



FINANCIAL PLANNING COMMITTEE

MEETING MINUTES

Thursday, January 28, 2016

Selectmen's Meeting Room

7:00 p.m.

MEMBERS PRESENT: David DeVries, Chair
Michael Hodge, Vice Chair
Richard Smith
Thomas Spataro
Heidi Bourque-Gleason

ABSENT: Roger Leland

ALSO PRESENT: John Coderre, Town Administrator

Meeting convened at 7:05 p.m.

REORGANIZATION – ELECTION OF OFFICERS

Mr. Coderre opened nominations for committee chair. Mr. Hodge nominated Mr. DeVries for chair, seconded by Ms. Gleason. Mr. DeVries approved unanimously as committee chair.

Mr. Coderre opened nominations for vice chair. Mr. DeVries nominated Mr. Hodge, seconded by Mr. Smith. Mr. Hodge approved unanimously as vice chair.

APPROVAL OF MINUTES – APRIL 27, 2015 MEETING

Mr. Smith moved the committee vote to approve the meeting minutes of the April 27, 2015 meeting as submitted. Ms. Gleason seconded the motion. Minutes amended to reflect that Mr. Hodge was not present. Minutes approved as amended, with Mr. Hodge abstaining.

REVIEW OF CIP INSTRUCTION MANUAL

Mr. Coderre reported that all departments were provided with the CIP Instruction Manual for upcoming Fiscal Years 2017-2022. Departments were instructed to review, update and resubmit all existing requests for FY2017-2021 and add any new requests for FY2022. All CIP requests were to be returned to the Town Administrator by November 10, 2015. At this time, preliminary requests have been submitted; however, numbers are still being firmed up by some departments.

DISCUSSION OF PRELIMINARY FREE CASH PLAN

Mr. Coderre presented the preliminary FY2017 Free Cash Plan for consideration and use during the upcoming budget process. The FY2017 year-end Free Cash was certified at approximately \$3.2 million. This substantial Free Cash is a result of positive actual performance in both appropriations not spent as well as revenues realized in excess of the budget.

Mr. Coderre reviewed the preliminary Free Cash plan in conjunction with the draft FY2017 Capital Budget which is still being formulated by the Financial Planning Committee. The one significant project contemplated for FY2017 is the Church St. bridge/culvert replacement estimated at \$1.5 – \$2 million. The Committee briefly discussed various financing options for the bridge but will wait to see the DPW director's bid evaluation. It is anticipated that the Free Cash Plan will allow for approximately \$1.8 million in FY2017 pay-as-you-go capital investment with no additional tax impact.

REVIEW OF POLICE CAPITAL REQUESTS

Lt. Lyver reviewed a memo from the Police Chief Leahy updating the Financial Planning Committee on the CCTV project and the dispatch console project. Lt. Lyver then reviewed the following FY2017 capital requests.

Police Cruiser Replacement

The Police Department has 13 vehicles in total--eight patrol vehicles, three detective vehicles and two administrative vehicles (Chief & Lieutenant). This request seeks to replace police vehicles on the following schedule: two patrol vehicles in FY2017, FY2018 and FY2019; one patrol vehicle and one administrative vehicle in FY2020; no replacements in FY2021; and one detective vehicle and one administrative vehicle in FY2022. The 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 FY2017 in the amount of \$85,000 will provide for the purchase of two new vehicles which will replace a 2011 Ford Crown Victoria and a 2012 Ford Expedition SUV. Included in the funding request is the cost of outfitting the vehicles with equipment, including mobile data terminals.

Lt. Lyver indicated that there was some discrepancy on the number of vehicle replacements needed in FY2021 and FY2022 which he will get clarification on and report back. A revised project detail sheet and replacement matrix will be provided at the next meeting.

Police Station Roof Replacement

The Police Station roof is original to the building at 211 Main Street, which was constructed in 1989. Some shingles have been compromised and lichens have infiltrated significant areas of the north face of the roof. A 2009 professional assessment was performed which indicated the roof to be in "fair" condition but nearing the end of its useful life. According to that review, a new asphalt shingle roof was estimated to cost \$90,000 and expected to last approximately 30 years, while a new metal roof was estimated to cost \$150,000 with an expected life of fifty years. At this time, a replacement asphalt roof is requested in FY2017. As with all public sector building projects the Town is required to pay the State-mandated "prevailing wage" for all labor on this project. It is estimated that the prevailing wage premium adds approximately \$37,500 to the cost of this project verses a typical private sector roof estimate.

REVIEW OF TOWN MEETING CALENDAR

Mr. Coderre reviewed the Town Meeting Calendar and noted that all warrant articles are due to the Town Administrator by February 1, 2016. Annual Town Meeting will be held on April 25, 2016.

OTHER BUSINESS

GFOA Distinguished Budget Award

Mr. Coderre was pleased to announce that the Town has received its sixth consecutive GFOA Distinguished Budget Award. Committee members extended their appreciation and congratulations to the Financial Team.

State Aid

Mr. Coderre reported on Governor Baker's address at the MMA Annual Meeting and Tradeshow the previous weekend 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 4.3%. 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.

FY2017 State Aid is projected to increase by 1.5% based upon the Governor's Budget. It remains to be seen what the House and Senate will do but the State is projecting a \$1 Billion structural deficit for FY2017, so State Aid is unlikely to increase much beyond the Governor's estimate.

Lincoln Street Project Update

Mr. Coderre reported that the Lincoln Street School project has gone very smoothly. The \$25.5M project has reached the 70% completion mark ahead of schedule and with very few change orders. Despite the accelerated schedule set by the general contractor, the focus has remained on the educational well-being of the children at the school. The administration, teachers and families are pleased not only with the progress but the level of communication and cooperation between the project manager and the school towards minimizing the impact of construction on the school day.

Chapter 90 Update

Mr. Coderre provided an update on Chapter 90 funds. It is anticipated that \$200 million dollars in Chapter 90 funds is to be released State-wide as opposed to the previously funded \$300 million. With the reduction of \$100 million overall, the Town's FY2017 authorization would be reduced from approximately \$744,308 to \$496,206 which would set the Town's pavement management plan back significantly. The amount of funding necessary to reduce the backlog of roadway maintenance work would increase from the current estimated \$17 million to almost \$44 million over the next ten years as a result of the reduction in investment. The Town needs to fund approximately \$1.1 million in road repairs annually just to maintain the current pavement condition index (PCI) of 71.

NEXT MEETING DATE AND COMMITTEE SCHEDULE

The next committee meeting will be held on February 11, 2016 at 7 p.m. The DPW project requests will be reviewed at that time along with an update on all ongoing public works projects.

ADJOURNMENT

Mr. Spataro motioned to adjourn; seconded by Ms. Gleason; unanimously approved at 9:30 p.m.

Respectfully submitted,

Michael Hodge

Documents used during meeting:

1. January 28, 2016 Meeting Agenda.
2. April 27, 2015 Meeting Minutes.
3. Preliminary Free Cash Plan.
4. FY 2017-2022 Capital Improvement Plan Instructions.
5. 2016 Town Meeting Calendar.
6. Police Department Capital Request Packet