

Northborough  
**Financial Planning  
Committee Report**  
Annual Town Meeting  
April 22, 2024

## Report of the Financial Planning Committee

The Financial Planning Committee consists of six members. Three members are appointed by the Town Moderator, and one each by the Northborough School Committee, the Appropriations Committee, and the Planning Board. The role of the Financial Planning Committee is to serve in a research, study and advisory capacity to the Select Board, the Appropriations Committee, and the Annual Town Meeting on short and long-range financial planning matters, and to assist in the development of a Capital Improvement Program. During Fiscal Year 2024 the Committee was composed of the following members:

Member	Appointed By	Term Expires
John Rapa, Chair	Town Moderator	April 2026
Susan Sartori, Vice Chair	Appropriations Committee	April 2026
Ken Picard, Clerk	Town Moderator	April 2025
Scott Stocklin	School Committee	April 2024
Robert Babcock	Town Moderator	April 2027
Jonathan Rea	Planning Board	April 2027

**Committee Activities**

Meeting Date	Meeting Topics
02/27/2024	Election of Officers; Preliminary Free Cash Plan; Preliminary FY2025 Capital Budget; School Department Capital Requests
03/05/2024	DPW Capital Requests, Water & Sewer Capital Requests
03/12/2024	Review of CPC Project Requests, Discussion of Financial Planning Committee Recommendations and Draft Report
03/19/2024	Police Department Capital Requests, Fire Department Capital Requests, Voting Recommendations on Articles for Report
03/25/2024	Joint Meeting with Select Board – Budget Hearing Opened (Charter 6-5) (FPC Optional)
04/01/2024	Review and Vote Recommendations on Final Changes to Town Meeting Warrant and Capital Improvement Plan (CIP) Articles – Discuss Finalizing Report  Discussion / Vote to Appoint a Liaison to the Fire Station Building Committee
04/22/2024	5:30 pm at ARHS prior to Town Meeting

## **Committee General Comments**

The major role of the Financial Planning Committee is to review all submitted projects included in the Capital Improvement Program, comment upon their viability and make its final recommendations, which includes consideration of the guidelines set forth under the Debt Policy adopted by the Select Board in September 2000. These guidelines were developed to assist the Town in determining how much debt can safely be incurred, and are consistent with those recommended by the Massachusetts Department of Revenue, namely:

- Determine debt that can be incurred without jeopardizing the Town's credit standing and causing financial hardship;
- Incorporate affordability guidelines for expenditures;
- Include review of the Capital Improvement Program; and
- Indicate appropriate uses for and acceptable amounts of debt.

The Committee has reviewed the projects included in the six-year Capital Improvement Program at meetings held with the various departments proposing these projects. At these meetings, department heads presented information and data to justify the need, cost, and implementation timeframe for the projects. It is the strong opinion of the Committee that in order for the Capital Improvement Program to be an effective tool for managing the Town's capital investment, department heads must have confidence that their submitted projects will be implemented within the timeframe planned in the Program. The Committee recognizes that the municipal and school administrations have worked hard to anticipate capital needs, submit projects into the Plan, and distribute those projects over the six-year planning period so as to comply with the constraints of the Town's Debt Policy.

## **Free Cash Policy**

The FY2025 budget year marks the fourteenth implementation of the Town's Free Cash Policy. Under this policy, one defined use of available Free Cash is to pay for capital projects. Examples of suitable projects include DPW and Public Safety vehicles and equipment; building infrastructure components (heating, cooling, electrical, plumbing, etc.); office and technology equipment; and capital project design fees, feasibility studies, and needs analyses. In the past, the Town funded projects of this scale with debt, a practice discouraged by bond rating agencies. Under the Free Cash Policy, such capital items are now primarily funded from Free Cash and other available one-time revenues. Debt capacity is reserved for larger projects such as building construction and renovation, major roadway construction and repair, water/sewer infrastructure, and land acquisition for municipal use or to preserve open space.

The Town of Northborough adopted its very first set of Comprehensive Financial Policies in 2009, followed by the adoption of the Free Cash Policy in November 2010. These policies were formally approved by the Select Board with the unanimous support of the Appropriations Committee and the Financial Planning Committee. So, in accordance with the adopted Free Cash Policy, the Town's Administration has developed a Preliminary FY2025 Free Cash Plan for consideration during the upcoming budget process.

Please note that the Town's Free Cash was certified at \$3,572,920 following the close of FY2023, higher than the \$2,440,073 from FY2022. In its most basic form Free Cash is the balance of unspent Free Cash from the prior year, plus balances of appropriations not spent and revenues realized in excess of the budget.

- Unspent Free Cash from FY2022 was \$460,073 which means the Town "generated" \$3,112,847 during FY2023 resulting in certified Free Cash of \$3,572,920.<sup>1</sup>
- Revenues and transfers-in exceeded the FY2023 budget by \$1,869,649 or 2.76% with local receipts such as motor vehicle excise taxes and building permits performing better than anticipated due to the improving economy.
- Expenditures returned were \$1,380,905 or 1.98% of the FY2023 budget. The return included positive results in the Employee Benefit lines due to favorable health insurance experience. Staff turnover in public safety also resulted in returned appropriations as new hires were brought on at a lower salary cost.

The Administration's goal of using projections where revenues and appropriations come within 1-3% of the amounts budgeted was maintained. With this level of Free Cash, the Town will be able to maintain an appropriation to the Reserve Account, continue to contribute the policy-targeted amount into the FY2025 Operating Budget, and once again pay cash for a significant portion of upcoming capital articles.

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<sup>1</sup> It is important to note that although revenues exceeded the budget by \$1,869,649 and unexpended appropriations returned \$1,380,905, the combined total of "generated" Free Cash is adjusted down by \$30,584 to account for changes in overlay balances (provision for property tax abatements/exemptions) and other minor adjustments

**PRELIMINARY FY2025 FREE CASH PLAN**

Free Cash Certification	3,572,920
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FY2025 Appropriation Reserve Fund	(175,000)
FY2025 Operating Budget	(500,000)
FY2025 Stabilization Fund	(200,000)
FY2025 Capital Projects	(2,197,920)
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Total Proposed Use	(3,072,920)
Remaining after plan	500,000
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In addition, the preliminary Free Cash Plan maintains the Town’s financial reserves within the policy limits of 5-10% of the operating budget. The Town’s “reserves” are defined as being available Free Cash combined with the Stabilization Fund, which current has a balance of approximately \$5.7 million. Therefore, reserves currently are at about 12.5% when compared to the FY2024 budget of \$74 million. Prior to the close of FY2023, the Town’s reserves were at 8%, or \$5.9 million. After the close of FY2023, the reserves increased to approximately 11%. The preliminary Free Cash Plan below provides an initial proposal on how these one-time funds can be used in the upcoming budget cycle. While there will be more discussion regarding the exact amounts to be used in the various categories, the plan as proposed would provide for the maintenance of financial reserves at approximately 8%, within the policy target area.

## **American Rescue Plan Act Funding Considerations**

Northborough continues to benefit from the award of \$4.5 million of American Rescue Plan Act funds. These funds are treated as a grant from the Federal Government, and the Northborough Select Board has exclusive control over the expenditure of these funds. As of the writing of this report, there's approximately \$1.8 million remaining unallocated and the Select Board has not presented a plan for the remaining funds. The Financial Planning Committee recommends that the Select Board establish clear priorities and criteria to assess the projects identified by department staff and the public in time to meet the December 2024 obligation deadline. Emphasis should be placed on the short timeline that remains to meet the deadlines, and a priority must be placed on making allocations defined enough as to allow for contracts to be procured properly before the December 2024 deadline and projects to be completed by the December 2026 deadline.

### **A narrative of the Capital and Community Preservation Act projects follow:**

#### **POLICE DEPARTMENT – Police Cruiser Replacements - \$140,000**

This Article provides funds for the purchase of two replacement patrol vehicles. This article supports the continued annual replacement of police vehicles on an established schedule of three vehicles one year, then two the next.

#### **FIRE DEPARTMENT – Rescue 1 Replacement - \$1,250,000**

This Article provides funds for the replacement of a 2004 rescue pumper. It was designed to perform many functions, however, due to the design it is overloaded and overtasked. This proposal is to purchase a true rescue truck designed and equipped to function as a rescue truck.

#### **DPW/FACILITIES – Facilities HVAC Upgrades/Modernization - \$250,000**

This Article provides funds for the replacement of portions of the HVAC systems at the Police Station, Library, and Senior Center. As noted in the 2023 Facility Condition Assessment, there are several systems well past their useful life. Completing these replacements will ensure that potential future issues are addressed in a proactive manner. Thus, preventing the need for costly emergency repairs and/or the risk of additional damage caused by down systems.

#### **DPW/FACILITIES – Police Station Siding Replacement - \$540,000**

This Article was originally presented to cost \$200,000 to fund replacement of the building exterior at the Police Station building. Replacing deteriorating exterior materials is essential for safeguarding structural integrity and improving the energy efficiency of a building. A recent architectural assessment revealed more extensive deterioration of the wood siding, prompting the increase in the estimate to \$540,000 for more comprehensive repairs. The funds in this article will include

reappropriating \$70,000 from Article 16 of the 2023 Annual Town Meeting, which was intended to cover solely painting. The DPW's Hook Truck article proposed for \$340,000 is intended to be passed over, to provide the additional funding for this article.

**DPW/FACILITIES – Fire Station Brick Repointing and Sealing - \$80,000**

This Article provides funds for repointing and sealing of the bricks at the Fire Station at 11 Pierce Street. Repointing will restore the facade's strength and prevent future damage from water intrusion. Sealing the brick facade serves as an additional protective barrier against future moisture infiltration.

**DPW/HIGHWAY – Road Improvements and Maintenance - \$310,000**

This Article provides funds in addition to the State's Chapter 90 transportation funding to maintain current road conditions in accordance with the Pavement Management Plan.

**DPW/HIGHWAY – Enclosed Public Health Trailer - \$95,000**

This Article provides funds for the purchase of a new enclosed trailer. The current enclosed trailer serves as an emergency facility with power, temperature control, cabinetry, and lighting. The new trailer will provide improved service for community events and activities such as elections, Applefest, health clinics, and other Town events.

**DPW/HIGHWAY – Drainage/Sidewalk Improvement Program - \$300,000**

This Article provides funds for repair and replacement of failing drainage and sidewalk infrastructure. The specific work funded herein will be derived through engineering analysis and may also vary based upon emergency needs.

**DPW/HIGHWAY– Bucket Truck - \$330,000**

This Article provides funds the purchase of a bucket truck to replace a 2010 model 30,000-pound GVW bucket truck that is used by the Highway and Tree Divisions. As part of this capital item the existing vehicle chassis will be repurposed to extend its useful life.

**DPW/HIGHWAY – Sidewalk Plow Replacement - \$300,000**

This Article provides funds for the purchase of a sidewalk plow to replace a 2012 model sidewalk plow with various attachments that is used by the Highway Division. As part of this capital item the existing equipment will be traded in.



**DPW/HIGHWAY – Hook Lift Truck - \$0**

This Article originally was presented as \$340,000 for the purchase a new fleet vehicle. The needs of the Department are shifting and require a more diverse vehicle fleet. Obtaining a hook lift truck will allow the Department to utilize multiple bodies on a single chassis. Examples of bodies that are available include but are not limited to standard dump, rock dump, flatbed, catch basin cleaner, vacuum, etc. The \$340,000 originally proposed would have provided for a dump body, spreader, and light duty material body in addition to the truck chassis. This article is intended to be passed over in order to redirect funding to the Police Station siding article, and the truck is intended to be considered again in FY2026’s capital plan.

**DPW/WATER – One-Ton Utility Truck with Plow Replacement - \$140,000**

This Article provides funds for the purchase of a utility body truck to replace a 2014 model one-ton utility body truck that is used by the Water and Sewer Divisions. Included in the funding for this capital item, the existing vehicle is intended to be sold to the Northborough/Southborough Regional School District for \$20,000 rather than serving as a trade-in.

**DPW/SEWER – Inflow & Infiltration (I&I) Mitigation - \$380,000**

This Article provides funds to remove non-sanitary flows from the sewer system as mandated by MassDEP under 314 CMR 12.04. The Town has a comprehensive 15-year inflow and infiltration elimination plan, and this is the third year of implementation. For each gallon of storm/groundwater that is removed from the sewer system, that is one less gallon that must be treated and one more gallon of capacity available for future use.

**MARGUERITE E. PEASLEE ELEMENTARY – Asbestos Encapsulation – Chimney - \$30,000**

During the District’s 3-year Asbestos Hazard Emergency Response Act (AHERA) inspection and report, Hub Environmental Testing, Inc., identified the sheathing around the boiler chimney at the Marguerite E. Peaslee School is compromised and needs to be stabilized and rewrapped per AHERA regulations. This is a new project for the FY25 Capital Plan and requires our immediate attention. The estimated cost is \$30,000 and includes consultation services for AHERA compliance and the construction of the sheathing to secure the encapsulation. The goal of the project will be to provide compliance and safety to the boiler space.

**MELICAN MIDDLE – Hot Water System Upgrade - \$30,000**

The Public Schools of Northborough identified that the valving system for the Robert E. Melican Middle School hot water system is original to the 1971 construction. The ability to modulate the mixing valve is compromised and needs to be brought

up to code from cast iron to copper and bronze piping, valves, and fittings. The replacement provides the ability to control the temperature of hot water to all Robert E. Melican Middle School fixtures.

**MELICAN MIDDLE – Pneumatic Control Repairs - \$72,000**

The Public Schools of Northborough has identified the air pressure-based pneumatic control needs restoration. The air pressure provided to each univent heating unit controls the outside air dampers and hot water valves that support the heating system. By restoring the air pressure to consistent levels, the system will work more efficiently and can be calibrated to support a more comfortable learning environment. The restoration of air pressure to the three floors of Robert E. Melican Middle School will add efficiency and comfort to the building.

**MARGUERITE E. PEASLEE ELEMENTARY SCHOOL- Feasibility Study - \$900,000**

The Massachusetts School Building Authority (the “MSBA”) has invited the Marguerite E. Peaslee Elementary School, currently serving students in grades Kindergarten through grade 5, into the MSBA’s next round of grant funding requiring a feasibility study be conducted. The feasibility study phase may be used to examine the reconfiguration of the Town’s elementary school grades to create districtwide grade spans for Pre-K through grade 2 and grades 3-5, resulting in two schools with grades 3-5 including the Peaslee School. The project has been in the Town’s Capital Improvement Plan for almost ten years, and the building project phase is in the plan for consideration in FY2030. The estimated cost of the Feasibility Study is \$900,000, for which the MSBA will reimburse the Town at approximately 50% for eligible costs. This study will provide the Town with options of what to do with the aging school which was built in 1962. The School has not been significantly renovated, and major building systems including HVAC, electrical, and plumbing are ready for modernization and enhancement. The building project is in the CIP for consideration in FY2023 currently.

**ALGONQUIN REGIONAL HIGH SCHOOL- Capital Assessment - \$242,077**

The Northborough-Southborough Regional School District has developed a capital plan for the Algonquin Regional High School, and is proposing approximately \$500,000 of pay-as-you-go capital improvements annually, for which the cost will be assessed to its member towns per the terms of the Regional School Agreement and appropriation for such will be embedded in the budget article for the school district. The Regional Agreement provides for such an assessment, and Northborough’s share will be assessed at 4-year rolling enrollment averages, which is the same rate as overlapping debt is assessed to the members. The District’s operating assessment is assessed per a statutory formula determined by the State for a minimum contribution, and the amount above the minimum is assessed based on October 1<sup>st</sup> enrollments per the agreement. The \$242,077 represents Northborough’s FY2025 share of the districts costs at 61.91%. The projects contemplated for FY2025 are related to HVAC and lighting.

**Community Preservation Fund – Acquisition of 432 Whitney Street - \$1,700,000**

This project involves purchase of 23.77 acres of undeveloped land for open space/recreation purposes and a small-scale affordable housing project consisting of 4-8 multi-family dwelling units. Benefits of the acquisition include the development of affordable housing, protection of important wildlife habitat, a wetland system that is hydrologically connected to Bearfoot Brook, and a scenic vista at the property’s high point, and providing an open space connection between the aqueduct to the west and the permanently-protected open space owned by the MA Department of Conservation and Recreation and the Berlin Conservation Commission. The CPC voted 7-0 to fund this from the CPA unreserved fund (\$817,653), conservation fund (\$664,073) and new revenues (\$218,274).

**Community Preservation Fund – Soundproofing of Outdoor Pickleball Courts at Ellsworth McAfee Park - \$54,500**

This project involves installation of ultraviolet (UV) tolerant soundproofing onto the top line of the existing fencing system to block the impact noise generated by pickleball sports. It will reduce noise below nuisance levels. The CPC voted 7-0 to fund this from new revenue.

**Community Preservation Fund – Northborough Affordable Housing Corporation (NAHC)- \$126,856**

The NAHC has been effective in adding multiple affordable housing units in Town utilizing the Town’s CPA funds and partnering with organizations such as Habitat for Humanity. Based on the prospects for several projects in the near term, the CPC voted 7-0 to approve this request, which will require a funding agreement with the CPC and Select Board. The funding agreement practice is consistent with the practices used for prior year CPA articles appropriating money for the NAHC.

**Community Preservation Fund – Restoration of First Parish Church Steeple - \$210,000**

This project involves replacement of wood stairs, wood flooring, wood trusses that support the flooring and stairs, and wood “cradle” that supports the brass bell. These features have been compromised by age and many years of exposure to the weather and leakage. At its own expense, the congregation will hire a contractor to replace defective materials on the steeple exterior and reseal that exterior to prevent future leakage. The CPC voted 7-0 to fund this from new revenue.

The Financial Planning Committee voted unanimously against recommending approval of this article.

**Community Preservation Fund – Aqueduct Historic Marker - \$4,729**

This duplicate marker will replace one stolen in October 2023. The CPC has been supportive on prior projects for historic markers, as we feel they contribute to enhancing our community and support goals in the Master Plan and Historic Preservation Plan, all at relatively low cost. The CPC voted 7-0 to fund this from new revenues. The Financial Planning Committee will not vote a recommendation on this article since it is below the threshold for consideration of \$25,000.

**Community Preservation Fund – White Cliffs Debt Service - \$176,000**

This is the 7th payment required for debt on the White Cliffs purchase, and this also covers the requirement that at least 10% of new revenue be allocated toward Historic Preservation. The CPC voted 7-0 to fund \$164,641 from new revenue, with the \$11,359 balance to be funded from premium reserves.

**Community Preservation Fund – Administrative Fund - \$41,000**

In accordance with the CPA legislation, the CPC may allocate up to 5% of new revenue to the administrative account for expenses such as legal fees, appraisals and consultant fees related to CPA projects. Unused amounts from a given year go back to the CPA Unreserved fund. The CPC voted 7-0 to allocate 5% of the projected \$820,000 new revenues.

The Committee extends its appreciation to Town Administrator Timthy McInerney and his Financial Team -- Assistant Town Administrator Diane Wackell and Finance Director Jason Little -- for their input and assistance throughout the Committee’s process. Special thanks to Lynda LePoer and Angie Sowden for their capable administrative support.

**Capital Projects for FY2025**

The Committee has reviewed and prioritized the projects in the Capital Improvement Program for Fiscal Year 2025 as follows:

Priority	Description
1	Projects that involve correcting a current Safety or Health issue, and/or to meet a Federal or State legal requirement.
2	Projects that are necessary to maintain the Town’s current buildings, equipment, and infrastructure: <i>Buildings</i> - Projects necessary to maintain existing Town buildings, not including projects to expand or modernize facilities. <i>Equipment</i> - Projects necessary to replace old existing equipment, which is no longer cost effective to repair with similar equipment.

3	Projects that are required to increase capacity of existing facilities in order to accommodate the increase in growth of the Town.
4	Projects that are designed to modernize and upgrade existing Town facilities.

The Committee considers all the proposed capital projects, which have been in the Capital Improvement Plan for many years. From those proposals, the Committee recommends the capital projects below be included in this year's FY2025 Capital Budget warrant articles. The Committee votes are shown in parentheses. Numerical votes are shown in Yes-No-Abstain order relative to a motion to recommend approval. Fewer than six total votes reflect the absence of one or more members at the time of the vote. Planned sources of funding are noted in the comments for each project.

### Municipal Departments

Article 16	Sponsor	Cost	Priority	Recommend Approval?
Police Cruiser Replacement	Police	\$140,000	2	YES (6-0-0)
<ul style="list-style-type: none"> <li>▪ Request for funding the purchase of two new police vehicles. This article supports the continued annual replacement of police cruisers on an established schedule of three vehicles one year, then two the next.</li> <li>▪ Funded from Free Cash with no additional tax impact.</li> </ul>				

Article 17	Sponsor	Cost	Priority	Recommend Approval?
Rescue 1 Replacement	Fire	\$1,250,000	2	YES (6-0-0)
<ul style="list-style-type: none"> <li>▪ Request for funding to replace a 2004 Rescue Pumper. This proposal is to purchase a true rescue truck designed and equipped to function as a rescue truck.</li> <li>▪ Proposed to be funded with a combination of Free Cash (\$492,920), Premium Reserves (\$11,238), and borrowing (\$745,842)</li> <li>▪ Debt Authorization will require a 2/3 majority vote. If approved, the tax impact for the borrowing likely be negligible in FY2025, other than a potential charge for issuance costs. In FY2026, if bonded for ten years during FY2025, the tax impact would be approximately \$16.50 to the average single family home, and would taper downward in subsequent years.</li> <li>▪ The Financial Planning Committee would have preferred to have funded the acquisition using available funds rather than borrowing, which will have an impact to taxpayers in future years. While the Committee recommends approval of this article and agrees with the merits of its acquisition, it recommends that the Select Board apply ARPA funds to the Capital Plan in a strategic manner to reallocate Free Cash to this article and avoid borrowing.</li> </ul>				

Article 18	Sponsor	Cost	Priority	Recommend Approval?
Facilities HVAC Upgrades/Modernization	DPW/Facilities	\$250,000	2	YES (6-0-0)
<ul style="list-style-type: none"> <li>▪ Request to fund the replacement of portions of the HVAC systems at the Police Station, Library, and Senior Center.</li> <li>▪ Funded from Free Cash with no additional tax impact.</li> </ul>				

Article 19	Sponsor	Cost	Priority	Recommended Approval?
Police Station Siding	DPW/Facilities	\$540,000	2	YES (6-0-0)
<ul style="list-style-type: none"> <li>▪ Request to fund repairs to the building exterior at the Police Station building. This project will reappropriate \$70,000 approved in Article 16 at the 2023 Annual Town Meeting for painting the station.</li> <li>▪ The painting was not conducted due to building condition, which necessitate the siding project originally proposed to cost \$200,000. A recent architectural assessment has led to the estimate increasing to \$540,000.</li> <li>▪ The additional \$340,000 in Free Cash for this article is redirected from the DPW's Hook Truck article, which is intended to be passed over and reconsidered for FY2026.</li> <li>▪ Funded from Free Cash (\$470,000) and the existing article (\$70,000), with no additional tax impact.</li> <li>▪ The Committee feels this article may be a candidate for the Select Board to apply ARPA funding, which could in turn be used to lessen the need to borrow for the Fire Pumper in Article 17 by reallocating the available funds being considered for use in this article.</li> </ul>				

Article 20	Sponsor	Cost	Priority	Recommended Approval?
Fire Station Brick Repointing and Sealing	DPW/Facilities	\$80,000	1	YES (6-0-0)
<ul style="list-style-type: none"> <li>▪ Request to fund the repointing and sealing of the bricks at the Fire Station at 11 Pierce Street. Project is needed to extend life of building while in use, specifically to protect the building's façade from moisture infiltration.</li> <li>▪ Funded from Free Cash with no additional tax impact.</li> </ul>				

Article 21	Sponsor	Cost	Priority	Recommend Approval?
Road Improvements & Maintenance	DPW/Highway	\$310,000	2	YES (6-0-0)
<ul style="list-style-type: none"> <li>▪ Funds needed in addition to the State's Chapter 90 transportation funding to maintain current road conditions in accordance with the Pavement Management Plan.</li> <li>▪ Funded from Free Cash with no additional tax impact.</li> </ul>				

Article 22	Sponsor	Cost	Priority	Recommend Approval
Enclosed Public Health Trailer	DPW/Highway	\$95,000	4	YES (6-0-0)
<ul style="list-style-type: none"> <li>▪ Request to fund the purchase of a new enclosed trailer. The current enclosed trailer serves as an emergency facility with power, temperature control, cabinetry, and lighting. The new trailer will provide improved service for community events and activities such as elections, Applefest, health clinics, and other Town events.</li> <li>▪ Funded from Free Cash with no additional tax impact.</li> </ul>				

Article 23	Sponsor	Cost	Priority	Recommend Approval?
Drainage/Sidewalk Improvement Program	DPW/Highway	\$300,000	4	YES (6-0-0)
<ul style="list-style-type: none"> <li>▪ Request for funds for repair and replacement of failing drainage and sidewalk infrastructure.</li> <li>▪ Funded from Overlay Surplus with no additional tax impact.</li> </ul>				



Article 24	Sponsor	Cost	Priority	Recommend Approval?
Bucket Truck	DPW/Highway	\$330,000	2	YES (6-0-0)
<ul style="list-style-type: none"> <li>Request to fund the purchase of a bucket truck to replace a 2010 model 30,000-pound GVW bucket truck that is used by the Highway and Tree Divisions. As part of this capital item the existing vehicle chassis will be repurposed to extend its useful life of 10-12 years.</li> <li>Funded from Free Cash with no additional tax impact.</li> </ul>				

Article 25	Sponsor	Cost	Priority	Recommend Approval?
Sidewalk Plow Replacement	DPW/Highway	\$300,000	2	YES (6-0-0)
<ul style="list-style-type: none"> <li>Request to fund the purchase of a sidewalk plow to replace a 2012 model sidewalk plow with various attachments that is used by the Highway Division. This equipment has a useful life of 10-12 years. As part of this capital item the existing equipment will be traded in.</li> <li>Funded from Overlay Surplus with no additional tax impact.</li> </ul>				

Article 26	Sponsor	Cost	Priority	Recommend Approval?
Hook Lift Truck	DPW/Highway	\$0	4	YES (6-0-0)  RECOMMEND PASSING OVER
<ul style="list-style-type: none"> <li>This Article originally was presented as \$340,000 for the purchase a new fleet vehicle. Obtaining a hook lift truck will allow the Department to utilize multiple bodies on a single chassis, and this outlay would have provided for a dump body, spreader, and light duty material body in addition to the truck chassis.</li> <li>This article is intended to be passed over in order to redirect funding to the Police Station siding article, and the truck is intended to be considered again in FY2026's capital plan.</li> </ul>				

Article 27	Sponsor	Cost	Priority	Recommend Approval?
One-Ton Utility Truck with Plow Replacement	DPW/Water	\$140,000	2	YES (6-0-0)
<ul style="list-style-type: none"> <li>▪ This article provides funds for the purchase of a utility body truck to replace a 2014 model one-ton utility body truck that is used by the Water and Sewer Divisions. As part of this capital item the existing vehicle will be sold to the Northborough/Southborough Regional School District for \$20,000 in lieu of applying the amount as trade-in value.</li> <li>▪ Funded from Water Enterprise Revenue (\$20,000 to account for the sale), Water Enterprise Fund Free Cash (\$72,000, 60%), and Sewer Enterprise Fund Free Cash (\$48,000, 40%) with no additional tax impact.</li> </ul>				

Article 28	Sponsor	Cost	Priority	Recommend Approval?
Inflow & Infiltration (I&) Mitigation	DPW/Sewer	\$380,000	1	YES (6-0-0)
<ul style="list-style-type: none"> <li>▪ Request for funds to remove non-sanitary flows from the sewer system as mandated by MassDEP under 314 CMR 12.04. The Town has a comprehensive 15-year inflow and infiltration elimination plan, and this is the third year of implementation. For each gallon of storm/groundwater that is removed from the sewer system, that is one less gallon that must be treated and one more gallon of capacity available for future use.</li> <li>▪ Funded from Sewer Enterprise Fund Free Cash (\$372,399) and Sewer Premium Reserve (\$7,601) with no additional tax impact.</li> </ul>				

## School Department

Article 29	Sponsor	Cost	Priority	Recommend Approval?
Peaslee Elementary – Asbestos Encapsulation – Chimney	Northborough School Committee	\$30,000	1	YES (6-0-0)
<ul style="list-style-type: none"> <li>Funds needed for the encapsulation of chimney ductwork at Marguerite E. Peaslee Elementary School. Funded from Free Cash with no additional tax impact.</li> </ul>				

Article 30	Sponsor	Cost	Priority	Recommend Approval?
Melican Middle School – Hot Water System Upgrade	Northborough School Committee	\$30,000	4	YES (6-0-0)
<ul style="list-style-type: none"> <li>Funds needed for upgrades to the hot water system at the Robert E. Melican Middle School.</li> <li>This article will re-appropriate a surplus balance remaining in Article 28 from 2011 Annual Town Meeting for Green Repairs at the Middle School.</li> <li>Funded from available funds with no additional tax impact.</li> </ul>				

Article 31	Sponsor	Cost	Priority	Recommend Approval?
Melican Middle School – Pneumatic Control Repairs	Northborough School Committee	\$72,000	2	YES (6-0-0)
<ul style="list-style-type: none"> <li>Funds needed for repairs to the pneumatic controls at the Robert E. Melican Middle School.</li> <li>This article will re-appropriate the surplus balance remaining in Article 28 from 2011 Annual Town Meeting for Green Repairs at the Middle School.</li> <li>Funded from available funds with no additional tax impact..</li> </ul>				

Article 32	Sponsor	Cost	Priority	Recommend Approval?
Feasibility Study for Maguerite E. Peaslee Elementary School	Northborough School Committee	\$900,000	2	YES (6-0-0)
<ul style="list-style-type: none"> <li>▪ Funds needed for a study that will provide the Town with options to either renovate or rebuild the Peaslee Elementary School. Approval required to advance grant eligibility from the Massachusetts School Building Administration (MSBA).</li> <li>▪ Funded from Borrowing which requires a 2/3 majority vote. A reimbursement of approximately 50% by MSBA is anticipated so the true cost will be \$450,000.</li> <li>▪ Building project is currently in the CIP for consideration in FY2030.</li> <li>▪ The tax impact for this article would be approximately \$17 to the average single family home in the first year that principal is payable, and would taper downward in subsequent years if bonded for five years.</li> </ul>				

**Regional School District**

Article 7 – Capital Assessment	Sponsor	Cost	Priority	Recommend Approval?
Algonquin Regional High School	Northborough-Southborough Regional School Committee	\$242,077	2	YES (6-0-0)
<ul style="list-style-type: none"> <li>▪ The School District has developed a capital plan for the Algonquin Regional High School, and is proposing approximately \$500,000 of pay-as-you-go capital improvements annually.</li> <li>▪ FY2025’s plan covers HVAC and lighting improvements.</li> <li>▪ Cost will be assessed to its member towns per the terms of the Regional School Agreement and \$242,077 is Northborough’s share for FY2025</li> <li>▪ Appropriation is within the budget article for the school district, and is proposed to be funded with the Tax Levy, and the tax impact is estimated to be \$36 to the average single family home.</li> </ul>				

## Community Preservation Act Projects

Certain projects to be funded with Community Preservation Act monies may be presented at Town Meeting. Although often capital in nature, these projects are not necessarily incorporated into the Capital Improvement Plan. Nevertheless, the Financial Planning Committee, in its financial advisory capacity, strives to review projects approved by the CPC and offer its recommendations at Town Meeting. Because CPA projects do not compete for funding with Capital Improvement Plan projects, no Priority is assigned. The Committee has decided not to review or make recommendations on projects not meeting the \$25,000 minimum definition of a Capital Project for purposes of the Capital Improvement Plan.

Article 40	Sponsor	Cost	Priority	Recommend Approval?
Acquisition of 432 Whitney Street	Community Preservation Committee	\$1,700,000	N/A	YES (4-2-0)
<ul style="list-style-type: none"> <li>▪ Funds requested for the purpose of acquiring the 23.77+/- acres of land located at 352 Whitney Street for open space/passive recreation purposes and the development of up to eight affordable low-income dwelling units.</li> <li>▪ Funded from the CPA Unreserved Fund (\$817,653), Conservation Fund (\$664,073) and CPA Revenues (\$218,274).</li> </ul>				

Article 41	Sponsor	Cost	Priority	Recommend Approval?
Soundproofing of Outdoor Pickleball Courts at Ellsworth McAfee Park	Northborough Recreation Department	\$54,500	N/A	YES (5-1-0)
<ul style="list-style-type: none"> <li>▪ This project involves installation of ultraviolet (UV) tolerant soundproofing onto the top line of the existing fencing system to block the impact noise generated by pickleball sports. It will reduce noise below nuisance levels.</li> <li>▪ Funded from CPA Revenues.</li> </ul>				

Article 42	Sponsor	Cost	Priority	Recommend Approval?
Northborough Affordable Housing Corporation	Community Preservation Committee	\$126,856	N/A	YES (4-2-0)
<ul style="list-style-type: none"> <li>▪ Funds requested for the purpose of the creation and support of affordable housing by the NAHC. Transfers/Reimbursements will be contingent on funding agreement between NAHC and the Town's CPC and Select Board.</li> <li>▪ Funded from CPA Revenues.</li> </ul>				

Article 43	Sponsor	Cost	Priority	Recommend Approval?
Restoration of First Parish Church Steeple	Community Preservation Committee	\$210,000	N/A	NO (0-6-0)
<ul style="list-style-type: none"> <li>▪ Funds requested for First Parish Northborough Unitarian-Universalist Church for the structural restoration of the steeple.</li> <li>▪ Funded from CPA Revenues.</li> </ul>				

Article 44	Sponsor	Cost	Priority	Recommend Approval?
Aqueduct Historic Marker	Northborough Historic District Commission	\$4,729	N/A	No action
<ul style="list-style-type: none"> <li>▪ Funds requested for the purchase and installation of a historic marker for the Aqueduct Bridge.</li> <li>▪ Funded from CPA Revenues.</li> <li>▪ The committee did not take a position on this article due to it being below the threshold of \$25,000.</li> </ul>				

Article 45	Sponsor	Cost	Priority	Recommend Approval?
White Cliffs Debt Service	Community Preservation Committee	\$176,000	N/A	YES (5-1-0)
<ul style="list-style-type: none"> <li>▪ Funds requested for the seventh of ten payments required for the debt on the White Cliffs purchase.</li> <li>▪ Funded with \$164,641 CPA Revenues and \$11,359 CPA Premium Reserve.</li> </ul>				

Article 46	Sponsor	Cost	Priority	Recommend Approval?
CPA Administrative Fund	Community Preservation Committee	\$41,000	N/A	YES (5-1-0)
<ul style="list-style-type: none"> <li>▪ Funds requested for the purpose maintaining the CPA's annual Administrative Fund.</li> <li>▪ Funded from CPA Revenues.</li> </ul>				

Respectfully submitted,

Northborough Financial Planning Committee

4/4/2024

Financial Planning Committee Recommendations for FY2025 Capital Project Warrant Articles

Northborough Annual Town Meeting April 22, 2024

Article	Project	Amount	Funding Source	**Priority	*Vote	Recommend Approval?
7	ARHS Capital Assessment	\$242,077	Tax Levy	2	6-0-0	YES
16	Police: 2 Cruiser Replacements	\$140,000	Free Cash	2	6-0-0	YES
17	Fire: Rescue 1 Replacement	\$1,250,000	Free Cash, Available Funds, & Borrowing	2	6-0-0	YES
18	Facilities: Facilities HVAC Upgrades/Modernization	\$250,000	Free Cash	2	6-0-0	YES
19	Facilities: Facilities Police Station Siding Replacement	\$540,000	Free Cash & Available Funds	2	6-0-0	YES
20	Facilities: Facilities Fire Station Brick Repointing and Sealing	\$80,000	Free Cash	1	6-0-0	YES
21	DPW: Road Improvements & Maintenance	\$310,000	Free Cash	2	6-0-0	YES
22	DPW: Enclosed Public Health Trailer	\$95,000	Free Cash	4	6-0-0	YES
23	DPW: Drainage/Sidewalk Improvements	\$300,000	Overlay Surplus	4	6-0-0	YES
24	DPW: Bucket Truck	\$330,000	Free Cash	2	6-0-0	YES
25	DPW: Sidewalk Plow Replacement	\$300,000	Overlay Surplus	2	6-0-0	YES



26	DPW: Hook Lift Truck	\$0	Free Cash	4	6-0-0	PASS OVER
27	Water: One-Ton Utility Truck with Plow Replacement	\$140,000	Enterprise Fund Free Cash & Revenues	2	6-0-0	YES
Article	Project	Amount	Funding Source	**Priority	*Vote	Recommend Approval?
28	Sewer: Inflow & Infiltration (I&I) Mitigation	\$380,000	Enterprise Fund Free Cash & Premium Reserve	1	6-0-0	YES
29	Peaslee Elementary School: Asbestos Encapsulation Chimney	\$30,000	Free Cash	1	6-0-0	YES
30	Melican Middle School: Hot Water system Upgrade	\$30,000	Available Funds	4	6-0-0	YES
31	Melican Middle School: Pneumatic Control Repairs	\$72,000	Available Funds	2	6-0-0	YES
32	Feasibility Study for Marguerite E. Peaslee Elementary School	\$900,000	Borrowing	2	6-0-0	YES
40	CPC: Acquisition of 432 Whitney Street	1,700,000	CPA & Conservation Funds	N/A	4-2-0	YES

41	CPC: Soundproofing of Outdoor Pickleball Court at Ellsworth McAfee Park	\$54,500	CPA	N/A	5-1-0	YES
42	CPC: Northborough Affordable Housing Corporation	\$126,856	CPA	N/A	4-2-0	YES
43	CPC: Restoration of First Parish Church Steeple	\$210,000	CPA	N/A	0-6-0	NO
44	CPC: Aqueduct Historic Marker	\$4,729	CPA	N/A	N/A	No Action
45	CPC: White Cliffs Debt Service	\$176,000	CPA & Premium Reserve	N/A	5-1-0	YES
Article	Project	Amount	Funding Source	**Priority	*Vote	Recommend Approval?
46	CPC: Administrative Fund	\$41,000	CPA	N/A	5-1-0	YES

\* Numerical votes shown in Yes-No-Abstain order relative to a motion to recommend approval. Fewer than five total votes reflects absence of one or more members.

\*\* No capital project priority is assigned to CPA-funded projects.

**\*\* THIS PAGE IS INTENTIONALLY BLANK\*\***