



APPROPRIATIONS COMMITTEE

MEETING MINUTES

Thursday, March 27, 2017
Selectmen's Meeting Room
7:00 pm

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

Chairman Kelly called the Appropriations Committee to order.

JOINT MEETING WITH BOARD OF SELECTMEN – FY2018 PROPOSED BUDGET

Mr. Coderre presented the FY2018 proposed Budget, which included the latest information available regarding revenue projections and departmental expenditure requests. The FY2018 General Fund Operating Budget, including General Government, Northborough K-8, Regional High School, Assabet Valley Regional High School and Special Warrant Articles is \$61,995,912 or a 2.78% increase over FY2017. This includes one-time pay-as-you-go capital expenditures and a one-time \$200,000 contribution to the Stabilization Fund.

Mr. Coderre reviewed the FY2018 Budget goals as follows:

- To protect and improve the Town's Overall Financial Condition
- To develop a budget that is in conformance with the Town's comprehensive financial policies
- To maintain Northborough as an affordable place to live and operate a business
- To protect the Town's long-run solvency beyond the immediate budget cycle

The proposed budgets for the key departments are estimated to increase as follows:

- Northborough K-8 Schools increase \$725,174 or 3.19% to \$23,445,017
- General Government (Town) increases \$765,216 or 3.8% to \$20,902,493
- Algonquin Operating Assessment increases \$343,219 or 3.41% to \$10,414,869
 - The debt for ARHS virtually level at \$660,574 until final payment in FY2027
- Assabet Valley Vocational HS combined Operating Assessment and Debt Service increases \$12,445 or 1.41%
 - Operating Assessment increases \$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 decreases from \$192,135 to \$151,232

The General Government Highlights of the FY2018 Budget include the following:

- All collective bargaining agreements settled for 2% in FY2018.
- Total personnel is up 1.2 full-time employees, including a new 8 hour per week Library Page and a new Firefighter/Paramedic mid fiscal year.
- Health Insurance currently budgeted at \$5.52 million, an increase of \$424,844 or 8.3%.
 - Includes all active General Government and K-8 School employees and Town & School retirees.
 - Current Health Insurance Premium renewals require a budget increase of \$611,700 or 12%.
 - Pending negotiated plan design changes, the FY2018 Budget remains structurally unbalanced. It is anticipated that successful negotiations will be finalized by Town Meeting.
- Includes a \$500,000 appropriation into the State Pension Reserves Investment Trust (PRIT) Fund in accordance with the OPEB funding plan.
- Pavement Management Plan combined FY2018 funding target of \$1.1M is reached through a combination of Chapter 90 Funds, operating revenues and \$300,000 in Capital appropriation.
- FY2018 estimated tax impact of \$230 on the average single family home valued at \$408,144. Estimate is based on current values – residential values may likely increase.

In summary, the FY2018 Budget supports core departmental services and missions, protects long-run solvency by addressing unfunded liabilities and invests in equipment, facilities and infrastructure. Mr. Coderre reiterated that the Budget was developed in conformance with the goals and objectives of the Town's comprehensive financial policies and will be balanced within the confines of Proposition 2½ pending successful negotiations for health insurance plan design changes in FY2017.

Ms. Kelly expressed her appreciation to Mr. Coderre and the Financial Team.

At 8:00 p.m., the Appropriations Committee adjourned from the Joint Public Hearing.

ADJOURNMENT

Ms. Hight moved to adjourn; Mr. D'Amico seconded; motion to adjourn was unanimous. Meeting adjourned at 8:00 p.m.

Respectfully submitted,

Diane M. Wackell
Executive Assistant

Documents used during meeting

1. Information packet – FY2018 Proposed Budget.