TOWN OF HADLEY
PRELIMINARY CAPITAL IMPROVEMENT PROGRAM

Ten Year Plan
For the Fiscal Years
July 1, 2019 through June 30, 2029

June 7, 2019

Presented by

David G. Nixon
Town Administrator

And

Linda Sanderson
Town Treasurer

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Section I

Town Administrator's Letter to the People of the Town of Hadley

The Public's Guide to the Capital Improvement Plan

Town Administrator's and Treasurer's Letter of Transmittal to Select Board, Finance Committee, and Capital Planning Committee

The Town Administrator's Letter to the People of the Town of Hadley

June 7, 2019

To the People of Hadley:

Please accept this preliminary ten-year capital improvement plan for Fiscal Years 2020 through FY 2029 (July 1, 2019 through June 30, 2029), and thank you for taking the time to review the enclosed materials. Since you are reading this, it means that you are interested in understanding one of the more important documents produced by your community. You are encouraged to refer to the Public's Guide to the Capital Plan to learn more about the capital improvement process and for a brief overview of the capital plan document itself.

The capital improvement plan is more than a summary of planned revenues and expenses. It is a description of the goals and priorities of the community and a maintenance and improvement manual for achieving those goals and for providing the high-quality assets that tax payers have come to expect.

- The capital plan serves as a policy document.
- The capital plan serves as a financial plan.
- The capital plan serves as a maintenance, replacement, and upgrade guide.
- The capital plan serves as a communication device.

The capital plan is funded, based on the revenue and fund transfer projections and the recommended revisions to expenses. The capital plan supports a municipal government that is focused on providing high-quality assets, invests the community's resources and aligns with the values and priorities of the community as expressed in the Master Plan Update, other planning documents, and supported by community leaders.

The capital plan sets out an expected sequence of infrastructure, building, and equipment replacements and upgrades and therefore it is composed from best estimates of future revenue and expenditures. It is helpful to bear in mind that the capital plan requires annual revisions, and needs to be flexible enough to adjust for changes in priorities, changes in state requirements, new funding opportunities, and other unforeseen circumstances that may change the community's outlook.

Preparing a document of this complexity requires the effort of many departments. I thank all the staff and elected officials for their contributions to this report. In particular, the Capital Planning Committee (consisting of Christian Stanley, Linda Sanderson, Paul Phifer, Richard Grader, Paul Mokrzeki, Amy Fyden) as well as the contributions of Town Accountant Justin Cole of Bay State Municipal Accounting Group, Inc., Town Collector Susan Glowatsky, Licensing Coordinator Jennifer James, Assistant Collector Kimberly Peiffer, Assistant Assessor Daniel Zdonek, and Assistant Treasurer Joan Zuzgo deserve special mention for their efforts to provide me with information and insights. All of the department heads receive my thanks for their dedication in developing thoughtful capital budgets that serve the best interests of Hadley's residents, businesses, and visitors.

Here is a summary of the FY 2020 capital budget. Detailed information is enclosed in the body of this document. I recommend that the reader review the Table of Contents and the Public's Guide to the Capital Improvement Plan to navigate better to areas of interest.

FY 2020

			General Fund	Stabilization	Borrowing			Enterprise Funds			Trust Funds	Receipt Reserved			Other		TOTAL
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Levy	Debt Exclusion	Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	
Select Board	IT Upgrades	$ 45,550		$ 45,550													$ 45,550
Police	Cruiser	$ 47,000		$ 47,000													$ 47,000
	Body & Cruiser Cameras*	$ 15,000													$ 15,000	State $$$	$ 15,000
	Training, Ammunition, and Parts	$ 10,000		$ 10,000													$ 10,000
Fire	OSHA Capital Upgrades	$ 25,000		$ 25,000													$ 25,000
	PSC Emergency Generator	$ 100,000				$ 100,000	10 yrs										$ 100,000
DPW - Highway	Internat'l 7600 (#26 1995)	$ 200,000				$ 200,000	10 yrs										$ 200,000
	Locate & Map DMH and CB*	$ 20,000							$ 20,000								$ 20,000
	Chapter 90 Program	$ 350,000										$ 350,000					$ 350,000
	Dike (Phase 3 Certification)	$ 200,000				$ 200,000	20 yrs										$ 200,000
DPW - Wastewater	Sewer Line Assessment	$ 30,000						$ 30,000									$ 30,000
	Sewer Lining & Repairs	$ 100,000											$ 100,000				$ 100,000
DPW - Water	Hydrant & Valve Replacement*	$ 60,000							$ 60,000								$ 60,000
	Callahan Well Filter Replacement*	$ 26,000							$ 26,000								$ 26,000
	Replace Water Main @ Bay Road Bridge	$ 100,000			$ 100,000		20 yrs										$ 100,000
Park & Recreation	Spray Park	$ 250,000												$ 250,000			$ 250,000
Library	Exterior Painting	$ 13,000												$ 13,000			$ 13,000
School	HA Girl's Locker Room Upgrade*	$ 600,000					20 yrs								$ 600,000	Grant?	$ 600,000
	HA Univents*	$ 700,000					20 yrs								$ 700,000	Grant?	$ 700,000
	Technology Upgrades	$ 17,500		$ 17,500													$ 17,500
Conservation	Land Preservation	$ 100,000												$ 100,000			$ 100,000
COA	Computers	$ 20,000		$ 20,000													$ 20,000
Hadley Media	Equipment	$ 15,000								$ 15,000							$ 15,000
Municipal Building Committee	TH: HVAC Condensing Unit	$ 15,000		$ 15,000													$ 15,000
	TH: Replace Office Counters	$ 7,000		$ 7,000													$ 7,000
	Russell: Roof Slate Repair	$ 8,000												$ 8,000			$ 8,000
	PSC: Expand & Repave Parking Lot*	$ 90,000			$ 90,000												$ 90,000
	Goodwin: Ceiling & Wiring Imp.	$ 145,500												$ 145,500			$ 145,500
Board of Health	IT & Software	$ 5,000		$ 5,000													$ 5,000
TOTAL		$ 3,314,550	$ -	$ 192,050	$ 190,000	$ 500,000		$ 30,000	$ 106,000	$ 15,000	$ -	$ 350,000	$ 100,000	$ 516,500	$ 1,315,000	$ -	$ 3,314,550
																	$ -
6/4/2019	*moved forward from prior year																

A final capital improvement plan will be presented to the Capital Planning Committee, the Select Board, and the Finance Committee on August 7, 2019. Community leaders will subsequently meet with department heads to discuss recommended capital budget requests. All such meetings are open to the public. Updates and notices of meetings can be found on the Town Website at www.hadleyma.org.

On **October 24, 2019**, Special Town Meeting will vote on the final FY 2020 capital plan. Special Town Meeting is customarily held on the second or third Thursday of October at Hopkins Academy at 7:00 p.m. A warrant with all matters of business to be enacted will be posted at least two weeks in advance of the date of Special Town Meeting. All voters registered in the Town of Hadley are eligible to cast votes on all town business presented on the warrant. All members of the public, whether registered voters of the Town or not, have a right to attend any town meeting.

Thank you for your participation in our community and our democracy. If you have any questions, please feel free to call me at (413) 586-0221.

Sincerely,

David G. Nixon
Town Administrator

The Public's Guide to the Capital Improvement Plan

This section is intended to serve as a guide to the reader in navigating the capital plan.

Capital documents can be difficult to read, if you are not familiar to town government as an organization, and capital planning books are made more difficult because of the rules and regulations that govern municipal budgets. This guide is designed to help focus your attention on areas that are of interest. To that end, the capital plan document is organized to provide a "big picture" overview first, followed by progressively more detailed information. Our design is meant to respect your time and your need to understand complex financial issues at a level that allows you to participate actively in debates and decisions in a meaningful way.

To assist you, we suggest that you read the budget in the following order:

First: The Town Administrator's Letter of Transmittal to the Select Board, Finance Committee and Capital Planning Committee contains the overall approach to the capital plan with goals and objectives, explanations of revenues and expenditures, and an overview of the Town's financial position.

Second: The capital plan itself is presented in the following sequence:

This section is intended to serve as a guide to the reader in navigating the Capital Improvement Plan book. Together with the Table of Contents, this guide will help identify the location of information that may be of particular interest to readers. The following is a description of the major sections of the budget book.

Section I contains the Town Administrator's and Treasurer's Letter of Transmittal. This letter gives a broad overview of the Capital Improvement Plan and financial position.

Section II is the Capital Budget Summary. This section contains an overview of the capital budget with condensed information about the capital plan as a whole.

Section III contains the project funding requests per fiscal year.

Section IV Guidelines for Funding the Capital Improvement Plan.

Section V contains the capital plan bylaw.

Section VI contains a glossary of terms, and list of sources consulted.

Section VII contains a proposal to support the Town's capital effort through a targeted exclusion from the provisions of Proposition 2½.

Third: Section VI includes a glossary of commonly-used terms that apply to managing municipal finances. This section is useful to understand such mysteries as "levy capacity", "free cash", and "enterprise fund".

We hope you find this introductory guide a useful tool as you acquaint yourself with the latest financial and planning information for the Town of Hadley.

Sincerely,

David G. Nixon
Town Administrator

Town Administrator's and Treasurer's Letter of Transmittal to Select Board, Finance Committee, and Capital Planning Committee

June 12, 2019

To the Select Board, Finance Committee, and Capital Planning Committee:

Please accept this Preliminary Ten-Year Capital Improvement Plan for Fiscal Year 2020 through Fiscal Year 2029: July 1, 2019 through June 30, 2029. The present plan consists of an update of last year's Capital Improvement Plan and a recommended funding schedule.

Introduction

Most of a local government's wealth is invested in its capital facilities (e.g., streets, bridges, buildings, utilities, and equipment). Local governments often find it easy in the short term to defer maintenance or upgrades to its capital facilities, as that can be a tempting choice during times of fiscal or economic constriction. Continued deferral of investment in capital facilities, however, inevitably has a major long-term impact on a town's financial health. A well-maintained and well-planned capital plan is a wise investment that leads to (a) making full use of assets, (b) lowering maintenance and replacement costs, (c) decreasing risk of injury or liability from using deteriorating capital assets, (d) enhancing efficiencies in equipment, (e) decreasing risk of building a huge future obligation created by a maintenance and replacement backlog, and (f) increasing the attractiveness of the town as a place to work, live, visit, and do business.

The Capital Improvement Plan (CIP) outlines the Town's plan for achieving goals, objectives, and service delivery recommended by the Capital Planning Committee. The purpose of the CIP is to match forecasted revenues with capital needs over a ten-year period.

The Town of Hadley defines a capital expenditure as any expense that:

- Involves acquisition, demolition, repair, or non-routine modifications to municipal buildings;
- Involves acquisition or sale of land;
- Involves acquisition of equipment with a value of $25,000 or more; or
- Involves design studies, engineering studies, or other studies related to capital expenditures.

The CIP is updated annually to address:

- Progress made toward funding the plan;
- Updating the ten-year projections: and
- Keeping current with emerging information and changing priorities relating to the Town's needs.

Adequate funding of capital needs presents many small towns with significant challenges, and Hadley is no exception. With appropriate planning and careful use of resources, the Town of Hadley can address many of its most pressing needs in an affordable and sustainable manner.

Capital Improvement Committee

The Capital Planning Committee was established under the Capital Planning Bylaw, which was adopted by town meeting vote on May 22, 2006 by Article 21 as per the provisions of MGL Chapter 41, Section 106B. The function of the Capital Planning Committee is established under Chapter 42 of the Code of the Town of Hadley.

Capital requests are evaluated by the Capital Planning Committee prior to submittal to town meeting, either in the fall or at the annual town meeting in May. The Capital Planning Committee consists of five voting members: a member of the Select Board, a member of the Board of Assessors, a member of the School Committee, a member of the Finance Committee, and a member of the community at large. The Treasurer and Town Administrator also serve, as non-voting members.

In Hadley, capital expenditures associated with the School Department and projects funded by the Community Preservation Act funds are exempt from oversight of the Capital Planning Committee. Such expenditures, however, are included in this capital plan in order to show as complete a capital program as possible.

Definition of Capital Improvements

Capital items are any expense that (1) involves acquisition, demolition, repair, or non-routine modifications to municipal buildings; (2) involves acquisition or sale of land; (3) involves acquisition of equipment with a value of $25,000 or more; or (4) involves design studies, engineering studies, or other studies related to capital expenditures.

The CIP is a living plan, and as such projects are subject to change based on new service delivery needs, special financing opportunities, emergency needs, compliance with unfunded mandates, and changing economic conditions. Every effort is made to make the ten-year plan as accurate, thorough, and predictable as possible.

The Capital Improvement Process

The CIP is a part of the Town's overall budget process. Each budget season begins in June with departments updating their ten-year capital projections. Departments are responsible for identifying, documenting, and justifying CIP requests. Departments are responsible for obtaining cost estimates, and where possible identifying appropriate revenue sources for the project. Projects that have been funded are removed from the plan, projects that were anticipated, but not funded, are advanced one year, research is conducted to clarify information which is then adjusted in the update, and each year's projection is filled out. Each department meets with the Town Administrator prior to final submission to review projects, ensure completeness and clarity of information, and to discuss the impact of changing priorities. Departments submit their completed ten-year plans to the Town Administrator in the first

week of August. The Town Administrator and Treasurer compile the requests, perform the required analysis, and submit the updated CIP to the Capital Planning Committee.

The Capital Planning Committee meets with departments and presents their recommendations on each capital request by the first week of October (in the case of funding at the fall town meeting) or the first week of April (in the case of funding at the annual town meeting). The Capital Planning Committee submits a report to the Town in time for the annual town meeting.

Goals for FY 2020:

The goals of FY 2020 are to maintain current progress on addressing capital needs, including on-going and future building needs. The major goals are outlined below.

Information Technology Strategic Plan: The Town has embarked on a coordinated and integrated five-year strategic IT plan for all departments. The plan has identified priorities for computer systems upgrades in order to enhance productivity and advance the Town in an increasingly digital age. Implementation of the IT Plan is underway, and this capital plan supports the completion of all projects within 4 years. The FY 2020 request addresses the next phase of IT development, including addressing deficiencies in data storage and retrieval .

Police Department Cruiser: The Police Department requests replacement of one cruiser. This is an annual planned replacement of a retiring vehicle.

Police Department Dash and Hand-Held Radar Units: This is an expanded program for public safety. Funding may be available through a state grant.

Police Department Training, Ammunition, and Supplies: This is funding for state-mandated consumable supplies for maintaining credentials for police officers.

Fire Department OSHA Compliance Upgrades: OSHA requirements for fire departments mandate additional safety equipment.

Fire Department Emergency Generator: The existing emergency generator at the Public Safety Complex is antiquated and is inadequate for powering the Complex during power outages. Funding would replace the generator.

DPW-Highway Truck: The DPW plans to replace the 1995 International 7600 (#26).

DPW-Locate and Map Drain Manhole Covers and Catch Basins: This will continue the Town's work to develop good maps for its infrastructure and to ensure continued compliance with MS$ (storm water) requirements.

DPW-Chapter 90 Program: The state provides money for maintaining roads and bridges. The Town will appropriate funds to continue annual work that is recommended in the Town of Hadley Pavement Management Program.

DPW-Dike Project: The Town has engaged in the multi-year assessment of the Connecticut River Levee. This next phase would complete the assessment and provide the final part of a maintenance and upgrade program.

DPW-Sewer Line Assessment: This would provide funding to continue the sewer line assessment to direct better sewer line upgrades.

DPW-Sewer Lining and Repairs: The prior year's sewer line assessment identifies areas of the sewer system that need treatment.

DPW-Water Hydrant and Valve Replacement Program: The Town continues its annual water valve and hydrant replacement program. Money is allocated each year to address deficiencies in the water infrastructure.

DPW-Water Callahan Well Filtration Replacement Program: Each year, the Town places money in a stabilization account dedicated to paying the replacement costs of the filtration units once every 10 years.

DPW-Water Main Replacement at Bay Road Bridge: MassDOT plans to replace the bridge at the Fort River, and the Town has the opportunity to upgrade the existing water main there. Coordinating with MassDOT will save costs.

Zatyrka Park: The final site development will be complete in summer 2019, and the Park and Recreation Commission plans to install a water park there. Funds from Community Preservation Act will be used to conduct the project.

Goodwin Memorial Library Painting: The old library building needs some exterior painting.

Goodwin Memorial Library Electrical: The current Goodwin Memorial Library building electrical system needs an upgrade. The building will be needed for offices and departments displaced by the new library project, so this electrical work is needed.

Hopkins Academy Girls' Locker Room: This request is for required upgrades to the girls' athletic locker room. This project may be funded through a grant.

Hopkins Academy Univents: This request would upgrade the HVAC system at Hopkins Academy. This project may be funded through a grant.

Hopkins Academy and Hadley Elementary Information Technology Upgrades: This is a planned upgrade to IT in both schools.

Land Preservation: The Community Preservation Act Committee funds land preservation projects.

The Council on Aging-Computers: Funding to install new computers in the new senior center/community center is requested.

Hadley Media Equipment: Funding for new broadcast and IT equipment is requested to help upgrade the new location for Hadley Media.

Municipal Building Committee Town Hall HVAC: The 11-year HVAC system at Town Hall needs upgrades.

Municipal Building Committee Town Hall Office Counters: Old office counters need replacement to enhance customer service and to enhance security.

Municipal Building Committee Russell School Roof Slate Upgrade: The slate roof at Russell School needs upgrades as recommended by a historic preservation study.

Municipal Building Committee Public Safety Complex Pavement: The parking lot at the Public Safety Complex needs to be repaved and its surface expended to support new services.

Municipal Building Committee Town Hall Painting: The Town Hall was last painted in 2005/2006, and Community Preservation Act funds are requested to repaint the building.

Board of Health IT and Software: The Board of Health needs to upgrade its computers and to install permit-tracking software to improve productivity.

FY 2020

			General Fund	Stabilization	Borrowing			Enterprise Funds			Trust Funds	Receipt Reserved			Other		TOTAL
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Levy	Debt Exclusion	Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	
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	Sewer Lining & Repairs	$ 100,000											$ 100,000				$ 100,000
DPW - Water	Hydrant & Valve Replacement*	$ 60,000							$ 60,000								$ 60,000
	Callahan Well Filter Replacement*	$ 26,000							$ 26,000								$ 26,000
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School	HA Girl's Locker Room Upgrade*	$ 600,000					20 yrs								$ 600,000	Grant?	$ 600,000
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COA	Computers	$ 20,000		$ 20,000													$ 20,000
Hadley Media	Equipment	$ 15,000								$ 15,000							$ 15,000
Municipal Building Committee	TH: HVAC Condensing Unit	$ 15,000		$ 15,000													$ 15,000
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	Goodwin: Ceiling & Wiring Imp.	$ 145,500												$ 145,500			$ 145,500
Board of Health	IT & Software	$ 5,000		$ 5,000													$ 5,000
TOTAL		$ 3,314,550	$ -	$ 192,050	$ 190,000	$ 500,000		$ 30,000	$ 106,000	$ 15,000	$ -	$ 350,000	$ 100,000	$ 516,500	$ 1,315,000	$ -	$ 3,314,550
																	$ -
6/4/2019	*moved forward from prior year																

Tax Rates

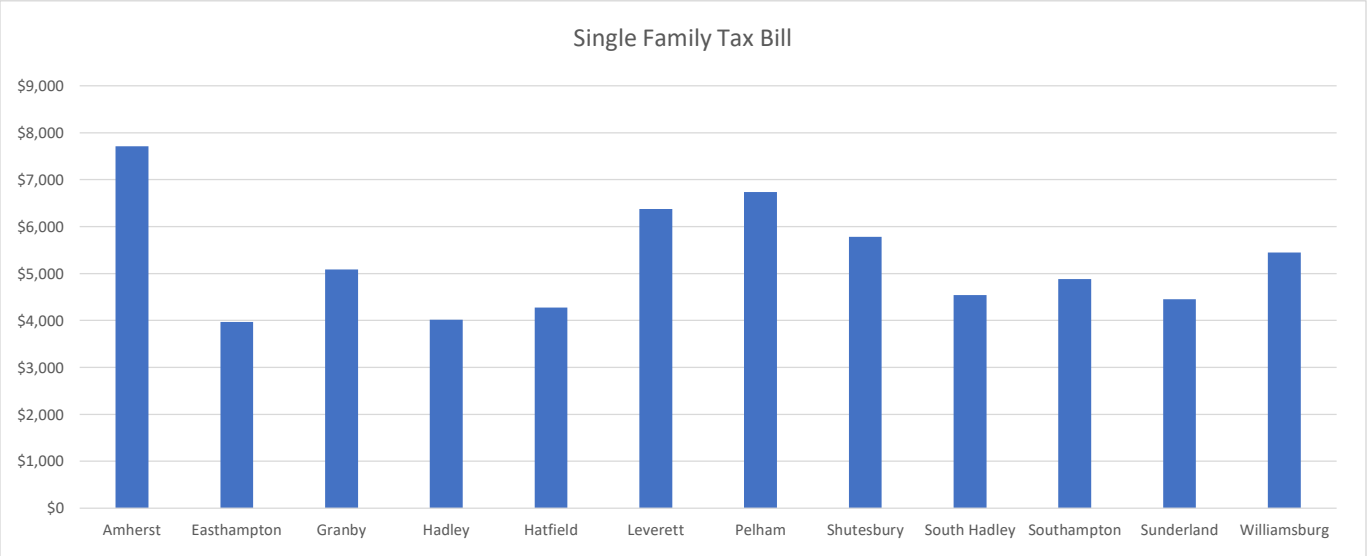
The Town of Hadley's tax rate remains among the lowest in the Valley. Similarly, the average family tax bill remains lower than the state average and lower even than that of many of the surrounding communities. Despite the low taxes, the quality of services remains high and is consistently provided year after year.

The capital budget does include recommended expenses that should be funded through a debt exclusion override or a capital exclusion override. Such capital budget items include borrowing for major equipment, building and infrastructure improvements and will have an impact on taxes. Voters will have a choice to fund (or not to fund) capital projects, both at Town Meeting, and (where applicable) at the ballot.

Here is how Hadley's average single-family tax bill compares to neighboring communities:

TOWN OF HADLEY AVERAGE SINGLE FAMILY TAX BILL COMPARISON FY 2019					
Municipality	**Year**	**Single Family Values**	**Single Family Parcels**	**Average Single Family Value**	**Single Family Tax Bill**
Amherst	2019	$1,450,092,800	4,100	$353,681	$7,710
Easthampton	2019	$1,039,287,500	4,049	$256,678	$3,968
Granby	2019	$535,444,975	2,037	$262,860	$5,089
Hadley	2019	$539,922,500	1,662	$324,863	$4,015
Hatfield	2019	$311,138,600	1,011	$307,753	$4,275
Leverett	2019	$199,574,000	654	$305,159	$6,375
Pelham	2019	$146,684,200	470	$312,094	$6,738
Shutesbury	2019	$184,233,300	741	$248,628	$5,783
South Hadley	2019	$1,116,523,600	4,361	$256,025	$4,544
Southampton	2019	$651,834,200	2,178	$299,281	$4,881
Sunderland	2019	$224,443,600	773	$290,354	$4,451
Williamsburg	2019	$201,663,800	733	$275,121	$5,447

Here is the average single-family tax bill comparison in chart form:



Here is how Hadley's tax rate compares with surrounding communities:

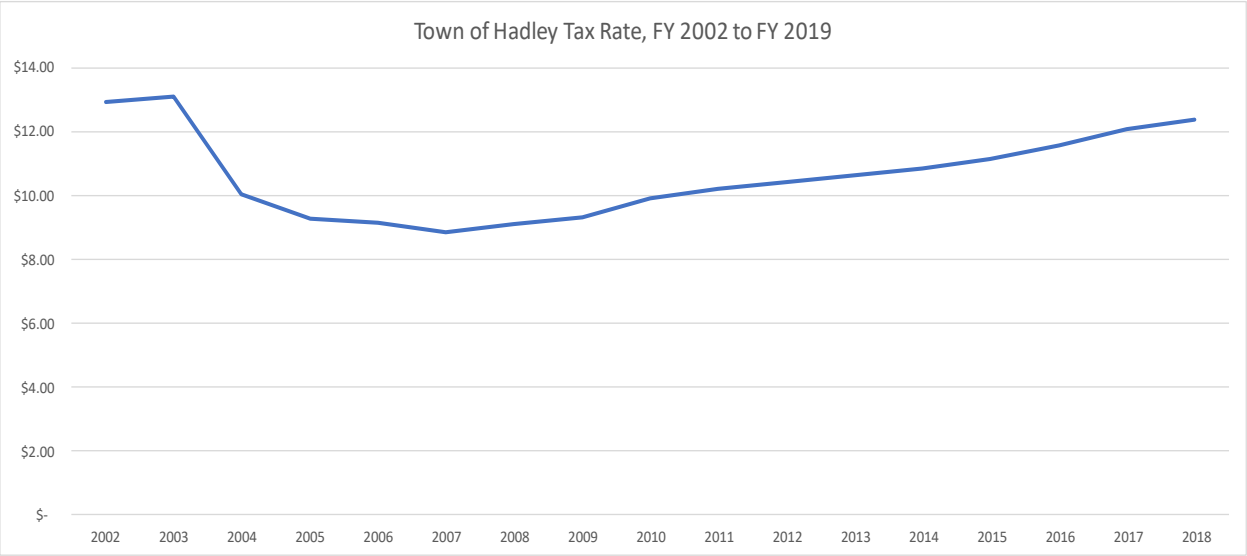
Town or City	FY 2018	FY 2019
Hadley	$12.09	$12.36
Amherst	$21.14	$21.80
Northampton	$17.04	$17.37
Hatfield	$13.58	$13.89
Easthampton	$16.00	$15.46
Granby	$19.93	$19.36

South Hadley	$17.64	$17.75
Pelham	$20.87	$21.59
Southampton	$16.72	$16.31
Sunderland	$15.00	$15.33
Williamsburg	$20.18	$19.80
Leverett	$21.05	$20.89
Shutesbury	$23.06	$23.26

Here is Hadley's tax rate history.

Fiscal Year	Hadley's Tax Rate
2019	$12.36
2018	$12.09
2017	$11.57
2016	$11.15
2015	$10.86
2014	$10.64
2013	$10.44
2012	$10.22
2011	$9.92
2010	$9.32
2009	$9.10
2008	$8.84
2007	$9.12
2006	$9.28
2005	$10.03
2004	$13.11
2003	$12.94
2002	$12.35

Here is the tax rate history in chart form:



The Town's goal in FY 2020 is to maintain as even a tax rate as possible to provide predictability for residences and businesses.

Credit Rating

The Town of Hadley's credit rating remains strong. From FY 2005 to FY 2009, the Town earned a credit rating of A+ from Standard and Poor's. In FY 2010, the Town was able to upgrade its credit rating to AA from Standard and Poor's. In FY 2014, the Town was able to increase its credit rating again to AA+. The Town has maintained its current credit rating for 4 years, and that credit rating was re-affirmed during the most recent municipal borrowing. A high credit rating is affirmation of the Town's strong financial condition and allows the Town to borrow at more favorable interest rates.

Fiscal Year		FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Hadley's Credit Rating (Standard and Poor's)		A+	A+	A+	A+	AA	AA	AA	AA

Fiscal Year		FY14	FY15	FY16	FY17	FY18	FY19
Hadley's Credit Rating (Standard and Poor's)		AA+	AA+	AA+	AA+	AA+	AA+

Interest rates are hovering around historic lows, and all indications is that the Federal Reserve will maintain level interest rates through 2019.

General Fund Debt

Of prime concern is the amount of annual debt service authorized by the community. For the General Fund, optimal annual debt service is expected to range from 6% of net operating revenues at the low end to no more than 10% of net operating revenues at the high end. Anything less than 6% indicates

that the Town is not keeping up with capital needs. Conversely, payment of more than 10% directs too many resources into debt payments. Exceeding either limit signals prospective bonding and credit rating agencies that the community may not be managing its finances appropriately.

Hadley's current debt service in the General Fund shows that current debt service is within optimal limits. Future debt service is anticipated to increase but to remain within optimal limits to keep pace with capital needs.

TOWN OF HADLEY

DEBT SERVICE

12/14/2018

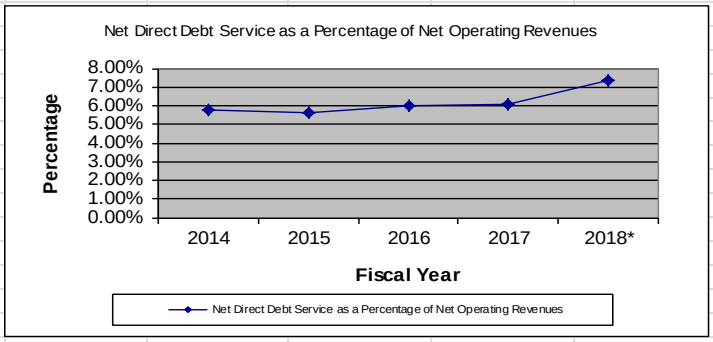
FORMULA

Net Direct Debt Service

Net Operating Revenues

WARNING TREND

Increasing Net Direct Service as a Percentage of Net Operating Revenues



	Fiscal Year				
	2014	2015	2016	2017	2018*
Net Direct Debt Service	$ 817,811	$ 827,325	$ 883,651	$ 969,650	$ 1,255,075
Net Operating Revenues	$ 14,206,059	$ 14,718,437	$ 14,800,134	$ 15,897,512	$ 16,999,501
Net Direct Debt Service as a Percentage of Net Operating Revenues	5.76%	5.62%	5.97%	6.10%	7.38%

* = unaudited

SUGGESTIONS FOR ANALYSIS

• Is an increase caused by an increase in debt?

• Is an increase due to rising interest rates as opposed to increases in principal?

• Can debt issued at a relatively high interest rate be refinanced at a lower rate to reduce the annual amount of debt service?

• What are the projected debt service requirements over the next ten years? Do the projections show an increase or decrease?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 4/9/08)

• Total debt service for general obligation bonds will not exceed 10 percent of net operating revenues.

• Total debt service for general obligation bonds will not fall below 6 percent of net operating revenues.

• Before bonded long-term debt is issued, the impact of debt service on total annual fixed costs will be analyzed.

• When a warning trend is observed, corrective analysis and actions should be brought forward to decision-makers.

Annual spending on debt shows stability in the long term. Debt service spending increases from 5.76% in FY 2014 to7.38% in FY 2018. The Town has established a policy to keep General Fund debt service between 10% and 6% of net operating revenues.

Enterprise Fund Debt

Hadley's Water and Sewer Enterprise Funds (Hadley Media – the third enterprise fund – has no debt) have a higher percentage of net operating revenue devoted to annual debt service in order to maintain an appropriate capital effort. For each Enterprise Fund, the lowest preferred debt service is 20% of net operating revenues, and the highest is 30% of net operating revenues. Too little debt can indicate that the Town is not maintaining its capital effort, and too much debt can indicate that the Town has overburdened the enterprise fund with too much debt.

Hadley's current debt service in the Sewer Enterprise Fund shows that current debt service is below optimal limits.

Sewer rates should be examined to ensure service level solvency and to plan for future capital needs.

TOWN OF HADLEY

SEWER DEBT SERVICE

12/14/2018

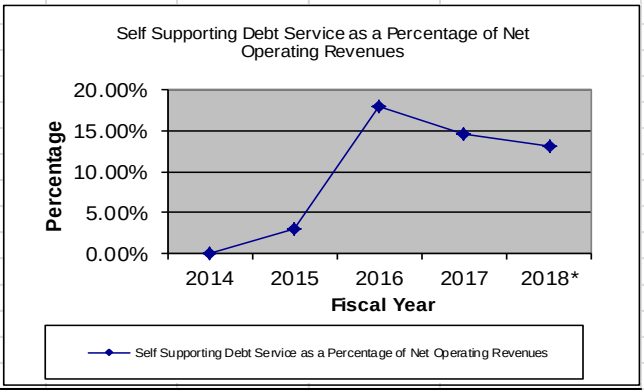
FORMULA

Self Supporting Debt Service

Net Operating Revenues

WARNING TREND

Increasing Self Supporting Debt Service as a Percentage of Net Operating Revenues



	Fiscal Year				
	2014	2015	2016	2017	2018*
Self Supporting Debt Service	$ 605	$ 24,537	$ 143,287	$ 136,127	$ 135,351
Net Operating Revenues	$ 787,701	$ 791,057	$ 796,980	$ 927,600	$ 1,037,284
Self Supporting Debt Service as a Percentage of Net Operating Revenues	0.08%	3.10%	17.98%	14.68%	13.05%

* = unaudited

SUGGESTIONS FOR ANALYSIS

• Is an increase caused by an increase in debt?

• Is an increase due to rising interest rates as opposed to increases in principal?

• Can debt issued at a relatively high interest rate be refinanced at a lower rate to reduce the annual amount of debt service?

• What are the projected debt service requirements over the next ten years? Do the projections show an increase or decrease?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 11/20/13)

• Total debt service for special revenue bonds will not exceed 30% percent of net operating revenues.

• Total debt service for special revenue bonds will not fall below 20% percent of net operating revenues.

• Before bonded long-term debt is issued, the impact of debt service on total annual fixed costs will be analyzed.

• When a warning trend is observed, corrective analysis and actions should be brought forward to decision-makers.

Water rates should be examined to ensure service level solvency and to plan for future capital needs.

TOWN OF HADLEY

WATER DEBT SERVICE

12/14/2018

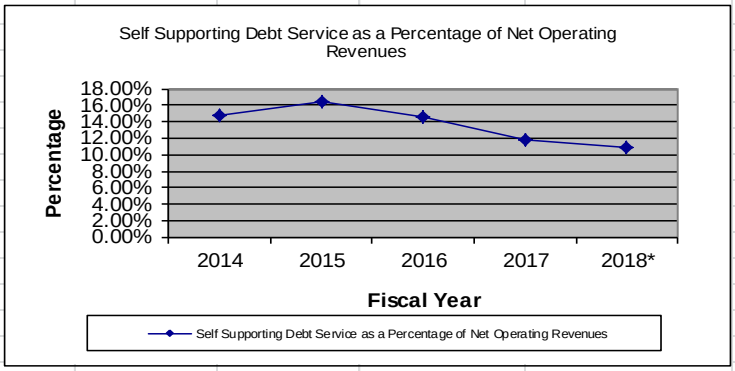
FORMULA

Self Supporting Debt Service

Net Operating Revenues

WARNING TREND

Increasing Self Supporting Debt Service as a Percentage of Net Operating Revenues



	Fiscal Year				
	2014	2015	2016	2017	2018*
Self Supporting Debt Service	$ 170,065	$ 195,402	$ 175,997	$ 168,651	$ 168,249
Net Operating Revenues	$ 1,153,461	$ 1,184,412	$ 1,206,182	$ 1,417,566	$ 1,533,339
Self Supporting Debt Service as a Percentage of Net Operating Revenues	14.74%	16.50%	14.59%	11.90%	10.97%

* = unaudited

SUGGESTIONS FOR ANALYSIS

• Is an increase caused by an increase in debt?

• Is an increase due to rising interest rates as opposed to increases in principal?

• Can debt issued at a relatively high interest rate be refinanced at a lower rate to reduce the annual amount of debt service?

• What are the projected debt service requirements over the next ten years? Do the projections show an increase or decrease?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 11/20/13)

• Total debt service for special revenue bonds will not exceed 30% percent of net operating revenues.

• Total debt service for special revenue bonds will not fall below 20% percent of net operating revenues.

• Before bonded long-term debt is issued, the impact of debt service on total annual fixed costs will be analyzed.

• When a warning trend is observed, corrective analysis and actions should be brought forward to decision-makers.

Long-Term Debt measures the total amount of debt (not annual debt service) compared to the Town's assessed valuation. In other words, how does debt compare to property values. This indicator measures how well can a community afford the debt it takes on. In Hadley's case, valuations have grown, whereas long-term debt has remained relatively even, due to careful planning where old debt is retired and new debt takes its place. Total debt obligation remains less than 1% of total valuation.

TOWN OF HADLEY

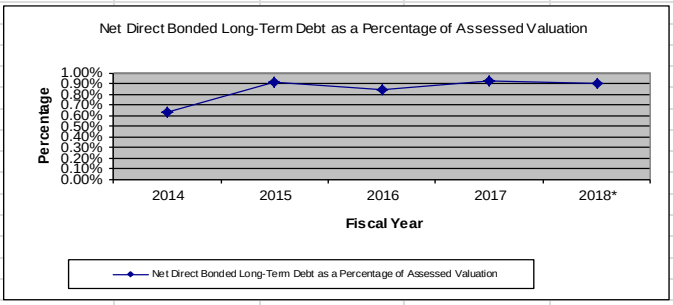
LONG-TERM DEBT

10/18/2018

FORMULA

Net Direct Bonded Long-Term Debt

Assessed Valuation



WARNING TREND

Increasing net direct bonded long-term debt as a percentage of assessed valuation

	Fiscal Year				
	2014	2015	2016	2017	2018*
Assessed Valuation	$ 913,412,272	$ 927,906,174	$ 935,709,078	$ 948,447,638	$ 965,413,885
Net Direct Bonded Long-Term Debt	$ 5,799,702	$ 8,499,254	$ 7,896,548	$ 8,771,470	$ 8,643,651
Net Direct Bonded Long-Term Debt as a Percentage of Assessed Valuation	0.63%	0.92%	0.84%	0.92%	0.90%

*=Unaudited

SUGGESTIONS FOR ANALYSIS

• If an increase is observed, is assessed valuation declining?

• If an increase is observed, is long-term debt increasing? If so, consider:

-- Is the Town becoming more reliant on long-term debt to finance capital projects?
-- How much additional debt will need to be incurred in the next three to five years?
-- Are debt proceeds being used to fund ongoing operations?
-- Is the increase a trend, or is it caused by a debt issued for a one-time-only capital project, such as a new municipal building?

• What was the amount of long-term debt before the increase? Was it low to moderate, or was the amount already straining the Town's ability to pay?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 4/9/08)

• Proceeds from long-term debt will not be used for current, ongoing operations.

• Long-term borrowing will be confined to capital improvements too large to be financed from current revenues.

• Bonds will be paid back within a period not to exceed the expected useful life of the capital project.

• Where possible, special assessment, revenue, or other self-supporting bonds will be used instead of general obligation bonds.

• Good communication with bond rating agencies will be maintained, and a policy of full disclosure on every financial report and bond prospectus will be followed.

• Long-term debt issuance will have a level debt service with a life no greater than the expected life of the capital improvement being financed and no greater than twenty years.

• When a warning trend is observed, corrective analysis and actions should be brought forward to decision-makers.

In Massachusetts, the Department of Revenue set limits on how much a municipality may borrow. Total debt obligation that exceeds 5% of the community's equalized valuation (EQV -- a weighted assessment of taxable property) will be challenged by the Department. An upper limit of 10% of EQV is enforced.

Hadley maintains total debt obligation at less than 1% of its EQV.

TOWN OF HADLEY

DEBT/BORROWING LIMITS

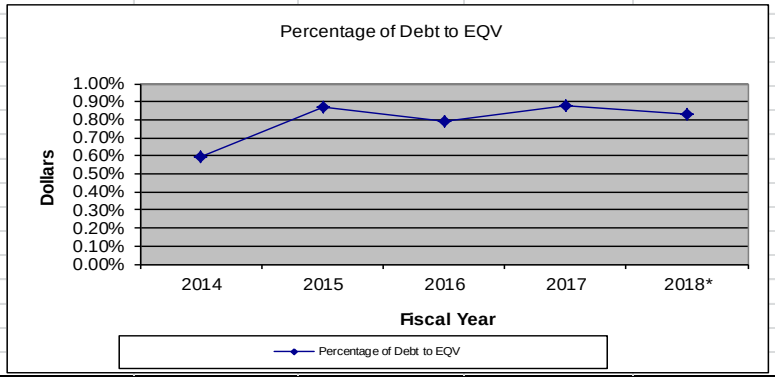
12/14/2018

FORMULA

Debt compared to 5% of EQV and debt compared to 10% of EQV

WARNING TREND

Increasing debt approaching 5% of EQV (unchallenged) or 10% of EQV (challenged)



	Fiscal Year				
	2014	2015	2016	2017	2018*
Equalized Valuation (EQV)	$ 980,443,400	$ 980,443,400	$ 995,766,700	$ 995,766,700	$ 1,040,640,500
10% of EQV	$ 98,044,340	$ 98,044,340	$ 99,576,670	$ 99,576,670	$ 104,064,050
5% of EQV	$ 49,022,170	$ 49,022,170	$ 49,788,335	$ 49,788,335	$ 52,032,025
Debt (Indirect and Direct)	$ 5,799,702	$ 8,499,254	$ 7,896,548	$ 8,771,470	$ 8,643,651
Percentage of Debt to EQV	0.59%	0.87%	0.79%	0.88%	0.83%

* = unaudited

SUGGESTIONS FOR ANALYSIS

• If an increase is observed, is assessed valuation declining?

• If an increase is observed, is long-term debt increasing? If so, consider:

-- Is the Town becoming more reliant on long-term debt to finance capital projects?
-- How much additional debt will need to be incurred in the next three to five years?
-- Are debt proceeds being used to fund ongoing operations?
-- Is the increase a trend, or is it caused by a debt issued for a one-time-only capital project, such as a new municipal building?

• What was the amount of long-term debt before the increase? Was it low to moderate, or was the amount already straining the Town's ability to pay?

STATUS

. Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 4/9/08)

• Meet annually with Assessors to discuss total property valuations.

• Meet with Financial Team before incurring new debt.

• When a warning trend is observed, corrective analysis and actions should be brought forward to decision-makers.

Summary

Preparing a document of this complexity is only possible with the help of our dedicated department heads, volunteer committees, elected officials, and our financial advisors. Special thanks go to Assistant Treasurer Joan Zuzgo, and David Eisenthal of Unibank for their reliable and insightful contributions; to Chief Mason and Chief Spanknebel and Marlo Warner and their teams for their helpful information on the majority of the capital requests contained within; to the Municipal Building Committee, Friends of the Goodwin Memorial Library, Friends of the Council on Aging for their cooperation and thoughtful approach to municipal buildings. Special thanks go to the voters, who have supported past capital funding requests.

We look forward to working with Town decision makers to answer any questions and to implement this plan.

Sincerely,

David G. Nixon
Town Administrator

Linda J. Sanderson
Town Treasurer

SECTION II

Capital Budget Summary, FY 2020 to FY 2029

TOWN OF HADLEY CAPITAL PLAN FY 2019 TO FY 2029

DEPARTMENT	PROGRAM	EXPENDITURE	TOTAL COST	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Grand Total	Funding Source
Select Board	DEPARTMENTAL PROJECT	IT Five Year Plan	$ 210,800	$ 19,750	$ 45,550	$ 36,000	$ 19,500	$ 10,000	$ 20,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 20,000	$ 210,800	Grant/CapStab.
		Classification/Compensation Plan	$ 14,000	$ 14,000											$ 14,000	Capital Stab.
		Capital Asset Schedule	$ 6,550	$ 6,550											$ 6,550	Borrow
		Town Hall Furniture/ wSelect Board Table	$ 10,500	$ 10,500											$ 10,500	Borrow
	VEHICLE	Town Hall Staff Vehicle	$ 60,000	$ 30,000					$ 30,000						$ 60,000	Borrow
Select Board TOTAL			$ 301,850	$ 80,800	$ 45,550	$ 36,000	$ 19,500	$ 10,000	$ 50,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 20,000	$ 301,850	
Police Department	VEHICLE	Cruiser Replacement (Annual)	$ 517,000	$ 47,000	$ 47,000	$ 47,000	$ 47,000	$ 47,000	$ 47,000	$ 47,000	$ 47,000	$ 47,000	$ 47,000	$ 47,000	$ 517,000	Borrow
	DEPARTMENTAL PROJECT	Body & Cruiser Cameras	$ 30,000		$ 15,000					$ 15,000					$ 30,000	Capital Stab.
		Evidence Locker Unit	$ 9,000	$ 9,000											$ 9,000	Capital Stab.
		Training, Ammunition, and Parts	$ 20,000		$ 10,000					$ 10,000					$ 20,000	Capital Stab.
		Ballistic Vests	$ 50,000			$ 25,000					$ 25,000				$ 50,000	Capital Stab.
		Server	$ 25,000			$ 10,000						$ 15,000			$ 25,000	Capital Stab.
		Replace All PC's and Related Equip.	$ 26,000				$ 12,000						$ 14,000		$ 26,000	Capital Stab.
		Dispatch Work Group	$ 9,500				$ 9,500								$ 9,500	Capital Stab.
		Cruiser Housing	$ 20,000							$ 20,000					$ 20,000	Capital Stab.
Police TOTAL			$ 706,500	$ 56,000	$ 72,000	$ 82,000	$ 68,500	$ 47,000	$ 47,000	$ 92,000	$ 72,000	$ 62,000	$ 61,000	$ 47,000	$ 706,500	
Fire Department	VEHICLE	Skid Unit (replaces 1994 Utility Truck)	$ 31,000	$ 31,000											$ 31,000	Borrow
		Basic Ambulance w/gear	$ 273,000			$ 273,000									$ 273,000	Borrow
		Administrative Response Vehicle	$ 61,500			$ 61,500									$ 61,500	Borrow
		Ladder/Platform Truck	$ 1,312,500								$ 1,312,500				$ 1,312,500	Borrow
	PUBLIC BUILDING	OSHA Capital Upgrades	$ 50,000		$ 25,000	$ 25,000									$ 50,000	Capital Stab.
		PSC Emergency Generator	$ 100,000		$ 100,000										$ 100,000	Borrow
		Fire Dept Roof and Bay Expansion	$ 2,789,000				$ 2,789,000								$ 2,789,000	Borrow
Fire TOTAL			$ 4,617,000	$ 31,000	$ 125,000	$ 359,500	$ 2,789,000	$ -	$ -	$ -	$ 1,312,500	$ -	$ -	$ -	$ 4,617,000	
Department of Public Works -- Highway Division	VEHICLE	Ford F-450 Dump Truck (#19 2001)	$ 85,000	$ 85,000											$ 85,000	Borrow
		Internat'l 7600 (#26 1995)	$ 200,000		$ 200,000										$ 200,000	Borrow
		Hvy Loader (#17 replaces 1995 John Deere)	$ 190,000			$ 190,000									$ 190,000	Borrow
		Ford 550 (replaces #14 2008)	$ 90,000				$ 90,000								$ 90,000	Borrow
		Ford F-350 (replaces #13 1997 F-550)	$ 70,000				$ 70,000								$ 70,000	Borrow
		Mower (Common) (replaces #10)	$ 30,000					$ 30,000							$ 30,000	Capital Stab.
		Clean & Repair Ditches	$ 100,000	$ 100,000											$ 100,000	Borrow
		Skid Steer	$ 75,000	$ 75,000											$ 75,000	Borrow
		Hot Box Unit	$ 30,000	$ 30,000											$ 30,000	Borrow
		Mini-Excavator	$ 60,000	$ 60,000											$ 60,000	Borrow
		Computer Software	$ 6,000	$ 6,000											$ 6,000	R&A/Enterp.
		Vactor Truck (replaces 1995 Vactor) 1 of 3	$ 165,000					$ 165,000							$ 165,000	Borrow
		Internat'l 7600 (#8)	$ 200,000						$ 200,000						$ 200,000	Borrow
		Ten-Wheeler (#35)	$ 250,000							$ 250,000					$ 250,000	Borrow
		Bi-Directional Mower (Replaces 2006)	$ 110,000								$ 110,000				$ 110,000	Borrow
		Wacker-Neuson Minim Loader (replacement)	$ 60,000									$ 60,000			$ 60,000	Borrow
		Ford F550 (replaces #9)	$ 90,000											$ 90,000	$ 90,000	Borrow
		Ford F550 (replaces #12)	$ 90,000											$ 90,000	$ 90,000	Borrow
		Ford Escape Staff Car (replaces 2017)	$ 30,000											$ 30,000	$ 30,000	Borrow
	INFRASTRUCTURE	Locate & Map DMH and CB	$ 20,000		$ 20,000										$ 20,000	Borrow
		Chapter 90 Projects (Roads & Bridges)	$ 3,850,000	$ 350,000	$ 350,000	$ 350,000	$ 350,000	$ 350,000	$ 350,000	$ 350,000	$ 350,000	$ 350,000	$ 350,000	$ 350,000	$ 3,850,000	Chapter 90
		Dike (Phase 3 Certification)	$ 200,000		$ 200,000										$ 200,000	Borrow
	PUBLIC BUILDING	Gable End Repair (Highway Garage)	$ 10,000	$ 10,000											$ 10,000	Enterp
		Highway Garage Design	$ 50,000				$ 50,000								$ 50,000	Capital Stab.
		DPW Facility	$ 5,000,000					$ 5,000,000							$ 5,000,000	Borrow
DPW -- Highway TOTAL			$ 11,061,000	$ 716,000	$ 770,000	$ 540,000	$ 560,000	$ 5,545,000	$ 550,000	$ 600,000	$ 460,000	$ 410,000	$ 350,000	$ 560,000	$ 11,061,000	

Department of Public Works -- Wastewater Division	VEHICLE	**Vactor Truck 2 of 3**	$ 165,000						$ 165,000								$ 165,000	Borrow
		Septic Truck	$ 40,000	$ 40,000													$ 40,000	Sewer Impact
		Ford F-250 (Replaces 2015)	$ 65,000								$ 65,000						$ 65,000	Sewer Enterp.
		Ford F-250 (Replaces 2016)	$ 65,000									$ 65,000					$ 65,000	Sewer Enterp.
	INFRASTRUCTURE	**Sewer Line Assessment**	$ 330,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 330,000	Sewer Enterp.
		Sewer Lining & Repairs	$ 1,080,000	$ 80,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 1,080,000	Sewer Impact
		Route 9 Sewer Improvement	$ 800,000					$ 800,000									$ 800,000	Borrow
		Electrical Code Improvements	$ 250,000						$ 250,000								$ 250,000	Borrow
TOTAL			**$ 2,795,000**	**$ 150,000**	**$ 130,000**	**$ 130,000**	**$ 930,000**	**$ 545,000**	**$ 130,000**	**$ 195,000**	**$ 195,000**	**$ 130,000**	**$ 130,000**	**$ 130,000**	**$ 2,795,000**		
Department of Public Works -- Water Division	INFRASTRUCTURE	**Hydrant & Valve Replacement Program**	$ 600,000		$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 600,000	Water Enterp.
		Callahan Well Filter Replacement	$ 260,000		$ 26,000	$ 26,000	$ 26,000	$ 26,000	$ 26,000	$ 26,000	$ 26,000	$ 26,000	$ 26,000	$ 26,000	$ 26,000	$ 26,000	$ 260,000	Water Enterp.
		Water Tank Access & Clearing	$ 25,000	$ 25,000													$ 25,000	Water Enterp.
		Callahan Well #1 Reconditioning	$ 75,000	$ 25,000					$ 25,000						$ 25,000		$ 75,000	Water Enterp.
		Callahan Well #2 Reconditioning	$ 80,000	$ 40,000						$ 20,000						$ 20,000	$ 80,000	Water Enterp.
		Replace Water Main @ Bay Road Bridge	$ 100,000		$ 100,000												$ 100,000	Borrow
		Water Main Replacement Route 9	$ 1,000,000					$ 1,000,000									$ 1,000,000	Borrow
		Rocky Hill Road Line Replacement	$ 900,000						$ 900,000								$ 900,000	Borrow
		Water Main Replacement Route 9	$ 500,000							$ 500,000							$ 500,000	Borrow
		Water Main Replacement Route 9	$ 500,000										$ 500,000				$ 500,000	Borrow
		Mt. Warner Tank Cleaning & Coating	$ 700,000													$ 700,000	$ 700,000	Borrow
	VEHICLE	**Vactor Truck 3 of 3**	$ 165,000						$ 165,000								$ 165,000	Borrow
		Ford F-350 (W-1 2014)	$ 65,000								$ 65,000						$ 65,000	Borrow
		Ford F-350 (W-2 2016)	$ 65,000										$ 65,000				$ 65,000	Borrow
DPW -- Water			**$ 5,035,000**	**$ 90,000**	**$ 186,000**	**$ 86,000**	**$ 1,086,000**	**$ 1,176,000**	**$ 606,000**	**$ 151,000**	**$ 86,000**	**$ 651,000**	**$ 111,000**	**$ 806,000**	**$ 5,035,000**		
Park and Recreation	INFRASTRUCTURE	**Spray Park**	$ 250,000		$ 250,000												$ 250,000	CPA
		Zatyrka Park Project Completion	$ 32,000	$ 32,000													$ 32,000	CPA
		Zatyrka Park Pavilion	$ 250,000						$ 40,000							$ 5,000	$ 45,000	CPA
Park and Rec			**$ 250,000**	**$ 32,000**	**$ 250,000**	**$ -**	**$ -**	**$ 40,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5,000**	$ 327,000		
Library	PUBLIC BUILDING	**Exterior Painting- Library**	$ 13,000		$ 13,000												$ 13,000	CPA
	DEPARTMENTAL PROJECT	**Technology- Library**	$ 20,000			$ 10,000			$ 10,000								$ 20,000	CPA
		Furnishing- Library	$ 10,000				$ 5,000			$ 5,000							$ 10,000	Capital Stab.
Library TOTAL			**$ 43,000**	**$ -**	**$ 13,000**	**$ 10,000**	**$ 5,000**	**$ 10,000**	**$ 5,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 43,000**		
School Department	VEHICLE	**Passenger Bus 2007**	$ 240,000			$ 120,000						$ 120,000					$ 240,000	Borrow
	PUBLIC BUILDING	**HA Cafeteria Equipment Replacement**	$ 55,400	$ 55,400													$ 55,400	Borrow
		Health & Security Upgrades	$ 98,000	$ 98,000													$ 98,000	Borrow
		HA Playing Fields	$ 185,000	$ 185,000													$ 185,000	CPA
		HA Girl's Locker Room Upgrade	$ 600,000		$ 600,000												$ 600,000	Grant?/Borrow
		Hopkins Academy Playing Field Phase 2	$ 750,000			$ 750,000											$ 750,000	CPA
		HA Resurface Parking Lot	$ 232,000				$ 232,000										$ 232,000	Borrow
		HA Univent Replacement	$ 813,150		$ 700,000					$ 113,150							$ 813,150	Borrow
		HA, HES Grease Trap Replacement	$ 30,000								$ 30,000						$ 30,000	Capital Stab.
		HA Roof Replacement	$ 105,000										$ 105,000				$ 105,000	Borrow
	DEPT'AL PROJECT	**Tech Upgrades**	$ 96,500		$ 17,500	$ 10,000			$ 69,000								$ 96,500	Borrow
School TOTAL			**$ 3,205,050**	**$ 338,400**	**$ 1,317,500**	**$ 880,000**	**$ 232,000**	**$ 69,000**	**$ 113,150**	**$ 30,000**	**$ 120,000**	**$ 105,000**	**$ -**	**$ -**	**$ 2,767,900**		
nservation Commissi	DEPARTMENTAL PROJECT	**Open Space Acquisition**	$ 600,000	$ 463,864	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 1,463,864	CPA	
Conservation Commission TOTAL			**$ 600,000**	**$ 463,864**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 863,864**		
Planning Board	DEPT'AL PROJECT	**Master Plan Update**	$ 25,000									$ 25,000					$ 25,000	Capital Stab.
Planning Board TOTAL			**$ 25,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 25,000**	**$ -**	**$ -**	**$ -**	**$ 25,000**		
Assessors	EQUIPMENT	**Appraisal Software and Hardware**	$ 16,200	$ 16,200													$ 16,200	Capital/Other
		Computer and Printer Replacement	$ 3,000				$ 3,000										$ 3,000	Raise & Approp.
Assessors TOTAL			**$ 19,200**	**$ 16,200**	**$ -**	**$ -**	**$ 3,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 19,200**		
Council on Aging	VEHICLE	**Van (Replaces 2007)**	$ 80,000	$ 80,000													$ 80,000	Borrow
	EQUIPMENT	**Computers**	$ 40,000		$ 20,000								$ 20,000				$ 40,000	Capital Stab.
Council on Aging TOTAL			**$ 120,000**	**$ 80,000**	**$ 20,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 20,000**	**$ -**	**$ -**	**$ 120,000**		

Board of Health	DEPT'AL PROJECT	**IT & Software- Board of Health**	**$ 5,000**		$ 5,000											$ 5,000	Capital Stab.
Board of Health TOTAL			**$ 5,000**	**$ -**	**$ 5,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5,000**	
Town Clerk	DEPT'AL PROJECT	**Voting Booths**	**$ 7,000**	**$ 7,000**												$ 7,000	Borrow
Town Clerk TOTAL			**$ 7,000**	**$ 7,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,000**	
Cemetery	DEPT'AL PROJECT	**Gravestone Preservation**	**$ 35,000**	$ 35,000												$ 35,000	CPA
Cemetery TOTAL			**$ 35,000**	**$ 35,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 35,000**	
Other CPA Projects	DEPT'AL PROJECT	**Map/Lake Warner/NH Church**	**$ 28,827**	$ 28,827												$ 28,827	CPA
Other CPT TOTAL			**$ 28,827**	**$ 28,827**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 28,827**	
Hadley Media	PUBLIC BUILDING	**Relocation from Senior Center**	$ 15,000	$ 15,000												$ 15,000	Hadley Media
	EQUIPMENT	**Equipment**	$ 60,000		$ 15,000	$ 5,000	$ 5,000	$ 35,000								$ 60,000	Hadley Media
Hadley Media TOTAL			**$ 75,000**	**$ 15,000**	**$ 15,000**	**$ 5,000**	**$ 5,000**	**$ 35,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 75,000**	
Municipal Building Committee	PUBLIC BUILDING	**TH: HVAC Condensing Unit**	**$ 15,000**		$ 15,000											$ 15,000	Capital Stab.
		TH: Replace Office Counters	**$ 7,000**		$ 7,000											$ 7,000	Capital Stab.
		TH: Basement Windows & Insulation	**$ 7,000**			$ 7,000										$ 7,000	Capital Stab.
		TH: Scrape & Repaint Exterior	**$ 285,000**				$ 285,000									$ 285,000	CPA
		TH: Security System	**$ 20,000**					$ 20,000								$ 20,000	Capital Stab.
		TH: Upgrade Second Floor Bathrooms	**$ 25,000**						$ 25,000							$ 25,000	Capital Stab.
		TH: Replace Boilers	**$ 30,000**							$ 30,000						$ 30,000	Capital Stab.
		TH: Replace HVAC Controller	**$ 15,000**									$ 15,000				$ 15,000	Capital Stab.
		On-Call Professional Consultant	**$ 35,300**	$ 35,300												$ 35,300	Articles
		Municipal Building Improvements	**$ 64,500**	$ 64,500												$ 64,500	Articles
		Russell: Roof Slate Repair	**$ 8,000**		$ 8,000											$ 8,000	Capital Stab.
		Russell: Flt Roof Repacement	**$ 50,000**					$ 50,000								$ 50,000	CPA
		PSC: Front Entry & Carpet Replacement	**$ 3,000**	$ 3,000												$ 3,000	Articles
		PSC: Expand & Repave Parking Lot	**$ 90,000**		$ 90,000											$ 90,000	Borrow
		PSC: HVAC Attic Venting & Dampers	**$ 35,000**	$ 35,000												$ 35,000	Articles
		PSC: Interior Painting	**$ 20,000**			$ 20,000										$ 20,000	Capital Stab.
		PSC: Washer and Dryer	**$ 15,000**						$ 15,000							$ 15,000	Capital Stab.
		PSC: Storage Area Above Entry	**$ 50,000**						$ 50,000							$ 50,000	Capital Stab.
		PSC: Replace Vinyl Flooring	**$ 15,000**							$ 15,000						$ 15,000	Capital Stab.
		PSC: Carpet Replacment	**$ 40,000**							$ 40,000						$ 40,000	Capital Stab.
		PSC: Window Replacement	**$ 28,000**								$ 28,000					$ 28,000	Capital Stab.
		PSC: Siding Replacement	**$ 150,000**								$ 150,000					$ 150,000	Borrow
		DPW Garage: Gable Ends & Siding	**$ 16,000**	$ 16,000												$ 16,000	Articles
		DPW Garage: Pole Barn Door and Lighting	**$ 8,000**	$ 8,000												$ 8,000	Articles
		DPW Garage: New Trailers	**$ 60,000**				$ 60,000									$ 60,000	Chapter 90
		DPW Garage: New Salt Shed Roof	**$ 100,000**												$ 100,000	$ 100,000	Chapter 90
		Goodwin: Ceiling & Wiring Imp.	**$ 145,500**		$ 145,500											$ 145,500	CPA
		Goodwin: Add Bathroom 1st Floor	**$ 30,000**			$ 30,000										$ 30,000	CPA
Municipal Building Committee TOTAL			**$ 1,352,300**	**$ 161,800**	**$ 265,500**	**$ 57,000**	**$ 345,000**	**$ 70,000**	**$ 90,000**	**$ 85,000**	**$ 178,000**	**$ 15,000**	**$ -**	**$ 100,000**	**$ 1,367,300**		
GRAND TOTAL			**$ 30,209,727**	**$ 2,301,891**	**$ 3,314,550**	**$ 2,285,500**	**$ 6,143,000**	**$ 7,647,000**	**$ 1,691,150**	**$ 1,263,000**	**$ 2,558,500**	**$ 1,503,000**	**$ 762,000**	**$ 1,768,000**	**$ 30,153,441**		

SECTION III

Capital Funding Per Year

FY 2019

FISCAL YEAR 2019 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE

STM October 2018			General Fund	Stabilization	Borrowing			Enterprise Funds			Trust	Receipt Reserved			Other		TOTAL
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Levy	Debt Excl.	Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	
Select Board	IT Upgrades	$ 19,750													$ 19,750	Grant	$ 19,750
	Wage Compensation Study	$ 14,000		$ 14,000													$ 14,000
	TH Vehicle	$ 30,000			$ 30,000		5 yrs										$ 30,000
Police	Cruiser	$ 47,000			$ 47,000		5 yrs										$ 47,000
	Evidence Locker Unit	$ 9,000		$ 9,000													$ 9,000
Fire	Skid Unit	$ 31,000			$ 31,000		10 yrs										$ 31,000
DPW - Highway	Ford F-550 Dump Truck (#19 2001)	$ 85,000				$ 85,000	10 yrs										$ 85,000
	Chapter 90 Program	$ 350,000										$350,000					$ 350,000
	Gable End Repair (Highway Garage)	$ 10,000						$ 5,000	$ 5,000								$ 10,000
DPW - Wastewater	Sewer Line Assessment	$ 30,000						$ 30,000									$ 30,000
	Sewer Lining & Repairs	$ 80,000											$ 80,000				$ 80,000
DPW - Water	Water Tank Access & Clearing	$ 25,000							$ 25,000								$ 25,000
	Callahan Well #1 Reconditioning	$ 25,000							$ 25,000								$ 25,000
School	HA Cafeteria Equipment Replace	$ 55,400				$ 55,400	10 yrs										$ 55,400
	Health & Security Upgrades	$ 98,000			$ 98,000		10 yrs										$ 98,000
Cemetery	Gravestone Preservation-Hockanum Cem.	$ 23,000												$ 23,000			$ 23,000
	Gravestone Preservation-Plainville Cem.	$ 12,000												$ 12,000			$ 12,000
Council on Aging	Van	$ 80,000			$ 80,000		10 yrs										$ 80,000
Hadley Media	Relocation Expenses	$ 15,000								$ 15,000							$ 15,000
MBC	PSC: Front Entry & Carpet Replacement	$ 3,000													$ 3,000	Articles	$ 3,000
	DPW Garage: Gable Ends & Siding	$ 16,000													$ 16,000	Articles	$ 16,000
	DPW Garage: Pole Barn Door and Lighting	$ 8,000													$ 8,000	Articles	$ 8,000
	PSC: HVAC Attic Venting & Dampers	$ 35,000		$ 27,000											$ 8,000	Op. Budget	$ 35,000
Assessors	Appraisal Software and Hardware	$ 16,200		$ 8,000											$ 8,200	Articles	$ 16,200
Other	Congregational Church Steeple & Roof	$ 26,000												$ 26,000			$ 26,000
TOTAL		$1,143,350	$ -	$ 58,000	$286,000	$ 140,400		$ 35,000	$ 55,000	$ 15,000	$ -	$350,000	$ 80,000	$ 61,000	$ 62,950		$ 1,143,350
																	$ -

ATM May 2019			General Fund	Stabilization	Borrowing			Enterprise Funds			Trust	Receipt Reserved			Other		TOTAL
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Levy	Debt Excl.	Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	
School	HA Playing Fields	$ 185,000												$185,000			$ 185,000
Select Board	Capital Asset Schedule	$ 6,550			$ 6,550												$ 6,550
	Town Hall Office Furniture	$ 10,500			$ 10,500												$ 10,500
Town Clerk	Voting Booths (6-7)	$ 7,000			$ 7,000												$ 7,000
DPW	Clean & Repair Ditches	$ 100,000				$ 100,000											$ 100,000
	Skid Steer	$ 75,000				$ 75,000											$ 75,000
	Hot Box Unit	$ 30,000				$ 30,000											$ 30,000
	Mini-Excavator	$ 60,000				$ 60,000											$ 60,000
	Cleaning Well #2	$ 40,000							$ 40,000								$ 40,000
	Septic Truck	$ 40,000											$ 40,000				$ 40,000
	Computer Software	$ 6,000	$ 2,000					$ 2,000	$ 2,000								$ 6,000
Conservation	Land Preservation- Kestral/Szala	$ 360,000												$210,000	$ 150,000	TDR/CLF	$ 360,000
	Land Preservation- Niedbala	$ 103,864												$ 83,091	$ 20,773	TDR	$ 103,864
MBC	Municipal Bldngs Improvements* (was$65K)	$ 29,500													$ 29,500	Articles	$ 29,500
	Municipal Buildings Maint* (was $125K)	$ 35,000													$ 35,000	Articles	$ 35,000
	On-Call Professional Consultant* (was $50K)	$ 35,300													$ 35,300	Articles	$ 35,300
Historical Comm	Preservation of Maps	$ 500												$ 500			$ 500
Park & Rec	Zatyrka Park	$ 32,000												$ 32,000			$ 32,000
Friends of Lake	Lake Warner Boardwalk	$ 1,517												$ 1,517			$ 1,517
Warner	Lake Warner Water Testing	$ 810												$ 810			$ 810
TOTAL		$1,158,541	$ 2,000	$ -	$ 24,050	$ 265,000		$ 2,000	$ 42,000	$ -	$ -	$ -	$ 40,000	$512,918	$ 270,573		$ 1,158,541
																	$ -
6/4/2019	*Request Reduced																$2,301,891

FY 2020

FISCAL YEAR 2020 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE

			General Fund	Stabilization	Borrowing			Enterprise Funds			Trust Funds	Receipt Reserved			Other		TOTAL
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Levy	Debt Exclusion	Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	
Select Board	IT Upgrades	$ 45,550		$ 45,550													$ 45,550
Police	Cruiser	$ 47,000		$ 47,000													$ 47,000
	Body & Cruiser Cameras*	$ 15,000													$ 15,000	State $$$	$ 15,000
	Training, Ammunition, and Parts	$ 10,000		$ 10,000													$ 10,000
Fire	OSHA Capital Upgrades	$ 25,000		$ 25,000													$ 25,000
	PSC Emergency Generator	$ 100,000				$ 100,000	10 yrs										$ 100,000
DPW - Highway	Internat'l 7600 (#26 1995)	$ 200,000				$ 200,000	10 yrs										$ 200,000
	Locate & Map DMH and CB*	$ 20,000							$ 20,000								$ 20,000
	Chapter 90 Program	$ 350,000										$ 350,000					$ 350,000
	Dike (Phase 3 Certification)	$ 200,000				$ 200,000	20 yrs										$ 200,000
DPW - Wastewater	Sewer Line Assessment	$ 30,000						$ 30,000									$ 30,000
	Sewer Lining & Repairs	$ 100,000											$ 100,000				$ 100,000
DPW - Water	Hydrant & Valve Replacement*	$ 60,000							$ 60,000								$ 60,000
	Callahan Well Filter Replacement*	$ 26,000							$ 26,000								$ 26,000
	Replace Water Main @ Bay Road Bridge	$ 100,000			$ 100,000		20 yrs										$ 100,000
Park & Recreation	Spray Park	$ 250,000												$ 250,000			$ 250,000
Library	Exterior Painting	$ 13,000												$ 13,000			$ 13,000
School	HA Girl's Locker Room Upgrade*	$ 600,000					20 yrs								$ 600,000	Grant?	$ 600,000
	HA Univents*	$ 700,000					20 yrs								$ 700,000	Grant?	$ 700,000
	Technology Upgrades	$ 17,500		$ 17,500													$ 17,500
Conservation	Land Preservation	$ 100,000												$ 100,000			$ 100,000
COA	Computers	$ 20,000		$ 20,000													$ 20,000
Hadley Media	Equipment	$ 15,000								$ 15,000							$ 15,000
Municipal Building Committee	TH: HVAC Condensing Unit	$ 15,000		$ 15,000													$ 15,000
	TH: Replace Office Counters	$ 7,000		$ 7,000													$ 7,000
	Russell: Roof Slate Repair	$ 8,000												$ 8,000			$ 8,000
	PSC: Expand & Repave Parking Lot*	$ 90,000			$ 90,000												$ 90,000
	Goodwin: Ceiling & Wiring Imp.	$ 145,500												$ 145,500			$ 145,500
Board of Health	IT & Software	$ 5,000		$ 5,000													$ 5,000
TOTAL		$ 3,314,550	$ -	$ 192,050	$ 190,000	$ 500,000		$ 30,000	$ 106,000	$ 15,000	$ -	$ 350,000	$ 100,000	$ 516,500	$ 1,315,000	$ -	$ 3,314,550
																	$ -
6/4/2019	*moved forward from prior year																

FY 2021

FISCAL YEAR 2021 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE

			General Fund	Stabilization	Borrowing		Enterprise Funds			Trust Funds	Receipt Reserved			Other		TOTAL
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Amount	Number of Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	
Select Board	IT Upgrades	$ 36,000		$ 36,000												$ 36,000
Police	Cruiser	$ 47,000		$ 47,000												$ 47,000
	Ballistic Vests	$ 25,000		$ 25,000												$ 25,000
	Server	$ 10,000		$ 10,000												$ 10,000
Fire	Basic Ambulance w/gear	$ 273,000			$ 273,000	10 yrs										$ 273,000
	Administrative Response Vehicle	$ 61,500			$ 61,500	10 yrs										$ 61,500
	OSHA Capital Upgrades	$ 25,000		$ 25,000												$ 25,000
DPW - Highway	Chapter 90 Program	$ 350,000									$350,000					$ 350,000
	Hwy Loader (#17 replaces 1995 John Deere)	$ 190,000			$ 190,000	10 yrs										$ 190,000
DPW - Wastewater	Sewer Line Assessment	$ 30,000					$ 30,000									$ 30,000
	Sewer Lining & Repairs	$ 100,000										$100,000				$ 100,000
DPW - Water	Hydrant & Valve Replacement	$ 60,000						$ 60,000								$ 60,000
	Callahan Well Filter Replacement	$ 26,000						$ 26,000								$ 26,000
Library	Technology	$ 10,000		$ 10,000												$ 10,000
School	Hopkins Academy Playing Field Phase 2	$ 750,000											$750,000			$ 750,000
	Passenger Bus	$ 120,000			$ 120,000	10 yrs										$ 120,000
	Tech Upgrades	$ 10,000		$ 10,000												$ 10,000
Conservation	Land Preservation	$ 100,000											$100,000			$ 100,000
Hadley Media	Equipment	$ 5,000							$ 5,000							$ 5,000
Municipal Building Committee	TH: Basement Windows & Insulation	$ 7,000		$ 7,000												$ 7,000
	PSC: Interior Painting	$ 20,000		$ 20,000												$ 20,000
	Goodwin: Add Bathroom 1st Floor	$ 30,000											$ 30,000			$ 30,000
TOTAL		$ 2,285,500	$ -	$ 190,000	$ 644,500		$ 30,000	$ 86,000	$ 5,000	$ -	$350,000	$100,000	$880,000	$ -	$ -	$ 2,285,500
																$ -
6/4/2019																

FY 2022

FISCAL YEAR 2022 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE

=			General Fund	Stabilization	Borrowing		Enterprise Funds			Trust Funds	Receipt Reserved			Other		TOTAL
	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Amount	Number of Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	
Select Board	IT Upgrades	$ 19,500		$ 19,500												$ 19,500
Police	Cruiser	$ 47,000		$ 47,000												$ 47,000
	Replace All PC's and Related Equip.	$ 12,000		$ 12,000												$ 12,000
	Dispatch Work Group	$ 9,500		$ 9,500												$ 9,500
Fire	Fire Dept Roof and Bay Expansion*	$2,789,000			$2,789,000	20 yrs										$2,789,000
DPW - Highway	Highway Garage Design*	$ 50,000			$ 50,000											$ 50,000
	Ford 550 (replaces #14 2008)	$ 90,000			$ 90,000	10 yrs										$ 90,000
	Chapter 90 Program	$ 350,000									$350,000					$ 350,000
	Ford F-550 (replaces #13 1997 F-350)	$ 70,000			$ 70,000	10 yrs										$ 70,000
DPW - Wastewater	Sewer Line Assessment	$ 30,000					$ 30,000									$ 30,000
	Sewer Lining & Repairs	$ 100,000										$100,000				$ 100,000
	Route 9 Sewer Improvement	$ 800,000			$ 800,000	20 yrs										$ 800,000
DPW - Water	Hydrant & Valve Replacement	$ 60,000						$ 60,000								$ 60,000
	Callahan Well Filter Replacement	$ 26,000						$ 26,000								$ 26,000
	Water Main Replacement Route 9	$1,000,000			$ 1,000,000	20 yrs										$1,000,000
Library	Furnishing	$ 5,000		$ 5,000												$ 5,000
School	HA Resurface Parking Lot	$ 232,000		$ 232,000												$ 232,000
Conservation	Land Preservation	$ 100,000											$100,000			$ 100,000
Assessors	Computer and Printer Replacement	$ 3,000		$ 3,000												$ 3,000
Hadley Media	Equipment	$ 5,000							$ 5,000							$ 5,000
Municipal Building Committee	TH: Scrape & Repaint Exterior	$ 285,000											$285,000			$ 285,000
	DPW Garage: New Trailers	$ 60,000		$ 60,000												$ 60,000
TOTAL		$ 6,143,000	$ -	$ 388,000	$ 4,799,000		$ 30,000	$ 86,000	$ 5,000	$ -	$350,000	$100,000	$385,000	$ -	$ -	$6,143,000
																$ -
6/4/2019	*moved forward from prior year															

FY 2023

FISCAL YEAR 2023 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE

			General Fund	Stabilization	Borrowing		Enterprise Funds			Trust Funds	Receipt Reserved			Other		TOTAL
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Amount	Number of Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	
Select Board	IT Upgrades	$ 10,000		$ 10,000												$ 10,000
Police	Cruiser	$ 47,000		$ 47,000												$ 47,000
DPW - Highway	DPW Facility*	$5,000,000			$5,000,000	20										$ 5,000,000
	Mower (Common) (replaces #10)	$ 30,000		$ 30,000												$ 30,000
	Chapter 90 Program	$ 350,000									$350,000					$ 350,000
	Vactor Truck (replaces 1995 Vactor) 1 of 3	$ 165,000			$ 165,000	10										$ 165,000
DPW - Wastewater	Vactor Truck (replaces 1995 Vactor) 2 of 3	$ 165,000			$ 165,000	10										$ 165,000
	Sewer Line Assessment	$ 30,000					$ 30,000									$ 30,000
	Sewer Lining & Repairs	$ 100,000										$100,000				$ 100,000
	Electrical Code Improvements	$ 250,000			$ 250,000	20										$ 250,000
DPW - Water	Hydrant & Valve Replacement	$ 60,000						$ 60,000								$ 60,000
	Callahan Well #1 Reconditioning	$ 25,000						$ 25,000								$ 25,000
	Callahan Well Filter Replacement	$ 26,000						$ 26,000								$ 26,000
	Vactor Truck (replaces 1995 Vactor) 3 of 3	$ 165,000			$ 165,000	10										$ 165,000
	Rocky Hill Road Line Replacement	$ 900,000			$ 900,000	20										$ 900,000
Park & Rec	Pavilion	$ 40,000											$ 40,000			$ 40,000
Library	Technology	$ 10,000		$ 10,000												$ 10,000
School	Tech Upgrades	$ 69,000		$ 69,000												$ 69,000
Conservation	Land Preservation	$ 100,000											$100,000			$ 100,000
Hadley Media	Equipment	$ 35,000							$ 35,000							$ 35,000
Municipal Building Committee	TH: Security System	$ 20,000		$ 20,000												$ 20,000
	Russell: Flat Roof Replacement	$ 50,000											$ 50,000			$ 50,000
TOTAL		$7,647,000	$ -	$ 186,000	$6,645,000		$ 30,000	$111,000	$ 35,000	$ -	$350,000	$100,000	$190,000	$ -	$ -	$ 7,647,000
																$ -
6/4/2019	*moved from prior year															

FY 2024

FISCAL YEAR 2024 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE

5/23/2019			General Fund	Stabilization	Borrowing		Enterprise Funds			Trust Funds	Receipt Reserved			Other		TOTAL
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Amount	Number of Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	
Select Board	IT Upgrades	$ 20,000		$ 20,000												$ 20,000
	Vehicle	$ 30,000		$ 30,000												$ 30,000
Police	Cruiser	47,000		47,000												$ 47,000
DPW - Highway	Internat'l 7600 (#8)	$ 200,000			$ 200,000	10										$ 200,000
	Chapter 90 Program	$ 350,000									$350,000					$ 350,000
DPW - Wastewater	Sewer Line Assessment	$ 30,000					$ 30,000									$ 30,000
	Sewer Lining & Repairs	$ 100,000										$100,000				$ 100,000
DPW - Water	Hydrant & Valve Replacement	$ 60,000						$ 60,000								$ 60,000
	Callahan Well Filter Replacement	$ 26,000						$ 26,000								$ 26,000
	Callahan Well #2 Reconditioning	$ 20,000						$ 20,000								$ 20,000
	Water Main Replacement Route 9	$ 500,000			$ 500,000	20										$ 500,000
Library	Furnishing	$ 5,000		$ 5,000												$ 5,000
School	HA Univent Replacement	$ 113,150		$ 113,150												$ 113,150
Conservation	Land Preservation	$ 100,000											$100,000			$ 100,000
Municipal Building Committee	TH: Upgrade Second Floor Bathrooms	$ 25,000		$ 25,000												$ 25,000
	PSC: Washer and Dryer	$ 15,000		$ 15,000												$ 15,000
	PSC: Storage Area Above Entry	$ 50,000		$ 50,000												$ 50,000
TOTAL		$1,691,150	$ -	$ 305,150	$ 700,000		$ 30,000	$106,000	$ -	$ -	$350,000	$100,000	$100,000	$ -	$ -	$1,691,150
																$ -
6/4/2019																

FY 2025

FISCAL YEAR 2025 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE

			General Fund	Stabilization	Borrowing		Enterprise Funds			Trust Funds	Receipt Reserved			Other		TOTAL
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Amount	Number of Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	
Select Board	IT Upgrades	$ 10,000		$ 10,000												$ 10,000
Police	Cruiser	$ 47,000		$ 47,000												$ 47,000
	Body & Cruiser Cameras	$ 15,000		$ 15,000												$ 15,000
	Cruiser Housing	$ 20,000		$ 20,000												$ 20,000
	Training, Ammunition, and Parts	$ 10,000		$ 10,000												$ 10,000
DPW - Highway	Ten-Wheeler (#35)	$ 250,000			$ 250,000	10										$ 250,000
	Chapter 90 Program	$ 350,000									$350,000					$ 350,000
DPW - Wastewater	Ford F-250 (Replaces 2015)	$ 65,000					$ 65,000									$ 65,000
	Sewer Line Assessment	$ 30,000					$ 30,000									$ 30,000
	Sewer Lining & Repairs	$ 100,000										$100,000				$ 100,000
DPW - Water	Hydrant & Valve Replacement	$ 60,000						$ 60,000								$ 60,000
	Callahan Well Filter Replacement	$ 26,000						$ 26,000								$ 26,000
	Ford F-350 (W-1 2014)	$ 65,000						$ 65,000								$ 65,000
School	HA, HES Grease Trap Replacement	$ 30,000		$ 30,000												$ 30,000
Conservation	Land Preservation	$ 100,000											$100,000			$ 100,000
Municipal Building Committee	TH: Replace Boilers	$ 30,000		$ 30,000												$ 30,000
	PSC: Replace Vinyl Flooring	$ 15,000		$ 15,000												$ 15,000
	PSC: Carpet Replacment	$ 40,000		$ 40,000												$ 40,000
TOTAL		$1,263,000	$ -	$ 217,000	$ 250,000		$ 95,000	$151,000	$ -	$ -	$350,000	$100,000	$100,000	$ -	$ -	$1,263,000
																$ -
6/4/2019																

FY 2026

FISCAL YEAR 2026 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE

			General Fund	Stabilization	Borrowing		Enterprise Funds			Trust Funds	Receipt Reserved			Other		TOTAL
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Amount	Number of Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	
Select Board	IT Upgrades	$ 10,000		$ 10,000												$ 10,000
Police	Cruiser	$ 47,000		$ 47,000												$ 47,000
	Ballistic Vests	$ 25,000		$ 25,000												$ 25,000
Fire	Ladder/Platform Truck	$1,312,500			$1,312,500	10										$1,312,500
DPW - Highway	Chapter 90 Program	$ 350,000									$350,000					$ 350,000
	Bi-Directional Mower (Replaces 2006)	$ 110,000			$ 110,000	10										$ 110,000
DPW - Wastewater	Ford F-250 (Replaces 2016)	$ 65,000			$ 65,000	10										$ 65,000
	Sewer Line Assessment	$ 30,000					$ 30,000									$ 30,000
	Sewer Lining & Repairs	$ 100,000										$100,000				$ 100,000
DPW - Water	Hydrant & Valve Replacement	$ 60,000						$ 60,000								$ 60,000
	Callahan Well Filter Replacement	$ 26,000						$ 26,000								$ 26,000
School	Passenger Bus 2007	$ 120,000			$ 120,000	10										$ 120,000
Conservation	Land Preservation	$ 100,000											$100,000			$ 100,000
Planning Board	Update Master Plan	$ 25,000		$ 25,000												$ 25,000
Municipal Building Committee	PSC: Window Replacement	$ 28,000		$ 28,000												$ 28,000
	PSC: Siding Replacement	$ 150,000			$ 150,000	20										$ 150,000
TOTAL		$ 2,558,500	$ -	$ 135,000	$1,757,500		$ 30,000	$ 86,000	$ -	$ -	$350,000	$100,000	$100,000	$ -	$ -	$2,558,500
																$ -
6/4/2019																

FY 2027

FISCAL YEAR 2027 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE

			General Fund	Stabilization	Borrowing		Enterprise Funds			Trust Funds	Receipt Reserved			Other		TOTAL
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Amount	Number of Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	
Select Board	IT Upgrades	$ 10,000		$ 10,000												$ 10,000
Police	Cruiser	$ 47,000		$ 47,000												$ 47,000
	Server	$ 15,000		$ 15,000												$ 15,000
DPW - Highway	Chapter 90 Program	$ 350,000									$350,000					$ 350,000
	Wacker-Neuson Minim Loader (replacement)	$ 60,000			$ 60,000	10										$ 60,000
DPW - Wastewater	Sewer Line Assessment	$ 30,000					$ 30,000									$ 30,000
	Sewer Lining & Repairs	$ 100,000										$100,000				$ 100,000
DPW - Water	Hydrant & Valve Replacement	$ 60,000						$ 60,000								$ 60,000
	Callahan Well Filter Replacement	$ 26,000						$ 26,000								$ 26,000
	Water Main Replacement Route 9	$ 500,000			$ 500,000	20										$ 500,000
	Ford F-350 (W-2 2016)	$ 65,000						$ 65,000								$ 65,000
School	HA Roof Replacement	$ 105,000			$ 105,000	20										$ 105,000
Conservation	Land Preservation	$ 100,000											$100,000			$ 100,000
COA	Computers	$ 20,000		$ 20,000												$ 20,000
Municipal Building Committee	TH: Replace HVAC Controller	$ 15,000		$ 15,000												$ 15,000
TOTAL		$1,503,000	$ -	$ 107,000	$ 665,000		$ 30,000	$151,000	$ -	$ -	$350,000	$100,000	$100,000	$ -	$ -	$ 1,503,000
																$ -
6/4/2019																

FY 2028

FISCAL YEAR 2028 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE

			General Fund	Stabilization	Borrowing		Enterprise Funds			Trust Funds	Receipt Reserved			Other		TOTAL
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Amount	Number of Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	
Select Board	IT Upgrades	$ 10,000		$ 10,000												$ 10,000
Police	Cruiser	$ 47,000		$ 47,000												$ 47,000
	Replace All PC's and Related Equip.	$ 14,000		$ 14,000												$ 14,000
DPW-Highway	Chapter 90 Program	$ 350,000									$350,000					$350,000
DPW - Wastewater	Sewer Line Assessment	$ 30,000					$ 30,000									$ 30,000
	Sewer Lining & Repairs	$ 100,000										$100,000				$100,000
DPW - Water	Hydrant & Valve Replacement	$ 60,000						$ 60,000								$ 60,000
	Callahan Well #1 Reconditioing	$ 25,000						$ 25,000								$ 25,000
	Callahan Well Filter Replacement	$ 26,000						$ 26,000								$ 26,000
Conservation	Land Preservation	$ 100,000											$100,000			$100,000
TOTAL		$ 762,000	$ -	$ 71,000	$ -		$ 30,000	$111,000	$ -	$ -	$350,000	$100,000	$100,000	$ -	$ -	$762,000
																$ -
6/4/2019																

FY 2029

FISCAL YEAR 2029 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE

			General Fund	Stabilization	Borrowing		Enterprise Funds			Trust Funds	Receipt Reserved			Other		TOTAL
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Amount	Number of Years	Sewer	Water	Hadley Media	Cemetery Care	Chapter 90	Sewer Impact	CPA	Amount	Funds	
Select Board	IT Upgrades	$ 20,000		$ 20,000												$ 20,000
Police	Cruiser	$ 47,000		$ 47,000												$ 47,000
DPW - Highway	Ford F550 (replaces #9)	$ 90,000			$ 90,000	10										$ 90,000
	Ford F550 (replaces #12)	$ 90,000			$ 90,000	10										$ 90,000
	Chapter 90 Program	$ 350,000									$350,000					$ 350,000
	Ford Escape Staff Car (replaces 2017)	$ 30,000			$ 30,000	10										$ 30,000
DPW - Wastewater	Sewer Line Assessment	$ 30,000					$ 30,000									$ 30,000
	Sewer Lining & Repairs	$ 100,000										$100,000				$ 100,000
DPW - Water	Hydrant & Valve Replacement	$ 60,000						$ 60,000								$ 60,000
	Callahan Well Filter Replacement	$ 26,000						$ 26,000								$ 26,000
	Callahn Well #2 Reconditioning	$ 20,000						$ 20,000								$ 20,000
	Mt. Warner Tank Cleaning & Coating	$ 700,000			$ 700,000	20										$ 700,000
Conservation	Land Preservation	$ 100,000											$100,000			$ 100,000
Park & Rec	Pavilion	$ 5,000		$ 5,000												$ 5,000
Municipal Building Committee	DPW Garage: New Salt Shed Roof	$ 100,000			$ 100,000	20										$ 100,000
TOTAL		$1,768,000	$ -	$ 72,000	$1,010,000		$ 30,000	$106,000	$ -	$ -	$350,000	$100,000	$100,000	$ -	$ -	$1,768,000
																$ -

6/4/2019

Section IV

Guidelines for Funding the Capital Improvement Plan

Funding Sources

Budget Calendar

Guidelines for Funding the Capital Improvement Program

The following guidelines are recommended:

- The Town will provide sufficient funding for adequate maintenance and orderly replacement of projects as recommended on the Capital Improvement Plan.
- Assets will be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs.
- All capital needs for the next 5 years will be projected, and the projection will be updated each year.
- Bond proceeds from long-term debt will not be used for current, on-going operations.

Debt Service:

• Total annual debt service for general obligation bonds will not exceed 10 percent of net operating revenues.

• Total annual debt service for general obligation bonds will not fall below 6 percent of net operating revenues.

• Before bonded long-term debt is issued, the impact of debt service on total annual fixed costs will be analyzed.

Long Term Debt:

• Proceeds from long-term debt will not be used for current, ongoing operations.

• Long-term borrowing will be confined to capital improvements too large to be financed from current revenues.

• Bonds will be paid back within a period not to exceed the expected useful life of the capital project.

• Where possible, special assessment, revenue, or other self-supporting bonds will be used instead of general obligation bonds.

• Good communication with bond rating agencies will be maintained, and a policy of full disclosure on every financial report and bond prospectus will be followed.

• Long-term debt issuance will have a level debt service with a life no greater than the expected life of the capital improvement being financed and no greater than twenty years.

Debt Limits:

• Meet annually with Assessors to discuss total property valuations.

• Meet with Financial Team before incurring new debt.

Enterprise Fund Debt Service (Water, Wastewater, and Hadley Public Access Television):

• Total debt service for special revenue bonds will not exceed 30% percent of net operating revenues.

• Total debt service for special revenue bonds will not fall below 20% percent of net operating revenues.

• Before bonded long-term debt is issued, the impact of debt service on total annual fixed costs will be analyzed.

Funding Sources

The Capital Improvement Program identities the following sources to fund proposed capital improvement projects:

General Fund Cash: The Capital Plan includes equipment and other capital items that are funded directly from the General Fund operating budget. Examples include Fire Department air pack replacements, specialized software for specific departments, and office equipment.

Free Cash: Free Cash is used from time to time to fund capital projects directly. As a matter of policy, surplus Free Cash will be transferred to the Capital Stabilization Account.

Capital Stabilization: The Town of Hadley maintains a Capital Stabilization Account that is used to fund capital purchases directly. The Town's practice has been to transfer from Free Cash to the Capital Stabilization Fund an amount equivalent to the prior year's meal tax revenues. This transfer is voted at each fall special town meeting.

Revolving Funds: The Town maintains several revolving funds for electrical inspection services, cemetery burials, and park and recreation programs. At times, capital expenses directly related to the activity covered by the revolving fund may be appropriated by town meeting vote.

Community Preservation Act (CPA) Funding: The Town of Hadley participates in the Community Preservation Act, and the Committee has funded several capital projects from CPA funds. Such projects as farmland preservation, environmental permitting for the levee repair, Goodwin Memorial Library upgrade, Second Congregational Church steeple restoration, and Lake Warner Dam Restoration Project have received CPA funds.

Although according to local bylaw CPA projects are exempt from Capital Planning Committee overview, CPA funds are an important source of funding for many capital improvements involving historical preservation of buildings and landscapes, park and recreational improvements, and open space preservation.

Reprogrammed Funds: When there are funds remaining from completed capital projects, such funds are identified and used for other projects.

Enterprise Funds: The Town of Hadley maintains three enterprise funds: water, wastewater, and Hadley Public Access Television. Each enterprise fund maintains a reserve account, which may be used for capital programs.

Sewer Impact Fee: The Sewer Impact Fee was established in 2008 by a special act of the Legislature (Chapter 9 of the Acts of 2008) to fund wastewater-related projects that have been identified in the July 2008 Sewer Pumping Stations and Wastewater Treatment Facility Capital Improvement Plan. The Sewer

Impact Fee is a one-time sewer connection assessment that is reserved for the purpose of capital improvements to the wastewater treatment plant in order to manage capacity at the plant.

Sale of Land: From time to time, the Town acquires property through tax title foreclosure. The Town sells such properties at auction. From time to time, the Town disposes of surplus real estate, which is sold through the bid process. The proceeds from either transaction may be used for capital purposes.

Other: These are funds that do not arise from the Town's usual tax process. Such funds may include grants, state and federal funding, trust funds, private donations, gifts, and other sources.

Bonds/Borrowing: Bonds refer to expenditures that are financed through borrowing. A bond is a written promise to pay a specified sum of money, called the face value (par value) or principle amount, at a specified date or dates in the future, called maturity date(s), together with periodic interest at a specified rate.

There are different kinds of borrowing, each with its advantages and disadvantages.

- Borrowing within the Levy: Borrowing may be structured so that debt payments are made within the Proposition 2½ levy limit. Such debt payments have no impact on taxation, but have the disadvantage of diverting funds from other programs and services. Borrowing within the levy should be done only for short-term, low debt service payment loans.

- Debt Exclusion: This is a vote by a municipality at an election to exclude debt service payments for a particular capital project from the levy limit. The amount necessary to cover the annual debt service payment is added to the levy limit for the life of the debt only.

- Special Revenue Borrowing: Debt payments may be authorized and paid through enterprise funds, and the debt service is reflected in the user fees associated with the particular enterprise fund. For example, a sewer project may be borrowed for and paid through the sewer enterprise fund without impacting taxes or other non-sewer rate payers.

- Community Preservation Act Borrowing: Although the Town has never done so, the Community Preservation Act Committee may borrow for CPA-eligible projects under the provisions of Chapter 49, Section 49-2(C) of the Code of the Town of Hadley and MGL Chapter 44B, Section 11. Debt service would be paid out of the CPA revenue stream for the term of the loan.

- Capital Exclusion: Not technically a borrowing, a capital exclusion is a voter-approved one-time payment for a capital project that is excluded from the levy limit. If used appropriately, capital exclusions may be used to avoid peaks and valleys in the tax rate.

BUDGET CALENDAR

July

- July 1st, Fiscal Year Begins.
- Departments receive capital improvement plan update instructions and forms. Meetings with Town Administrator to discuss capital needs.

August

- Capital Plan Updated and sent to Capital Planning Committee.
- Warrant for Fall Special Town Meeting sent to Select Board and Finance Committee.
- Preliminary budget forecast is presented to Select Board.

September

- Preparation for Fall Special Town Meeting.

October

- Special Town Meeting held third or fourth Thursday. Capital projects receive funding.
- Public Forum on next fiscal year priorities.
- Financial Condition Trend Analysis presented to Select Board and Finance Committee.

November

- Tax Classification Hearing and Tax Rate Set.
- All boards and committees meeting on priorities for next fiscal year.

December

- Select Board develops instructions for budget requests and distributes to departments.

January

- Operating Budget prepared and distributed to Select Board and Finance Committee.
- Select Board opens the warrant for the Annual Town Meeting. Preliminary warrant is prepared and distributed to Select Board and Finance Committee.

February/March

- Select Board closes warrant for the Annual Town Meeting. Warrant distributed to Select Board and Finance Committee.
- Select Board and Finance Committee prepare for Annual Town Meeting.

April

- Final Warrant is prepared and posted.

May

- Annual Town Meeting is held on the first Thursday each May.

June

- Fiscal year ends on June 30th.

SECTION V

Capital Planning By-Law

TOWN OF HADLEY

CAPITAL PLANNING COMMITTEE AND PLAN

(Adopted Annual Town Meeting May 4, 2006)

Section 1. The Board of Selectmen shall establish and appoint a committee known as the Capital Planning Committee. The Committee shall consist of seven members, which shall be comprised of one member of the Board of Selectmen, one member of the Finance Committee, one member of the School Committee, one member of the Board of Assessors, one at large member representing the townspeople, the Town Treasurer (as a non-voting member) and the Town Administrator (as a non-voting member). Terms for appointment may be three (3) years.

Section 2. The Committee shall study proposed capital projects and public improvements involving major, non-recurring tangible assets and projects which (1) involve acquisition, demolition, repair, or non-routine modifications to public buildings; (2) involve acquisition or sale of land; (3) involve acquisition of equipment with a value of $25,000 or more; or (4) involve design studies, engineering studies, or other studies related to capital expenditures. All officers, department heads, boards, committees, commissions, or agents shall by December 1st of each year, give to the Committee, on forms prepared by it, information concerning all anticipated capital needs and projects requiring town meeting action for the ensuing five (5) years. The Committee shall evaluate the relative need, impact, timing, and cost of these proposed expenditures and the effect each will have on the financial position of the Town. No appropriation shall be voted at a town meeting for a capital improvement requested, excepting non-special-article school department capital items which are subject to the provisions of MGL Chapter 71, Section 34, unless the proposed capital improvement is considered in the Committee's report, or the Committee shall first have submitted a report to the Board of Selectmen explaining the omission. In the case of emergency capital expenditures, the Committee shall present an oral report as soon as possible.

Section 3. It shall be the duty of the Committee annually to prepare a Capital Budget Report showing, for each of the five years next following, a list of those public improvements and non-recurring major equipment needs which, in its opinion, represent the most necessary and

urgent projects or purchases to be undertaken by the Town during each such year. The report shall include the probable costs of each such improvement or purchase and the Committee's recommendations as to the method of financing them.

Section 4. The Capital Budget report shall be distributed annually with the copies of the Warrant provided by the Selectmen. Additional copies of said report shall be available in the Town Clerk's office for distribution to the public. The report shall also be included in the Annual Town Report.

This bylaw shall not apply to projects funded through the Community Preservation Act.

SECTION VI

Glossary of Terms

Sources Consulted

GLOSSARY

The glossary presented here is intended to cover terms used in this presentation, and therefore it is an abbreviated summary of financial terminology used in municipal finances. A complete financial glossary approved by the Massachusetts Department of Revenue can be found here:

http://www.mass.gov/dor/docs/dls/publ/misc/dlsmfgl.pdf

Appropriation – An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended. Only a town meeting, council, or the school committee can authorize money appropriated for one purpose to be used for another. Any amount which is appropriated may be encumbered (see Encumbrances). Any part of a "general" appropriation not spent or encumbered by June 30 automatically reverts to the undesignated fund balance which may result in Free Cash.

Assessed Valuation – A valuation set upon real estate and other property by a government as a basis for levying taxes. In Massachusetts, assessed valuation is based on "full and fair cash value" the amount that a willing buyer would pay a willing seller on the open market. Assessors must collect, record, and analyze information about the physical characteristics of the property and the market in order to estimate the fair market value of all taxable properties in their communities.

Audit – An examination of the systems, procedures and financial data by a certified accountant, reporting on the fairness of financial statements and compliance with statutes and regulations. (The audit is a valuable management tool for evaluating the fiscal performance of a community.

Audit Report – The product of an audit prepared by an independent auditor. The report often includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions; (d) financial statements and schedules; and (e) statistical tables, supplementary comments, and recommendations.

Available Funds – These are funds established through previous appropriations or results of favorable conditions. These may be appropriated to meet emergency or unforeseen expenses, large one-time or capital expenditures.

Bond Anticipation Note (BAN) – Short-term debt instrument used to generate cash for initial project costs and with the expectation that the debt will be replaced later by permanent bonding. Typically issued for a term of less than one year, BANs may be re-issued for up to ten years, provided principal repayment begins after two years (MGL Ch. 44 §17). Principal payments on school related BANs may be deferred up to seven years (increased in 2002 from five years) if the community has an approved project on the Massachusetts School Building Authority (MSBA) priority list. BANs are full faith and credit obligations.

Bond – A written promise to pay a specified sum of money, called the face value (par value) or principle amount, at a specified date or dates in the future, called maturity date(s), together with periodic interest at a specified rate.

Bonds Authorized and Unissued – Bonds which a government has been authorized to sell but has not yet done so. Issuance at this point is only contingent upon action by the treasurer and select board.

Budget – A plan of financial operation embodying an estimate of proposed revenues and expenditures for a given period and the proposed means of financing them. A budget may be "preliminary" – the financial plan presented to Town Meeting, or "final" – the plan approved by that body. The budget should be separated into basic units, either by department program, or service. The format is important, because by classifying by service or department, the budget is clearly defined and more easily understood by both local officials and Town Meeting.

Capital Budget – An annual appropriation or spending plan for capital expenditures (tangible assets or projects that cost at least $25,000 and have a useful life of at least five years). This budget should recommend the method of financing for each item recommended and identify those items which are recommended to be deferred due to scarce resources.

Capital Stabilization Fund – A special stabilization fund designated to receive money and disburse funds for capital purposes.

Cash – Currency, coin, checks, postal and express money orders, and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cherry Sheet—Named for the cherry-colored paper on which it was originally printed, the Cherry Sheet is the official notification from the Commissioner of Revenue of the next fiscal year's state aid and assessments to communities and regional school districts. State aid to municipalities and regional school districts consists of two major types – distributions and reimbursements. Distributions provide funds based on formulas, while reimbursements provide funds for costs incurred during a prior period for certain programs and services. In addition, communities may receive "offset items" which must be spent on specific programs. Cherry Sheet assessments are advanced estimates of state assessments and charges and county tax assessments. Local assessors are required to use these figures in setting the local tax rate. (Because these figures are estimates, it should be noted that based on filing requirement and/or actual data information, the final aid or assessment may differ.)

Cherry Sheet Offset Items – Local aid accounts which may be spent without appropriation in the budget, but which must be spent for specific municipal and regional school district programs. Current offset items include School Lunch Programs, School Choice, and Public Library Grants.

Consumer Price Index – The statistical measure of changes in the overall price level of consumer goods and services based on prices of goods and services purchased by urban wage earners and clerical workers including families and single persons. The index is often called the "cost-of-living-index". The Town of Hadley consumer price index is based on 1990 dollars.

Debt Burden – The level of debt of an issuer, usually as compared to a measure of value (debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden is used in referring to debt service costs as a percentage of the annual budget.

Debt Exclusion – This is a vote by a municipality at an election to exclude debt service payments for a particular capital project from the levy limit. The amount necessary to cover the annual debt service

payment is added to the levy limit for the life of the debt only. A debt exclusion may temporarily increase the levy above the levy ceiling.

Debt Limit – The maximum amount of debt which a municipality may have authorized for qualified purposes under state and self-imposed ceilings.

Debt Service – The cost (usually stated in annual terms) of the principal retirements and interest of any particular issue.

Enterprise Funds – An accounting mechanism which allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion which is subsidized by the tax levy. With an enterprise fund, all costs of service delivery -- direct, indirect, and capital costs are identified. This allows the community to recover total service costs through user fees if it so chooses. Enterprise accounting also enables communities to reserve the "surplus" or retained earnings generated by the operation of the enterprise, rather than closing it out at year end. According to MGL Chapter 44, Section 53Fthe services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

Equalized Valuation (EQV) – The determination of the full and fair cash value of all property in the Commonwealth which is subject to local taxation. EQVs have historically been used as variables in distributing certain state aid accounts, and for determining county assessments and certain other costs. The Commissioner of Revenue, in accordance with MGL Chapter 58, Section 10C, is charged with the responsibility of biannually determining the equalized valuation for each town and city in the Commonwealth.

Fiscal Year – The Commonwealth and municipalities (as of 1974) operate on a fiscal year which begins on July 1 and ends on June 30. The number of the fiscal year is that of the calendar year in which the fiscal year ends; e.g., the 2014 fiscal year, July 1, 2013 to June 30, 2014, and can be written as FY14 or FY 2014.

Free Cash – Funds remaining from the operations of the previous fiscal year which are certified by the Department of Revenue's Director of Accounts as available for appropriation. Remaining funds include unexpended free cash from the previous year, receipts in excess of estimates shown on the tax recapitulation sheet, and unspent amounts in budget line items. Unpaid property taxes and certain deficits reduce the amount of remaining funds which can be certified as free cash. The calculation of free cash is made based on the balance sheet, which is submitted by the community's auditor, accountant, or comptroller.

Full Faith and Credit – A legal pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Fund – an accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

General Fund – This non-earmarked fund is used to account for most financial resources and activity governed by the normal Town Meeting appropriation process.

General Obligation Bonds – Bonds issued by a municipality which are backed by the full faith and credit of its taxing authority.

Indirect Cost – Costs of a service not reflected in the service's operating budget. A determination of these costs is necessary to analyze the total cost of service delivery. (An example of an indirect cost of providing water service would be the health insurance costs for water employees.)

Interest – Compensation paid or to be paid for the use of money, including interest payable at periodic intervals or as discount at the time a loan is made.

Interest Rate – The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Levy Ceiling – The maximum tax assessed on real and personal property may not exceed 2.5 percent of the total full and fair cash value of all taxable property (MGL Chapter 59, Section 21C). Property taxes levied may exceed this limit only if the community passes a capital outlay expenditure exclusion, a debt exclusion, or a special exclusion.

Levy Limit – The maximum amount a community can levy in a given year. The limit can grow each year by 2.5 percent of the prior year's levy limit (MGL Chapter 59, Section 21(f,g…k)) plus new growth and any overrides. The levy limit can exceed the levy ceiling only if the community passes a capital outlay expenditure exclusion, a debt exclusion, or a special exclusion.

Local Aid – Revenue allocated by the Commonwealth to towns, cities, and regional school districts. Estimates of local aid are transmitted to towns, cities, and districts annually by the Cherry Sheet. Most of the Cherry Sheet aid programs are considered revenues of the municipality's or the regional school district's general fund and may be spent for any purpose, subject to appropriation. Offset items may only be spent for special purposes for which they are specifically intended.

Local Receipts – Locally generated revenues other than real and personal property taxes and excluding enterprise fund revenues. Examples include motor vehicle excise, investment income, hotel/motel tax, fees, rentals, and charges. Annual estimates are shown on the tax rate recapitulation sheet.

Minimum Required Local Contribution – The minimum that a town must appropriate from property taxes and other local revenues for the support of schools.

M.G.L. – Massachusetts General Law.

New Growth – the taxing capacity added by new construction and other allowable increases in the property tax base. New growth is calculated by multiplying the value associated with new construction by the tax rate of the previous fiscal year. For example in Hadley, FY 2015 new growth is determined by multiplying the value of new construction in fiscal year 2014 (as valued on June 30, 2014) by the FY 2014 tax rate. Originating in FY 1992, all increases in value that are not the result of revaluation or appreciation now qualify for inclusion in new growth figures.

Offset Receipts – includes certain education programs and the aid to libraries program which are designated on the Cherry Sheet as offset items. These amounts can be spent without appropriation but must be spent only for these specific programs.

Operating Budget – The plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Overlay (Overlay Reserve or Reserve for Abatements and Exemptions) – An account established annually to fund anticipated property tax abatements and exemptions in that year. The overlay reserve is not established by the normal appropriation process, but rather is raised on the tax rate recapitulation sheet.

Price Index – A statistical measure of charges in overall prices. There are different indices, but they all compare the change in cost of a certain "bundle" of goods and services over a given period of time.

Principal – The face amount of a bond, exclusive of accrued interest.

Property Tax Levy – The amount a community can raise through the property tax. The levy can be any amount up to the levy limit plus exclusions.

Ratings – Designations used by credit rating services to give relative indications of quality. Moody's ratings range from the highest Aaa down through Aa, A-1, A, Baa-1, Baa, Ba, B, Caa, Ca, and C. Standard and Poor's ratings include AAA, AA, A, BBB, BB, B, CCC, CC, C, DDD, DD, and D.

Reserve Fund – An amount set aside annually within the budget of a town (not to exceed 5 percent of the tax levy for the preceding year) or city (not to exceed 3 percent of the tax levy for the preceding year) to provide a funding source for extraordinary and unforeseen expenditures. In a town, the Finance Committee can authorize transfers from this fund for extraordinary and unforeseen expenditures. Other uses of the fund require budgetary transfers by Town Meeting. In a city, transfers from this fund may be voted by the city council upon recommendation of the mayor

Revolving Fund – Allows a community to raise revenues from a specific service and use those revenues to support the service without appropriation. For departmental revolving funds, MGL Chapter 44 Section 53E (stipulate that each fund must be reauthorized each year at annual town meeting or by city council action, and that a limit on the total amount which may be spent from each fund must be established at that time. The aggregate of all revolving funds may not exceed ten percent of the amount raised by taxation by the town or city in the most recent fiscal year, and no more than one percent of the amount raised by taxation may be administered by a single department or board. No revolving fund expenditures shall be made for the purpose of paying any wages or salaries for full-time employees. Revolving funds for other programs as provided by statute are still allowed, and a departmental revolving fund may be implemented in addition to or in conjunction with other existing statutory revolving funds, provided that the departmental revolving fund does not conflict with provisions of other revolving funds.

Sewer Impact Fee – A one-time sewer connection assessment enacted by special legislation for the Town of Hadley that is reserved for the purpose of capital improvements to the wastewater treatment plant in order to manage capacity at the plant.

Stabilization Fund – An account from which amounts may be appropriated for any lawful purpose. Prior to FY 92, use of the Stabilization Fund was restricted to purposes for which towns and cities could legally borrow. Revisions to MGL Chapter 40 Section 5B removed this restriction, and amounts from the Stabilization Fund can now be appropriated for any legal purpose. Towns may appropriate into this fund in any year an amount not to exceed ten percent of the prior year's tax levy or a larger amount with the approval of the Emergency Finance Board. The aggregate of the Stabilization Fund hall not exceed ten percent of the town's equalized value, and any interest shall be added to and become part of the fund. A two-thirds majority vote of town meeting or city council is required to appropriate money into and from the Stabilization Fund

Tax Rate Recapitulation Sheet (also Recap Sheet) – A document submitted by a town or city to the Department of Revenue in order to set a property tax rate. The recap sheet shows all estimated revenues and actual appropriations which affect the property tax rate.

Undesignated Fund Balance – Monies in the various government funds as of June 30 that are neither reserves or encumbered and therefore are available for expenditure once certified as part of free cash.

Tax Rate – The amount of tax stated in terms of a unit of the tax base; for example $10.64 per $1,000 of assessed valuation of taxable property.

Valuation (100%) – Requirement that the assessed valuation must be the same as the market value for all properties; 100 percent valuation may offer greater equity in the redistribution of state aid to cities and towns based on local real estate values.

Warrant – A list of items to be acted on by Town Meeting. (A treasury warrant and the assessors' warrant authorize the treasurer to pay specific bills and the tax collector to collect taxes in the amount and from the persons listed, respectively.)

Wastewater Contingency Reserve -- A contingency reserve fund established within the wastewater enterprise fund to provide for nonrecurring unanticipated expenditures, or to meet unexpected small increases in service delivery costs. This reserve should be maintained at 1% of the enterprise operating fund.

Wastewater Surplus – Excess money within the wastewater enterprise fund that is undesignated for any purpose. Unlike departmental surplus funds that are returned to the General Fund at the end of the fiscal year, enterprise surpluses remain within the enterprise fund and are carried over to the next fiscal year.

Water Contingency Reserve -- A contingency reserve fund established within the water enterprise fund to provide for nonrecurring unanticipated expenditures, or to meet unexpected small increases in service delivery costs. This reserve should be maintained at 1% of the enterprise operating fund.

Water Surplus -- Excess money within the water enterprise fund that is undesignated for any purpose. Unlike departmental surplus funds that are returned to the General Fund at the end of the fiscal year, enterprise surpluses remain within the enterprise fund and are carried over to the next fiscal year.

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Section VII

TOWN OF HADLEY

COMMUNITY PROFILE

Socioeconomic	
County	HAMPSHIRE
School Structure	K-12
Form of Government	OPEN TOWN MEETING
2013 Population	5,271
2015 Labor Force	3,016
2015 Unemployment Rate	3.40
2012 DOR Income Per Capita	26,895
2009 Housing Units per Sq Mile	83.78
2013 Road Miles	81.49
EQV Per Capita (2014 EQV/2013 Population)	186,007
Number of Registered Vehicles (2012)	5,767
2012 Number of Registered Voters	3,894

Bond Ratings	
Moody's Bond Ratings as of December 2015*	
Standard and Poor's Bond Ratings as of December 2015*	AA+

Fiscal Year 2017 Estimated Cherry Sheet Aid	
Education Aid	1,704,188
General Government	716,474
Total Receipts	2,420,662
Total Assessments	1,116,699
Net State Aid	1,303,963

Fiscal Year 2017 Tax Classification			
Tax Classification	**Assessed Values**	**Tax Levy**	**Tax Rate**
Residential	616,541,300	7,133,383	11.57
Open Space	0	0	0
Commercial	280,030,900	3,239,958	11.57

Industrial	26,602,200	307,787	11.57
Personal Property	25,273,238	292,411	11.57
Total	**948,447,638**	**10,973,539**	

Fiscal Year 2017 Revenue by Source		
Revenue Source	**Amount**	**% of Total**
Tax Levy	10,973,539	54.57
State Aid	2,420,662	12.04
Local Receipts	5,552,089	27.61
Other Available	1,162,565	5.78
Total	**20,108,856**	

Fiscal Year 2017 Proposition 2 1/2 Levy Capacity	
New Growth	194,694
Override	
Debt Exclusion	616,446
Levy Limit	10,975,832
Excess Capacity	2,293
Ceiling	23,711,191
Override Capacity	13,553,500

Other Available Funds		
2017 Free Cash	**FY2016 Stabilization Fund**	**FY2017 Overlay Reserve**
551,143	2,242,725	63,057

Fiscal Year 2017 Average Single Family Tax Bill**	
Number of Single Family Parcels	1,656
Assessed Value of Single Family	313,737
Average Single Family Tax Bill	3,630

Section VIII

Capital Exclusion Proposal

Introduction

The Town of Hadley is committed to addressing capital needs in a systematic and comprehensive manner. One of the major challenges that the Town faces is the lack of reliable and adequate funding to make significant and sustained progress on multiple capital needs fronts.

The Commonwealth devised a funding mechanism through a dedicated override procedure to set up municipal capital stabilization accounts. Normally, funds placed into a stabilization account requires a 2/3 majority vote of town meeting, but through the Stabilization Fund Override process, monies would be placed annually into a special stabilization account automatically. Expenditures from this type of stabilization fund would still require a 2/3 majority vote of town meeting.

A stabilization fund override of sufficient size would go a long way to resolving many of the Town's needs for buildings and infrastructure. A full discussion of all the facts and impacts on the tax rate is recommended before pursuing this opportunity.

Below, please find an excerpt from the Division of Local Services Informational Guideline Release (IGR) No. 04-201, that provides details of the special capital stabilization fund. IGR (04-201) can be found at:

http://www.mass.gov/dor/docs/dls/publ/igr/2004/igr04-201.pdf

II. STABILIZATION FUND OVERRIDES

A. Presentation and Approval of Override Referendum

Cities and towns may ask voters to approve a Proposition 2½ levy limit override referendum for the purpose of funding any of the stabilization funds it establishes.

If approved, the additional levy capacity is earmarked for the same stabilization fund in the fiscal year the override is effective and subsequent years. G.L. Ch. 59 §21C(g). Therefore, the amount of any override for a stabilization fund must be clearly identified, preferably by presenting a separate override question for each stabilization fund being funded. For example:

> Shall the city/town of _____ be allowed to assess an additional $100,000 in real estate and personal property taxes for the purposes of funding the municipal capital stabilization fund for the fiscal year beginning July 1, ____?

> Shall the city/town of _____ be allowed to assess an additional $100,000 in real estate and personal property taxes for the purposes of funding the school capital stabilization fund for the fiscal year beginning July 1, ____?

If the amount is included in an override for multiple purposes, however, the exact amount allocated to the particular stabilization fund must be stated. For example:

> Shall the city/town of _____ be allowed to assess an additional $1,000,000 in real estate and personal property taxes for the purposes of funding the town and school operating budgets, the municipal capital stabilization fund ($100,000) and the school capital stabilization fund ($100,000) for the fiscal year beginning July 1, ____?

B. Appropriation of Override in Future Years

1. Annual Appropriation Procedure

In the year the override is effective, the appropriation of the funds generated by the override to the particular fund is made by the usual appropriation procedure, i.e., a two-thirds vote of the legislative body.

Each year thereafter, however, the selectmen, town council or city council, with the mayor's approval if required by law, must decide whether to "appropriate" any of the additional capacity resulting from the override for the same stabilization fund purpose. A two-thirds vote is required to make any "appropriation".

2. Appropriation Amount

All or some of the additional levy capacity may be "appropriated." In the first year after the override is effective, the additional levy capacity that may be appropriated is 102.5 percent of the override amount. In subsequent years, it is 102.5 percent of the amount of additional levy

capacity appropriated in the last year it was appropriated.
For example, a $100,000 override is approved for a school capital project stabilization fund for fiscal year 2005 and the legislative body appropriates the same amount from that year's tax levy for that purpose.

In FY2006, $102,500 is available for "appropriation" by the selectmen, town council or city council, with the mayor's approval if required by law. That entire amount is "appropriated." In FY2007, $105,062 (1.025 x FY2006 appropriation of $102,500) is available, but only $80,000 is "appropriated." The amount available in FY2008 now becomes $82,000 (1.025 x FY2007 appropriation of $80,000). No appropriation is made in FY2008, however. The amount available in FY2009 is $82,000 (1.025 x last appropriation made, i.e., FY2007 appropriation of $80,000).

3. Tax Rate

The assessors must raise the amount "appropriated" in the tax rate. This "appropriation" is reported on page two of the tax rate recapitulation under "Other Amounts to Be Raised" and documented by a certified copy of the "appropriation" vote, as explained in the annual tax rate recapitulation instructions issued by the Bureau of Accounts.

4. Levy Limit Calculation

The municipality’s levy limit for any year is increased by the amount of additional levy capacity that is appropriated for the stabilization fund purpose. The new limit must still be within overall levy ceiling of 2½ percent of the full and fair cash value of taxable property.

C. Change in Override Purpose

1. Presenting Referendum

The selectmen, town council or city council, with the mayor's approval if required by law, may ask the voters to approve a change in the purpose of the override. This change can result in the additional levy capacity being allocated to another stabilization fund or to any other municipal purpose.

A two-thirds vote is required to place the referendum before the voters.

2. Referendum Form

The following question form should be used to present a referendum to change the override purpose:

> Shall the city/town of _____ be allowed to change the purpose of a Proposition 2½ override referendum approved at an election held on _____, ____ for the (capital stabilization fund) to the following new purpose(s): _____ for the fiscal year beginning July 1, ____?

3. Referendum Approval

The referendum is approved if a majority of those voting on the question vote "yes."

4. Appropriation in Future Years

If the purpose of the override is changed to another stabilization fund, or other purpose, the additional levy capacity would have to be “appropriated” to the new purpose each year or the levy limit would be reduced. See Section II-B above.