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Report to 2024 Annual Town Meeting March 23, 2024

In fulfillment of the Massachusetts statutory requirement, the Advisory Committee (Advisory) submits a report at the Annual Town Meeting (ATM) each year. This document summarizes Advisory's review and analysis of Town budgets and operations, completed as part of the annual budgeting process. Please note that some information contained herein may change between the date of publication and Town Meeting.

Outline

- Role of the Advisory Committee
- Advisory Committee Membership
- FY25 Recommended Town Budget
- Commentary on Various ATM Articles
- Long Term Planning
- Additional Advisory Items of Note and Comments

Role of the Advisory Committee:

The Advisory Committee is established by State law and Town bylaw. The Committee functions as a sub-committee of Town Meeting. The seven members are appointed by the Town Moderator, and each member is appointed for a 3-year term. Advisory is a legislative committee and has no executive authority. Advisory members may not serve on any other town committee, with the exception that an Advisory member may serve on one other ad-hoc committee appointed by a Town board or official, or one other committee appointed by the Town Moderator, if approved by a vote of the Advisory Committee. Advisory members also may not hold any elected office. Advisory has four principal functions:

- **Develop/Present a Balanced Budget to the Town** – Advisory is the sole body in the Town with this statutory responsibility.
- **Warrant Article Review** – Advisory is responsible for reviewing both money and non-money warrant articles and making an approval or disapproval recommendation to Town Meeting.
- **Oversight** – Advisory has a specific set of powers with respect to its ability to review all aspects of the Town operations.
- **Custodian of the Reserve Fund** – The Reserve Fund is the Town's allocation of financial resources that is available for addressing extraordinary and/or unexpected expenses. The Reserve Fund was funded with \$180,000 for FY24. Through the date of the 2024 ATM, we have committed to making two reserve fund transfers. The first was \$35,000 for the Fire Department match for the AFG SCBA (Self Contained Breathing Apparatus) grant, where the department received around \$300,000 of new SCBA breathing apparatus. The second was \$87,970 for the mold remediation cost at Finn School. There are a few additional requests that may come before the committee later this year that include: \$13,000 for repair the Tower 21 Firetruck power take-off unit, \$18,056 for an independent contractor to perform human resource functions for the Fire Department, costs related to lead testing and remediation of the old Attwood Water Tower site, and \$7,725 for the cost of translation

services for the migrants that arrived in town in August 2023.

Advisory Committee Membership:

Current members of the Advisory Committee are Andrew Pfaff, Timothy Martel, Marci Jones Salow, Howard Rose, Larry Samberg and Adam Nodiff. For the 2024-2025 term, Advisory members elected Andrew Pfaff as Chair and Marci Jones Salow as Vice-Chair. As of the date of this report, there is one vacancy on Advisory.

Recommended Town Budget for FY25:

The budget that Advisory recommends to the Annual Town Meeting is projected to increase a residential homeowner’s annual real estate tax bill by approximately 3.99%. The Advisory-recommended budget is expected to increase the tax rate to \$14.47 per \$1,000 from the current \$13.91 per \$1,000. The expected increase in taxes on the estimated mean value of a Southborough house on 1/1/24 is expected to be approximately \$496 (or about \$124 per quarterly tax bill).

In this inflationary environment and economy, we feel it is quite an accomplishment to keep the budget increase below that of the rate of inflation. Thank you to all the various Town boards, committees, department heads, and the finance team that worked hard to accomplish this goal while not sacrificing any services for residents. **All amounts are estimated as the Town Assessor has not finalized the 1/1/24 property valuations, and there are other factors beyond the approved FY25 budget that determine the final tax bills for FY25. Advisory felt it was prudent to be conservative and provide the most accurate forecast we could.**

The most significant driver of the budget increase is the salaries for Town employees. Most employee salaries are determined by collective bargaining agreements, which are outside of the control of the Advisory Committee. The overall increase in compensation year-over-year is about 3% which explains the 3.99% budget increase. Personnel increases will almost always be the primary driver of the year-over-year increase in the overall Town budget.

The most significant individual Town department budget will always be the K-12 school system. The cost of operating the entire public school system represents 62% of the total Town budget. The school districts proposed what we feel are reasonable year-over-year budget increases for FY25 – 5.18% for K-8 and 5.92% for Algonquin. Although we feel these increases are reasonable, it is worth noting that this year’s increases are higher than prior years. This is due mostly to outside factors like the loss of the ESSER II grants, increases in both in-district and out-of-district special education, and transportation expenses which are mandated by the state.

FY25 Single-Family Tax Bill Calculation:

893,400.00	Avg House Value FY24
12,427.20	FY24 Taxes
893,400.00	Avg House Value FY25
12,923.64	FY25 Taxes
496.44	Dollar increase
3.99%	% increase

FY25 Detailed Revenue and Expense Estimate:

	FY2023	FY2024	FY2025	YoY%
LEVY	48,293,574	50,172,301	52,147,244	3.9%
2 1/2	1,207,339	1,254,308	1,303,681	3.9%
NEW GROWTH	671,388	720,635	500,000	-30.6%
LEVY	50,172,301	52,147,244	53,950,925	3.5%
DEBT-CAP EXEMPT	3,251,883	1,932,522	1,917,819	-0.8%
SBAB PAYMENTS	(920,943)	0	0	0.0%
TOTAL LEVY LIMIT	52,503,241	54,079,766	55,868,744	3.3%
TAX RATE	14.76	13.91	14.47	3.99%
ASSESSED VALUE	3,241,020	3,566,871	3,602,816	1.0%
CERTIFIED FREE CASH	1,681,761	1,602,386	2,339,466	46.0%
LOCAL RECEIPTS	3,947,525	4,208,600	4,488,600	6.7%
COMM. PRESERV. FUNDS	829,379	919,243	811,028	-11.8%
LOCAL AID	3,704,247	3,771,119	3,826,263	1.5%
SBAB PAYMENTS	920,943	0	0	0.0%
OTHER AVAILABLE	1,208,401	1,379,488	1,333,951	-3.3%
TOTAL OTHER REVENUES	12,292,256	11,880,836	12,799,308	7.7%
TOTAL REVENUE	64,795,497	65,960,602	68,668,052	4.1%
OTHER	931,378	983,607	848,729	-13.7%
STATE- COUNTY CHARGES	266,491	234,445	252,215	7.6%
OVERLAY	440,478	446,742	450,000	0.7%
TOTAL CHARGES	1,638,347	1,664,794	1,550,944	-6.8%
TOWN				
TOWN BUDGET	13,099,285	14,108,403	14,875,739	5.4%
EMPLOYEE BENEFITS	3,986,827	4,275,591	4,637,203	8.5%
LEASE DEBT G-FUND	102,316	35,659	55,114	54.6%
GEN. LIABILITY INSURANCE	133,894	153,770	175,601	14.2%
BUDGET ARTICLES	546,276	313,000	416,115	32.9%
DEBT & INTEREST	1,954,848	1,825,245	1,943,665	6.5%
CAPITAL ARTICLES	859,500	1,222,621	883,743	-27.7%
TOTAL TOWN	20,682,946	21,934,290	22,987,180	4.8%
SCHOOL				
SCHOOLS BUDGET	31,363,292	32,448,469	34,338,758	5.8%
EMPLOYEE BENEFITS	4,882,658	5,158,458	5,601,425	8.6%
GEN. LIABILITY INSURANCE	200,840	230,656	263,401	14.2%
SCHOOL SETTLEMENT NBORO	232,500	0	0	0.0%
DEBT & INTEREST	1,129,125	59,350	174,786	194.5%
TOTAL SCHOOL	37,808,415	37,896,933	40,378,370	6.5%
TOTAL EXPENDITURES	60,129,708	61,496,016	64,916,494	5.6%
LEVY BALANCE	4,665,789	4,464,586	3,751,558	

Likely future Proposition 2 ½ Tax Levy Override and Budget Forecast:

We have seen a significant increase in expenses versus revenue this year, which is causing the town’s excess levy capacity to be reduced much more year-over-year than it has in the past. Furthermore, the inclusion of a significant amount of one-time funding (ARPA, Free Cash) in this year's budget is anticipated to result in an accelerated reduction of our excess levy capacity, thereby exacerbating the challenge in the future. **This is a worrisome trend and is critical for all taxpayers to understand. Most likely the town will have to seek a levy limit override at the ballot box next year to avoid having to reduce town services or staffing.** The last time the town approved an override was in 2006, an increase of \$228,327. We are currently forecasting a \$486,490 levy capacity shortfall in FY 27. This is something that we should address next fiscal year, prior to approving the FY27 budget in the spring of 2026.

	FY2023	FY2024	FY2025*	FY2026*	FY2027*
LEVY	48,293,574	50,172,301	52,147,244	53,950,925	55,799,698
2 1/2	1,207,339	1,254,308	1,303,681	1,348,773	1,394,992
NEW GROWTH	671,388	720,635	500,000	500,000	500,000
LEVY	50,172,301	52,147,244	53,950,925	55,799,698	57,694,691
DEBT-CAP EXEMPT	3,251,883	1,932,522	1,917,819	2,006,951	1,936,076
SBAB PAYMENTS	(920,943)	0	0	0	0
TOTAL LEVY LIMIT	52,503,241	54,079,766	55,868,744	57,806,649	59,630,767
TAX RATE	14.76	13.91	13.93	14.58	14.84
ASSESSED VALUE	3,241,020	3,566,871	3,740,949	3,903,285	4,051,787
CERTIFIED FREE CASH	1,681,761	1,602,386	2,339,466	1,550,000	1,550,000
LOCAL RECEIPTS	3,947,525	4,208,600	4,488,600	4,500,000	4,500,000
COMM. PRESERV. FUNDS	829,379	919,243	811,028	0	0
LOCAL AID	3,704,247	3,771,119	3,826,263	3,902,788	3,980,844
SBAB PAYMENTS	920,943	0	0	0	0
OTHER AVAILABLE	1,208,401	1,379,488	1,333,951	1,218,160	1,225,987
TOTAL OTHER REVENUES	12,292,256	11,880,836	12,799,308	11,170,948	11,256,831
TOTAL REVENUE	64,795,497	65,960,602	68,668,052	68,977,597	70,887,598
OTHER	931,378	983,607	848,729	54,629	70,629
STATE- COUNTY CHARGES	266,491	234,445	252,215	252,000	252,000
OVERLAY	440,478	446,742	450,000	450,000	450,000
TOTAL CHARGES	1,638,347	1,664,794	1,550,944	756,629	772,629
TOWN BUDGET	13,099,285	14,108,403	14,875,739	15,554,872	16,265,051
EMPLOYEE BENEFITS	3,986,827	4,275,591	4,637,203	4,892,249	5,161,323
LEASE DEBT G-FUND	102,316	35,659	55,114	55,114	55,114
GEN. LIABILITY INSURANCE	133,894	153,770	175,601	189,649	204,821
BUDGET ARTICLES	546,276	313,000	416,115	282,000	282,000
DEBT & INTEREST	1,954,848	1,825,245	1,943,665	1,908,498	2,191,649
CAPITAL ARTICLES	859,500	1,222,621	883,743	2,272,375	2,254,083
TOTAL TOWN	20,682,946	21,934,290	22,987,180	25,154,757	26,414,040
SCHOOLS BUDGET	31,363,292	32,448,469	34,338,758	35,698,992	37,397,022
EMPLOYEE BENEFITS	4,882,658	5,158,458	5,601,425	5,909,503	6,234,526
GEN. LIABILITY INSURANCE	200,840	230,656	263,401	284,473	307,231
SCHOOL SETTLEMENT NBORO	232,500	0	0	0	0
DEBT & INTEREST	1,129,125	59,350	174,786	261,707	248,639
TOTAL SCHOOL	37,808,415	37,896,933	40,378,370	42,154,675	44,187,418
TOTAL EXPENDITURES	60,129,708	61,496,016	64,916,494	68,066,061	71,374,087
LEVY BALANCE	4,665,789	4,464,586	3,751,558	911,536	-486,490



Commentary on Various ATM Articles

In addition to the above narrative on the budget article, Advisory wants to provide an explanation of our position on a few of the more complicated warrant articles – specifically Articles 5 (Police Budget Only), 6 & 7 (Citizen Petition - Additional Police Dispatchers Costs), Article 8 (Citizen Petition – RECC IMA Town Meeting Approval), Article 12 (Library Construction Grant – Planning & Design Costs), Article 13 (Capital Budget Borrowing), Articles 26 & 43 (Regional School Capital Stabilization Fund & Assabet Valley Stabilization Fund) and Article 47 (Citizen Petition - 2/3 Vote Threshold for Non-Town CPC Projects).

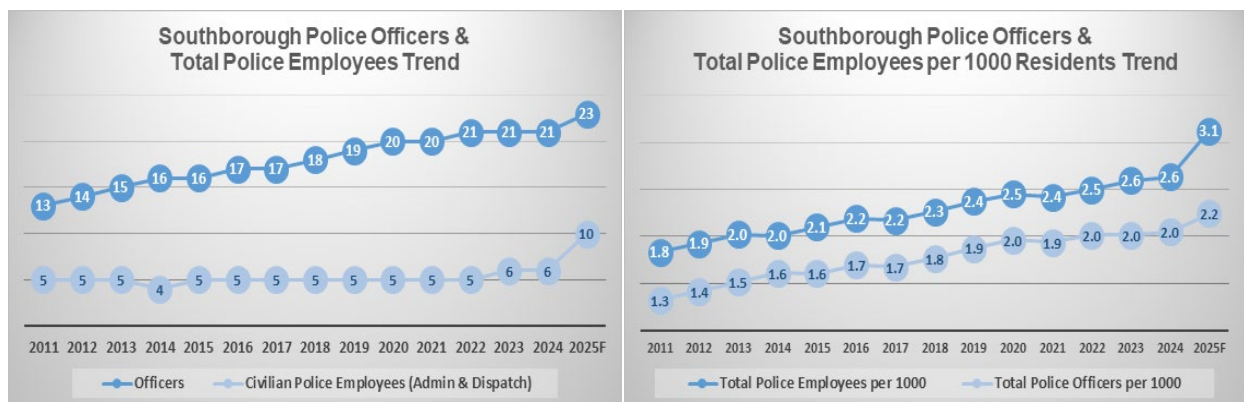
Articles 5 (Police Budget Only), 6 & 7 (Citizen Petition - Additional Police Dispatchers Costs):

Advisory Committee vote on Police budget (with no staffing increases): **SUPPORT** (unanimous)

Advisory Committee vote on articles 6 & 7: **NOT SUPPORT** (unanimous)

Discussion: Both Advisory and the Select Board spent a lot of time reviewing the requests for additional dispatchers, along with the additional officer and lieutenant positions that were proposed in the Police budget. After lengthy discussions, we believe that we lack sufficient data and analysis to commit to such a large increase in staffing, especially as we have already increased the overall police staffing significantly over the past 15 years (see charts below). Advisory proposed to the Select Board and the Police department to remove the request for the additional four dispatchers, one additional officer, and one additional lieutenant from the current budget and to instead add funds to have a third party consultant that specializes in police department staffing needs assessments to complete an evaluation of the current staffing levels and comparisons to current trends and market standards to ensure we have the correct levels. This is similar to the report that was done in 2000, which was the catalyst to increase to the current staffing levels. Once this information is gathered, which we hope will be in the near future, we will reassess the department’s requests and whether it makes sense to bring a request to the fall town meeting for approval. Our intention is that the delivery of this information will dovetail with a recommendation for the Select Board, Police, and Fire as to whether the Town should pursue moving our dispatch function to a regional emergency communications center (RECC), as that change would certainly alter the staffing levels within the police budget, which is where the dispatch staff is currently located.

The two charts below depict Southborough police staffing levels since 2011, with the 2025 proposed numbers including the 4 additional dispatchers, officer, and lieutenant position that was requested. This will be under review by an independent third-party expert but is not currently included in the FY25 budget.



Article 8 (Citizen Petition – RECC IMA Town Meeting Approval):

Advisory Committee vote on this article: **NOT SUPPORT** (unanimous)

Discussion: As mentioned previously, we hope that there will be a concrete suggestion on whether to move forward with the regionalization of the Town’s dispatch services prior to the fall Town

Meeting. Advisory still believes that regionalization could be a path to pursue if done correctly. Additionally, please note that only the Select Board has authority in this particular matter. As such, this article is entirely advisory in nature and any related discussion would be better served within a Select Board meeting. Considering that a typical Town Meeting runs for several hours if not days, and that this article cannot enforce any action, we suggest that Town Meeting attendees' time may be better spent on other topics. We therefore do not support this article.

Article 12 (Library Construction Grant – Planning & Design Costs):

Advisory Committee vote on article: **SUPPORT** (unanimous)

Discussion: Advisory supports this article unanimously because this is a matching amount of money for a hopefully large library construction grant. These grants will reimburse the Town for an average of 45-50% of the eligible cost of a library renovation or construction project, which financially is a great deal for the town.

Article 13 (Capital Budget (borrowing)):

Advisory Committee vote on this article: **SUPPORT** (unanimous)

Discussion: Advisory supports this article unanimously because these are critical and important capital items for the town, and which have been exceptionally well-vetted by CIPC. It is our opinion and suggestion that these items be bonded.

Articles 26 & 43 (Regional School Capital Stabilization Fund & Assabet Valley Stabilization Fund)

Advisory Committee vote on both articles: **NOT SUPPORT** (unanimous)

Discussion: These two articles, while for different entities and with much different cost implications due to only 4 Southborough students attending Assabet Valley, we voted unanimously NOT to support. Both articles reference the same Massachusetts General Law (16G 1/2 of Chapter 71) in the creation of these funds (see the law below). This article would remove the power from Town Meeting to vote on capital items independent of the operating budgets and we were not comfortable that the limitations of the law were sufficient. For reference the law states, *“The aggregate amount in the fund at any time shall not exceed five per cent of the combined equalized valuations of the member municipalities.”* The EQV for Northborough as of 2022 was \$3,635,129,100 and Southborough was \$3,033,118,400, which means the 5% cap is \$333,412,375, which is far too high for our liking. In addition, there is a cap on how much that can be assessed in a single year, but that amount can be approved by the Commissioner of Elementary and Secondary Education, which removes the power from Town Meeting. It is Advisory's **STRONG** recommendation that Town Meeting **NEVER** cede the power of appropriation to any other body.

Applicable Massachusetts General Law:

“Section 16G1/2. A regional school district may, upon a majority vote of all the members of the regional district school committee and, with the approval of a majority of the local appropriating authorities of the member municipalities, establish a stabilization fund and may, in any year, include in its annual budget for deposit in the stabilization fund an amount not exceeding five per cent of the aggregate amount apportioned to the member municipalities for the preceding fiscal year or such larger amount as may be approved by the commissioner of elementary and secondary education. The aggregate amount in the fund at any time shall not exceed five per cent of the combined equalized valuations of the member municipalities. Any interest shall be added to and become a part of the fund. The annual report submitted to the member municipalities pursuant to clause (k) of section sixteen shall include a statement of the balance in the stabilization fund and all additions to and withdrawals from the fund during the period covered by such report. The treasurer of the regional school district shall be the custodian of such fund and may deposit or invest the fund in such deposits or investments as are legal for the deposit or investment of revenue funds of the district or in such securities as are legal for the investment of funds of savings banks under the laws of the

commonwealth. The stabilization fund may be appropriated by vote of two-thirds of all of the members of the regional district school committee for any purpose for which regional school districts may borrow money or for such other district purpose as the commissioner of elementary and secondary education may approve.”

<https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXII/Chapter71/Section16G1~2>

Article 47 (Citizen Petition - 2/3 Vote Threshold for Non-Town CPC Projects):

Advisory Committee vote on this article: **NOT SUPPORT** (unanimous)

Discussion: this article has been deemed as illegal by the Attorney’s General office because any by-law that seeks to change the required quantum of vote to a quantum different from that required by (or authorized by) statute would be in conflict with state law and thus disqualified. Therefore, we do not support the article.

Additional Commentary on Citizen’s Petition Articles in General:

Advisory wanted to take this opportunity to discuss a concerning trend we are seeing regarding citizens petitions at Town Meeting. For those that may not know, any citizen can add a warrant article to the ATM warrant with only 10 signatures of registered voters, and to a Special Town Meeting (STM) warrant with 100 signatures of registered voters. While we would never try to prevent any citizen from bringing forth a warrant article, we have seen an uptick in the number of non-binding articles that are advisory only in nature, with the purpose of asking/instructing another Town entity to do or act upon something. Many of these topics are complex and controversial and may require much discussion during an already lengthy meeting. We suggest that proponents meet with the authorities they wish to instruct prior to submitting a warrant article via a citizen’s petition. We believe many of these issues can and should be addressed outside of a Town Meeting.

Attendance of Town Meeting has been declining in the past few years, and we have heard anecdotal feedback that some voters are frustrated by these types of articles, which often extend the meeting late into the night or even to an additional day. Moreover, when Town Meeting must extend to a second day, the Town incurs approximately \$10,000 in incremental expenses for each additional meeting day. We hope that residents who wish to submit a citizen’s petition warrant article will consider the valuable time of their fellow voters at Town Meeting, and whether a different path toward a resolution or response would be more appropriate.

Long Term Planning:

There are several areas worthy of ongoing attention besides Advisory’s continual work on our annual town budget. These include (i) the Town’s unfunded pension and healthcare liabilities (in the tens of millions of dollars but we are starting to make progress); (ii) the need for infrastructure investment (also in the tens of millions of dollars – hence the appointment of the Capital Improvement Planning Committee); (iii) the decision whether or not to close one of the four K-8 schools and if so, how to re-purpose the closed school; (iv) the impact of State or Federal unfunded mandates; (v) how to find additional sources of non-tax revenue to help ease the burden on the property tax payers. These issues and others all deserve careful attention and planning, and Advisory will continue to address them.

On the topic of sources of non-tax revenue, one such additional source of revenue is the optional local meals tax, that was passed at the May 2021 ATM and became operative on 1/1/2022. We received \$119,348 for FY23 and \$65,878 for the first half of this fiscal year and expect the second half of the year to be similar, which is a great additional revenue stream for the town. Advisory advocated for this optional meals tax as a means to increase local revenue outside of the tax levy. In addition, the most recent passing of Governor Healey’s Municipal Empowerment Act provides an option that allows cities and towns to further increase local option taxes from .75% to 1%. This is something that the Advisory Committee has on its list of items to research further, in order to see if we would support bringing it to Town Meeting for approval in the future. The new Empowerment

Act, in addition to the meals tax increase, also allows for increasing the local lodging tax ceiling from 6 percent to 7 percent and adding a new 5 percent local option Motor Vehicle Excise surcharge. Both are items that we will discuss during our summer meetings.

Another revenue opportunity that Advisory is in the process of researching is the potential to adopt a stormwater usage fee and associated enterprise fund, which would move the costs associated with stormwater management in the town from the general fund to an enterprise fund that would then be assessed to all residents of town by percentage of total impervious surface. This has been done in multiple towns in the state and is quite common elsewhere in the country. This would most likely shift some of the burden of these costs from the residential tax base to the commercial and non-profits in town that have larger amounts of impervious surfaces (buildings, parking lots, other non-porous surfaces).

As part of the long-term financial planning and improvements to the management of the town financially, the Select Board by request and support of Advisory has requested a financial policy and overall financial management review of the town. This is something that the state does, free of charge, to help communities with their financial management practices. The financial management review is a comprehensive operational review of local accounting, treasury, collection, assessing, and overall administrative functions and is designed to improve day-to-day management practices and procedures through specific, hands-on tools, guidance, and strategies for improving local government. The financial policy review provides guidance in formalizing the town's existing financial processes and adopting best practices to better govern town operations. This process is ongoing, with the initial interviews conducted at the end of January and the resulting reports should be made available later in 2024.

Additional Advisory Items of Note and Comments:

Possible CPA Surcharge increase from 1% to 3%:

At a June 2022 meeting, Advisory suggested the Town should try to fund as much of our share of the regional project as possible using CPA funds. (Not all project items, such as the turf field at Algonquin, would be eligible for funding by CPA monies due to specific CPA regulations.) However, because the Town has approved many CPA projects in the past few years, there was not enough bonding/borrowing capacity to fund our portion in whole from CPA funds. In addition, in looking at the capital plan, Recreation's future capital plan, master plan, and in discussions with various boards and committees, we feel there are many larger future CPA-eligible projects that would benefit greatly from matching funds from the state. Some examples are the rehabilitation of the historical Flagg Schoolhouse building, golf course irrigation system (this is on this year's warrant), Woodward, Neary, and Finn playground replacements, walking trail around the golf course, affordable housing, multi-use path along the railroad tracks, community center, open space preservation land acquisitions, and many others.

We suggested that the Town pursue a ballot question to increase the current 1% CPA surcharge to 3%. In addition to the extra 2% surcharge from residents, the state offers additional matching funds ONLY to communities that have a 3% surcharge. For example, it is estimated that our FY23 CPA state matching funds would have been 48% (instead of the 38% that we received) amounting to \$412,578 of **additional** state match if we had adopted the 3% surcharge for FY23. Moreover, if the Town had voted to approve a 3% surcharge rather than 1% when we initially adopted CPA in 2003, it is estimated that Southborough would have received an additional **\$5.2 million** of state funded CPA revenue to date, from additional base from taxpayers plus the additional state match that applies only to 3% communities. For FY24, this increase would cost the average homeowner only \$60 per quarterly tax payment, but altogether could have a significantly larger positive effect on our community.

Advisory attempted to work with the Select Board, the Community Preservation Committee, and others to try to move this initiative forward in time for the Algonquin athletics complex project to come before the Town Meeting, but we ultimately had trouble gaining traction, mostly due to timing. There was a placeholder article on the draft ATM warrant last year and again this year to ask Town Meeting to support increasing the CPA surcharge, but it was ultimately removed by the Select Board with the intention of placing that article on a Special Town Meeting (STM). There has generally been little movement to move this forward since then. We hope there will be more traction and support for this initiative in the future, as the Town is leaving a lot of additional state funding on the table each year we delay.

Section 3A Multi-family Zoning Requirement for MBTA Communities:

Advisory has been following and actively participating in the discussion and development of a zoning overlay district that would fulfill the multi-family zoning requirement for MBTA communities (section 3A of Massachusetts General Law chapter 40A). It is very important that this law and its impacts be fully understood and implemented correctly, given the serious financial impacts of high-density housing on Town and School expenses. Section 3A of the Zoning Act provides: An MBTA community shall have a zoning ordinance or by-law that provides for at least 1 district of reasonable size in which multi-family housing is permitted as of right; provided, however, that such multi-family housing shall be without age restrictions and shall be suitable for families with children. For the purposes of this section, a district of reasonable size shall: (i) have a minimum gross density of 15 units per acre, subject to any further limitations imposed by section 40 of chapter 131 and title 5 of the state environmental code established pursuant to section 13 of chapter 21A; and (ii) be located not more than 0.5 miles from a commuter rail station, subway station, ferry terminal or bus station, if applicable. The purpose of Section 3A is to encourage the production of multi-family housing by requiring MBTA communities to adopt zoning districts where multi-family housing is allowed as of right, and that meet other requirements set forth in the statute. There are additional details on the MBTA multifamily zoning requirements on the Planning Board page on the town website.

The Planning Board has taken the lead in the process for adopting this zoning overlay in Southborough. There have been many public hearing meetings, workshops, information sessions, and work done to date. At this point the goal is to present the applicable zoning overlay districts at the fall Town Meeting for approval. The deadline for approval is 12/31/2024. Failure to approve will result in loss of some state grant fundings and likely civil litigation from the state Attorney General's office. All town residents should make their voices heard and understand the ramifications of this zoning on the town. The choice of parcels and the zoning on said parcels could have a small to drastic impact on the fabric of the Town. There are pros and cons to each option, hence the importance of thorough understanding by each and every town voter. There will be an additional report from Advisory prior to the fall Town Meeting on this article (assuming it is on the warrant) and any other articles on that fall Town Meeting warrant.

Town HIPAA Compliance & Data Privacy Risk Mitigation:

Another related area of concern is the Town's compliance with the Health Insurance Portability and Accountability Act (HIPAA, see 45 C.F.R. 160.103), as well as state privacy laws and regulations (MGL c.93H, MGL c.214, 940 CMR27). To be considered a Covered Entity under HIPAA rules, an organization must be a "health care provider" and must also transmit health information electronically in connection with a HIPAA-covered transaction. This generally occurs with the filing of insurance claims. It is important to note that if a single department falls within the HIPAA scope, then the entire organization is automatically included and must fulfill all responsibilities within the HIPAA framework. An organization may apply for "hybrid" status, in which only relevant departments are obligated to fulfill HIPAA requirements.

At this time, it is likely that both the Board of Health and the Fire Department file claims for reimbursement, placing each within the Covered Entity designation, and in turn impacting the overall municipality. Additionally, although it is unlikely that Youth & Family Services or the Senior Center file claims for health care reimbursement, both remain fully responsible for fulfilling all obligations of Massachusetts and Federal privacy laws.

In the past year the Town has made significant improvements to cybersecurity including encrypted communications and the widespread use of two factor communication. Although significant improvements have been completed to our Town cybersecurity posture, a not-insignificant risk exists to the Town (financial loss) as well as its citizens (including sensitive health data for minors). It is important to note that the Town's increasing conversion of paper documentation to a digital format along with electronic storage and transmission of data are significantly increasing the risks associated with data privacy and liability. Advisory has been engaged with the Select Board to obtain a final determination from Town Counsel regarding which departments count as "Covered Entities". From there, Advisory urges that a complete review of all departmental compliance with HIPAA (and other privacy laws) be undertaken under the direction of our IT Manager, the Municipal Technology Committee, and the Board of Health. Future steps could include application for "hybrid" status, development of an overall roadmap for HITRUST implementation and other mitigatory actions, ongoing cyber and physical security measures, and possibly the establishment of a new oversight officer or committee.

Budget Process:

Under the direction of Town Administrator (Mark Purple) and the Town's Finance Director (Brian Ballantine), the budgeting review process initially implemented for FY14 has been continuously improved through this FY25 budget process but could be enhanced in the future with the addition of a budgeting tool, or additional Town Finance team resources. The Town Finance team is tasked with preparing the initial budget proposal for review by both the Select Board and the Advisory Committee. Advisory has been pleased to see that the budgeting process continues to operate much more smoothly and efficiently than in prior years, but it is still very taxing on the volunteers on this committee and further tools or resources should continue to be assessed to make the process better and easier.

Additional Advisory Comments:

We invite those with an interest in any topic to attend any and all upcoming Advisory meetings and express their viewpoints. We have a busy summer planned with many interesting topics to tackle. Advisory will continue to work to ensure that our residents receive the services that they want and need at an affordable and sustainable cost. In addition, we are actively recruiting to fill the one vacant position on the committee; anyone who has an interest should please fill out the "Citizens Activity Form" on the Town website to express interest.

Respectfully submitted,

Andrew Pfaff, Chair

Marci Jones Salow, Vice Chair

Timothy Martel

Adam Nodiff

Howard Rose

Larry Samberg