

1. The TriBoard is scheduled to discuss the budget for FY 2016.
 - The House Ways and Means Committee is expected to release their recommendations, and a new Cherry Sheet may be available.
2. The consent agenda needs agreement by the Select Board, the Finance Committee and the Moderator.
3. The revised five-year budget projection based on updated revenue estimates will be discussed.
4. The TriBoard is scheduled to discuss a future strategy for financing the capital program.
 - Currently, capital is funded through:
 - Meal Tax
 - Borrowing (debt excluded and within the levy)
 - Enterprise Funds (reserves and borrowing)
 - CPA
 - A proposal to adopt a capital stabilization exclusion is presented for discussion purposes.
 - The Town of Amherst has set a target of 10% of the tax levy should be reserved for capital. In FY15, the Town achieved 7%.
 - If in FY15 the Town of Hadley dedicated 10% of the tax levy to capital, then that amount would equal 10% of \$10,077,061.04 (or \$1,007,706).
5. Top 10 areas of concern.

Revenue Summary

	4/7/2015		Monthly Receipts	Receipts To Date	% Est FY 2015	Est FY 2015/ REVISED as per YTD receipts	Increase (Col H - Col C)
	Act FY 2014	Est FY 2015					
Revenues:							
Personal Property	183,104	236,383	52,905	155,850	65.8%		
Real Estate	9,366,164	9,840,678	1,749,776	7,129,030	72.4%		
New Growth							
Debt Exclusions							
Subtotal Taxes	9,549,268	10,077,061	1,802,681	7,284,680	72.3%	10077061	0
ProRata/Rollback	6,988	5,000	0	0	0.0%	7000	2,000
Motor Vehicle	614,698	510,000	389	107,075	21.0%	534000	24,000
Interest&Penalties	30,726	27,000	2,773	17,732	65.7%	27700	700
PILOT	6,579	12,000	6,641	16,319	136.0%	16500	4,500
Boat	3,012	3,500	1,028	1,043	29.8%	3500	0
Motel	796,821	770,000	0	501,348	65.1%	770000	0
Meals	277,062	250,000	0	195,144	78.1%	300000	50,000
PVTA	153,466	163,285	0	163,285	100.0%	163285	0
Court/Local Fines	34,357	37,000	3,290	24,065	65.0%	37000	0
Investment Earn	11,832	12,000	1,214	9,204	78.7%	14000	2,000
Cell Tower Revenue	0	0	1,500	10,500	#DIV/0!	16500	16,500
Misc	21,920	69,500	33	19,824	0.0%	69500	0
UMASS	50,000	60,000	0	0	0.0%	55000	-5,000
Prior Yr Refund	4,626	1,000	0	866	0.0%	1000	0
Rental	725	100	75	535	535.3%	750	650
Special/Assets	0	0	0	0	0.0%	0	0
Selectmen	73,332	70,159	1,395	69,705	99.4%	73700	3,541
Collector	31,178	36,000	1,498	16,186	45.0%	36000	0
Clerk	18,908	17,000	3,111	10,863	63.9%	22000	5,000
ConCom/ZBA	9,704	1,000	173	3,248	324.8%	4000	3,000
Planning Board	975	2,700	0	0	0.0%	2700	0
Police	18,922	18,000	1,439	13,316	74.0%	19000	1,000
Fire	20,502	21,615	3,902	17,201	79.6%	32000	10,385
Building	96,045	75,000	6,528	45,386	60.5%	75000	0
Plumb/Gas	11,467	9,000	1,005	10,581	117.6%	15000	6,000
Electrical	5,021	2,500	160	2,233	89.3%	3000	500
Health	44,733	45,300	1,405	36,140	79.8%	45300	0
Cemetery	70	50	0	100	200.0%	100	50
Library Fines/Timber	12	23	0	0	0.0%	23	0
TV 5 Fees	80	75	0	62	82.7%	75	0
Subtotal Other	2,343,761	2,218,807	37,558	1,291,962	58.2%	2,343,633	124,826
State Aid	1,684,739	1,667,593	133,947	1,122,386	67.3%	1,667,593	0
TotRegRevenue	13,577,768	13,963,461	1,974,186	9,699,027	69.5%	14,088,267	124,826
Other Revenues:							
PY Personal Property	576		0	674		674	674
PY Real Estate	98,688		22	93,729		93,729	93,729
Tax Liens/Foreclosures	43,066		3,343	21,680		25,000	25,000
Subtotal	13,720,098	13,963,461	1,977,550	9,815,111		14,207,690	244,229
Enterprise Transfers	327,340	367,201	250,684	250,684		367,201	0
TOTAL	14,047,438	14,330,662	2,228,234	10,065,795		14,574,891	244,229
RECAP	2,261,468						
Surplus Revenue	1,291,962	(969,506)					

TOWN OF HADLEY	
FREE CASH SUMMARY	
ESTIMATES	
4/3/2015	
Source/Comment	Amount
Certified Free Cash Remaining Balance 7/1/14	\$ 292,482
Available from tax liens	\$ 120,000
Departmental returns	\$ 150,000
Overlay turnover	\$ 50,000
Excess from local receipts	\$ 140,000
Subtotal	\$ 752,482
Projected School Choice/Charter Adjustment	\$ (15,000)
Subtotal	\$ 737,482
TOTAL Available for ATM on 5/7/15 and for FY 2016	\$ 737,482

TOWN OF HADLEY
TOWN MEETING VOTES 2015 (FY 2016)
10-Apr-15

Article #	Name	AMOUNT TO BE FUNDED		SOURCE OF FUNDING																								
				Raise and Appropriate	Free Cash (cert. 7/1/14)	Water Receipts	Water Reserve	Sewer Receipts	Sewer Reserve Fund	MSBA Debt Surplus	Transfer Development Rights Account	Friends of Council on Aging Gift	Capital Stabilization	Revolving	Borrow	CPA Funds												
4	Revolving (Tax Title Seed Money)	\$	1,800.00	\$	1,800.00																							
5	Omnibus Budget FY 2016		TBD		TBD																							
6	Transfer of Balance of Russell School Revolving	\$	93,644.00																									
8	FY 2015 Adjustment	\$	102,366.00		\$ 91,109.00		\$ 11,257.00								\$	93,644.00												
9	Sewer Emergency Laurana Lane	\$	275,000.00						\$	275,000																		
10	Boiler Emergency Public Safety Complex	\$	55,500.00												\$	50,017.00												
11	Water Plant Stabilization	\$	10,000.00				\$	10,000.00							\$	5,483.00												
12	Capital 1	\$	93,000.00												\$	93,000.00												
14	Capital 3	\$	107,000.00													\$	107,000.00											
15	MBC Parcel Surveys	\$	9,950.00												\$	9,950.00												
16	MBC Asbestos	\$	82,000.00																									
17	MBC Relocation Expenses		TBD																									
18	MBC Land Acquisition		TBD																									
19	MBC Critical Needs	\$	200,000.00		\$	200,000.00																						
20	Petition Land Acquisition	\$	3,000,000.00													\$	3,000,000.00											
21	Petition Land Acquisition		TBD																									
24	Hopkins 350th	\$	15,000.00												\$	15,000.00												
27	CPA Administrative	\$	5,000.00																									
29	CPA Land #1	\$	5,000.00																									
30	TDR contribution to #29	\$	3,250.00								\$	3,250.00																
31	CPA Land #2	\$	45,625.00																									
	ATM TOTAL	\$	4,102,335.00	\$	1,800.00	\$	291,109.00	\$	-	\$	21,257.00	\$	-	\$	275,000.00	2,444	\$	3,250.00	\$	7,000.00	\$	152,967.00	\$	114,127.00	\$	3,107,000.00	\$	55,625.00

TOWN OF HADLEY, MASSACHUSETTS

MAY 7, 2015

CONSENT AGENDA

Warrant articles on a Consent Agenda are exceptions to the general process of Town Meeting. The Select Board, Moderator, and Finance Committee identify, for Town Meeting consideration, those articles that they believe should generate no controversy and can be properly voted without debate. These articles are put on the Consent Agenda to allow motions under these articles to be acted upon as one unit and to be passed without debate.

At the call of the Consent Agenda, the Moderator will read out the numbers of the articles, one by one. If one or more voters object to any particular article being included in the Consent Agenda, they say "hold" in a loud voice when the number is called. The article will be removed automatically from the Consent Agenda and restored to its original place in the Warrant, to be debated and voted under the usual manner. After the calling of the individual items in the Consent Agenda, the Moderator will ask for a motion that the voters pass all items remaining AS A UNIT on one vote. Use of the Consent Agenda process makes the Town Meeting more efficient by speeding up the handling of non-controversial items.

THE CONSENT AGENDA WILL BE TAKEN UP AS THE FIRST ORDER OF BUSINESS AT THE COMMENCEMENT OF THE ANNUAL TOWN MEETING ON THURSDAY, MAY 7, 2015.

Please review the list of articles and motions proposed for each Consent Item which follows:

MOTION: Moved that the Town take Articles 1, 2, 3, 10 and 21 out of order and that they be "Passed by Consent" in accordance with the Motions shown on the Consent Agenda distributed this evening.

SINGLE EXCEPTION WILL REMOVE ARTICLE FROM CONSENT AGENDA.

ARTICLE 1: To see if the Town will vote to authorize the Select Board to apply for and expend Massachusetts Small Cities Program grants or monies, or any Federal or State grants or monies, received as set forth in the appropriate application, or take any action relative thereto.

Finance Committee recommendation pending
Select Board recommends 4-0-0

TOWN OF HADLEY
PROJECTED REVENUES - FOR DISCUSSION PURPOSES ONLY
4/3/2015

Account	FY 2012 Budgeted	FY 2012 Actual	FY 2013 Budgeted	FY 2013 Actual	FY 2014 Budgeted	FY 2014 Actual	FY 2014 Estimated	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected	FY 2019 Projected
Revenue Summary												
Table 1: Property Tax Levy												
Tax Levy	\$ 8,022,295	\$ 8,082,295	\$ 8,373,272	\$ 8,373,272	\$ 8,677,000	\$ 8,677,000	\$ 8,677,000	\$ 8,959,333	\$ 9,359,333	\$ 9,753,316	\$ 10,132,149	\$ 10,505,453
Prop 2.5%	\$ 202,057	\$ 202,057	\$ 209,332	\$ 209,332	\$ 216,925	\$ 216,925	\$ 216,925	\$ 224,704	\$ 233,983	\$ 243,833	\$ 253,304	\$ 262,636
New Growth	\$ 88,920	\$ 88,920	\$ 94,396	\$ 94,396	\$ 94,219	\$ 94,219	\$ 94,219	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Debt Exclusions	\$ 926,578	\$ 926,578	\$ 819,423	\$ 819,423	\$ 731,267	\$ 731,267	\$ 731,267	\$ 709,354	\$ 709,354	\$ 645,197	\$ 608,365	\$ 542,832
	\$ 9,299,850	\$ 9,299,850	\$ 9,496,423	\$ 9,496,423	\$ 9,719,411	\$ 9,719,411	\$ 9,719,411	\$ 10,086,884	\$ 10,462,670	\$ 10,777,346	\$ 11,113,818	\$ 11,410,921
000-410-412: Subtotal												
Table 2: State Aid												
000-4621 Chapter 70	\$ 733,207	\$ 733,207	\$ 815,648	\$ 815,648	\$ 879,856	\$ 879,856	\$ 879,856	\$ 938,254	\$ 985,167	\$ 1,034,425	\$ 1,086,146	\$ 1,140,454
000-4620 Career School Reimbursement	\$ 53,512	\$ 53,512	\$ 54,246	\$ 54,246	\$ 94,741	\$ 94,741	\$ 94,741	\$ 45,951	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
000-4670 Unrestricted General Government Aid	\$ 356,121	\$ 356,121	\$ 393,877	\$ 393,877	\$ 392,951	\$ 392,951	\$ 403,848	\$ 411,925	\$ 420,163	\$ 428,567	\$ 437,138	\$ 445,825
000-4633 Abatement to Veterans' and Blind	\$ 13,550	\$ 13,550	\$ 13,188	\$ 13,188	\$ 13,638	\$ 13,638	\$ 13,425	\$ 13,425	\$ 13,425	\$ 13,425	\$ 13,425	\$ 13,425
000-4667 Veterans' Benefits and Exemptions	\$ 3,893	\$ 3,893	\$ -	\$ -	\$ 33,996	\$ 33,996	\$ 33,996	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
000-4699 PILOT	\$ 176,323	\$ 176,323	\$ 176,379	\$ 176,379	\$ 179,867	\$ 179,867	\$ 204,286	\$ 209,000	\$ 214,000	\$ 216,000	\$ 216,000	\$ 216,000
000-4610-462: Offsets (School Choice, Lunch, Library)	\$ 395,648	\$ 395,648	\$ 404,316	\$ 404,316	\$ 393,729	\$ 393,729	\$ 452,102	\$ 459,000	\$ 459,000	\$ 459,000	\$ 459,000	\$ 459,000
	\$ 1,732,254	\$ 1,732,254	\$ 1,847,654	\$ 1,847,654	\$ 1,888,778	\$ 1,888,778	\$ 2,119,895	\$ 2,189,517	\$ 2,252,013	\$ 2,314,138	\$ 2,379,017	\$ 2,443,901
Subtotal												

Account	FY 2012 Budgeted	FY 2012 Actual	FY 2013 Budgeted	FY 2013 Actual	FY 2014 Budgeted	FY 2014 Actual	FY 2014 Estimated	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected	FY 2019 Projected
Table 3: Local Receipts												
000-4111 Prof Assess	\$ 5,000	\$ 1,888	\$ -	\$ 9,121	\$ 5,000	\$ 6,988	\$ 5,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
000-4150 Motor Vehicle	\$ 475,000	\$ 437,516	\$ 475,000	\$ 472,309	\$ 475,000	\$ 614,698	\$ 510,000	\$ 615,000	\$ 615,000	\$ 620,000	\$ 625,000	\$ 631,250
000-4171-417: Interest/Fees	\$ 32,800	\$ 26,800	\$ 33,900	\$ 36,325	\$ 26,000	\$ 30,726	\$ 27,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
000-4180 PILOT (Not from Cherry Sheet)	\$ 10,000	\$ 6,461	\$ 10,000	\$ 13,466	\$ 10,000	\$ 6,579	\$ 12,000	\$ 16,000	\$ 16,000	\$ 16,800	\$ 17,640	\$ 18,522
000-4164 Boat Exide	\$ 3,000	\$ 3,516	\$ 3,500	\$ 3,069	\$ 3,500	\$ 3,012	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
000-4673 Motor Occupancy/Tax	\$ 660,000	\$ 767,899	\$ 700,000	\$ 765,585	\$ 700,000	\$ 796,821	\$ 770,000	\$ 856,500	\$ 856,500	\$ 856,500	\$ 856,500	\$ 856,500
000-4185 Meals Exide	\$ 240,000	\$ 244,248	\$ 240,000	\$ 244,921	\$ 240,000	\$ 277,062	\$ 278,856	\$ 314,367	\$ 314,367	\$ 314,367	\$ 314,367	\$ 314,367
000-4350 PVTA	\$ 177,500	\$ 124,578	\$ 159,000	\$ 159,536	\$ 179,000	\$ 153,466	\$ 163,285	\$ 163,285	\$ 163,285	\$ 163,285	\$ 163,285	\$ 163,285
000-4895 Court/Judicial Fees	\$ 60,000	\$ 43,534	\$ 60,000	\$ 33,270	\$ 40,000	\$ 34,357	\$ 37,000	\$ 38,000	\$ 38,000	\$ 39,000	\$ 40,000	\$ 41,000
000-4820 Investment Earnings	\$ 30,000	\$ 25,399	\$ 35,000	\$ 11,942	\$ 10,000	\$ 11,932	\$ 12,000	\$ 13,000	\$ 13,000	\$ 14,000	\$ 15,000	\$ 16,000
000-4821 Bond Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
000-4840-462 Miscellaneous (incl. Medicare D)	\$ 3,000	\$ 40,763	\$ 37,094	\$ 33,566	\$ 69,000	\$ 21,920	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000
000-4841 Prior Year Refund	\$ -	\$ 14,907	\$ -	\$ 1,236	\$ -	\$ 4,626	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
192-136 Rental	\$ 100	\$ 395	\$ -	\$ 625	\$ -	\$ 725	\$ 100	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
000-4941 Sec/Assets-Timber	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
122 Select Board Receipts	\$ 59,000	\$ 119,895	\$ 20,000	\$ 464,266	\$ 67,257	\$ 73,332	\$ 86,159	\$ 92,000	\$ 92,000	\$ 115,000	\$ 137,000	\$ 162,000
146 Collector Receipts	\$ 20,000	\$ 38,282	\$ 31,820	\$ 37,187	\$ 35,000	\$ 31,178	\$ 36,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000
144 Assessor Receipts	\$ -	\$ 786	\$ -	\$ 581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
151 Clerk Receipts	\$ 9,750	\$ 19,863	\$ 15,500	\$ 18,242	\$ 15,500	\$ 18,908	\$ 17,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
172-176 Cem/Com/75A Receipts	\$ 1,000	\$ 1,200	\$ 1,000	\$ 831	\$ 1,000	\$ 970	\$ 1,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
175 Planning Board Receipts	\$ 2,000	\$ 5,181	\$ 2,500	\$ 2,618	\$ 2,500	\$ 975	\$ 2,700	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
210 Police Receipts	\$ 8,500	\$ 17,861	\$ 9,000	\$ 20,501	\$ 10,100	\$ 19,922	\$ 18,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
220 Fire Receipts	\$ 30,000	\$ 23,894	\$ 21,615	\$ 19,078	\$ 18,015	\$ 20,502	\$ 21,615	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
241 Building Inspector Receipts	\$ 51,000	\$ 78,858	\$ 70,000	\$ 67,773	\$ 70,000	\$ 96,045	\$ 75,000	\$ 90,000	\$ 90,000	\$ 90,500	\$ 91,000	\$ 91,500
243 Plumb/Gas Inspector Receipts	\$ 6,700	\$ 11,434	\$ 7,000	\$ 10,946	\$ 7,000	\$ 11,467	\$ 9,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 12,000
245-4431 Electrical Inspector Receipts	\$ 2,500	\$ 2,367	\$ 2,500	\$ 2,879	\$ 2,000	\$ 5,021	\$ 2,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
510 Board of Health Receipts	\$ 34,000	\$ 45,880	\$ 37,000	\$ 49,390	\$ 37,000	\$ 44,753	\$ 46,300	\$ 47,500	\$ 47,500	\$ 48,000	\$ 48,500	\$ 48,500
481 Currency Receipts	\$ 500	\$ 25	\$ 200	\$ 10	\$ 200	\$ 70	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
610-4772 Library Receipts	\$ -	\$ 40	\$ 40	\$ -	\$ 40	\$ 12	\$ 23	\$ 23	\$ 23	\$ 23	\$ 23	\$ 23
599-4840 TVS Receipts	\$ -	\$ 185	\$ 50	\$ 75	\$ 50	\$ 80	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75
University of Mass Payment	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 60,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 70,000	\$ 70,000
Subtotal	\$ 1,970,550	\$ 2,151,615	\$ 2,055,206	\$ 2,549,348	\$ 2,073,142	\$ 2,343,761	\$ 2,261,663	\$ 2,539,300	\$ 2,571,600	\$ 2,628,440	\$ 2,685,572	\$ 2,742,604
Table 4: Available Receipts												
Free Cash	\$ 1,085,571	\$ 1,085,571	\$ 507,258	\$ 507,258	\$ 839,745	\$ 839,756	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 2014 Free Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Stabilization Fund	\$ 16,950	\$ 16,950	\$ 270,000	\$ 270,000	\$ 167,243	\$ 167,243	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stabilization Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Reserves	\$ 17,942	\$ 17,942	\$ 18,023	\$ 18,023	\$ 26,190	\$ 26,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Reserves	\$ 3,551	\$ 3,551	\$ 8,265	\$ 8,265	\$ 35,830	\$ 35,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Available Receipts	\$ 65,000	\$ 65,000	\$ 71,000	\$ 71,000	\$ 9,908	\$ 9,908	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 1,189,014	\$ 1,189,014	\$ 874,546	\$ 874,546	\$ 1,078,916	\$ 1,081,927	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF HADLEY
 REVENUE-EXPENDITURE SUMMARY -- FOR DISCUSSION PURPOSES ONLY
 12/1/2014

	1	2	3	4	5
	FY 2015 Annual &				
	Special Town Meetings	FY 2016 Estimated	FY 2017 Estimated	FY 2018 Estimated	FY 2019 Estimated
Revenues	\$ 14,559,260	\$ 15,281,995	\$ 15,773,501	\$ 16,190,967	\$ 16,612,120
Expenses	\$ 15,025,998	\$ 15,874,998	\$ 16,631,191	\$ 17,273,237	\$ 18,013,662
Subtotal	\$ (466,738)	\$ (593,003)	\$ (857,690)	\$ (1,082,270)	\$ (1,401,542)

Transfers from Other Funds

Free Cash to Balance Omnibus Budget	\$ 194,609	\$ 340,279	\$ 164,901	\$ 178,452	\$ 353,939
Free Cash for Capital Budget	\$ 276,856	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Stabilization Fund	\$ -	\$ -	\$ -	\$ -	\$ -
MSBA Debt Surplus	\$ 2,444	\$ 2,444	\$ 2,444	\$ 2,444	\$ 2,444
Balance	\$ 7,171	\$ 49,720	\$ (390,345)	\$ (601,374)	\$ (745,159)

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.

Top 10+ Areas of Concern. Review of finances and operations that require attention.

- Stabilization account - 5% of revenue should be part of the Town's stabilization account. We are currently at 11% right now so we exceed this.
- Funding for catastrophe - it was thought \$2 million would be good but is this too low?
- Define our reserves. Add to stabilization or would the money be better spent somewhere else?
- Sustainability and Long-Term Funding
- Infrastructure - lacking on the technology side. Need a technology plan with funding in place to sustain it.
- Human Resource position. Look at compensation schedule and wage scales, etc.
- Decline in school population. The number of Hadley students has declines but the number of school choice students has increased.
- Revenue maximization. Better projection of where revenues are going. Also look at economic development.
- Contracts. Town wide coordination. Look at compensation schedule and wage scales on regular basis.
- Evaluate Public Safety budget for overall efficiency.
- Benefits