

## TRIBOARD

1. The Finance Committee is asked to vote on 2 transfer requests from the Reserve Fund:
  - \$6,300 for the mandatory biannual OPEB actuarial study.
  - \$3,000 for the Visual Budget program.

A balance of \$49,500 is on the Reserve Fund.

2. 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.
3. 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).
4. Top 10 areas of concern.

REQUEST FOR RESERVE FUND TRANSFER  
TOWN OF HADLEY, MASSACHUSETTS  
COUNTY OF HAMPSHIRE

DATE 01/15/2015

TO: FINANCE COMMITTEE

FROM: Accountant: Treasurer

REQUEST IS HEREBY MADE FOR THE FOLLOWING TRNSFER FROM THE RESERVE FUND IN ACCORDANCE WITH CHAPTER 40, SECTION 6, OF THE MASSACHUSETTS GENERAL LAWS.

AMOUNT REQUESTED 6300-

THIS REQUEST IS DEEMED TO BE:  EXTRAORDINARY  
 UNFORESEEN  
 OPPORTUNITY GRANT

EXPLANATION: Needed for end of year OPEB  
(USE, REASON, ETC.) Study by Peter Elmore

[Signature]  
REQUESTING PARTY SIGNATURE

Requesting Party must meet  
Finance Committee prior to action.  
SELECTMEN: PLEASE SIGN

FINANCE COMMITTEE ACTION

DATE: \_\_\_\_\_ APPROVED: \_\_\_\_\_  
AMOUNT: \_\_\_\_\_ REJECTED: \_\_\_\_\_

REJECT REASON: \_\_\_\_\_

(Must be signed by majority if Requesting Party is not an Elected Official)

Cc: Board of Selectmen  
Town Accountant  
Finance Committee



February 25, 2014

David Nixon  
Town Administrator  
Town of Hadley

Dear David,

This letter will serve to outline the agreement between The Town of Hadley ( hereinafter "the municipality") and Visual Government (hereinafter "the Company") with regard to the production of a budget visualization for the municipality.

The municipality agrees to pay the company \$3000.00 for the following services:

- Registration of an appropriate internet domain for the municipality's Visual Budget (e.g. "yourtownvisualbudget.org") and hosting of the site for 12 months.
- Installation Visual Budget 1.0, branded it with the municipality's logo, and loaded it with sample financial data.
- Discovery with the municipality's financial and technical team to assist in preparing budget data for the site. 8 hours of assistance with decision making and formatting of the municipality's data to meet the requirements of the Visual Budget tool.
- Technical support for 24 months including installation of all revisions of the software during that time.

In addition, the municipality agrees to:

- Be an active partner in the Visual Budget Consortium, which will provide direction for future development of the Visual Government tool set and act as a board of advisors.

Please sign this letter below to indicate your acceptance of these terms and return a copy along with payment to Visual Government, 1 Lehigh Street, Arlington, MA 02476 .

Sincerely,

Annie LaCourt  
Visual Government

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Accepted by:

Date

cc: Alan Jones, Jonathan Follet



VisGov

## VISUAL BUDGET INFORMATION

City or Town \_\_\_\_\_

### Administrative contact

Name & title \_\_\_\_\_

Phone & email \_\_\_\_\_

### Financial / Technical contact

Name & title \_\_\_\_\_

Phone & email \_\_\_\_\_

### Billing contact

Name & title \_\_\_\_\_

Phone & email \_\_\_\_\_

Mailing address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Accounting system used

Tyler / MUNIS

SoftRight

Microsoft Excel

Other \_\_\_\_\_

Preferred Visual Budget domain (e.g. *yourtownvisualbudget.org*, depending on availability)

\_\_\_\_\_

# 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