



## **APPROPRIATIONS COMMITTEE**

### MEETING MINUTES

Monday, March 25, 2019  
Selectmen's Meeting Room  
7:00 p.m.

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

### **JOINT MEETING WITH BOARD OF SELECTMEN – FY2020 PROPOSED BUDGET**

All members of the Appropriations Committee were present.

Also present in the audience were members of the Financial Team - Finance Director Jason Little and Assistant Town Administrator Kimberly Foster and members of the Financial Planning Committee – David DeVries and Tom Spataro.

Chairman Kelly called the meeting of the Appropriations Committee to order.

Mr. Coderre presented the FY2020 proposed Budget, which included the latest information available regarding revenue projections and departmental expenditure requests. The FY2020 General Fund Operating Budget, including General Government, Northborough K-8, Regional High School, Assabet Valley Regional High School and Special Warrant Articles is \$66,016,688, or a 3.41% increase over FY2019. This includes \$861,167 in one-time pay-as-you-go capital expenditures and a \$200,000 contribution to the Stabilization Fund. All budgets were developed in conformance with the goals and objectives discussed at the December 13, 2018 Financial Trend Monitoring System joint meeting.

On December 13, 2018 the Board of Selectmen, Appropriations Committee, Financial Planning Committee and the K-8 School Committee all met together to hear the latest update of the Financial Trend Monitoring System (FTMS) as well as the five-year financial forecasts. The group discussed revenue projections, the various financial indicators and the implications of the information for the upcoming FY2020 budget.

Mr. Coderre reviewed the following FY2020 Budget goals from the December 13, 2018 Financial Trend Monitoring Joint Meeting:

- 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

Mr. Coderre reviewed the significant budgetary items, including Health Insurance, Debt Service, State Aid estimates and New Growth figures. Mr. Coderre also reported that the recycling industry is currently going through a tumultuous period of adjusting to China's 2018 decision to get out of the international recycling business. The pending solid waste & recycling contract bid is set to expire on June 30, 2019. In years past, the value of recyclable materials would offset the cost of collecting and sorting them, which is no longer the case. It is anticipated that in FY2020 it will cost as much, if not more, to dispose of recycling as it does trash. As a result, he is anticipating that the next solid waste and recycling contract will increase by approximately 15% and require another \$200,000 in General Fund subsidy.

Mr. Coderre reported that the overall General Fund budget increase is 3.41% with the proposed budgets for the key departments estimated to increase as follows:

- Northborough K-8 Schools increase \$662,965 or 2.73% to \$24,928,558
- General Government (Town) increases \$757,193, or 3.50% to \$22,391,273
- Assabet Valley Vocational High School combined operating and debt assessments increase by \$78,588, or 10.37% to \$836,310
- Algonquin Regional High School (ARHS) combined operating and debt assessments increase by \$958,467, or 8.04% to \$12,873,956

Overall, the Fiscal Year 2020 total operating budget for all funds is \$71,743,441, or a 3.56% increase over FY2019; however, the increase includes one-time pay-as-you-go capital expenditures, a contribution to the Stabilization Fund and increases to the Water & Sewer and Solid Waste Enterprise Funds.

The General Government Highlights of the FY2020 Budget include the following:

- All FY2020 Collective Bargaining Agreements are unsettled & Classification/Compensation Plan update is ongoing
- Added New Facilities Manager effective 1/1/2020
- Solid Waste & Recycling Budget up 15% requiring a subsidy increase of \$200,000
- Retirement Assessment up 14%, or \$256,801
- Health Insurance Budget increases just 2%
- FY2020 includes a \$550,000 appropriation into the Other Post-Employment Benefits (OPEB) Trust Fund in accordance with the funding plan.

The FY2020 Pavement Management Plan is funded at the minimum \$1.1million, which is required in order to maintain the Town's pavement rating of 73.

Mr. Coderre noted the following FY2020 planning initiatives contained in the Budget Message handout:

- GFOA Distinguished Budget Award Program
- Fire Station Feasibility Study
- Inter-municipal Agreement (IMA) with the City of Marlborough
- Collective Bargaining Agreement negotiations
- Cable TV License Renewals with Charter Communications and Verizon
- Various Infrastructure Improvements
- Development of Information Technology/GIS Strategic Plan and Website Update
- Historic White Cliffs Facility Reuse

In summary, the FY2020 Budget supports core departmental services and missions, protects long-run solvency by addressing unfunded liabilities and invests in equipment, facilities and infrastructure. It is within the budgetary increase allowable under limits of Proposition 2½, although it does make use of approximately \$900,000 in excess levy capacity in order to maintain current service levels. The budget attempts to minimize the tax impact while maintaining core services, especially at the Regional High School, where Northborough's rising enrollments have resulted in significant assessment increases.

Following several questions and comments from members of the Board of Selectmen, Mr. Coderre reviewed further the need for a facilities manager and the duties associated with this position. Members of the Board expressed their support for the long overdue position and acknowledged the significant workload associated with not having a dedicated Facilities Manager on staff.

Members of the Board expressed their appreciation to Mr. Coderre, the Financial Team, Department Heads and the Finance and School Committees. Mr. Coderre thanked the Appropriations and Financial Planning Committees and especially recognized members of the Financial Team – Assistant Town Administrator Kimberly Foster and Finance Director Jason Little for their dedicated efforts.

At 8:30 p.m., Ms. Hight moved the Committee vote to adjourn from the Joint Public Hearing; Mr. Brenckle seconded the motion; all members voted in favor.

Joint Meeting adjourned at 8:30 p.m.

Respectfully submitted,

John W. Coderre  
Town Administrator

Documents used during meeting:

1. March 25, 2019 Meeting Agenda
2. FY2020 Proposed Budget Presentation
3. FY2020 Budget Message
4. 2019 Town Meeting Warrant