



## **APPROPRIATIONS COMMITTEE**

### MEETING MINUTES

Thursday, February 16, 2017

Selectmen's Meeting Room

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Present: Elaine Kelly, Chair  
Rick Nieber  
Janice Hight  
Tony Poteete  
Bob D'Amico

Also present: Town Administrator John Coderre  
Police Chief Bill Lyver  
Fire Chief David Parenti  
Lieutenant Joe Galvin

The meeting was called to order at 7:00 p.m.

### **APPROVAL OF MEETING MINUTES**

Ms. Hight moved the Committee vote to approve the Meeting Minutes of April 25, 2016; Mr. Poteete seconded; motion approved unanimously.

The committee reviewed the minutes of the December 15, 2016 joint meeting where the Financial Trend Monitoring Report was presented. As a quorum of the committee was not present at the meeting no action was taken.

### **REORGANIZATION – ELECTION OF OFFICERS**

Mr. Coderre opened nominations for committee chair. Mr. Nieber nominated Elaine Kelly for chair, seconded by Ms. Hight. Elaine Kelly was unanimously approved as committee chair.

Mr. Coderre opened nominations for vice chair. Ms. Hight nominated Rick Nieber for vice chair, seconded by Mr. Poteete. Rick Nieber unanimously approved as vice chair.

### **REVIEW OF FY2018 CIP INSTRUCTION MANUAL**

Mr. Coderre reported that all departments were provided with the CIP Instruction Manual for upcoming Fiscal Years 2018-2023. Departments were instructed to review, update and resubmit all existing requests for FY2018-2022 and add any new requests for FY2023. All CIP requests were to be returned to the Town Administrator by November 14, 2016. At this time, preliminary requests have been submitted; however, numbers are still being firmed up by some departments. Once a draft summary of the updated plan is complete, including the proposed FY2018 Capital Budget, copies will be distributed to the Appropriations Committee for review.

## **REVIEW OF FY2018 BUDGET MANUAL**

Mr. Coderre reviewed the FY2018 Budget instruction manual, which was distributed to all departments. The manual instructs departments to submit budget requests sufficient to maintain the current level of services. No additional personnel or significant service expansions should be included in the FY2018 base requests. However, if an overriding need exists, departments seeking additional resources may submit a supplemental budget request detailing such needs. As the budget process unfolds, Mr. Coderre will meet with departments to review the requests. The manual provides information about the forms to be completed and the information to be provided.

## **REVIEW OF POLICE FY2018 BUDGET REQUESTS**

Overall, the FY2018 Police Department Budget reflects an increase of \$79,306 or 3.10%. The departmental budget as presented includes contractual wage increases for Union and Non-Union personnel, as well as a full year's salary for the mid-year position added in FY2017 as part of the staffing study recommendation. Looking forward, the increase in staffing is expected to reduce overtime expenses. However, given the recent turnover and the need to send newly hired officers through the police academy before they are available to work, the reduction in overtime is not likely to be realized until FY2019.

Chief Lyver discussed the positive impact of the new position added in FY2017. Unfortunately, the department is undergoing a high rate of turnover due to retirements, which has been challenging. However, recruitment for all new hires are complete and it's just a matter of time before the department is back to its authorized staffing level.

## **REVIEW OF POLICE FY2018 CAPITAL REQUEST FOR TWO NEW POLICE CRUISERS**

Chief Lyver informed the Committee that the Police Department has 13 vehicles in total— eight patrol vehicles, three detective vehicles and two administrative vehicles (Chief & Lieutenant). The FY2018 capital request seeks to replace police vehicles on the following schedule: two patrol vehicles each in FY2018, FY2019, FY2021 and FY2023; one patrol vehicle and two administrative vehicles in FY2020; two patrol vehicles and one detective vehicle FY2022.

Patrol vehicles are typically used for four years / 100,000 miles, while detective and administrative vehicles have about an eight year/ 100,000 expected useful life. Funding sought in FY2018 will provide for the purchase of two new patrol vehicles (Ford Expedition & Dodge Charger) off the regional bid list and will replace a 2013 Ford Sedan Interceptor and a 2014 Ford Expedition SUV Interceptor. Included in the \$87,000 funding request is the cost of outfitting the vehicles with ancillary equipment and mobile data terminals.

## **REVIEW OF FIRE FY2018 BUDGET REQUESTS**

The FY2018 Fire Department Budget reflects an increase of \$91,218 or 5% in the General Fund appropriation. The increase reflects general wage increases of 2% for Union and Non-Union personnel and the addition of one new Firefighter/Paramedic position halfway through the fiscal year. Approximately \$55,000 of the proposed increase is related to the increase in staffing.

During FY2016 the Board of Selectmen's Ad Hoc Staffing Committee with its Consultant completed a comprehensive operational review and staffing analysis of the department. One key recommendation of the study was to move from a four to a five person shift configuration, which at the time, necessitated

## **REVIEW OF FIRE FY2018 BUDGET REQUESTS CONT. . .**

the hiring of three additional Firefighter/Paramedics. Two out of the three recommend hires were completed in FY2016 and FY2017, with the final position proposed to be filled in the second half of FY2018. Once complete, the new staffing configuration will result in improved Firefighter safety and emergency response. The final staffing recommendation from the study is to hire a Deputy Fire Chief at some point in the future, resources permitting. In preparation for that time, a new position classification and job description is being created.

In addition to the General Fund appropriation of \$1,917,251 (which includes a transfer in of \$308,742 from the Fire Department Revolving Fund under Article 4 of the Town Meeting Warrant) the departmental budget also includes \$407,734 in planned expenses that are charged directly to the Fire Department Revolving Fund. The Fire Department Revolving Fund is supported primarily by fees for ambulance services. The total FY2018 budget that supports the Fire/EMS services is \$2,324,985 (\$1,917,251 plus the Fire Department Revolving Fund direct charges of \$407,734). The direct Revolving Fund charges include ambulance billing services, overtime wages, call firefighter supplies and equipment, licensing fees, related maintenance and operational expenses of the ambulances and related equipment. The account also pays for the debt service associated with the purchase of ambulances.

Chief Parenti distributed a memo regarding the Fire Department's previously submitted capital projects, as well as the FY2018 capital request.

## **REVIEW OF FIRE FY2018 CAPITAL REQUEST FOR ONE NEW FORESTRY TRUCK**

Chief Parenti informed the Committee that the 2018 CIP Proposal for a \$65,000 Forestry Truck (net of trade-ins) is to replace two existing forestry trucks, both 2005's, with one new vehicle. Both current forestry's were repurposed trucks that were not originally designed to carry the weight currently on them. A cab and chassis similar to Squad 4 would be purchased and flatbed would be installed. The current Forestry Skid Unit would be moved from Forestry 3 and the pump from Forestry 2 to the new vehicle. Some of the warning lights and radios from the Forestry's can be re-used, further reducing the cost. The final result would be reducing the overall fleet by 1 truck and having a safer, more appropriate vehicle for both forestry and winter response. Both Forestry 2 and Forestry 3 will be traded in with the resulting income being used to offset the price of the new vehicle.

Chief Parenti distributed a handout from the new software illustrating call responses. The additional staffing should result in fewer call-backs and overtime costs.

Ms. Hight requested a list of current staff members. Chief Parenti will supply a list by email.

## **UPDATE ON STATE AID**

Mr. Coderre reported on Governor Baker's address at the MMA Annual Meeting and Tradeshow in Boston. Although State Aid information is typically received when the Governor releases his budget the fourth Wednesday in January, Governor Baker pledged during his address to increase Unrestricted General Government State Aid (primarily lottery funds) by \$41,827 or 3.9%. With that being said, the impact on Northborough will be minimal since the majority of Northborough's aid comes in the form of Chapter 70 School funding.

Mr. Coderre added that Chapter 70 School Aid is more complicated because a 2% statewide increase does not necessarily translate into a 2% increase for Northborough, as the funding flows through a

## **UPDATE ON STATE AID CONT. . .**

formula that favors poorer districts. The Governor did state that funding would increase by \$20 per pupil for all districts, which could mean approximately \$35,000 more aid based on K-8 enrollment figures. In total, State Aid could go up by approximately \$77,000 under the Governor's proposed budget; however, we need to wait and see the details. As always, we need to see if state assessments increase, which could easily off-set any increase in aid.

As a point of reference, Mr. Coderre indicated that the FY2018 budget model assumes a 1% increase in State Aid, which is approximately \$51,000 on a \$5,135,689 account. The Governor's budget as described at the MMA Conference could mean an increase of approximately \$77,000, or \$26,000 more than our model. However, it is still too early to know for sure. Clearly, \$26,000 on a \$5.1 million account isn't going to be a material difference in our budget model, but it is encouraging to see that it isn't less, given the projected FY2017 revenue shortfalls at the State level.

## **DISCUSSION OF HEALTH INSURANCE OPT-OUT PROGRAM**

Mr. Coderre presented the proposed Health Insurance Opt-out program whereby the Town incentivizes people to leave it's health insurance to go to another source (typically a spouse's coverage). Northborough is one of the few area communities not to implement such an incentive program. The Group Insurance Commission (GIS), which covers all state employees, has an opt-out program as does Westborough and Southborough. Mr. Coderre shared his concern that we are becoming increasingly more attractive as the preferred source of health insurance coverage, adding that we recently picked up a new subscriber from Southborough because of their implementation of an opt-out program.

Mr. Coderre reminded the Committee the Town successfully negotiated plan design changes with all Unions in FY17, holding down Health Insurance Budget increases to 3%. This opt-out program is the next logical move for FY18. He added that Town staff recommends implementation of this program.

Mr. Coderre indicated that most organizations try to keep the incentives at about 25% of the savings. The Town family plans average \$15,547 With an incentive offering of \$3,750, average savings for Town employees would be \$11,797. The School family plans average \$17,043. With the same incentive offering, average savings for School employees would be \$13,293.

If approved by the Board of Selectmen, the goal is to implement this program effective July 1, 2017 (FY2018). It will be advertised and ready for the annual open enrollment in May.

## **NEXT MEETING**

The next meeting is scheduled for Saturday, February 25<sup>th</sup> at 9:00 a.m. to review the K-8 School Budget and the ARHS assessment. The meeting will take place in the Selectmen's Meeting Room. Subsequent meeting dates are March 2<sup>nd</sup> (DPW) and March 9<sup>th</sup> (Library, Senior Center and possibly Assabet).

## **ADJOURNMENT**

Ms. Hight moved to adjourn; Mr. D'Amico seconded; motion was unanimous. Meeting adjourned at 8:55p.m.

Respectfully submitted,

*John W. Coderre*

John W. Coderre  
Town Administrator

Documents used during meeting:

February 16, 2017 Meeting Agenda

April 25, 2016 Meeting Minutes

December 15, 2016 Joint Meeting Minutes

Budget Manual Instruction memo

Capital Improvement Program memo

Police Cruiser project detail sheet and fleet list

Fire Forestry Truck detail sheet

FY2018 State Aid Email

Health Insurance Opt-Out Program

Health Insurance Budget Reference

White Cliff's Update Packet

Town Common Update Packet

Town Meeting Calendar