February 28, 2018

Selectmen's Meeting Room

5:00 p.m.

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**MEMBERS PRESENT:** David DeVries  
Thomas Spataro  
Roger Leland  
Richard Smith  
Heidi Bourque-Gleason

**ABSENT:** Michael Hodge

**ALSO PRESENT:** John Coderre, Town Administrator

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### **APPROVAL OF MINUTES – FEBRUARY 22, 2018 MEETING**

Mr. Spataro moved the Committee vote to approve the meeting minutes of the February 22, 2018 meeting as submitted; Mr. Smith seconded the motion. Vote 4-0-1 (Ms. Bourque-Gleason abstained as she was not present at this meeting).

### **FY2019 BUDGET UPDATE**

Mr. Coderre referenced the following overall budget goals and objectives as discussed at the December 14, 2017 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

Mr. Coderre reported on the status of union negotiations pertaining to health insurance. He indicated that the Insurance Advisory Committee (IAC) unanimously recommended the Town issue a Request for Proposals (RFP) to bid out health insurance under one consolidated carrier, with the primary goal of reducing costs, while maintaining current plan design. Based upon the bid results, Fallon was the carrier brought forward to the IAC for recommendation. At its meeting on January 30<sup>th</sup>, the IAC formally recommended consolidating to Fallon. Mr. Coderre added that he and the School Superintendent negotiated separately with each bargaining unit for their formal approval to implement the consolidation plan. Commitments have been received

**FY2019 BUDGET UPDATE CONT. . .**

from all but one bargaining unit. He will continue to impact bargain with the one remaining unit with the goal of implementing the IAC recommended consolidation plan, effective July 1, 2018.

Mr. Coderre reported on the unexpected impact of higher Northborough student enrollment on the Algonquin Regional High School (ARHS) Assessment. The overall ARHS Budget is increasing at the targeted 3.5%; however, Northborough's Assessment share will increase by 8.81%, or \$916,664. The increase is \$552,576 higher than projected at the December 14, 2017 Financial Trend Monitoring meeting.

Mr. Coderre indicated that in order to accommodate the increased ARHS Assessment, the budget model will require the Town to dip into its unused levy capacity by \$494,708, resulting in an increase to the average single family home tax bill of approximately \$75 in addition to the original projected increase of \$263. It will also impact the Town's five-year financial projections which assume the Town will use its excess levy capacity in a phased approach over the next five years to maintain services.

Mr. Coderre added that the ARHS Assessment 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 and Minimum Local Contribution.

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

- Northborough K-8 Schools increase \$820,576, or 3.5% to \$24,265,593
- General Government (Town) increases \$731,587, or 3.5% to \$21,634,080
- The overall Assabet Valley Vocational HS operating budget is increasing 3.79%. However, Northborough's Operating Assessment decreases by \$129,255, or 17.43% to \$612,406 as enrollment dropped from 49 to 41 students. Debt service associated with the completed renovation project decreases from \$151,232 to \$145,316, a 3.91% reduction.
  - Net effect of the combined Operating Assessment and new debt service is an overall decrease of \$135,171, or 15.14%
- The overall Algonquin Regional High School (ARHS) budget is increasing 3.5%. The ARHS Operating Assessment is increasing \$916,664, or 8.81% to \$11,322,989 based upon Northborough enrollment and related impacts to the State's foundation budget and minimum contribution formula. The debt for ARHS increases by \$17,415, or 2.64% to \$677,989.
  - Net effect of the combined Operating Assessment and new debt service is an overall increase of \$934,079, or 8.44%

### COMMITTEE RECOMMENDATIONS

The Town Administrator distributed the revised summary list of proposed FY2019 Capital Projects, Project Detail Sheets and funding sources. Following a discussion, which was a continuation from the previous meeting, the Committee voted on the following capital projects:

Project	Cost	Funding Source	Vote
Police: Cruiser Replacement	87,000	Free Cash	Ms. Bourque-Gleason moved; Mr. Spataro seconded; all members voted in favor
MIS/GIS: Photography	140,000	Free Cash	Mr. Leland moved; Mr. Smith seconded; all members voted in favor
DPW: One-Ton Hot Box Truck	140,000	Free Cash	Mr. Leland moved; Mr. Smith seconded; all members voted in favor
DPW: Street Sweeper	231,000	Free Cash	Ms. Bourque-Gleason moved; Mr. Leland seconded; all members voted in favor
DPW: Skid Steer Loader	105,000	Free Cash	Ms. Bourque-Gleason moved; Mr. Leland seconded; all members voted in favor
DPW: Road Improvements & Maintenance	300,000	Free Cash	Mr. Smith moved; Mr. Leland seconded; all members voted in favor
Sewer: Excavator (60/40% split)	64,000	Sewer Enterprise Fund	Mr. Spataro moved; Mr. Leland seconded; all members voted in favor
Water: Excavator (60/40% split)	96,000	Water Enterprise Fund	Mr. Spataro moved; Mr. Leland seconded; all members voted in favor
Water: Repair / Replace Water Mains	350,000	Water Enterprise Fund	Mr. Smith moved; Mr. Leland seconded; all members voted in favor
School: Zeh School Boiler Replacement	357,000	Free Cash	Ms. Bourque-Gleason moved; Mr. Leland seconded; all members voted in favor

The Committee commented that the Capital Improvement Plan is working well for the Town and that departments have a reasonable expectation that projects will progress in an orderly fashion. Most of the projects contained in the FY2019 proposed Capital Budget have been in the CIP for several years before receiving the Committee's recommendation for funding.

Mr. Smith moved the Committee vote to formally thank Town Administrator John Coderre for the excellent planning and execution of projects throughout the year; Mr. Leland seconded the motion; all members voted in favor.

The Committee also commented on the handout that shows the new total of Free Cash Pay-As-You-Go Capital since FY2012 at over \$10.5 million. The Town's Free Cash Policy, which was adopted in 2010, created a dedicated funding source for capital investments without adding any additional debt or tax impact.

The Committee discussed the proposed Community Preservation Committee (CPC) projects. Following a discussion, the Committee voted on the following CPC projects:

Project	Cost	Funding Source	Vote
CPA: Gale Library Roof & Interim Repairs	53,000	CPA	Mr. Spataro moved; Mr. Smith seconded; all members voted in favor
CPA: Northborough Affordable Housing Corporation	100,000	CPA	Mr. Spataro moved; Mr. Leland seconded; all members voted in favor
CPA: First Parish Access Ramp	52,000	CPA	Ms. Bourque-Gleason moved, Mr. Spataro seconded; all members voted in favor
CPA: Town Common – Phase III	115,000	CPA	Mr. Spataro moved; Ms. Bourque-Gleason seconded; all members voted in favor
CPA: Melican Middle School Field Lighting	287,250	CPA	Mr. Spataro moved; Ms. Bourque-Gleason seconded; all members voted in favor
CPA: White Cliff's Debt	255,000	CPA	Mr. Leland moved; Ms. Bourque-Gleason seconded; all members voted in favor

### **COMMITTEE REPORT**

Mr. Leland moved the Committee vote to authorize the Chair to work with the Town Administrator to finalize the details of the Committee report based upon the formal votes taken tonight; Mr. Spataro seconded the motion; all members voted in favor.

### **NEXT MEETING DATE**

The next meeting will be April 23<sup>rd</sup> at 6:45 p.m. at the Algonquin Regional High School just prior to the start of the Annual Town Meeting.

### **ADJOURNMENT**

Mr. Leland moved the Committee vote to adjourn; Mr. Spataro seconded the motion; all members voted in favor.

Meeting adjourned at 6:15 p.m.

Respectfully submitted,

John W. Coderre  
Town Administrator

### Documents used during meeting:

1. February 28, 2018 Meeting Agenda
2. February 22, 2018 Meeting Minutes
3. FY2019 Budget Memo
4. Capital Detail Sheets
5. Committee Report