



APPROPRIATIONS COMMITTEE

MEETING MINUTES

Thursday, March 2, 2017
Selectmen's Meeting Room

7:00 pm

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

Also present: John Coderre, Town Administrator
Ernest Houle, Superintendent, Assabet Valley Technical High School
Kristopher Luoto, Director of Business Operations
Virginia Simms George, Assabet School Committee
DPW Director Scott Charpentier

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

APPROVAL OF MEETING MINUTES OF FEBRUARY 25, 2017 MEETING

Mr. D'Amico moved the Committee vote to approve the February 25, 2017 minutes, Ms. Hight seconded. Minutes approved as submitted.

ASSABET VALLEY TECHNICAL HIGH SCHOOL BUDGET

Superintendent Ernie Houle and Director of Business Operations Kris Luoto presented the FY2018 Assabet budget. Assabet is a vocational school composed of the member communities of Berlin, Hudson, Holden, Marlborough, Maynard, Northborough, Southborough and Westborough. Northborough's assessment is based upon the number of students from the Town attending the school. The Superintendent indicated it is a level service budget with no staffing increase. The overall FY2018 budget increase is 3.49%.

Superintendent Houle reviewed the vision and FY2018 Budget goals as follows:

Vision

Apply evidence-based practices and innovative thinking in Education and Career Development to inspire a school-wide learning environment where every student can discover their potential and acquire the knowledge, skills and resilience to thrive in life.

FY2018 Budget Goals

1. Close Curricular gaps between ELL and Students with Disabilities in order to move back to Level 1 Accountability status/shifting funds to maximize student impact.
2. With increased student enrollment, the Districts' goal is to maintain diversity in the Program of Studies.
3. To maintain appropriate class sizes and co-taught ratios to create the best possible learning environment for our students.
4. Maintain athletic and extra-curriculum activities to further enhance school culture and the overall experience for students.

ASSABET VALLEY TECHNICAL HIGH SCHOOL BUDGET CONT. . .

The Superintendent noted that Assabet Valley Vocational High School is ranked 17 out of 26 vocational schools for overall lowest per pupil cost at \$18,673. Northborough's specific per pupil cost at Assabet is \$15,136, including transportation.

The overall Assabet Valley Vocational HS operating budget is increasing 3.49%. Northborough's Operating Assessment increases by \$53,348, or 7.75% to \$741,661 as enrollment increases from 46 to 49 students. Debt service associated with the recently completed renovation project will decrease from \$192,135 to \$151,232, a 21% reduction. The net effect of the combined Operating Assessment and new debt service is an overall increase of \$12,445, or 1.41%.

Assabet Presentation ended at 7:55 p.m.

DPW BUDGET

DPW Director Scott Charpentier reviewed his January 26, 2017 memo which provided an update on all outstanding capital projects, including: the pavement management plan, Church Street Culvert Replacement, Hudson Street Pump Station Rehabilitation, Town Common Project and Sewer Inflow & Infiltration Study.

Mr. Charpentier stated that overall, the Department of Public Works General Fund budget is up \$82,626 or 3.29%. The majority of the increase is due to a \$40,800 increase in funding for snow and ice to better reflect actual historic spending. The FY2018 budget also includes a 2% general wage increase for all contractual and non-union personnel. The major department initiatives supported by the General Fund address safety and environmental compliance and improvements. These include mandated safety inspections of new fuel island and fire alarm systems, development and implementation of the required DPW facility Spill Prevention, Control, and Countermeasures Plan, and compliant removal and disposal of street sweeping and catch basin debris.

WATER ENTERPRISE FUNDS

Mr. Charpentier stated that the FY2018 Water Enterprise Fund is budgeted at \$2,582,005 which is an increase of \$330,532, or 14.68%. The majority of the increase is attributable to three things: 1) a \$104,954 increase in the MWRA water assessment; 2) \$159,389 increase in debt service; and 3) a new \$65,000 hydrant replacement program. The 9.2% increase the MWRA's assessment is primarily due to increased water consumption associated with recent developments at the mall. Despite the increase in cost, the Town will be receiving increased revenue from the sale of that water, so it will not have a one-for-one impact on Town water rates. Of the 9.2% MWRA increase, approximately 6% is due to a 19 million gallon increase in sales.

Mr. Charpentier added that the \$159,389 increase in debt service is the result of the recent \$1.5 million meter replacement program. The water meters reached the end of their useful 20 year life necessitating replacement. The new meters more accurately capture actual usage, off-setting some of the expense. More importantly, available fund balance within the Water Enterprise Fund will be transferred into the budget to off-set the rate impact.

Mr. Charpentier noted that a \$65,000 hydrant replacement program originally funded in the Capital Budget was moved into the operating budget, since it represents a routine, recurring maintenance expense. The Town has approximately 575 hydrants and plans to replace about 18 per year on an ongoing basis. The cost of the hydrant replacement will come from the Enterprise Fund balance.

WATER ENTERPRISE FUNDS CONT. . .

Lastly, the water utility rates have not increased in the last four years. In FY2018 the water utility user rates are expected to increase by approximately 4-5% following a formal rate study.

SEWER ENTERPRISE FUNDS

Mr. Charpentier stated that the FY2018 Sewer Enterprise Fund is budgeted at \$2,068,762, which is an increase of \$350,340 or 20%. Approximately 70% or \$246,108 of this increase is due to the Hudson Street Pump Station Improvement Project bond debt beginning to be paid down. \$103,081 of the remaining \$104,232 increase results from projected increases in our Marlborough Use Charge and future anticipated legal expenses associated with a new Intermunicipal Agreement.

Mr. Charpentier stressed that the critical issue facing the DPW Sewer Enterprise Fund continues to be negotiations for a new Intermunicipal Agreement with the City of Marlborough which has now been submitted to the Worcester Superior Court. These legal proceedings will establish our contribution to the operational expenses for the Westerly Wastewater Treatment Plan as well as Northborough’s share of the \$30 million plant improvement project. Sewer rates were recently increased in the second quarters of FY2014, FY2016, and FY2017. The sewer use charges are also expected to increase for FY2018. The sewer rates have been increased over the past several years in anticipation of the settlement with Marlborough over the Town’s share of the cost associated with the newly upgraded treatment plant.

NEXT MEETING DATE AND COMMITTEE MEETING SCHEDULE

The Committee reviewed the draft meeting schedule and agreed that a meeting will not be needed on March 15th. Next meeting is on Thursday, March 9, 2017 at 7:00 p.m.

ANY OTHER BUSINESS TO COME BEFORE THE COMMITTEE

None.

ADJOURNMENT

Ms. Hight moved to adjourn; Mr. Nieber seconded; motion was unanimous.
Meeting adjourned at 8:50 pm.

Respectfully submitted,

John W. Coderre

John Coderre, Town Administrator

Documents used during meeting:

- March 2, 2017 Meeting Agenda
- February 25, 2017 Meeting Minutes
- Assabet Valley Technical High School Department Budget
- DPW Project Update
- DPW Budget