



**TOWN OF HADLEY  
MASSACHUSETTS**

**Town Administrator's Preliminary Budget  
Fiscal Year 2015**

**For the Fiscal Year  
July 1, 2014 through June 30, 2015**

**January 8, 2014**

**Presented by**

**David G. Nixon  
Town Administrator**

# TABLE OF CONTENTS

## Section I

Town Administrator's Letter to the People of Hadley.....	6
Organizational Chart .....	8
Guide to the Budget.....	12
Town Administrator's Letter of Transmittal .....	14

## Section II

Budget Summary .....	24
Revenues .....	24
Expenses .....	29

## Section III

### Budget Detail

General Government (100 Series).....	32
Public Safety (200 Series).....	42
Public Works (400 Series).....	48
Enterprise Funds (440 and 450 Series).....	52
Human Services (500 Series).....	58
Culture and Recreation (600 Series).....	61
Debt (700 Series).....	63
Benefits (900 Series).....	64

## Section IV

### Budget Detail

Education (300 Series).....	67
-----------------------------	----

## Section V

### Budget Detail

Unappropriated Expenses (800 Series).....	70
---	----

## Section VI

Community Profile.....	73
------------------------	----

Financial Policies.....	74
-------------------------	----

Glossary.....	81
---------------	----

Sources.....	88
--------------	----

## Section VII

Capital Plan Summary.....	90
---------------------------	----

## Section VIII

Community Preservation Act Fund Proposal.....	98
---	----

# Section I

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

Organization Charts

Budget Book Guide

Town Administrator's Letter of Transmittal  
to Select Board

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



January 8, 2014

To the People of Hadley:

Please accept this preliminary budget for the Fiscal Year 2015, July 1, 2014 through June 30, 2015, and thank you for taking the time to review the enclosed materials.

The budget is balanced, based on the revenue projections and the recommended revisions to expenses. The budget supports a municipal government that is focused on providing core services and aligns with the values and priorities of the community as expressed in the Master Plan and supported by community leaders.

The preliminary budget is submitted in advance of the release of financial information from regional and state agencies, and therefore it is composed from best estimates of future revenue and expenditures. In late January 2014, the Governor and the Legislature make public their proposals on such matters as Local Aid, Local Assessments, Chapter 90 (roads and bridges), and Chapter 70 (education), and the financial outlook may change.

The budget statement is more than a summary of revenues and expenses. It is a description of the goals and priorities of the community and an operational manual for achieving those goals and for providing the high-quality services that residents, businesses, and visitors have come to expect.

- The budget should serve as a policy document.
- The budget should serve as a financial plan.
- The budget should serve as an operational guide.
- The budget should serve as a communication device.

Preparing a budget 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, Town Collector Susan Glowatsky, Licensing Coordinator Margaret Jekanowski, Town Treasurer Constance Mieczkowski, Assistant Collector Kim Pfeiffer, Town Accountant Gail Weiss, Assistant Assessor Daniel Zdonek, and Assistant Treasurer Joan Zuzgo deserve special mention for their efforts to provide me with information and insights. All errors and misinterpretations of law or facts are mine alone.

Here is a summary of the preliminary budget. Detailed information is enclosed in the body of this document. I recommend that the reader review the Table of Contents and the Budget Book Guide to navigate better to areas of interest.

	<b>FY 2014 Voted</b>	<b>FY 2015 Request</b>	<b>Admin Add/(Delete)</b>	<b>FY 2015 Admin Rec'd</b>	<b>Change \$</b>	<b>Change %</b>
<b>Operating Revenues</b>	\$ 16,797,270	\$ 17,045,636		\$ 17,045,636	\$ 248,366	1.48%
<b>Operating Expenses</b>	\$ 16,708,136	\$ 17,106,533	\$ (60,897)	\$ 17,045,636	\$ 332,032	2.02%

The preliminary budget will be presented to the Select Board and the Finance Committee on January 8, 2014. Community leaders will then meet with department heads discuss proposed and recommended budget figures. A final budget will be developed from these discussions. All such meetings are open to the public. Updates and notices of meetings can be found on the Town Website at [www.hadleyma.org](http://www.hadleyma.org).

On **May 1, 2014**, Annual Town Meeting will vote on the final budget. Annual Town Meeting is always held on the first Thursday of May at Hopkins Academy at 7:00 p.m. A warrant with all matters of business to be enacted will be posted at least one week in advance of the date of 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

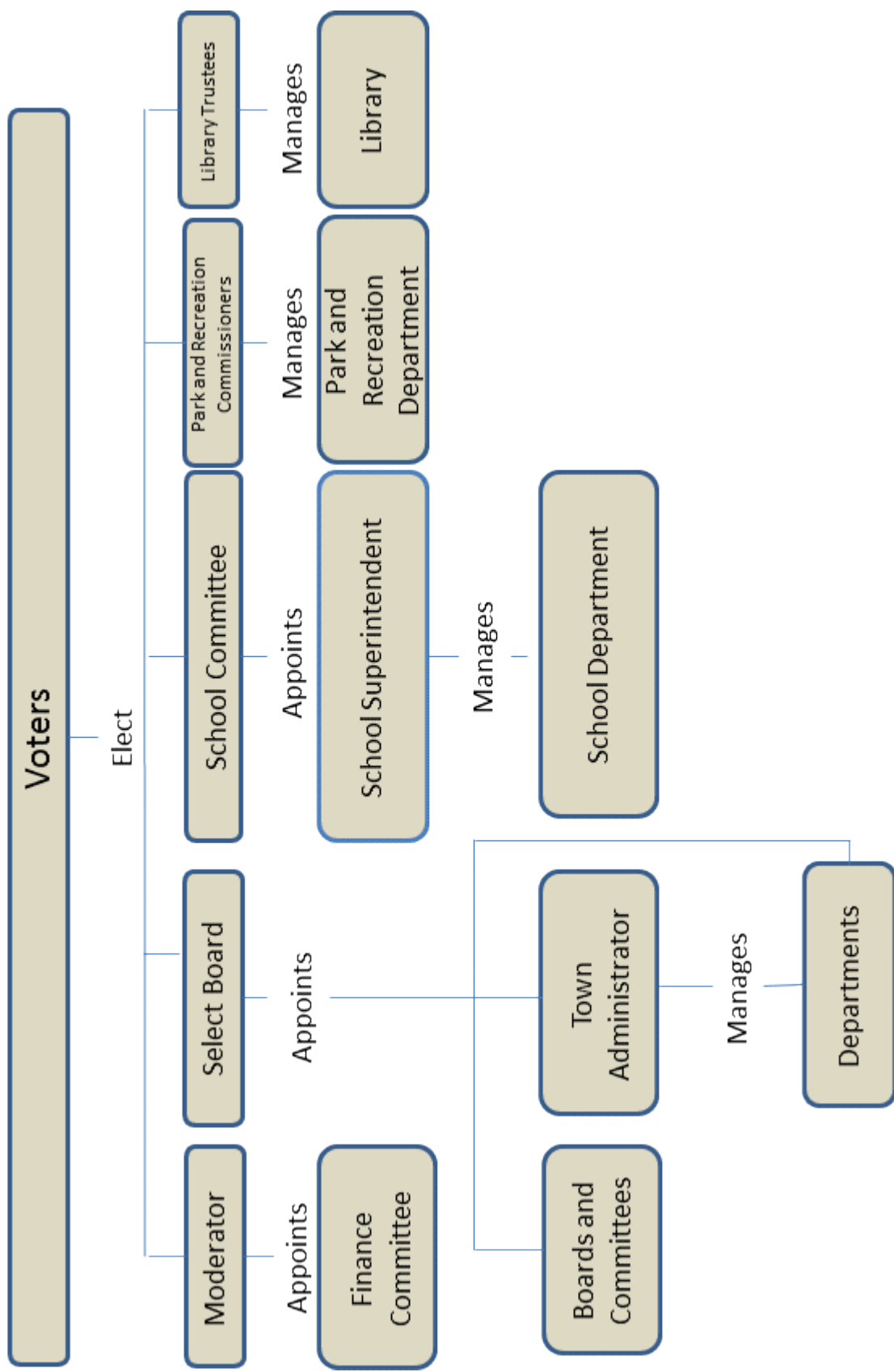
# ORGANIZATIONAL CHART

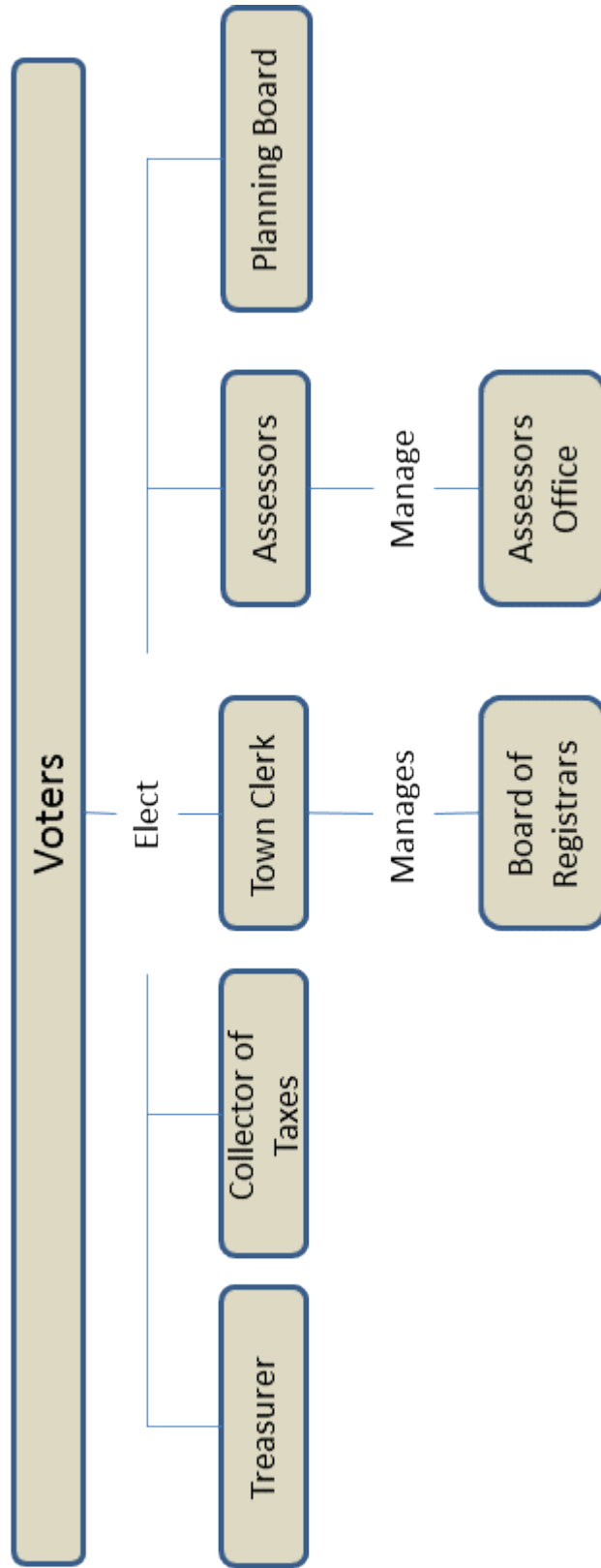
## Town of Hadley Government Mission Statement

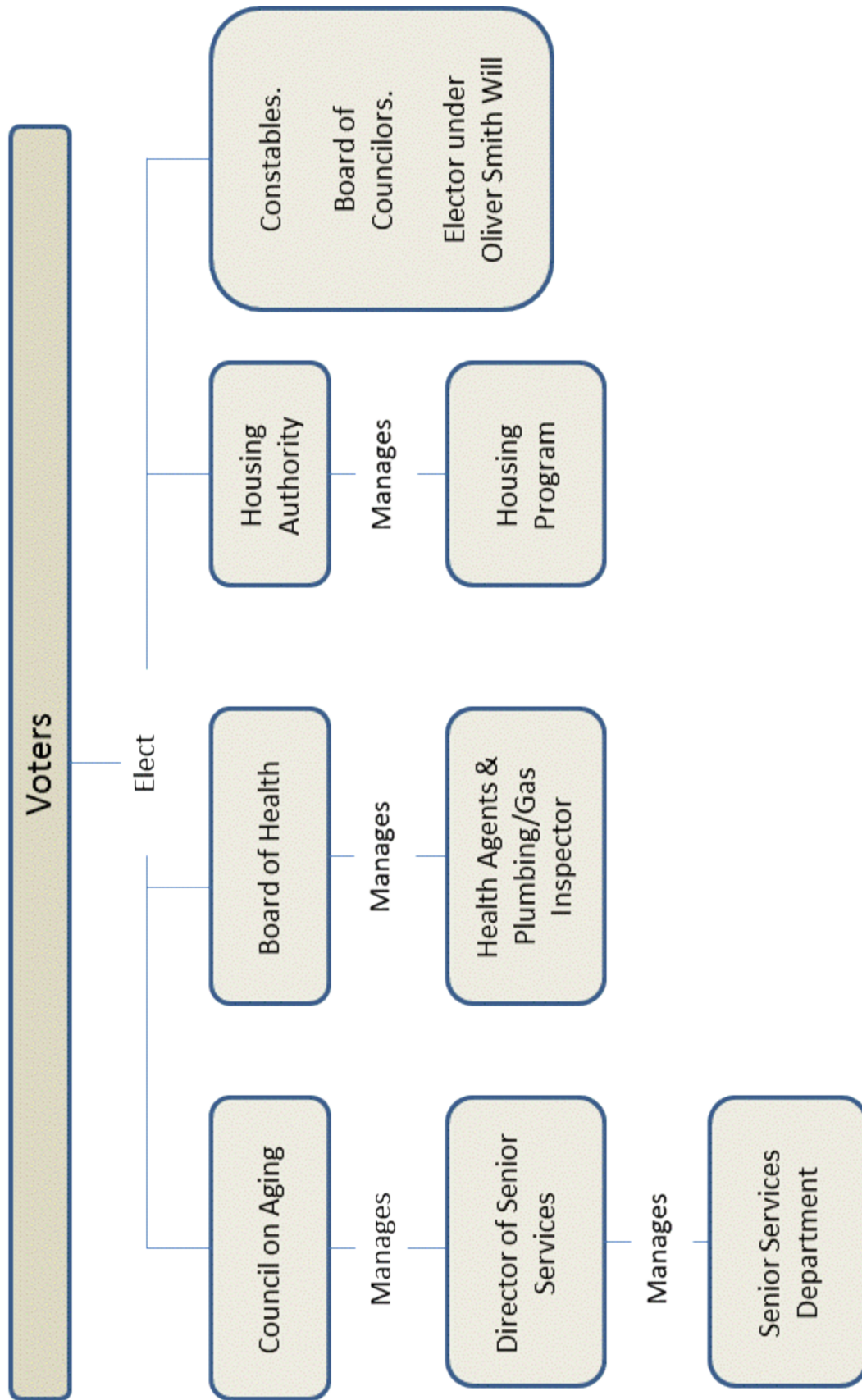
The mission of town government is to serve the residents, businesses, and visitors in the Town of Hadley by providing high-quality services that enhance the quality of life by preserving the character of the community, encouraging commerce and prosperity, and providing stewardship to the community's resources.

The following chart outlines the organization of the Town of Hadley government.









# Budget Book Guide

This section is intended to serve as a guide to the reader in navigating the budget 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 Letter of Transmittal.

Section II is the Budget Summary. This section contains an overview of the budget with condensed information about the budget as a whole. Revenue and expenditure projections are contained in this section.

Sections III, IV and V show budget details for each account.

Section III contains Town Government budget accounts (Budget Series 100, 200, 400, 500, 600, 700, and 900)

Section VI contains the educational account (Budget Series 300).

Section V contains the unappropriated accounts (Budget Series 800).

Section VI contains a community profile, information about the financial and budget policies of the Town, a glossary of terms, and list of sources.

Section VII contains a summary of the five-year capital plan along with recommendations for spending in FY 2015.

Section VIII contains a proposal submitted to the Community Preservation Act Committee to address long-standing building restoration and preservation issues.

# Town Administrator's Letter of Transmittal



January 8, 2014

Select Board  
Finance Committee  
Capital Planning Committee  
Town of Hadley  
100 Middle Street  
Hadley, MA 01035

**Re: Letter of Transmittal of the Proposed Budget Fiscal Year 2015, "Every noble work is at first impossible." – Thomas Carlyle 1843.**

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

Please accept this document as a Letter of Transmittal of the Preliminary Fiscal Year 2015 Budget. The budget is balanced based on the projected revenues and recommended expenditures.

#### Fiscal Balance

The Fiscal Year 2015 budget represents a balanced budget.

The Select Board established principles by which to develop the FY 2015 budget. First, there shall be no general Proposition 2½ override. Second, services shall be maintained at existing levels, except for specific targeted increases. Third, in all areas of our control, government shall be set on a sustainable course. This means at a minimum that existing financial management practices and policies will be followed.

As per the instructions of the Select Board, the departments prepared level-service budgets, which deliver the same services in FY 2015 as were delivered in FY 2014. Where departmental effectiveness is not compromised, I have provided the Town Administrator's recommendations for or against. Where departments have added services, I have presented these as program enhancements, and I have provided the Town Administrator's recommendations for or against.

### Budget Schedule

In October, 2013, the Select Board established a budget schedule for the 2014 Annual Town Meeting. This budget should be reviewed by the Select Board, Finance Committee, Capital Planning Committee, and the Community Preservation Act Committee with a final recommended budget presented to Town Meeting **by May 1, 2014.**

### Financial Position

The Town of Hadley is in very good financial condition. Its credit rating has never been better; its reserves are at historic highs; its tax base is in solid condition – even taking into account the depreciation of values during the recession; its tax rate continues to be among the lowest in the Commonwealth (its average family tax bills remain 16% below the Hampshire County average and 30% below the state average); its uncollected property taxes are at historic lows; its debt is within optimal limits; the enterprise funds are operating responsibly; and its overall fiscal position is positive. The Town is benefiting from the careful and responsible financial management of its professional staff and community leaders.

The Town of Hadley continues to be in a strong position with its reserves. The Stabilization Fund maintains a balance in excess of \$2 million, representing more than 11% of operating funds, which meets the Town's dollar target, and exceeds the state benchmark of 5% of operating funds. Wastewater reserves effectively match operating funds by 100%. Water reserves have grown to about 100% of operating funds, thus achieving an important target for that enterprise fund.

### Budget Summary

Here is a brief summary of the budget. Additional details can be found in the Sections II through VI. The budget is balanced based on the projected revenues and recommended expenditures.

	<b>FY 2014 Voted</b>	<b>FY 2015 Request</b>	<b>Admin Add/(Delete)</b>	<b>FY 2015 Admin Rec'd</b>	<b>Change \$</b>	<b>Change %</b>
<b>Operating Revenues</b>	\$ 16,797,270	\$ 17,045,636		\$ 17,045,636	\$ 248,366	1.48%
<b>Operating Expenses</b>	\$ 16,708,136	\$ 17,106,533	\$ (60,897)	\$ 17,045,636	\$ 331,732	2.02%

### Economic Outlook

According to the United States Bureau of Labor Statistics, the national unemployment rate was 7.3% in October 2014 and fell to 7.0% in November, the lowest it has been since November 2008. For the Commonwealth of Massachusetts, unemployment for the same period was 7.2% in October. In Hadley, unemployment was indexed at 6.9%.

Unemployment rates will be reviewed by the Federal Reserve, which may start tapering its asset-buying program once certain employment benchmarks are reached. Markets and interest rates may exhibit instability, as the federal government withdraws its monetary support. In addition, markets are likely to be cautious as Ms. Janet Yellen takes over control of the Federal Reserve until she announces her major policy decisions regarding the state of the economy. So far, she has sent signals that nothing major is going to change in the near term

Any instability in the market is likely to be short-lived, and the United States economy will continue to rise over the longer haul. In Hadley, the local economy shows signs of improving. Revenues from room occupancy taxes and meals taxes are increasing by at least 4.9% indicating that people are spending disposable income in higher amounts than last year. Building shows signs of improvement, and purchases of automobiles are keeping pace with last year's growth.

### Tax Rate

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. In FY 2013, Hadley's average family tax bill was \$3,214, which is 16% lower than the average family tax bill in Hampshire County and 30% lower than the average state-wide<sup>1</sup>. Despite the low taxes, the quality of services remains high and is consistently provided year after year.

Here is how Hadley's tax rate compares with surrounding communities<sup>2</sup>.

<b>Town or City</b>	<b>FY 2013</b>	<b>FY 2014</b>
Hadley	\$10.44	\$10.64
Amherst	\$20.39	\$20.97
Northampton	\$14.26	\$15.39
Hatfield	\$12.30	\$12.67
Easthampton	\$14.51	\$14.86
Granby	\$16.34	\$16.78
South Hadley	\$14.91	\$16.41
Pelham	\$20.03	\$20.40
Southampton	\$14.44	\$15.20
Sunderland	\$13.43	\$13.98
Williamsburg	\$16.84	\$17.37
Leverett	\$18.66	\$19.20
Shutesbury	\$20.27	\$20.60

<sup>1</sup> Department of Revenue. 2013, Town of Hadley Financial Management Review.

<sup>2</sup> Department of Revenue, 2013, Tax Rate Approved Report.



The budget presented here does not propose a Proposition 2 ½ Override, in that recommended operating expenses are within statutory levy limits. 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.

#### Town of Hadley 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. The Town has maintained its current credit rating for 5 years. A high credit rating 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

#### Enterprise Funds

The Water Enterprise Fund continues to operate well. The enterprise fund operating position as measured in constant dollars has remained stable since FY 2008. Revenues are affected by weather patterns (e.g., wet years result in less water usage and hence fewer revenues), so revenues show volatility. Overall, actual revenues tend to fall short of budget revenue projections in wet years, whereas in dry years, revenue projections are exceeded. Careful budgeting and avoiding reliance on non-recurring revenues have effectively managed any shortfalls. This has resulted in water enterprise fund operating surpluses for four of the past five fiscal years (FY 2010 showed a slight deficit of -3.62% in net operating revenues).

The Wastewater Enterprise Fund continues to operate well. The enterprise fund operating position as measured in constant dollars has remained stable or has increased since FY 2008. Like water, wastewater revenues are affected by weather patterns (e.g., wet years result in less water usage and hence less measured sewer usage), so revenues show volatility. Careful budgeting and avoiding reliance on non-recurring revenues have effectively managed any shortfalls. This has resulted in wastewater enterprise fund operating surpluses for three of the past five fiscal years (FY 2008 and FY 2009 showed slight deficits of -2.32% and -1.17% in net operating revenues respectively).

#### Tax Delinquency Policy and Practice

The Town of Hadley experiences a high rate of tax collection. The Town of Hadley has collected between 97.33% and 98.88% of its taxes annually from FY 2008 through FY 2012. The Town of Hadley's uncollected property rate stood in FY 2012 at 1.6% of total property tax commitment. In FY 2013, the total outstanding uncollected taxes amounted to about \$110,420, or 1.16% of total property tax commitment.

According to the Town's financial management policy regarding uncollected property taxes as adopted in April 9, 2008, the annual level of uncollected property taxes will not exceed 1.7%; an aggressive policy of collecting property tax revenues will be followed; and a detailed list of outstanding property taxes should be prepared quarterly.

The Town's policy and practice of collecting back taxes is consistent with (and in fact exceeds) the best management practices established by both the International City/County Management Association (ICMA) and the Massachusetts Association of Town Finance Committees (MATFC). The MATFC's Finance Committee Handbook recommends that tax collection rate be higher than 95%. The ICMA's financial policy guide, *Evaluating Financial Position*, recommends keeping uncollected property taxes between 5% and 8% in order to avoid ratings firms to consider such uncollected taxes as a negative factor in their credit analyses. ICMA points out that an increase in the rate of delinquency for two consecutive years is also considered a negative factor.

The Town pursues efforts to make sure that people and businesses pay their property taxes on time. We work in partnership with banks, insurance agencies, and other financial institutions, as well as property owners to keep the amount of uncollected taxes low.

We offer assistance to property owners who may be struggling by entering into payment plans, rather than engaging in enforcement actions. For most, payment plans are an affordable arrangement, and we have renegotiated plans based on changing life circumstances of people who owe back taxes.

Unfortunately, from time to time, we encounter people and businesses that do not wish to enter into payment plans, or who do not adhere to the terms of our payments plans. For such people, we regretfully have to take an enforcement approach as allowed by law and according to the Town's policies (e.g., the Town's Administrative and Finance Management Policy).

#### Capital Budget (Section VII)

A companion piece to the FY 2015 budget is the five year capital plan. The Town of Hadley formally adopted a capital plan in 2007. In FY 2011, the Town adopted the meals tax and dedicated 100% of that revenue to its capital program. Each special town meeting in fall, the Town places the meals tax revenue (about \$240,000 annually) into the Capital Stabilization Fund. Each spring, the Town expends monies from the Capital Stabilization Fund to fund capital projects (i.e., infrastructure, buildings, and equipment). We are fortunate that meals tax revenue has proven to be a reliable and strong source of funds for the Town's capital needs.

Most of a local government's wealth is invested in its capital facilities (e.g., streets, bridges, roads, buildings, utilities, and equipment). Local governments often find it easy in the short term to defer maintenance or upgrades to capital facilities, as that can be a relatively painless way to balance budgets during times of fiscal or economic constriction. Continued deferred investment in capital facilities,

however, inevitably has a major long-term impact on a town's financial health. Failure to properly maintain capital assets often leads to (a) decreased usefulness of the assets, (b) increased maintenance or replacement costs, (c) increased risk for injury or liability from using deteriorating capital assets, (d) loss of efficiency in equipment, (e) increased the risk of building a huge future obligation created by a maintenance and replacement backlog, and (f) decreasing attractiveness of the town as a place to work, live, and do business.

The Town should pursue a strategy of combining meals tax revenue, CPA funds, enterprise funds, grants, and borrowing to advance its capital program in FY 2015. Interest rates are expected to remain at historic lows (barring any Federal effort to repeal the tax-exempt status of municipal bonds) until Federal FY 2015. In addition, a significant amount of debt for the elementary school and the public safety complex will come off the books in FY 2015. The Town may take advantage of a historic moment to do a lot of good for buildings, infrastructure and equipment.

FY 2015 Recommended Capital Budget										
Department	Project	Cost	Capital Stabilization	Free Cash FY 2014	Stabilization	Water Reserves	Wastewater Reserves	Sewer Impact Fee	Debt	Community Preservation Act
Select Board	Master Plan Update	\$ 40,000	\$ 40,000							
	Computer Upgrade	\$ 12,000	\$ 12,000							
Police										
	Cruisers	\$ 69,499			\$ 69,499					
	Computer Upgrades	\$ 30,000	\$ 30,000							
	Heating Upgrade	\$ 28,310	\$ 28,310							
	Fire Arms Equipment	\$ 7,000	\$ 7,000							
	Ballistic Vests	\$ 17,600	\$ 17,600							
	Furniture	\$ 15,000	\$ 15,000							
Fire										
	Heavy Rescue/Pumper	\$ 761,250							\$ 761,250	
	Command/1st Response Vehicle	\$ 68,000		\$ 68,000						
	Center Station Exercise Room	\$ 20,900	\$ 20,900							
	Radio Equipment Upgrade	\$ 179,500							\$ 179,500	
	Carpeting & Painting	\$ 32,000	\$ 32,000							
Highway										
	John Deere Loader	\$ 190,000							\$ 190,000	
	F-550 Dump Truck #1	\$ 83,000		\$ 83,000						
	F-550 Dump Truck #2	\$ 85,000	\$ 85,000							
	Superintendent's Vehicle	\$ 6,000		\$ 6,000						
	Route 47 Culvert	\$ 900,000							900,000	
Wastewater										
	Electrical Improvements	\$ 550,000						\$ 225,000	\$ 325,000	
	Sewer Pump Stations 1 & 4	\$ 800,000							\$ 800,000	
	Sewer Vehicle	\$ 45,000					\$ 45,000			
Water										
	Filtration Membrane	\$ 10,000				\$ 10,000				
	Master Plan Update	\$ 50,000				\$ 50,000				
	Water Tank Altitude Valve	\$ 60,000							\$ 60,000	
	Valve Replacement Program	\$ 32,500				\$ 32,500				
Library										
	Lighting	\$ 45,000								\$ 45,000
	Step Repair (South)	\$ 4,000								\$ 4,000
	Split AC Basement	\$ 7,500								\$ 7,500
	Storm Windows	\$ 8,000								\$ 8,000
	Painting Interior	\$ 9,000	\$ 9,000							
	Brick Repair Basement	\$ 3,000								\$ 3,000
	Basement Carpet	\$ 20,000								\$ 20,000
	Shelving Archival Storage	\$ 20,000		\$ 20,000						
	Gutter/Snow Guard	\$ 10,000								\$ 10,000
	Technology	\$ 40,000	\$ 20,000							
Conservation Commission										
	Land Preservation	\$ 100,000								\$ 100,000
TOTALS		\$ 4,359,059	\$ 316,810	\$ 177,000	\$ 69,499	\$ 92,500	\$ 45,000	\$ 225,000	\$ 3,215,750	\$ 197,500

## Open Issues

Budgetary issues that still to be addressed by Town leaders to finish the budget include:

- Town Buildings – The Select Board will need to determine how it wants to address the renovations to Town-owned buildings as identified in the Facilities Plan and the Historic Building Preservation Plan. A funding plan has been developed for major work on all buildings in order to guide decisions among community leaders.

- Community Preservation Act Fund – The Community Preservation Act Fund has accumulated \$1,237,760 that is available for appropriation at the May 1, 2014 Town Meeting. At a time when the Town is contemplating many major capital projects and how to fund them, the Community Preservation Act Committee must be an active partner in sustaining the Town's assets. A proposal to leverage over \$1 million of borrowing was presented to the Community Preservation Act Committee in August 2013, and the final decision concerning that proposal has yet to be made. If the proposal is not accepted, then an alternate spending plan to ensure that the taxpayers' dollars are wisely invested should be developed.
- School Budget – The requested budget shows an increase of \$189,061 or 3.19% in the School Department budget. A final figure will be available after the School Committee holds its public hearing on January 27, 2014. The School Department is also developing a capital plan, and the plan should be available with the budget.
- Performance Management – Performance management was recommended in the Department of Revenue's financial management report. The Town of Hadley is enrolled in a 5-month pilot Municipal Performance Management Program as administered by the Collins Center for Public Management and funded by a grant through the Community Innovation Challenge Grant Program as administered by the Executive Office of Administration and Finance. The pilot program is being implemented in the Fire Department and the Department of Public Works, and early results indicate that the effort is worth supporting in FY 2015. A budget to support the extension of the performance management program will be explored and presented at a later date.

The Town of Hadley is fortunate to have a strong foundation on which to meet its challenges. Our local economy, although affected by the overall recession and fitful recovery, is resilient, and recovery is assured. We have built our reserves, even in these trying times. Our partnerships with strategic allies in state, regional, and local government, the educational system, and the business community remain strong and will deliver many opportunities in the future.

I sincerely thank department heads, elected officials, agents, committees, and commissions for their efforts to maintain quality municipal services at an affordable price. We are fortunate to have high quality, highly skilled and trained, hardworking government workforce and effective leadership to guide the community.

I look forward to discussing the preliminary budget with the town leaders. If you have any questions, please feel free to call me at (413) 586-0221.

Sincerely,

A handwritten signature in black ink that reads "David G. Nixon". The signature is written in a cursive, flowing style.

David G. Nixon  
Town Administrator

# Section II

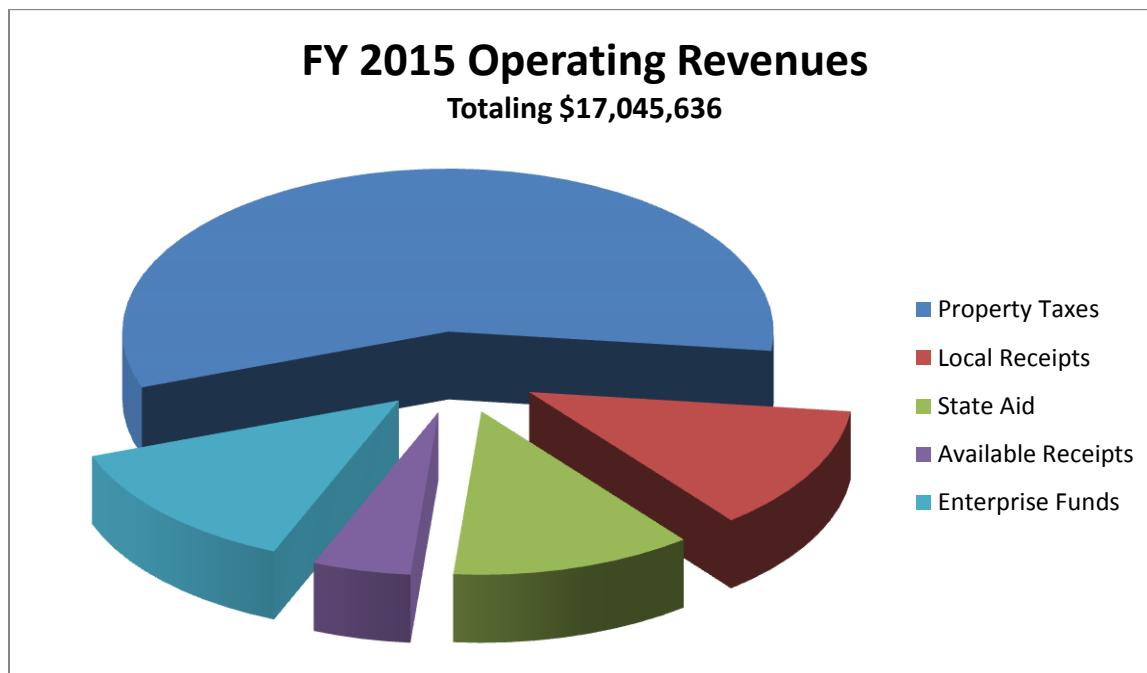
## Budget Summary

## Section II:

### Budget Summary

#### REVENUES

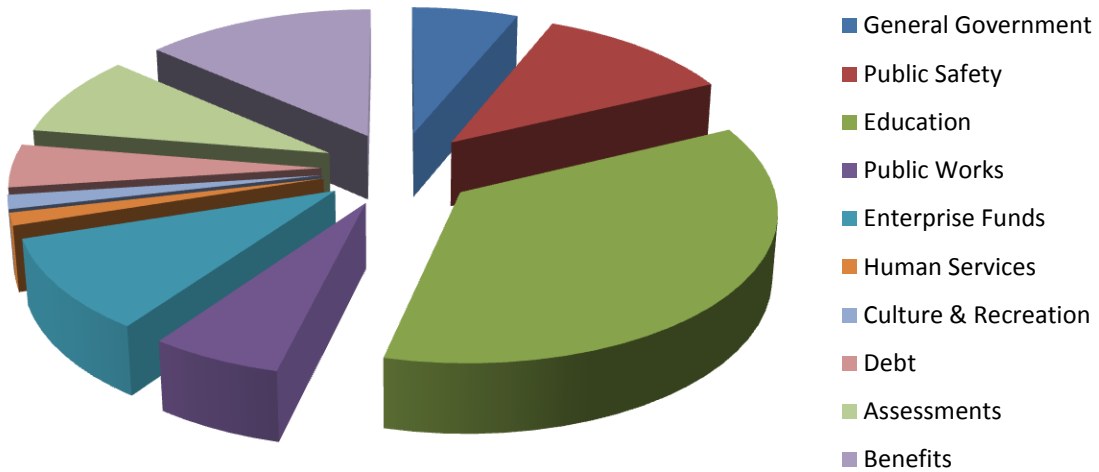
This summary presents the projected general fund revenues for Fiscal Year 2015. Revenues are projected to increase from FY 2014 to FY 2015 by \$248,066 or 1.48%.





## FY 2015 Operating Expenses

Totaling \$17,045,636



Account	Revenue Summary	FY 2012 Actual	FY 2013 Actual	FY 2014 Estimated	FY 2015 Projected	FY 14 - 15 Change	
						\$	%
	<b>Table 1: Property Tax Levy</b>						
	Tax Levy	\$ 8,082,295	\$ 8,373,272	\$ 8,677,000	\$ 8,988,144	\$ 311,144	3.59%
	Prop 2.5%	\$ 202,057	\$ 209,332	\$ 216,925	\$ 224,704	\$ 7,779	3.59%
	New Growth	\$ 88,920	\$ 94,396	\$ 94,219	\$ 94,000	\$ (219)	-0.23%
	Debt Exclusions	\$ 926,578	\$ 819,423	\$ 731,267	\$ 597,126	\$ (134,141)	-18.34%
000-4110-41	Subtotal	\$ 9,299,850	\$ 9,496,423	\$ 9,719,411	\$ 9,903,974	\$ 184,563	1.90%
	<b>Table 2: State Aid</b>						
000-4621	Chapter 70	\$ 733,207	\$ 815,648	\$ 879,856	\$ 923,848	\$ 43,992	5.00%
000-4620	Charter School Reimbursement	\$ 53,512	\$ 54,246	\$ 94,741	\$ 94,741	\$ -	0.00%
000-4670	Unrestricted General Government Aid	\$ 356,121	\$ 383,877	\$ 392,951	\$ 406,700	\$ 13,749	3.50%
000-4613	Abatements to Veterans' and Blind	\$ 13,550	\$ 13,188	\$ 13,638	\$ 13,638	\$ -	0.00%
000-4667	Veterans' Benefits and Exemptions	\$ 3,893	\$ -	\$ 33,996	\$ 56,250	\$ 22,254	65.46%
000-4699	PILOT	\$ 176,323	\$ 176,379	\$ 179,867	\$ 179,867	\$ -	0.00%
000-4610-46	Offsets (School Choice, Lunch, Library)	\$ 395,648	\$ 404,316	\$ 393,729	\$ 393,729	\$ -	0.00%
	Subtotal	\$ 1,732,254	\$ 1,847,654	\$ 1,988,778	\$ 2,068,773	\$ 79,995	4.02%
	<b>Table 3: Local Receipts</b>						
000-4121	ProRataAssessment	\$ 1,888	\$ 9,121	\$ 5,000	\$ 5,000	\$ -	0.00%
000-4150	MotorVehicle	\$ 437,516	\$ 472,309	\$ 475,000	\$ 500,000	\$ 25,000	5.26%
000-4171-41	Interest&Penalties	\$ 26,800	\$ 36,324	\$ 26,000	\$ 27,000	\$ 1,000	3.85%
000-4180	PILOT (Not from Cherry Sheet)	\$ 6,461	\$ 13,466	\$ 10,000	\$ 12,000	\$ 2,000	20.00%
000-4164	Boat Excise	\$ 3,000	\$ 3,069	\$ 3,500	\$ 3,500	\$ -	0.00%
000-4673	Motel Occupancy Tax	\$ 767,899	\$ 765,585	\$ 700,000	\$ 770,000	\$ 70,000	10.00%
000-4165	Meals Excise	\$ 244,248	\$ 264,921	\$ 240,000	\$ 250,000	\$ 10,000	4.17%
000-4350	PVTA	\$ 124,578	\$ 159,536	\$ 197,000	\$ 163,285	\$ (33,715)	-17.11%
000-4695	Court/Local Fines	\$ 43,534	\$ 33,270	\$ 40,000	\$ 37,000	\$ (3,000)	-7.50%
000-4820	Investment Earnings	\$ 25,399	\$ 11,942	\$ 10,000	\$ 12,000	\$ 2,000	20.00%
000-4821	Bond Interest	\$ -	\$ -	\$ -	\$ -	\$ -	-
000-4840, 46	Miscellaneous (Incl. Medicare D)	\$ 40,763	\$ 33,566	\$ 69,000	\$ 69,000	\$ -	0.00%
000-4841	Prior Year Refund	\$ 14,907	\$ 1,236	\$ -	\$ 1,000	\$ 1,000	-
192-198	Rental	\$ 395	\$ 625	\$ -	\$ 100	\$ 100	-
000-4941	Spec/Assets-Timber	\$ -	\$ -	\$ -	\$ -	\$ -	-
122	Select Board Receipts	\$ 119,895	\$ 464,266	\$ 67,257	\$ 70,159	\$ 2,902	4.31%
146	Collector Receipts	\$ 36,262	\$ 37,187	\$ 35,000	\$ 36,000	\$ 1,000	2.86%
141	Assessor Receipts	\$ 786	\$ 581	\$ -	\$ 500	\$ 500	-
161	Clerk Receipts	\$ 19,863	\$ 18,242	\$ 15,500	\$ 17,000	\$ 1,500	9.68%
171-176	ConCom/ZBA Receipts	\$ 1,200	\$ 831	\$ 1,000	\$ 800	\$ (200)	-20.00%
175	Planning Board Receipts	\$ 5,181	\$ 2,618	\$ 2,500	\$ 2,700	\$ 200	8.00%
210	Police Receipts	\$ 17,861	\$ 20,501	\$ 10,100	\$ 16,000	\$ 5,900	58.42%
220	Fire Receipts	\$ 23,894	\$ 19,078	\$ 18,015	\$ 21,615	\$ 3,600	19.98%
241	Building Inspector Receipts	\$ 78,858	\$ 67,773	\$ 70,000	\$ 70,000	\$ -	0.00%
243	Plumb/Gas Inspector Receipts	\$ 11,434	\$ 10,946	\$ 7,000	\$ 9,000	\$ 2,000	28.57%
245-4451	Electrical Inspector Receipts	\$ 2,367	\$ 2,879	\$ 2,000	\$ 2,500	\$ 500	25.00%
510	Board of Health Receipts	\$ 45,860	\$ 49,390	\$ 37,000	\$ 45,300	\$ 8,300	22.43%
491	Cemetery Receipts	\$ 25	\$ 10	\$ 200	\$ 50	\$ (150)	-75.00%
610-4772	Library Receipts	\$ 40	\$ 12	\$ 20	\$ 20	\$ -	0.00%
599-4840	TVS Receipts	\$ 185	\$ 75	\$ 50	\$ 75	\$ 25	50.00%
	University of Mass Payment	\$ 50,000	\$ 50,000	\$ 50,000	\$ 55,000	\$ 5,000	10.00%
	Subtotal	\$ 2,151,099	\$ 2,549,359	\$ 2,091,142	\$ 2,196,604	\$ 105,462	5.04%
	<b>Table 4: Available Receipts</b>						
	Free Cash	\$ 1,085,571	\$ 507,258	\$ 839,756	\$ 782,803	\$ (56,953)	-6.78%
	FY 2014 Free Cash (Reserve for Capital)	\$ -	\$ -	\$ -	\$ 177,582	\$ 177,582	-
	Capital Stabilization Fund	\$ 16,950	\$ 270,000	\$ 167,243	\$ 320,000	\$ 152,757	91.34%
	Stabilization Fund	\$ -	\$ -	\$ -	\$ 69,499	\$ 69,499	-
	Water Reserves	\$ 17,942	\$ 18,023	\$ 29,190	\$ 112,500	\$ 83,310	285.41%
	Wastewater Reserves	\$ 3,551	\$ 8,265	\$ 35,830	\$ 45,000	\$ 9,170	25.59%
	Other Available Receipts	\$ 65,000	\$ 71,000	\$ 9,908	\$ -	\$ (9,908)	-100.00%
	Subtotal	\$ 1,189,014	\$ 874,546	\$ 1,081,927	\$ 1,507,384	\$ 425,457	39.32%
	<b>Table 5: Enterprise Receipts</b>						
450	Water	\$ 996,776	\$ 952,854	\$ 1,113,047	\$ 1,138,675	\$ 25,628	2.30%
	Water Contingency Reserve	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0.00%
	Water Administration	\$ 231,767	\$ 164,551	\$ 174,793	\$ 204,856	\$ 30,063	17.20%
440	Wastewater	\$ 652,798	\$ 663,107	\$ 709,625	\$ 720,200	\$ 10,575	1.49%
	Wastewater Contingency Reserve	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0.00%
	Wastewater Administration	\$ 129,291	\$ 123,039	\$ 142,547	\$ 160,252	\$ 17,705	12.42%
	Subtotal	\$ 2,030,632	\$ 1,923,551	\$ 2,160,012	\$ 2,243,983	\$ 83,971	3.89%
	<b>Gross Revenues</b>	\$ 16,402,849	\$ 16,691,533	\$ 17,041,270	\$ 17,920,718	\$ 879,448	5.16%
	<b>Revenues Set Aside For Capital Expenses</b>	\$ 240,000	\$ 240,000	\$ 244,000	\$ 875,082	\$ 631,082	258.64%
	<b>Net Revenues Available for Appropriation</b>	\$ 16,162,849	\$ 16,451,533	\$ 16,797,270	\$ 17,045,636	\$ 248,366	1.48%

## Description

**Property Tax Levy:** The FY 2015 property tax levy is expected to increase \$184,563 or 1.9%. The projected levy is a function of the FY 2014 levy limit increased by 2.5% as per Proposition 2½, plus an increment for new growth. The new growth is factored by the value of all construction activity in the calendar year. FY 2015 new growth is estimated to be \$94,000 based on information obtained by the Building Inspector, the Assistant Assessor, and a review of historical data. Property tax levy also includes debt excluded from the requirements of Proposition 2½, and such debt fell from FY 2014 to FY 2015 by (\$134,141) or (18.34%) due to the retirement of debt on the Elementary School and the Public Safety Complex.

**Local Aid:** Local Aid, as reported on the Cherry Sheet, is expected to rise in the areas of Chapter 70 (education) and Unrestricted General Government Account (UGGA - formerly the Lottery). Chapter 70 has increased each year, even in the toughest of economic times, so a 5% increase is shown. UGGA is expected to rise by nearly the same percentage as the state Revenue Consensus Figure, which will not be released until late January 2014, but is estimated to be between 4.5% and 5%. In keeping with the community's conservative revenue estimation practices, the projected UGGA figure shows a 3.5% increase. The category of Veterans' Benefits and Exemptions is expected to rise significantly due to the Town's increased financial commitment to veterans and their dependents in FY 2013 and FY 2014. As part of its human services partnership with the Commonwealth, the Town is eligible to receive a 75% reimbursement for its expenses. An increase of over 65% or \$22,254 is projected. All other revenues listed on the Cherry Sheet are expected to remain level-funded. The cumulative effect of all increases is estimated to be \$79,995 or 4.02% from FY 2014 to FY 2015.

**Local Receipts:** FY 2015 projections of revenue from local receipts (revenues generated from a wide variety of local charges and assessments) show an increase of \$105,162 or 5.03%. The items driving the increase are increases in room occupancy taxes, increases in motor vehicle excise, increases in meals taxes, and a decrease in revenue associated with local bus service.

**Revenue Offsets:** Revenue Offsets include Cherry Sheet receipts that are set aside for special purposes and are available for use without approval of Town Meeting. Revenue Offsets include School Lunch, School Choice, and Library Grants.

Revenue offsets are projected to remain level in FY 2015. With the release of the Governor's budget in January, better estimates will be available.

**Enterprise Revenues:** This category of revenues consists mainly of water and wastewater revenues obtained from user fees and billable services (e.g., grease trap inspections, deliveries of septage for treatment, backflow testing, and other services).

Enterprise revenues also consist of transfers from the Water Enterprise Fund and the Wastewater Enterprise Fund to cover costs of indirect costs for operating the services. Such costs include

administrative support from non-DPW town staff and facilities, as well as direct costs in benefits, insurance, and OPEB liabilities. The Town long ago decided that the Water Enterprise Fund and the Wastewater Enterprise Fund are to be entirely self-supporting, so annually transfers from the enterprise funds are made to the general funds to cover administrative costs.

The administrative expenses applied to the enterprise funds are estimated, and as more precise information is obtained, the administrative charges will be adjusted. The estimated administrative charges to the enterprise funds are a combined total of \$365,108. This represents a \$47,768 or 15% increase, largely driven by an increased assessment for retirement and to meet the Town's effort to achieve 20% funding for Other Post-Employment Benefits (OPEB).

Finally, each enterprise fund contains a special contingency reserve of \$10,000 to cover unforeseen costs within the fiscal year. Controlled by the Finance Committee, it serves as a Reserve Fund within the enterprise fund.

**Other Revenues:** The remaining revenues consist of special transfers, Free Cash, appropriations from accounts dedicated for specific purposes, and transfers from funds available. The total from Other Revenues amounts to \$1,369,884.

The following are recommended for use for the FY 2015 budget:

- **Free Cash:** An amount of Free Cash (equivalent to 100% of the annual meal tax revenue) shall be set aside for funding a portion of the FY 2016 capital program. Shown is \$240,000 for that purpose.

In addition, Free Cash is used to balance the budget. It is the goal of the Town to reduce the use of Free Cash to balance the budget, and the amount proposed is a 6.78% reduction from FY 2014 to FY 2015.

- **Free Cash Certified in FY 2014:** The Town reserved \$177,582 in Free Cash certified as of July 1, 2013 with the intention of applying it toward a capital project or one-time expense. The entire amount is dedicated to funding partially the recommended capital plan for FY 2015.
- **Stabilization:** As planned, the police cruisers contained within the Police Department budget are funded by an appropriation of approximately two years' of interest earned in the Stabilization Account. The balance within Stabilization shall remain above \$2,000,000 or in excess of 11% of total revenues.
- **Capital Stabilization:** The FY 2015 capital program will be partially funded by a transfer of the FY 2014 meals tax revenues amounting to \$240,000, plus \$80,000 of the FY 2013 meals tax

revenues that were not appropriated in FY 2014. A total of \$320,000 is available to support the FY 2015 capital program.

The balance of the Capital Stabilization fund, amounting to \$150,000, is dedicated to capital costs associated with complying with US Environmental Protection Agency mandates for stormwater management. This amount is held in reserve in anticipation that the USEPA will release regulations within the next 18 months.

- Enterprise Fund Reserves: Enterprise fund revenues are sensitive to annual weather. In dry years, usage increases and revenues rise. In wet years, usage drops, and so do revenues. Reserves are used to supplement the enterprise fund appropriation where annual rainfall conditions indicate that user fees and fees for services will not cover the entire appropriation. I recommend using \$20,000 of water reserves to fund the water budget. I recommend against using wastewater reserves to fund the wastewater budget.

Enterprise Fund Reserves are recommended to support the capital program for those items relating directly to water and wastewater. A total of \$92,500 from Water Reserves is recommended to support capital projects, and a total of \$45,000 from Wastewater Reserves is recommended to support capital projects.

Also available for use in the Wastewater Enterprise Fund capital program is \$225,000 from the Sewer Impact Fee Account, a special assessment for users of the wastewater system.

- Transfers from other accounts: From time to time, the Town has transferred money from miscellaneous accounts (such as Surplus Overlay Reserves) to fund one-time expenses. In FY 2015, I do not anticipate using other available funds.

## EXPENSES

Detailed expenditures are presented in Sections III, IV, and V. Presented below is a summary of requested and recommended expenditures for the General Fund and Enterprise Funds.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
<b>Series 100 General Government</b>									
114	Moderator	\$ 100	\$ 100	\$ 100	\$ 100	\$ -	\$ 100	\$ -	0.00%
122	Select Board	\$ 89,808	\$ 68,055	\$ 69,120	\$ 72,188	\$ -	\$ 72,188	\$ 3,068	4.44%
129	Town Administrator	\$ 79,568	\$ 83,834	\$ 88,138	\$ 89,837	\$ -	\$ 89,837	\$ 1,699	1.93%
131	Finance Committee	\$ 1,300	\$ 1,300	\$ 250	\$ 250	\$ -	\$ 250	\$ -	0.00%
132	Reserve Fund	\$ 96,000	\$ 90,000	\$ 50,000	\$ 50,000	\$ 20,000	\$ 70,000	\$ 20,000	40.00%
135	Town Accountant	\$ 95,020	\$ 94,466	\$ 92,599	\$ 98,899	\$ -	\$ 98,899	\$ 6,300	6.80%
141	Assessors	\$ 84,217	\$ 79,494	\$ 82,994	\$ 84,842	\$ -	\$ 84,842	\$ 1,848	2.23%
145	Treasurer	\$ 114,331	\$ 114,049	\$ 117,308	\$ 123,284	\$ -	\$ 123,284	\$ 5,976	5.09%
146	Tax Collector	\$ 92,250	\$ 98,858	\$ 102,466	\$ 107,734	\$ -	\$ 107,734	\$ 5,268	5.14%
151	Town Counsel	\$ 40,800	\$ 41,780	\$ 35,380	\$ 36,380	\$ -	\$ 36,380	\$ 1,000	2.83%
161	Town Clerk	\$ 64,055	\$ 67,558	\$ 70,387	\$ 74,344	\$ -	\$ 74,344	\$ 3,957	5.62%
163	Registrars	\$ 14,970	\$ 19,170	\$ 14,670	\$ 16,220	\$ -	\$ 16,220	\$ 1,550	10.57%
171	Conservation	\$ 3,000	\$ 3,050	\$ 3,050	\$ 3,050	\$ -	\$ 3,050	\$ -	0.00%
175	Planning Board	\$ 11,780	\$ 15,790	\$ 11,780	\$ 11,780	\$ 1,200	\$ 12,980	\$ 1,200	10.19%
176	Board of Appeals	\$ 3,665	\$ 3,665	\$ 3,665	\$ 3,665	\$ -	\$ 3,665	\$ -	0.00%
182	Long Range Plan	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,500	\$ 2,500	\$ 1,500	150.00%
193	Insurance	\$ 108,092	\$ 115,916	\$ 111,000	\$ 115,400	\$ -	\$ 115,400	\$ 4,400	3.96%
192-199	Town Buildings	\$ 150,262	\$ 132,313	\$ 128,200	\$ 136,346	\$ -	\$ 136,346	\$ 8,146	6.35%
<b>Total General Government</b>		<b>\$ 1,050,218</b>	<b>\$ 1,030,398</b>	<b>\$ 982,107</b>	<b>\$ 1,025,319</b>	<b>\$ 22,700</b>	<b>\$ 1,048,019</b>	<b>\$ 65,912</b>	<b>6.71%</b>
<b>Series 200 Public Safety</b>									
210	Police	\$ 950,971	\$ 996,869	\$ 992,975	\$ 1,155,272	\$ (1,929)	\$ 1,153,343	\$ 160,368	16.15%
220	Fire	\$ 218,440	\$ 236,380	\$ 282,797	\$ 335,711	\$ (100)	\$ 335,611	\$ 52,814	18.68%
222	Communications	\$ 274,160	\$ 296,336	\$ 255,697	\$ 280,509	\$ (2,604)	\$ 277,905	\$ 22,208	8.69%
230	Ambulance	\$ 110,000	\$ 115,000	\$ 120,000	\$ 125,000	\$ -	\$ 125,000	\$ 5,000	4.17%
241	Building Inspector	\$ 90,062	\$ 91,819	\$ 84,836	\$ 91,789	\$ (4,083)	\$ 87,706	\$ 2,870	3.38%
242	Gas Inspector	\$ 3,654	\$ 3,654	\$ 3,692	\$ 3,692	\$ -	\$ 3,692	\$ -	0.00%
243	Plumbing Inspector	\$ 6,202	\$ 6,240	\$ 6,240	\$ 6,390	\$ -	\$ 6,390	\$ 150	2.40%
<b>Total Public Safety</b>		<b>\$ 1,653,489</b>	<b>\$ 1,746,298</b>	<b>\$ 1,746,237</b>	<b>\$ 1,998,363</b>	<b>\$ (8,716)</b>	<b>\$ 1,989,647</b>	<b>\$ 243,410</b>	<b>13.94%</b>
<b>Series 300 Education</b>									
301	Education	\$ 5,387,053	\$ 5,592,447	\$ 5,960,000	\$ 6,149,861	\$ (11,061)	\$ 6,138,800	\$ 178,800	3.00%
<b>Total Education</b>		<b>\$ 5,387,053</b>	<b>\$ 5,592,447</b>	<b>\$ 5,960,000</b>	<b>\$ 6,149,861</b>	<b>\$ (11,061)</b>	<b>\$ 6,138,800</b>	<b>\$ 178,800</b>	<b>3.00%</b>
<b>Series 400 Public Works</b>									
422	Highway	\$ 784,709	\$ 718,502	\$ 740,217	\$ 768,133	\$ (2,000)	\$ 766,133	\$ 25,916	3.50%
423	Snow & Ice	\$ -	\$ 162,734	\$ 168,222	\$ 168,222	\$ -	\$ 168,222	\$ -	0.00%
424	Street Lighting	\$ 17,500	\$ 18,300	\$ 17,500	\$ 18,025	\$ (300)	\$ 17,725	\$ 225	1.29%
490	Highway Bldg	\$ -	\$ 16,700	\$ 49,615	\$ 66,615	\$ (1,000)	\$ 65,615	\$ 16,000	32.25%
491	Cemetery	\$ 17,793	\$ 17,793	\$ 17,793	\$ 17,793	\$ -	\$ 17,793	\$ -	0.00%
<b>Total Public Works</b>		<b>\$ 820,002</b>	<b>\$ 934,029</b>	<b>\$ 993,347</b>	<b>\$ 1,038,788</b>	<b>\$ (3,300)</b>	<b>\$ 1,035,488</b>	<b>\$ 42,141</b>	<b>4.24%</b>
<b>Series 440 and 450 Enterprise Funds</b>									
440	Sewer	\$ 652,798	\$ 663,107	\$ 709,625	\$ 716,200	\$ (16,000)	\$ 700,200	\$ (9,425)	-1.33%
	Sewer Contingency	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ -	0.00%
450	Water	\$ 1,133,443	\$ 1,023,218	\$ 1,380,125	\$ 1,003,358	\$ (16,000)	\$ 987,358	\$ (392,767)	-28.46%
	Water Contingency	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ -	0.00%
<b>Total Enterprise Funds</b>		<b>\$ 1,806,241</b>	<b>\$ 1,706,325</b>	<b>\$ 2,109,750</b>	<b>\$ 1,739,558</b>	<b>\$ (32,000)</b>	<b>\$ 1,707,558</b>	<b>\$ (402,192)</b>	<b>-19.06%</b>
<b>Series 500 Human Services</b>									
510	Board of Health	\$ 34,695	\$ 34,695	\$ 34,695	\$ 34,995	\$ -	\$ 34,995	\$ 300	0.86%
541	Council on Aging	\$ 70,325	\$ 72,432	\$ 67,217	\$ 76,776	\$ -	\$ 76,776	\$ 9,559	14.22%
543	Veterans' Services	\$ 19,024	\$ 73,000	\$ 104,200	\$ 104,200	\$ -	\$ 104,200	\$ -	0.00%
590	Oliver Smith Will	\$ 100	\$ 100	\$ 100	\$ 100	\$ -	\$ 100	\$ -	0.00%
599	Cable TV	\$ 14,033	\$ 14,751	\$ 15,503	\$ 16,305	\$ -	\$ 16,305	\$ 802	5.17%
<b>Total Human Services</b>		<b>\$ 138,177</b>	<b>\$ 194,978</b>	<b>\$ 221,715</b>	<b>\$ 232,376</b>	<b>\$ -</b>	<b>\$ 232,376</b>	<b>\$ 10,661</b>	<b>4.81%</b>
<b>Series 600 Culture and Recreation</b>									
610	Library	\$ 176,784	\$ 188,085	\$ 195,485	\$ 204,331	\$ (390)	\$ 203,941	\$ 8,456	4.33%
630	Park Commission	\$ 40,099	\$ 41,678	\$ 50,707	\$ 54,602	\$ -	\$ 54,602	\$ 3,895	7.68%
691	Historical Comm	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ -	\$ 1,250	\$ -	0.00%
<b>Total Culture and Recreation</b>		<b>\$ 218,133</b>	<b>\$ 231,013</b>	<b>\$ 247,442</b>	<b>\$ 260,183</b>	<b>\$ (390)</b>	<b>\$ 259,793</b>	<b>\$ 12,351</b>	<b>4.99%</b>
<b>Series 700 Debt</b>									
710	Debt	\$ 865,286	\$ 777,716	\$ 705,195	\$ 690,223	\$ -	\$ 690,223	\$ (14,972)	-2.12%
750	Interest	\$ 153,521	\$ 139,110	\$ 116,442	\$ 110,449	\$ -	\$ 110,449	\$ (5,993)	-5.15%
<b>Total Debt</b>		<b>\$ 1,018,807</b>	<b>\$ 916,826</b>	<b>\$ 821,637</b>	<b>\$ 800,672</b>	<b>\$ -</b>	<b>\$ 800,672</b>	<b>\$ (20,965)</b>	<b>-2.55%</b>
<b>Series 800 State and Other Assessments</b>									
820	State Assessments	\$ 394,867	\$ 578,934	\$ 825,659	\$ 825,659	\$ -	\$ 825,659	\$ -	0.00%
840	PVTA Assessments	\$ 169,562	\$ 205,267	\$ 197,681	\$ 203,149	\$ -	\$ 203,149	\$ 5,468	2.77%
999	Overlay	\$ 96,003	\$ 76,958	\$ 78,199	\$ 100,000	\$ (10,000)	\$ 90,000	\$ 11,801	15.09%
999	Offsets	\$ 395,648	\$ 404,316	\$ 393,729	\$ 393,729	\$ -	\$ 393,729	\$ -	0.00%
<b>Total Assessments</b>		<b>\$ 1,056,080</b>	<b>\$ 1,265,475</b>	<b>\$ 1,495,268</b>	<b>\$ 1,522,537</b>	<b>\$ (10,000)</b>	<b>\$ 1,512,537</b>	<b>\$ 11,801</b>	<b>1.15%</b>
<b>Series 900 Benefits</b>									
911	Retirement	\$ 636,370	\$ 705,441	\$ 744,184	\$ 843,488	\$ (15,686)	\$ 827,802	\$ 83,618	11.24%
912	Workers' Comp.	\$ 83,315	\$ 103,071	\$ 98,000	\$ 98,000	\$ -	\$ 98,000	\$ -	0.00%
914	Health Insurance	\$ 1,087,000	\$ 1,039,117	\$ 1,063,000	\$ 1,087,000	\$ -	\$ 1,087,000	\$ 24,000	2.26%
915	Life Insurance	\$ 2,500	\$ 2,535	\$ 2,535	\$ 2,500	\$ -	\$ 2,500	\$ (35)	-1.38%
916	Medicare	\$ 106,080	\$ 98,106	\$ 98,772	\$ 99,000	\$ -	\$ 99,000	\$ 228	0.23%
945	Police & Fire Accide	\$ 35,666	\$ 37,591	\$ 41,698	\$ 44,000	\$ -	\$ 44,000	\$ 2,302	5.52%
919	OPEB	\$ -	\$ -	\$ 82,444	\$ 164,888	\$ (2,444)	\$ 162,444	\$ 80,000	97.04%
<b>Total Benefits</b>		<b>\$ 1,950,931</b>	<b>\$ 1,985,861</b>	<b>\$ 2,130,633</b>	<b>\$ 2,338,876</b>	<b>\$ (18,130)</b>	<b>\$ 2,320,746</b>	<b>\$ 190,113</b>	<b>1.149003</b>
<b>TOTAL MUNICIPAL</b>		<b>\$ 15,099,131</b>	<b>\$ 15,603,650</b>	<b>\$ 16,708,136</b>	<b>\$ 17,106,533</b>	<b>\$ (60,897)</b>	<b>\$ 17,045,636</b>	<b>\$ 332,032</b>	<b>2.02%</b>

# Section III

Town Government Budget Accounts:

Budget Series 100, 200, 400, 500, 600, 700,  
and 900

## SECTION III

### Town Government Budgets (Budget Series 100, 200, 400, 500, 600, 700, and 900)

#### Budget Series 100: Town Government

##### Mission Statement

The mission of town government is to serve the residents, businesses, and visitors in the Town of Hadley by providing high-quality services that enhance the quality of life by preserving the character of the community, encouraging commerce and prosperity, and providing stewardship to the community's resources.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
<u>Series 100 General Government</u>									
114	Moderator	\$ 100	\$ 100	\$ 100	\$ 100	\$ -	\$ 100	\$ -	0.00%
122	Select Board	\$ 89,808	\$ 68,055	\$ 69,120	\$ 72,188	\$ -	\$ 72,188	\$ 3,068	4.44%
129	Town Administator	\$ 79,568	\$ 83,834	\$ 88,138	\$ 89,837	\$ -	\$ 89,837	\$ 1,699	1.93%
131	Finance Committee	\$ 1,300	\$ 1,300	\$ 250	\$ 250	\$ -	\$ 250	\$ -	0.00%
132	Reserve Fund	\$ 96,000	\$ 90,000	\$ 50,000	\$ 50,000	\$ 20,000	\$ 70,000	\$ 20,000	40.00%
135	Town Accountant	\$ 95,020	\$ 94,466	\$ 92,599	\$ 98,899	\$ -	\$ 98,899	\$ 6,300	6.80%
141	Assessors	\$ 84,217	\$ 79,494	\$ 82,994	\$ 84,842	\$ -	\$ 84,842	\$ 1,848	2.23%
145	Treasurer	\$ 114,331	\$ 114,049	\$ 117,308	\$ 123,284	\$ -	\$ 123,284	\$ 5,976	5.09%
146	Tax Collector	\$ 92,250	\$ 98,858	\$ 102,466	\$ 107,734	\$ -	\$ 107,734	\$ 5,268	5.14%
151	Town Counsel	\$ 40,800	\$ 41,780	\$ 35,380	\$ 36,380	\$ -	\$ 36,380	\$ 1,000	2.83%
161	Town Clerk	\$ 64,055	\$ 67,558	\$ 70,387	\$ 74,344	\$ -	\$ 74,344	\$ 3,957	5.62%
163	Registrars	\$ 14,970	\$ 19,170	\$ 14,670	\$ 16,220	\$ -	\$ 16,220	\$ 1,550	10.57%
171	Conservation	\$ 3,000	\$ 3,050	\$ 3,050	\$ 3,050	\$ -	\$ 3,050	\$ -	0.00%
175	Planning Board	\$ 11,780	\$ 15,790	\$ 11,780	\$ 11,780	\$ 1,200	\$ 12,980	\$ 1,200	10.19%
176	Board of Appeals	\$ 3,665	\$ 3,665	\$ 3,665	\$ 3,665	\$ -	\$ 3,665	\$ -	0.00%
182	Long Range Plan	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,500	\$ 2,500	\$ 1,500	150.00%
193	Insurance	\$ 108,092	\$ 115,916	\$ 111,000	\$ 115,400	\$ -	\$ 115,400	\$ 4,400	3.96%
192-199	Town Buildings	\$ 150,262	\$ 132,313	\$ 128,200	\$ 136,346	\$ -	\$ 136,346	\$ 8,146	6.35%
Total General Government		\$ 1,050,218	\$ 1,030,398	\$ 982,107	\$ 1,025,319	\$ 22,700	\$ 1,048,019	\$ 65,912	6.71%



### Moderator (Budget 114)

#### Mission Statement

The Moderator oversees all town meetings and is responsible for fairness, inclusiveness, and the orderly and proper conduct of town business within the town meeting. The Moderator also appoints the Finance Committee.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
114-5730	Moderator	\$ 100	\$ 100	\$ 100	\$ 100	\$ -	\$ 100	\$ -	0.00%
Total Moderator		\$ 100	\$ 100	\$ 100	\$ 100	\$ -	\$ 100	\$ -	0.00%

### Select Board (Budget 122)

#### Mission Statement

The members of the Hadley Select Board, in their roles as elected officials and citizens of the town, strive to create and sustain the highest achievable level of quality of life for the residents, employees and visitors in the Town of Hadley.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
122-5101	Select Board Salaries	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ -	\$ 6,200	\$ -	0.00%
122-5106	Administrative Assista	\$ 31,516	\$ 33,258	\$ 35,088	\$ 37,076	\$ -	\$ 37,076	\$ 1,988	5.67%
122-5120	Clerical Services	\$ 8,942	\$ 9,261	\$ 9,446	\$ 9,626	\$ -	\$ 9,626	\$ 180	1.91%
122-5300	Interpreter	\$ 700	\$ 700	\$ 700	\$ 850	\$ -	\$ 850	\$ 150	21.43%
122-5320	Tuition/Meetings	\$ 500	\$ 500	\$ 400	\$ 400	\$ -	\$ 400	\$ -	0.00%
122-5340	Town Reports	\$ 2,500	\$ 2,700	\$ 2,500	\$ 2,700	\$ -	\$ 2,700	\$ 200	8.00%
122-5420	Office Supplies	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	\$ 3,500	\$ -	0.00%
122-5650	PVPC Smart Growth	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
122-5690	HCOG Membership	\$ 8,500	\$ 8,486	\$ 8,486	\$ 8,486	\$ -	\$ 8,486	\$ -	0.00%
122-5710	Mileage/Meals	\$ 350	\$ 350	\$ 200	\$ 250	\$ -	\$ 250	\$ 50	25.00%
122-5730	Dues	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ -	\$ 1,100	\$ -	0.00%
122-5850	Equipment Purchase	\$ 1,000	\$ 1,000	\$ 500	\$ 1,000	\$ -	\$ 1,000	\$ 500	100.00%
Total Select Board		\$ 65,808	\$ 68,055	\$ 69,120	\$ 72,188	\$ -	\$ 72,188	\$ 3,068	4.44%

### Town Administrator (Budget 129)

#### Mission Statement

The Town Administrator's office is committed to responsiveness, ethical conduct, and transparency and to providing high quality and effective services to all residents, visitors, and businesses. The Town Administrator is responsible for ensuring that the resources of the Town are utilized in an efficient and effective manner.

The Town Administrator adheres to the principles of the International City/County Managers Association Code of Ethics. The ICMA Code of Ethics can be found at:

[http://icma.org/en/icma/ethics/code\\_of\\_ethics](http://icma.org/en/icma/ethics/code_of_ethics)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
129-5110	Town Admin Salary	\$ 76,168	\$ 80,434	\$ 84,938	\$ 86,637	\$ -	\$ 86,637	\$ 1,699	2.00%
129-5320	Tuition/Meetings	\$ 1,000	\$ 1,000	\$ 1,000	\$ 800	\$ -	\$ 800	\$ (200)	-20.00%
129-5710	Mileage/Meals	\$ 900	\$ 1,000	\$ 1,000	\$ 1,200	\$ -	\$ 1,200	\$ 200	20.00%
129-5730	Dues	\$ 1,500	\$ 1,400	\$ 1,200	\$ 1,200	\$ -	\$ 1,200	\$ -	0.00%
Total Town Administrator		\$ 79,568	\$ 83,834	\$ 88,138	\$ 89,837	\$ -	\$ 89,837	\$ 1,699	1.93%

### Finance Committee (Budget 131)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
131-5730	Dues	\$ 130	\$ 152	\$ 250	\$ 250	\$ -	\$ 250	\$ -	0.00%
Total Finance Committee		\$ 130	\$ 152	\$ 250	\$ 250	\$ -	\$ 250	\$ -	0.00%

### Reserve Fund (Budget 132)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
132-5780	Reserve Fund	\$ 96,000	\$ 90,000	\$ 50,000	\$ 50,000	\$ 20,000	\$ 70,000	\$ 20,000	40.00%
Total Reserve Fund		\$ 96,000	\$ 90,000	\$ 50,000	\$ 50,000	\$ 20,000	\$ 70,000	\$ 20,000	40.00%

I recommend returning the Reserve Fund to its prior amount of \$90,000. In FY 2014, the Finance Committee cut the Reserve Fund from \$90,000 to \$50,000 as part of a budget balancing move. I recommend restoring half the amount cut by \$20,000 to bring the Reserve Fund to \$70,000. In FY 2016, I will seek to restore the remaining funds.

#### Accountant (Budget 135)

#### Mission Statement

The Accountant is responsible for managing accounts payable, maintaining appropriate records and financial reports and complying with Massachusetts Department of Revenue Rules & Regulations and Audit Standards.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
135-5110	Town Accountant Salary	\$ 53,348	\$ 56,290	\$ 57,415	\$ 58,592	\$ -	\$ 58,592	\$ 1,177	2.05%
135-5113	Asst. Town Accountant	\$ 9,991	\$ 10,200	\$ 10,409	\$ 10,592	\$ -	\$ 10,592	\$ 183	1.76%
135-5250	Software Maint.	\$ 5,826	\$ 5,826	\$ 5,826	\$ 7,100	\$ -	\$ 7,100	\$ 1,274	21.87%
135-5300	Auditor Services	\$ 22,000	\$ 17,250	\$ 17,500	\$ 18,000	\$ -	\$ 18,000	\$ 500	2.86%
135-5303	Other Professional Srv	\$ 2,500	\$ 3,501	\$ -	\$ 3,150	\$ -	\$ 3,150	\$ 3,150	
135-5320	Tuition/Meetings	\$ 825	\$ 825	\$ 825	\$ 840	\$ -	\$ 840	\$ 15	1.82%
135-5420	Office Supplies	\$ 200	\$ 200	\$ 250	\$ 255	\$ -	\$ 255	\$ 5	2.00%
135-5710	Mileage/Meals	\$ 180	\$ 180	\$ 180	\$ 180	\$ -	\$ 180	\$ -	0.00%
135-5730	Dues	\$ 150	\$ 160	\$ 160	\$ 190	\$ -	\$ 190	\$ 30	18.75%
Total Town Accountant		\$ 95,020	\$ 94,432	\$ 92,565	\$ 98,899	\$ -	\$ 98,899	\$ 6,334	6.84%

#### Assessors (Budget 141)

#### Mission Statement:

The Board of Assessors must discover and list all property, maintaining accurate ownership and property information. The department establishes the "full and fair cash value" of each of the Town's approximately 3000 real estate parcels and business personal property accounts. The assessed valuations are the basis of the distribution of the Town's annual property tax levy. The department also administers the motor vehicle and boat excise taxes. The Board of Assessors works to deliver fair and equitable assessments on all real and personal property within the Town.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
141-5101	Assessors Salary	\$ 6,962	\$ 6,962	\$ 6,962	\$ 6,962	\$ -	\$ 6,962	\$ -	0.00%
141-5106	Clerical Wages	\$ 4,473	\$ 4,631	\$ 4,724	\$ 4,816	\$ -	\$ 4,816	\$ 92	1.95%
141-5110	Asst. Assessor Sala	\$ 55,222	\$ 56,309	\$ 57,436	\$ 58,592	\$ -	\$ 58,592	\$ 1,156	2.01%
141-5200	Book Binding	\$ 300	\$ 300	\$ 300	\$ 300	\$ -	\$ 300	\$ -	0.00%
141-5243	Office Equip Maint	\$ 200	\$ 132	\$ 132	\$ 132	\$ -	\$ 132	\$ -	0.00%
141-5250	Software Maint.	\$ 4,300	\$ 4,300	\$ 6,300	\$ 6,900	\$ -	\$ 6,900	\$ 600	9.52%
141-5300	Reval Expenses	\$ 600	\$ 600	\$ 600	\$ 600	\$ -	\$ 600	\$ -	0.00%
141-5303	Mapping Services	\$ 8,700	\$ 2,700	\$ 2,700	\$ 3,000	\$ -	\$ 3,000	\$ 300	11.11%
141-5320	Tuition/Meetings	\$ 700	\$ 700	\$ 1,000	\$ 700	\$ -	\$ 700	\$ (300)	-30.00%
141-5420	Office Supplies	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ -	\$ 1,200	\$ -	0.00%
141-5421	Deeds	\$ 650	\$ 650	\$ 650	\$ 650	\$ -	\$ 650	\$ -	0.00%
141-5710	Mileage/Meals	\$ 750	\$ 750	\$ 750	\$ 750	\$ -	\$ 750	\$ -	0.00%
141-5730	Dues	\$ 160	\$ 160	\$ 240	\$ 240	\$ -	\$ 240	\$ -	0.00%
Total Assessors		\$ 84,217	\$ 79,394	\$ 82,994	\$ 84,842	\$ -	\$ 84,842	\$ 1,848	2.23%

### Town Treasurer (Budget 145)

### Mission Statement

Tax Title Administration, Banking & Investments, Payroll Processing, Benefits Administration.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
145-5101	Town Treasurer salary	\$ 54,956	\$ 56,053	\$ 57,149	\$ 58,293	\$ -	\$ 58,293	\$ 1,144	2.00%
145-5113	Asst.Treasurer Salary	\$ 30,000	\$ 30,600	\$ 31,148	\$ 31,771	\$ -	\$ 31,771	\$ 623	2.00%
145-5230	Borrowing Fees	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
145-5235	Bank Agent/Cont Disclose	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ -	\$ 5,500	\$ -	0.00%
145-5243	Office Equip Maint	\$ 300	\$ 300	\$ 300	\$ 300	\$ -	\$ 300	\$ -	0.00%
145-5250	Software Maint.	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,310	\$ -	\$ 2,310	\$ 210	10.00%
145-5300	Payroll Service	\$ 11,000	\$ 11,500	\$ 12,000	\$ 12,600	\$ -	\$ 12,600	\$ 600	5.00%
145-5301	Tax Foreclosure	\$ 4,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	\$ 3,500	\$ -	0.00%
145-5303	Other Professional Srv	\$ 2,500	\$ 1	\$ 901	\$ 4,300	\$ -	\$ 4,300	\$ 3,399	377.25%
145-5320	Tuition/Meetings	\$ 1,095	\$ 1,095	\$ 1,100	\$ 1,100	\$ -	\$ 1,100	\$ -	0.00%
145-5420	Office Supplies	\$ 1,000	\$ 1,000	\$ 1,150	\$ 1,150	\$ -	\$ 1,150	\$ -	0.00%
145-5710	Mileage/Meals	\$ 150	\$ 1,150	\$ 1,150	\$ 1,150	\$ -	\$ 1,150	\$ -	0.00%
145-5730	Dues	\$ 130	\$ 150	\$ 160	\$ 160	\$ -	\$ 160	\$ -	0.00%
145-5747	Certification Fee	\$ 100	\$ 100	\$ 150	\$ 150	\$ -	\$ 150	\$ -	0.00%
Total Town Treasurer		\$ 114,331	\$ 114,049	\$ 117,308	\$ 123,284	\$ -	\$ 123,284	\$ 5,976	5.09%

## Collector of Taxes Budget 146)

### Mission Statement

It is the mission of the Collector's Office to provide the taxpayers and all constituencies with the highest level of professional and courteous service. We continue to persevere to treat all taxpayers equitably, answer inquiries in a timely manner, and are committed to our fiduciary responsibility of collecting all taxes and fees.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
146-5101	Tax Collector Salary	\$ 49,549	\$ 52,308	\$ 55,212	\$ 58,300	\$ -	\$ 58,300	\$ 3,088	5.59%
146-5120	Asst. Tax Collector	\$ 30,475	\$ 32,174	\$ 33,928	\$ 35,828	\$ -	\$ 35,828	\$ 1,900	5.60%
146-5200	Book Binding	\$ 200	\$ 200	\$ 200	\$ 200	\$ -	\$ 200	\$ -	0.00%
146-5243	Office Equip Maint	\$ 100	\$ 100	\$ 100	\$ 125	\$ -	\$ 125	\$ 25	25.00%
146-5250	Software Maint.	\$ 5,400	\$ 7,250	\$ 5,700	\$ 5,880	\$ -	\$ 5,880	\$ 180	3.16%
146-5303	Banking Services	\$ 300	\$ 300	\$ 300	\$ 300	\$ -	\$ 300	\$ -	0.00%
146-5320	Tuition/Meetings	\$ 700	\$ 800	\$ 1,100	\$ 1,200	\$ -	\$ 1,200	\$ 100	9.09%
146-5344	Advertizing	\$ 700	\$ 700	\$ 700	\$ 800	\$ -	\$ 800	\$ 100	14.29%
146-5420	Office Supplies	\$ 900	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
146-5421	Forms	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,050	\$ -	\$ 2,050	\$ 50	2.50%
146-5422	Tax Titles	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
146-5710	Mileage/Meals	\$ 100	\$ 200	\$ 200	\$ 225	\$ -	\$ 225	\$ 25	12.50%
146-5730	Dues	\$ 150	\$ 150	\$ 150	\$ 150	\$ -	\$ 150	\$ -	0.00%
146-5744	Public Officials Bond	\$ 576	\$ 576	\$ 576	\$ 576	\$ -	\$ 576	\$ -	0.00%
146-5925	Real Estate Int. Abate	\$ 100	\$ 100	\$ 100	\$ 100	\$ -	\$ 100	\$ -	0.00%
Total Tax Collector		\$ 92,250	\$ 98,858	\$ 102,266	\$ 107,734	\$ -	\$ 107,734	\$ 5,468	5.35%

## Town Counsel (Budget 151)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
151-5300	Litigation	\$ 15,880	\$ 15,880	\$ 14,880	\$ 15,880	\$ -	\$ 15,880	\$ 1,000	6.72%
151-5301	Clerical Wages	\$ 20,420	\$ 21,400	\$ 16,000	\$ 16,000	\$ -	\$ 16,000	\$ -	0.00%
151-5344	Legal Notices	\$ 500	\$ 500	\$ 500	\$ 1,000	\$ -	\$ 1,000	\$ 500	100.00%
151-5515	Legal Subscriptions	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,500	\$ -	\$ 3,500	\$ 500	16.67%
Total Legal		\$ 39,800	\$ 40,780	\$ 34,380	\$ 36,380	\$ -	\$ 36,380	\$ 2,000	5.82%

I recommend restoring this account to FY 2013 levels. The account was cut in FY 2014 to meet budget restrictions. Recent activity indicates the budget should be restored so that the Town's legal needs may be funded adequately.

## Town Clerk and Registrars (Budget 161 and 163)

### Mission Statement

The mission of the Town Clerk's Office is to uphold the integrity of the Town's democratic process, to maintain and preserve public records and to act in the best interest of the community by providing efficient and quality service. This office strives to work cooperatively and in coordination with all Town Departments to maintain and achieve established goals of the Town and comply with the By-laws of Hadley and the Commonwealth of Massachusetts.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
161-5101	Town Clerk Salary	\$ 46,260	\$ 48,800	\$ 51,540	\$ 54,408	\$ -	\$ 54,408	\$ 2,868	5.56%
161-5120	Temporary Wages	\$ 11,730	\$ 14,308	\$ 13,147	\$ 13,836	\$ -	\$ 13,836	\$ 689	5.24%
161-5190	Recording Fees Prior	\$ 165	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
161-5200	Book Binding	\$ 750	\$ 500	\$ 500	\$ 500	\$ -	\$ 500	\$ -	0.00%
161-5243	Office Equip Maint	\$ 300	\$ 500	\$ 500	\$ 600	\$ -	\$ 600	\$ 100	20.00%
161-5244	Software Maint.	\$ 300	\$ 2,500	\$ 2,500	\$ 2,800	\$ -	\$ 2,800	\$ 300	12.00%
161-5311	Bylaw Codification	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
161-5320	Tuition/Meetings	\$ 1,300	\$ -	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
161-5420	Office Supplies	\$ 750	\$ 750	\$ 750	\$ 750	\$ -	\$ 750	\$ -	0.00%
161-5710	Mileage/Meals	\$ 300	\$ -	\$ 250	\$ 250	\$ -	\$ 250	\$ -	0.00%
161-5730	Dues	\$ 200	\$ 200	\$ 200	\$ 200	\$ -	\$ 200	\$ -	0.00%
Total Town Clerk		\$ 64,055	\$ 67,558	\$ 70,387	\$ 74,344	\$ -	\$ 74,344	\$ 3,957	5.62%

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
163-5110	Salaries-Bd of Registrars	\$ 3,720	\$ 3,720	\$ 3,720	\$ 4,920	\$ -	\$ 4,920	\$ 1,200	32.26%
163-5119	Poll Worker Wages	\$ 3,000	\$ 5,000	\$ 3,000	\$ 3,200	\$ -	\$ 3,200	\$ 200	6.67%
163-5307	Automark	\$ 2,000	\$ 2,000	\$ 1,500	\$ 1,500	\$ -	\$ 1,500	\$ -	0.00%
163-5342	Printing	\$ 5,500	\$ 7,500	\$ 5,500	\$ 5,500	\$ -	\$ 5,500	\$ -	0.00%
163-5420	Office Supplies	\$ 500	\$ 700	\$ 700	\$ 750	\$ -	\$ 750	\$ 50	7.14%
163-5710	Mileage/Meals	\$ 250	\$ 250	\$ 250	\$ 350	\$ -	\$ 350	\$ 100	40.00%
Total Board of Registrars		\$ 14,970	\$ 19,170	\$ 14,670	\$ 16,220	\$ -	\$ 16,220	\$ 1,550	10.57%

## Conservation Commission (Budget 171)

### Mission Statement:

Conservation Commission administers the state Wetlands Protection Act and local Wetlands Bylaw, works to preserve open space, and helps preserve farmland through Agricultural Preservation Restrictions (APRs).

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete )	FY 2015 Admin Rec'd	Change \$	Change %
171-5300	Prof. Conservation Services	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	\$ 2,000	\$ -	0.00%
171-5420	Office Supplies	\$ 830	\$ 830	\$ 830	\$ 830	\$ -	\$ 830	\$ -	0.00%
171-5730	Dues	\$ 170	\$ 220	\$ 220	\$ 220	\$ -	\$ 220	\$ -	0.00%
Total Conservation		\$ 3,000	\$ 3,050	\$ 3,050	\$ 3,050	\$ -	\$ 3,050	\$ -	0.00%

### Planning Board (Budget 175)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
175-5101	Salaries Planning Board	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ -	\$ 2,300	\$ -	0.00%
175-5300	Planning Services	\$ 7,500	\$ 10,978	\$ 7,500	\$ 7,500	\$ -	\$ 7,500	\$ -	0.00%
175-5344	Advertising	\$ 1,000	\$ 1,532	\$ 1,000	\$ 1,000	\$ 1,200	\$ 2,200	\$ 1,200	120.00%
175-5420	Office Supplies	\$ 900	\$ 900	\$ 900	\$ 900	\$ -	\$ 900	\$ -	0.00%
175-5730	Dues	\$ 80	\$ 80	\$ 80	\$ 80	\$ -	\$ 80	\$ -	0.00%
Total Planning Board		\$ 11,780	\$ 15,790	\$ 11,780	\$ 11,780	\$ 1,200	\$ 12,980	\$ 1,200	10.19%

I recommend increasing the advertising budget item to cover historical costs associated with legally required advertising.

### Board of Appeals (Budget 176)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
176-5110	Salary Board of Appeals	\$ 1,135	\$ 1,135	\$ 1,135	\$ 1,135	\$ -	\$ 1,135	\$ -	0.00%
176-5120	Clerical services	\$ 1,310	\$ 1,310	\$ 1,310	\$ 1,310	\$ -	\$ 1,310	\$ -	0.00%
176-5343	Postage	\$ 160	\$ 160	\$ 160	\$ 160	\$ -	\$ 160	\$ -	0.00%
176-5344	Advertising	\$ 900	\$ 900	\$ 900	\$ 900	\$ -	\$ 900	\$ -	0.00%
176-5420	Office Supplies	\$ 160	\$ 160	\$ 160	\$ 160	\$ -	\$ 160	\$ -	0.00%
Total Board of Appeals		\$ 3,665	\$ 3,665	\$ 3,665	\$ 3,665	\$ -	\$ 3,665	\$ -	0.00%

### Long Range Plan Committee (Budget 182)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
182-5300	Expenses	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,500	\$ 2,500	\$ 1,500	150.00%
Total Long Range Plan Cmt		\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,500	\$ 2,500	\$ 1,500	150.00%

I recommend increasing the expenses of the Long Range Plan Implementation Committee to reflect historical usage of planning services of the Pioneer Valley Planning Commission.

### Insurance (Budget 193)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
193-5741	Expenses	\$ 108,092	\$ 115,916	\$ 111,000	\$ 115,400	\$ -	\$ 115,400	\$ 4,400	3.96%
Total Property Insurance		\$ 108,092	\$ 115,916	\$ 111,000	\$ 115,400	\$ -	\$ 115,400	\$ 4,400	3.96%

### Operation of Town Buildings (Budgets 192 through 199)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
192-5200	Custodial Services	\$ 11,510	\$ 9,000	\$ 11,600	\$ 11,100	\$ -	\$ 11,100	\$ (500)	-4.31%
192-5210	Oil	\$ 19,652	\$ 22,888	\$ 15,500	\$ 20,000	\$ -	\$ 20,000	\$ 4,500	29.03%
192-5211	Electricity	\$ 10,390	\$ 6,000	\$ 6,500	\$ 9,700	\$ -	\$ 9,700	\$ 3,200	49.23%
192-5230	Sewer/Water	\$ 700	\$ 700	\$ 700	\$ 770	\$ -	\$ 770	\$ 70	10.00%
192-5233	Alarm System	\$ 1,100	\$ 1,100	\$ 1,300	\$ 1,300	\$ -	\$ 1,300	\$ -	0.00%
192-5341	Telephone	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,500	\$ -	\$ 2,500	\$ 500	25.00%
192-5342	On-Line Services	\$ 700	\$ 700	\$ 700	\$ 700	\$ -	\$ 700	\$ -	0.00%
192-5430	Building/Grounds	\$ 11,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
192-5450	Building Supplies	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
192-5850	Equipment	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	\$ 2,000	\$ -	0.00%
Total Senior Center		\$ 60,052	\$ 45,388	\$ 41,300	\$ 49,070	\$ -	\$ 49,070	\$ 7,770	18.81%



A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
196-5200	Custodial Services	\$ 8,850	\$ 7,000	\$ 8,200	\$ 9,276	\$ -	\$ 9,276	\$ 1,076	13.12%
196-5210	Heat-Gas	\$ 3,900	\$ 3,500	\$ 3,000	\$ 3,300	\$ -	\$ 3,300	\$ 300	10.00%
196-5211	Electricity	\$ 8,000	\$ 8,850	\$ 7,850	\$ 8,000	\$ -	\$ 8,000	\$ 150	1.91%
196-5228	Printing Services	\$ 800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
196-5230	Sewer/Water	\$ 590	\$ 590	\$ 590	\$ 450	\$ -	\$ 450	\$ (140)	-23.73%
196-5233	Alarm System	\$ 240	\$ 240	\$ 260	\$ 200	\$ -	\$ 200	\$ (60)	-23.08%
196-5240	Ext. Maint.	\$ 1,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
196-5241	Int. Maint.	\$ 2,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
196-5242	Equipment Maint.	\$ 800	\$ 800	\$ 800	\$ 600	\$ -	\$ 600	\$ (200)	-25.00%
196-5243	Postage Machine Sr	\$ 1,000	\$ 2,300	\$ 2,300	\$ 2,300	\$ -	\$ 2,300	\$ -	0.00%
196-5244	Computer Maint.	\$ 9,000	\$ 14,000	\$ 14,000	\$ 12,000	\$ -	\$ 12,000	\$ (2,000)	-14.29%
196-5245	Copier Maint.	\$ 3,500	\$ 3,500	\$ 3,500	\$ 4,200	\$ -	\$ 4,200	\$ 700	20.00%
196-5341	Telephone	\$ 3,500	\$ 3,500	\$ 3,300	\$ 3,500	\$ -	\$ 3,500	\$ 200	6.06%
196-5342	On-Line Services	\$ 1,400	\$ 1,400	\$ 2,300	\$ 2,300	\$ -	\$ 2,300	\$ -	0.00%
196-5343	Postage	\$ 13,500	\$ 13,500	\$ 13,500	\$ 15,000	\$ -	\$ 15,000	\$ 1,500	11.11%
196-5420	Copier Supplies	\$ 3,000	\$ 2,600	\$ 1,600	\$ 1,000	\$ -	\$ 1,000	\$ (600)	-37.50%
196-5421	Fax Supplies	\$ 200	\$ 200	\$ 100	\$ 100	\$ -	\$ 100	\$ -	0.00%
196-5422	Computer Supplies	\$ 1,000	\$ 700	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
196-5430	Building Maint.	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
196-5450	Supplies	\$ 3,000	\$ 3,000	\$ 3,000	\$ 2,100	\$ -	\$ 2,100	\$ (900)	-30.00%
196-5850	Equipment Purchase	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	\$ 500	\$ -	0.00%
Total Town Hall		\$ 67,280	\$ 66,180	\$ 65,800	\$ 65,826	\$ -	\$ 65,826	\$ 26	0.04%

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
198-5200	Custodial Services	\$ 7,950	\$ 5,000	\$ 7,950	\$ 8,200	\$ -	\$ 8,200	\$ 250	3.14%
196-5210	Oil	\$ 7,500	\$ 10,095	\$ 7,500	\$ 7,500	\$ -	\$ 7,500	\$ -	0.00%
198-5211	Electricity	\$ 3,530	\$ 2,900	\$ 2,900	\$ 2,900	\$ -	\$ 2,900	\$ -	0.00%
198-5233	Alarm System	\$ 300	\$ 300	\$ 300	\$ 300	\$ -	\$ 300	\$ -	0.00%
198-5341	Telephone	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ -	\$ 1,500	\$ -	0.00%
198-5430	Building Maint.	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
198-5450	Custodial Supply	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ 100	\$ 100	
Total North Hadley Hall		\$ 21,980	\$ 19,795	\$ 20,150	\$ 20,500	\$ -	\$ 20,500	\$ 350	1.74%

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
199-5213	Coop Oil Purchasing	\$ 600	\$ 600	\$ 600	\$ 600	\$ -	\$ 600	\$ -	0.00%
199-5233	Alarm System	\$ 350	\$ 350	\$ 350	\$ 350	\$ -	\$ 350	\$ -	0.00%
Total Russell School		\$ 950	\$ 950	\$ 950	\$ 950	\$ -	\$ 950	\$ -	0.00%

The maintenance budgets for Town buildings should be increased to reflect growing maintenance efforts. I recommend reducing the request for maintenance to the Public Safety Complex, as maintenance funds are duplicated in the Fire Department operational budget.

If the Town leaders decide to renovate a building as per the Facilities Plan, then the maintenance budget for that particular building can be reduced.

## Budget Series 200: Public Safety

### Welcome

In FY 2014, the Town of Hadley experienced a change of leadership in both the Fire Department and the Police Department. Fire Chief James Kicza, who was a leader of the Fire Department for many years, transitioned to a well-deserved retirement, and Captain Michael Spanknebel was promoted to a strong Fire Chief position. Police Chief Dennis Hukowicz, who developed the Police Department from a loose collection of part-time patrol officers into a professional law enforcement force, has taken a leave with the expectation of returning to work in FY 2015. Sergeant Damion Shanley was assigned to be the Acting Chief of Police. Chief Spanknebel and Chief Shanley will lead their departments in FY 2015, and they have prepared the budgets shown here

Both Chief Kicza and Chief Hukowicz supported professional organizations that exemplify the highest standards of public service, professionalism, and civic pride. The work of Chief Spanknebel and Chief Shanley support the strengths of the organizations built by their predecessors. If improvements in operations, equipment, and facilities are achieved, it is because the basics within each organization are solid.

The budgets presented here support and continue the work of Chief Kicza and Chief Hukowicz, and are consistent with the recommendations of the Police Department management review and the Fire Department management review.

## Budget Summary

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
	<u>Series 200 Public Safety</u>								
210	Police	\$ 950,971	\$ 996,869	\$ 992,975	\$ 1,155,272	\$ (1,929)	\$ 1,153,343	\$ 160,368	16.15%
220	Fire	\$ 218,440	\$ 236,380	\$ 282,797	\$ 335,711	\$ (100)	\$ 335,611	\$ 52,814	18.68%
222	Communications	\$ 274,160	\$ 296,336	\$ 255,697	\$ 280,509	\$ (2,604)	\$ 277,905	\$ 22,208	8.69%
230	Ambulance	\$ 110,000	\$ 115,000	\$ 120,000	\$ 125,000	\$ -	\$ 125,000	\$ 5,000	4.17%
241	Building Inspector	\$ 90,062	\$ 91,819	\$ 84,836	\$ 91,789	\$ (4,083)	\$ 87,706	\$ 2,870	3.38%
242	Gas Inspector	\$ 3,654	\$ 3,654	\$ 3,692	\$ 3,692	\$ -	\$ 3,692	\$ -	0.00%
243	Plumbing Inspector	\$ 6,202	\$ 6,240	\$ 6,240	\$ 6,390	\$ -	\$ 6,390	\$ 150	2.40%
Total Public Safety		\$ 1,653,489	\$ 1,746,298	\$ 1,746,237	\$ 1,998,363	\$ (8,716)	\$ 1,989,647	\$ 243,410	13.94%

## Police (Budget 210)

### Mission Statement:

The goal of the Hadley Police Department is to provide effective policing services and to maintain a safe and secure environment that will facilitate the quality of life our citizens have grown to expect. We will continually work to achieve and maintain the respect and cooperation of the community we serve.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
210-5102	Wages Full Time Officers	\$ 435,645	\$ 414,223	\$ 414,223	\$ 516,166	\$ -	\$ 516,166	\$ 101,943	24.61%
210-5107	Wages Part Time Officers	\$ 122,485	\$ 154,097	\$ 141,208	\$ 102,665	\$ -	\$ 102,665	\$ (38,543)	-27.30%
210-5110	Salary Police Chief	\$ 82,040	\$ 85,812	\$ 86,447	\$ 88,176	\$ (1,729)	\$ 86,447	\$ -	0.00%
210-5113	Animal Control	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ -	\$ 1,200	\$ -	0.00%
210-5120	Full Time Clerical	\$ 31,534	\$ 38,023	\$ 40,135	\$ 42,199	\$ -	\$ 42,199	\$ 2,064	5.14%
210-5130	Overtime	\$ 119,509	\$ 121,176	\$ 103,424	\$ 156,613	\$ -	\$ 156,613	\$ 53,189	51.43%
210-5140	Overtime Training	\$ 17,509	\$ 17,859	\$ 17,859	\$ 20,859	\$ -	\$ 20,859	\$ 3,000	16.80%
210-5242	Radio Repair & Maint.	\$ 13,104	\$ 13,104	\$ 11,188	\$ 11,188	\$ -	\$ 11,188	\$ -	0.00%
210-5243	Office Equip. Maint.	\$ 16,675	\$ 16,675	\$ 13,559	\$ 13,559	\$ -	\$ 13,559	\$ -	0.00%
210-5246	Police Cruiser Maint.	\$ -	\$ -	\$ 24,000	\$ 24,000	\$ -	\$ 24,000	\$ -	0.00%
210-5301	Legal Services	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	\$ 3,000	\$ -	0.00%
210-5320	Tuition & Meetings	\$ 6,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ -	\$ 7,500	\$ -	0.00%
210-5341	Telephone	\$ 7,300	\$ 7,500	\$ 7,500	\$ 7,500	\$ -	\$ 7,500	\$ -	0.00%
210-5343	Postage	\$ 800	\$ 800	\$ 800	\$ 1,000	\$ (200)	\$ 800	\$ -	0.00%
210-5344	Advertising	\$ 225	\$ 350	\$ 350	\$ 500	\$ -	\$ 500	\$ 150	42.86%
210-5420	Office Supplies	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,500	\$ -	\$ 4,500	\$ 500	12.50%
210-5481	Gasoline	\$ 35,000	\$ 35,000	\$ 42,000	\$ 43,700	\$ -	\$ 43,700	\$ 1,700	4.05%
210-5580	Other Police Supplies	\$ 18,188	\$ 20,687	\$ 20,688	\$ 20,688	\$ -	\$ 20,688	\$ -	0.00%
210-5585	Uniforms	\$ -	\$ 13,751	\$ 13,750	\$ 15,750	\$ -	\$ 15,750	\$ 2,000	14.55%
210-5710	Mileage/Meals	\$ 1,200	\$ 1,200	\$ 600	\$ 1,020	\$ -	\$ 1,020	\$ 420	70.00%
210-5730	Dues	\$ 1,237	\$ 2,192	\$ 1,665	\$ 1,665	\$ -	\$ 1,665	\$ -	0.00%
210-5780	Dog Officer Expenses	\$ 200	\$ 200	\$ 200	\$ 325	\$ -	\$ 325	\$ 125	62.50%
210-5851	Office Equip. Purchase	\$ 2,000	\$ 3,000	\$ 2,000	\$ 2,000	\$ -	\$ 2,000	\$ -	0.00%
210-5870	Police Cruiser	\$ 31,620	\$ 35,520	\$ 35,679	\$ 69,499	\$ -	\$ 69,499	\$ 33,820	94.79%
Total Police		\$ 950,971	\$ 996,869	\$ 992,975	\$ 1,155,272	\$ (1,929)	\$ 1,153,343	\$ 160,368	16.15%

The Police Department budget includes additional full-time personnel to perform the duties of detective and court officer. Final agreement on the position must still be reached with the union, but such a position will make the department's crime-solving efforts much more effective. I recommend the proposed changes.

#### Fire (Budget 220)

#### Mission Statement:

We, the members of the Hadley Fire Department, are dedicated in our efforts to provide for the safety and welfare of the public through timely response to all emergencies as well as fire prevention practices including: inspections, fire and life safety education and all hazard preparedness and training. It shall also be our mission to train continually and to maintain our equipment in order to be efficient and unwavering in our goal to preserve life, property and the environment and to ensure that safety of our members.

The Town of Hadley is enrolled in a 5-month pilot Municipal Performance Management Program as administered by the Collins Center for Public Management and funded by a grant through the Community Innovation Challenge Grant Program as administered by the Executive Office of Administration and Finance. The pilot program is being implemented in the Fire Department and the Department of Public Works, and early results indicate that the effort is worth supporting in FY 2015. Such a program was recommended by the Department of Revenue in their financial management report. A budget to support the extension of the performance management program will be explored and presented at a later date.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
220-5102	Wages Full Time	\$ 52,013	\$ 54,873	\$ 31,000	\$ 50,000	\$ -	\$ 50,000	\$ 19,000	61.29%
220-5106	Office Manager	\$ -	\$ 12,301	\$ 12,427	\$ 12,675	\$ -	\$ 12,675	\$ 248	2.00%
220-5110	Salary Fire Chief	\$ 6,628	\$ 6,628	\$ 70,000	\$ 73,936	\$ -	\$ 73,936	\$ 3,936	5.62%
220-5113	Officer Wages	\$ 7,435	\$ 7,200	\$ 7,200	\$ -	\$ -	\$ -	\$ (7,200)	-100.00%
220-5120	Temp. Wages	\$ 55,500	\$ 41,645	\$ 49,000	\$ 59,000	\$ -	\$ 59,000	\$ 10,000	20.41%
220-5128	Inspection/Station Duty Wages	\$ 18,787	\$ 20,431	\$ 25,500	\$ 30,500	\$ -	\$ 30,500	\$ 5,000	19.61%
220-5130	Overtime	\$ 9,227	\$ 9,852	\$ 9,470	\$ 3,900	\$ -	\$ 3,900	\$ (5,570)	-58.82%
220-5210	Oil - No Hadley Station	\$ 1,800	\$ 1,000	\$ 1,000	\$ 1,300	\$ -	\$ 1,300	\$ 300	30.00%
220-5224	Fire Prevention Supplies	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ -	\$ 1,250	\$ -	0.00%
220-5242	Radio Repair and Maint.	\$ 3,000	\$ 3,800	\$ 3,800	\$ 4,500	\$ -	\$ 4,500	\$ 700	18.42%
220-5243	Bldg Maint. Center and North	\$ 2,500	\$ 2,500	\$ 3,000	\$ 3,000	\$ -	\$ 3,000	\$ -	0.00%
220-5245	Fire Extinguisher Maint.	\$ 350	\$ 500	\$ 1,000	\$ 1,200	\$ -	\$ 1,200	\$ 200	20.00%
220-5246	Fire Vehicle Repair/Maint.	\$ 6,400	\$ 6,400	\$ 6,400	\$ 6,400	\$ -	\$ 6,400	\$ -	0.00%
220-5300	New Firemen Physical	\$ 1,400	\$ 1,400	\$ 700	\$ 900	\$ -	\$ 900	\$ 200	28.57%
220-5303	Emergency Medical Supplies	\$ 500	\$ 1,000	\$ 5,000	\$ 1,500	\$ -	\$ 1,500	\$ (3,500)	-70.00%
220-5320	Tuition/Meetings/Training	\$ 3,300	\$ 3,500	\$ 3,500	\$ 3,900	\$ -	\$ 3,900	\$ 400	11.43%
220-5341	Telephone	\$ 3,300	\$ 3,300	\$ 3,300	\$ 4,500	\$ -	\$ 4,500	\$ 1,200	36.36%
220-5343	Postage	\$ 225	\$ 225	\$ 225	\$ 225	\$ (100)	\$ 125	\$ (100)	-44.44%
220-5346	CTY Emergency Broadcast	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -	0.00%
220-5420	Office Supplies	\$ 500	\$ 550	\$ 1,000	\$ 1,500	\$ -	\$ 1,500	\$ 500	50.00%
220-5481	Gasoline/Deisel	\$ 4,500	\$ 5,000	\$ 5,500	\$ 8,400	\$ -	\$ 8,400	\$ 2,900	52.73%
220-5485	Engine Ladder Test & Maint.	\$ 8,000	\$ 10,000	\$ 15,000	\$ 23,300	\$ -	\$ 23,300	\$ 8,300	55.33%
220-5585	Uniforms	\$ -	\$ 2,301	\$ 2,300	\$ 2,800	\$ -	\$ 2,800	\$ 500	21.74%
220-5585	Fire Chief Uniforms	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	
220-5610	Civil Defense Supplies	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ -	\$ 2,200	\$ -	0.00%
220-5700	Fire Supplies	\$ 1,600	\$ 9,500	\$ -	\$ 9,700	\$ -	\$ 9,700	\$ 9,700	
220-5710	Mileage	\$ 500	\$ 499	\$ 500	\$ 500	\$ -	\$ 500	\$ -	0.00%
220-5730	Dues	\$ 1,300	\$ 2,000	\$ 2,000	\$ -	\$ -	\$ -	\$ (2,000)	-100.00%
220-5830	Grant Matching Funds	\$ 1,325	\$ 1,325	\$ 1,325	\$ 1,325	\$ -	\$ 1,325	\$ -	0.00%
220-5840	Computer Hardware Purchase	\$ 1,200	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ 1,500	\$ 1,500	
220-5850	Firefighting Equipment	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,500	\$ -	\$ 3,500	\$ 200	6.06%
220-5851	Airpack Replacement	\$ 4,500	\$ 4,500	\$ -	\$ 5,100	\$ -	\$ 5,100	\$ 5,100	
220-5870	Air Pack Maint.	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ -	\$ 5,300	\$ -	0.00%
220-5871	Radio Repair Maint.	\$ 3,100	\$ 3,100	\$ 3,100	\$ 3,400	\$ -	\$ 3,400	\$ 300	9.68%
220-5872	Repair/Replacement Hose	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	\$ 2,500	\$ -	0.00%
Total Fire		\$ 218,440	\$ 236,380	\$ 282,797	\$ 335,711	\$ (100)	\$ 335,611	\$ 47,414	18.68%

Many of the changes proposed in the Fire Department budget are consistent with the top recommendations contained within the Fire Department management study. I recommend supporting the budget.

#### Communication (Budget 222)

								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
222-5102	Groundskeeper	\$ 900	\$ 1,200	\$ 1,200	\$ 1,200	\$ -	\$ 1,200	\$ -	0.00%
222-5107	Custodial Wages	\$ 7,235	\$ 7,380	\$ 7,380	\$ 9,984	\$ (2,604)	\$ 7,380	\$ -	0.00%
222-5110	Salaries Dispatchers	\$ 124,009	\$ 124,009	\$ 125,892	\$ 133,033	\$ -	\$ 133,033	\$ 7,141	5.67%
222-5120	Temp. Wages	\$ 52,856	\$ 52,856	\$ 55,000	\$ 57,427	\$ -	\$ 57,427	\$ 2,427	4.41%
222-5130	Overtime	\$ 20,991	\$ 20,991	\$ 19,265	\$ 22,625	\$ -	\$ 22,625	\$ 3,360	17.44%
222-5133	Wages Training	\$ -	\$ -	\$ 3,240	\$ 4,240	\$ -	\$ 4,240	\$ 1,000	30.86%
222-5210	Heat - Gas	\$ 13,000	\$ 13,000	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ -	0.00%
222-5211	Electricity	\$ 27,000	\$ 27,000	\$ 25,000	\$ 26,000	\$ -	\$ 26,000	\$ 1,000	4.00%
222-5230	Water/Sewer	\$ 1,125	\$ 1,600	\$ 1,600	\$ 1,600	\$ -	\$ 1,600	\$ -	0.00%
222-5240	Exterior Maint.	\$ 1,500	\$ 2,800	\$ -	\$ -	\$ -	\$ -	\$ -	
222-5241	Int. Maint.	\$ 17,044	\$ 34,000	\$ -	\$ -	\$ -	\$ -	\$ -	
222-5242	Equipment Maint.	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	
222-5301	Legal Services	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	\$ 2,000	\$ -	0.00%
222-5320	Seminar/Training	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ 500	\$ 500	
222-5430	Building Maint Supplies	\$ 1,500	\$ 1,500	\$ 1,180	\$ 5,300	\$ -	\$ 5,300	\$ 4,120	349.15%
222-5450	Custodial Supplies	\$ 2,000	\$ 2,500	\$ 940	\$ -	\$ -	\$ -	\$ (940)	-100.00%
222-5585	Uniforms	\$ -	\$ 1,500	\$ 1,000	\$ 1,600	\$ -	\$ 1,600	\$ 600	60.00%
222-5840	Building Improvements	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -	\$ (1,000)	-100.00%
222-5850	Equipment Purchase	\$ 1,000	\$ 2,000	\$ 1,000	\$ 5,000	\$ -	\$ 5,000	\$ 4,000	400.00%
Total Communications		\$ 274,160	\$ 296,336	\$ 255,697	\$ 280,509	\$ (2,604)	\$ 277,905	\$ 22,208	8.69%

I recommend the program enhancements requested in emergency communications with the exception of increasing custodial hours per week.

#### Ambulance Service

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
230-5380	Ambulance Service	\$ 110,000	\$ 115,000	\$ 120,000	\$ 125,000	\$ -	\$ 125,000	\$ 5,000	4.17%
Total Ambulance		\$ 110,000	\$ 115,000	\$ 120,000	\$ 125,000	\$ -	\$ 125,000	\$ 5,000	4.17%

Ambulance service is provided by the Town of Amherst. The amount of increase shown is by contract.

## Inspection Services

### Mission Statement:

The mission of The Inspection Services Department is to ensure the health, safety and welfare of the Town's residents and visitors through the enforcement of state and local codes, laws, bylaws and regulations.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
241-5106	Wages - Clerical	\$ 16,721	\$ 17,331	\$ 17,621	\$ 20,735	\$ (4,083)	\$ 16,652	\$ (969)	-5.50%
241-5107	Wages - Part Time	\$ 12,460	\$ 12,460	\$ 5,000	\$ 7,460	\$ -	\$ 7,460	\$ 2,460	49.20%
241-5110	Salary Building Inspector	\$ 55,180	\$ 56,327	\$ 57,454	\$ 58,592	\$ -	\$ 58,592	\$ 1,138	1.98%
241-5300	Alt. Building Inspector	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	
241-5320	Tuition/Meetings	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
241-5340	Printing	\$ 397	\$ 397	\$ 397	\$ 397	\$ -	\$ 397	\$ -	0.00%
241-4341	Telephone	\$ 400	\$ 400	\$ 400	\$ 400	\$ -	\$ 400	\$ -	0.00%
241-5420	Office Supplies	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
241-5710	Mileage/Meals	\$ 650	\$ 650	\$ 650	\$ 650	\$ -	\$ 650	\$ -	0.00%
241-5730	Dues	\$ 120	\$ 120	\$ 180	\$ 180	\$ -	\$ 180	\$ -	0.00%
241-5851	Computer Maint.	\$ 1,134	\$ 1,134	\$ 1,134	\$ 1,375	\$ -	\$ 1,375	\$ 241	21.25%
Total Building Inspector		\$ 90,062	\$ 91,819	\$ 84,836	\$ 91,789	\$ (4,083)	\$ 87,706	\$ 2,870	3.38%

The Building Inspector proposes increasing the hours of clerical support to take on the paperwork associated with the Gas and Plumbing Inspector. I recommend against the proposes enhancement at this time, as the Select Board and the Board of Health have not discussed the matter. I recommend that Town leaders hold discussions with an eye toward implementing the proposed program enhancement at a later date.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete )	FY 2015 Admin Rec'd	Change \$	Change %
242-5110	Salary Gas Inspector	\$ 3,254	\$ 3,254	\$ 3,292	\$ 3,292	\$ -	\$ 3,292	\$ -	0.00%
242-5320	Tuition/Meetings	\$ 300	\$ 300	\$ 300	\$ 400	\$ -	\$ 400	\$ 100	33.33%
242-5710	Mileage/Meals	\$ 100	\$ 100	\$ 100	\$ 250	\$ -	\$ 250	\$ 150	150.00%
Total Gas Inspector		\$ 3,654	\$ 3,654	\$ 3,692	\$ 3,942	\$ -	\$ 3,942	\$ 250	6.77%

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
243-5110	Salary Plumbing Inspector	\$ 5,702	\$ 5,740	\$ 5,740	\$ 5,740	\$ -	\$ 5,740	\$ -	0.00%
243-5300	Asst. Plumbing Insp.	\$ 400	\$ 400	\$ 400	\$ 400	\$ -	\$ 400	\$ -	0.00%
243-5710	Mileage/Meals	\$ 100	\$ 100	\$ 100	\$ 250	\$ -	\$ 250	\$ 150	150.00%
Total Plumbing Inspector		\$ 6,202	\$ 6,240	\$ 6,240	\$ 6,390	\$ -	\$ 6,390	\$ 150	2.40%

## Budget Series 400: Public Works

### Public Works (Budget 422 through 490)

#### Mission Statement

The mission of the Hadley Department of Public Works is to provide and maintain the Public Services necessary for the continued growth and improvement of quality of life of the citizens of Hadley.

#### Budget Overview

The Department of Public Works was created in 2009 through authorization of Town Meeting and an enabling act of the Legislature. The Department consists of three divisions: Highway, Water, and Wastewater. The Highway Division is operated through the General Fund; the Water Division and the Wastewater Division are operated as enterprise funds (these are shown as separate budgets). The services provided by the Department include maintenance and repair of the Town's infrastructure, building maintenance, treatment and delivery of water, and collection and treatment of wastewater. The Department of Public Works is responsible for over 150 lane miles of roads, 60 miles of water mains, over 21 miles of sewer lines, 400 catch basins and 40 outfalls for stormwater management, 568 hydrants, 9 pumping stations, 2 water wells, 1 water treatment plant of 2 MGD capacity, and 1 wastewater treatment plant of .54 MGD capacity.

The Town of Hadley is enrolled in a 5-month pilot Municipal Performance Management Program as administered by the Collins Center for Public Management and funded by a grant through the Community Innovation Challenge Grant Program as administered by the Executive Office of Administration and Finance. The pilot program is being implemented in the Department of Public Works and the Fire Department, and early results indicate that the effort is worth supporting in FY 2015. Such a program was recommended by the Department of Revenue in their financial management report. A budget to support the extension of the performance management program will be explored and presented at a later date.



## Budget Summary

The budget for snow and ice remains level-funded as per the requirements of MGL Chapter 44, Section 31D. Despite the legal requirement of maintaining level funding, the Department's recent change in snow and ice management shows promise of savings in (a) consumable materials, such as salt and sand – less salt and sand was used year-to-date than compared to the first half of the prior fiscal year; (b) less time spent on treating roads; (c) less anticipated spring cleanup time in terms of street sweeping; (d) less wear and tear on equipment, especially street sweepers; (e) less disposal costs for swept sand; and (f) less time spent on cleaning catch basins in the spring. These reduced costs are reflected in budget reductions in accounts not included in Snow and Ice (Budget Item 423). In addition, the Town expects to avoid the cost of purchasing a new/used street sweeper, as such equipment can be rented for the occasional use that is now all that is required for such equipment. The anticipated savings on a new street sweeper is \$85,000.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
<u>Series 400 Public Works</u>									
422	Highway	\$ 784,709	\$ 718,502	\$ 740,217	\$ 768,133	\$ (2,000)	\$ 766,133	\$ 25,916	3.50%
423	Snow & Ice	\$ -	\$ 162,734	\$ 168,222	\$ 168,222	\$ -	\$ 168,222	\$ -	0.00%
424	Street Lighting	\$ 17,500	\$ 18,300	\$ 17,500	\$ 18,025	\$ (300)	\$ 17,725	\$ 225	1.29%
490	Highway Bldg	\$ -	\$ 16,700	\$ 49,615	\$ 66,615	\$ (1,000)	\$ 65,615	\$ 16,000	32.25%
491	Cemetery	\$ 17,793	\$ 17,793	\$ 17,793	\$ 17,793	\$ -	\$ 17,793	\$ -	0.00%
Total Public Works		\$ 820,002	\$ 934,029	\$ 993,347	\$ 1,038,788	\$ (3,300)	\$ 1,035,488	\$ 42,141	4.24%

## Highway (Budget 422)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
422-5100	DWP Director Salary	\$ 26,056	\$ 27,000	\$ 28,520	\$ 30,120	\$ -	\$ 30,120	\$ 1,600	5.61%
422-5102	Salaries Laborers	\$ 217,347	\$ 236,546	\$ 224,597	\$ 237,853	\$ -	\$ 237,853	\$ 13,256	5.90%
422-5106	Clerical Salary	\$ 25,149	\$ 25,655	\$ 29,231	\$ 29,816	\$ -	\$ 29,816	\$ 585	2.00%
422-5107	Asst. Mechnic Wage	\$ 10,404	\$ 11,733	\$ 11,726	\$ -	\$ -	\$ -	\$ (11,726)	-100.00%
422-5109	Mechnic Salary	\$ 31,132	\$ 31,132	\$ 31,755	\$ 32,390	\$ -	\$ 32,390	\$ 635	2.00%
422-5110	Salary Superintendent	\$ 34,149	\$ 37,505	\$ 36,780	\$ 36,800	\$ -	\$ 36,800	\$ 20	0.05%
422-5112	DPW Foreman	\$ -	\$ -	\$ 45,645	\$ 49,890	\$ -	\$ 49,890	\$ 4,245	9.30%
422-5115	Longevity	\$ 1,363	\$ 1,250	\$ 1,250	\$ 1,450	\$ -	\$ 1,450	\$ 200	16.00%
422-5120	Temporary Wages	\$ 5,832	\$ 5,831	\$ 5,948	\$ 6,067	\$ -	\$ 6,067	\$ 119	2.00%
422-5130	Overtime	\$ 59,726	\$ 11,878	\$ 18,000	\$ 18,000	\$ -	\$ 18,000	\$ -	0.00%
422-5200	Transfer Station Exp.	\$ 400	\$ 4,400	\$ 7,800	\$ 8,034	\$ -	\$ 8,034	\$ 234	3.00%
422-5210	Oil Highway Building	\$ 4,988	\$ 4,988	\$ 4,988	\$ 5,138	\$ -	\$ 5,138	\$ 150	3.01%
422-5211	Electricity Highway	\$ 4,968	\$ 8,798	\$ 5,751	\$ 5,924	\$ (1,000)	\$ 4,924	\$ (827)	-14.38%
422-5214	Electricity Traffic Control	\$ 5,492	\$ 4,847	\$ 5,500	\$ 5,665	\$ -	\$ 5,665	\$ 165	3.00%
422-5240	Highway Bldg Maint.	\$ 2,000	\$ 3,850	\$ 4,000	\$ 4,120	\$ -	\$ 4,120	\$ 120	3.00%
422-5242	Trash Removal	\$ 4,344	\$ 4,500	\$ 4,000	\$ 4,080	\$ -	\$ 4,080	\$ 80	2.00%
422-5243	Office Equip. Maint.	\$ 800	\$ 800	\$ 800	\$ 800	\$ -	\$ 800	\$ -	0.00%
422-5244	Portable Radio Maint.	\$ 2,000	\$ 7,450	\$ 2,450	\$ 2,500	\$ -	\$ 2,500	\$ 50	2.04%
422-5246	Snow and Ice Vehicle Repair	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
422-5248	Highway Vehicle Maint.	\$ 12,000	\$ 15,000	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	\$ -	0.00%
422-5270	Rental Equipment	\$ 4,100	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	\$ 6,000	\$ -	0.00%
422-5300	Drug & Alcohol Testing	\$ 404	\$ 404	\$ 404	\$ 500	\$ -	\$ 500	\$ 96	23.76%
422-5301	Legal Services	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	\$ 500	\$ -	0.00%
422-5302	Engineering Services	\$ 5,864	\$ 7,000	\$ 4,700	\$ 4,841	\$ -	\$ 4,841	\$ 141	3.00%
422-5304	Police Services	\$ 1,500	\$ 1,500	\$ 2,500	\$ 3,500	\$ -	\$ 3,500	\$ 1,000	40.00%
422-5341	Telephone	\$ 3,150	\$ 3,200	\$ 3,500	\$ 3,900	\$ -	\$ 3,900	\$ 400	11.43%
422-5380	Tree Maint.	\$ 25,000	\$ 25,000	\$ 13,697	\$ 25,000	\$ -	\$ 25,000	\$ 11,303	82.52%
422-5381	Street Cleaning Services	\$ 10,600	\$ 10,600	\$ 4,298	\$ 4,298	\$ (1,000)	\$ 3,298	\$ (1,000)	-23.27%
422-5382	Vegetation Management	\$ -	\$ -	\$ 4,000	\$ 4,000	\$ -	\$ 4,000	\$ -	0.00%
422-5420	Billing/Advertising/Office Spl	\$ 1,300	\$ 1,500	\$ 1,500	\$ 1,545	\$ -	\$ 1,545	\$ 45	3.00%
422-5421	Safety Supplies	\$ 1,850	\$ 1,850	\$ 2,200	\$ 2,266	\$ -	\$ 2,266	\$ 66	3.00%
422-5481	Gasoline	\$ 44,235	\$ 61,929	\$ 61,929	\$ 63,786	\$ -	\$ 63,786	\$ 1,857	3.00%
422-5485	Vehicle Parts/Supplies/Tires	\$ 72,000	\$ 72,000	\$ 53,698	\$ 55,309	\$ -	\$ 55,309	\$ 1,611	3.00%
422-5485	Town Hall Car Repair	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ -	\$ 1,800	\$ -	0.00%
422-5531	Road Paint/Markings/Posts	\$ 21,000	\$ 21,000	\$ 26,250	\$ 26,513	\$ -	\$ 26,513	\$ 263	1.00%
422-5532	Road Signs/Posts	\$ 3,250	\$ 4,250	\$ -	\$ -	\$ -	\$ -	\$ -	-
422-5533	Snow Supplies Sand/Salt	\$ 88,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
422-5534	Temporary Patch	\$ 11,250	\$ 3,000	\$ 3,000	\$ 3,090	\$ -	\$ 3,090	\$ 90	3.00%
422-5535	Pie/Drain/Basin Supplies	\$ 8,000	\$ 12,000	\$ 11,000	\$ 11,330	\$ -	\$ 11,330	\$ 330	3.00%
422-5585	Uniforms	\$ -	\$ 9,451	\$ 12,500	\$ 12,875	\$ -	\$ 12,875	\$ 375	3.00%
422-5730	Dues/Licenses	\$ 255	\$ 255	\$ 1,350	\$ 1,391	\$ -	\$ 1,391	\$ 41	3.04%
422-5731	Licenses	\$ 750	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -	-
422-5815	Elem School Nursery Impr	\$ 1,200	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -	-
422-5845	Sidewalk Maint.	\$ 3,100	\$ 3,100	\$ 3,100	\$ 3,193	\$ -	\$ 3,193	\$ 93	3.00%
422-5846	Ditch/Dike/Bridge Maint.	\$ 5,700	\$ 5,700	\$ 8,770	\$ 9,033	\$ -	\$ 9,033	\$ 263	3.00%
422-5847	Bridge Maint./Repair	\$ 1,570	\$ 1,570	\$ -	\$ -	\$ -	\$ -	\$ -	-
422-5848	Forestry Improvements	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,236	\$ -	\$ 1,236	\$ 36	3.00%
422-5891	Town Road Paving	\$ 18,581	\$ 18,580	\$ 18,580	\$ 18,580	\$ -	\$ 18,580	\$ -	0.00%
Total Highway		\$ 784,709	\$ 718,502	\$ 740,217	\$ 768,133	\$ (2,000)	\$ 766,133	\$ 25,524	3.50%

### Snow and Ice (Budget 423)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
423-5107	Snow Removal	\$ -	\$ 10,404	\$ 10,404	\$ 10,404	\$ -	\$ 10,404	\$ -	0.00%
423-5130	Ovterime	\$ -	\$ 53,169	\$ 58,169	\$ 58,169	\$ -	\$ 58,169	\$ -	0.00%
423-5533	Snow Supplies Salt/Sand	\$ -	\$ 87,551	\$ 88,399	\$ 88,399	\$ -	\$ 88,399	\$ -	0.00%
423-5534	Temporary Patch	\$ -	\$ 11,250	\$ 11,250	\$ 11,250	\$ -	\$ 11,250	\$ -	0.00%
Total Snow & Ice		\$ -	\$ 162,374	\$ 168,222	\$ 168,222	\$ -	\$ 168,222	\$ -	0.00%

### Street Lighting (Budget 424)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
424-5211	Electricity	\$ 17,000	\$ 18,300	\$ 17,500	\$ 18,025	\$ (300)	\$ 17,725	\$ 225	1.29%
Total Street Lights		\$ 17,000	\$ 18,300	\$ 17,500	\$ 18,025	\$ (300)	\$ 17,725	\$ 225	1.29%

### Highway Building Maintenance (Budget 490)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
490-5240	Town Hall Ext. Maint.	\$ -	\$ 1,300	\$ 1,300	\$ 6,300	\$ -	\$ 6,300	\$ 5,000	384.62%
490-5241	Town Hall Int. Maint.	\$ -	\$ 2,200	\$ 2,200	\$ 4,200	\$ -	\$ 4,200	\$ 2,000	90.91%
490-5430	Senior Center Maint.	\$ -	\$ 11,000	\$ 11,000	\$ 16,000	\$ -	\$ 16,000	\$ 5,000	45.45%
490-5430	Town Hall Maint.	\$ -	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -	\$ (1,000)	-100.00%
490-5430	No Hadley Hall Maint.	\$ -	\$ 1,200	\$ 11,200	\$ 11,200	\$ -	\$ 11,200	\$ -	0.00%
490-5430	Public Safety Maint.	\$ -	\$ -	\$ 22,915	\$ 28,915	\$ (1,000)	\$ 27,915	\$ 5,000	21.82%
Total Building Maint.		\$ -	\$ 16,700	\$ 49,615	\$ 66,615	\$ (1,000)	\$ 65,615	\$ 16,000	32.25%

### Cemeteries (Budget 491)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
491-5110	Salary Cemetery	\$ 5,000	\$ 5,337	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -	0.00%
491-5200	Contracted Services	\$ 12,793	\$ 12,455	\$ 12,793	\$ 12,793	\$ -	\$ 12,793	\$ -	0.00%
Total Cemetery		\$ 17,793	\$ 17,792	\$ 17,793	\$ 17,793	\$ -	\$ 17,793	\$ -	0.00%

### Budget Series 440 and 450 : Enterprise Funds (Wastewater and Water)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
<u>Series 440 and 450 Enterprise Funds</u>									
440	Sewer	\$ 652,798	\$ 663,107	\$ 709,625	\$ 716,200	\$ (16,000)	\$ 700,200	\$ (9,425)	-1.33%
	Sewer Contingency	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ -	0.00%
450	Water	\$ 1,133,443	\$ 1,023,218	\$ 1,380,125	\$ 1,003,358	\$ (16,000)	\$ 987,358	\$ (392,767)	-28.46%
	Water Contingency	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ -	0.00%
Total Enterprise Funds		\$ 1,806,241	\$ 1,706,325	\$ 2,109,750	\$ 1,739,558	\$ (32,000)	\$ 1,707,558	\$ (402,192)	-19.06%

### Wastewater Enterprise Fund (Budget 440)

The Wastewater Division is supported by an enterprise fund. As per the Town's policy, 100% of operations (including indirect administrative costs and direct costs borne by other budgets [e.g., benefits] are funded by the Wastewater Enterprise Fund. Capital costs are also funded by the enterprise fund. All future wastewater-related debt is expected to be funded through the enterprise fund and wastewater reserves, and the Sewer Impact Fee Account.

The Wastewater Division has complied with the United States Environmental Protection Agency's National Pollutant Discharge Elimination System (NPDES) permit requirements – the permit that governs wastewater collection and treatment. In particular, the Town was able to operate its wastewater treatment plant in such a manner as to remain within nitrate discharge limits, thus avoiding expensive capital upgrades to the wastewater treatment plant. The budget conforms to the operating, reporting, staffing, and maintenance requirements of the NPDES permit.

Inflow and infiltration investigations revealed a large source of rain water entering directly into the wastewater collection system. The source of inflow was capped by the responsible party, and thereby reduced the amount of extraneous water entering the collection system and requiring treatment by an

estimated 600,000 gallons annually. Further efforts to identify and repair sources of inflow and infiltration are supported in this budget.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
440-5102	DWP Director Salary	\$ 26,000	\$ 27,000	\$ 28,520	\$ 30,125	\$ -	\$ 30,125	\$ 1,605	5.63%
440-5106	Clerical Salary	\$ 25,307	\$ 26,425	\$ 28,105	\$ 28,750	\$ -	\$ 28,750	\$ 645	2.29%
440-5107	Salary Mechanic/Operator	\$ 41,509	\$ 40,110	\$ 44,750	\$ 45,750	\$ -	\$ 45,750	\$ 1,000	2.23%
440-5110	Salary Chief Operator	\$ 60,435	\$ 60,448	\$ 62,900	\$ 64,175	\$ -	\$ 64,175	\$ 1,275	2.03%
440-5113	Assist. Chief Operator Sal	\$ 53,722	\$ 53,724	\$ 55,900	\$ 57,200	\$ -	\$ 57,200	\$ 1,300	2.33%
440-5155	Longevity	\$ 1,200	\$ 1,250	\$ 1,250	\$ 1,250	\$ -	\$ 1,250	\$ -	0.00%
440-5120	Wages Part Time Labor	\$ 14,500	\$ 14,500	\$ 15,100	\$ 16,200	\$ -	\$ 16,200	\$ 1,100	7.28%
440-5130	Overtime	\$ 33,000	\$ 33,000	\$ 38,000	\$ 39,250	\$ -	\$ 39,250	\$ 1,250	3.29%
440-5210	Oil Sewer Treatment	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ (1,000)	\$ 8,000	\$ (1,000)	-11.11%
440-5211	Electricity	\$ 81,500	\$ 81,500	\$ 81,500	\$ 81,500	\$ (15,000)	\$ 66,500	\$ (15,000)	-18.40%
440-5320	Water/Sewer Charges	\$ 2,500	\$ 2,500	\$ 2,600	\$ 3,000	\$ -	\$ 3,000	\$ 400	15.38%
440-5240	Sewer Facility Maint.	\$ 64,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ -	\$ 84,000	\$ -	0.00%
440-5242	Trash Removal	\$ 1,600	\$ 1,600	\$ 1,800	\$ 2,400	\$ -	\$ 2,400	\$ 600	33.33%
440-5244	Meter Replacement Prog	\$ -	\$ 6,000	\$ 6,000	\$ 6,600	\$ -	\$ 6,600	\$ 600	10.00%
440-5246	Sewer Vehicle Maint.	\$ 2,000	\$ 2,000	\$ 2,000	\$ 3,000	\$ -	\$ 3,000	\$ 1,000	50.00%
440-5301	Legal Services	\$ 4,800	\$ 4,799	\$ 4,800	\$ 4,800	\$ -	\$ 4,800	\$ -	0.00%
440-5302	Engineering Services	\$ 10,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ -	\$ 55,000	\$ -	0.00%
440-5303	Laboratory Fees & Service	\$ 7,500	\$ 7,500	\$ 8,000	\$ 10,000	\$ -	\$ 10,000	\$ 2,000	25.00%
440-5304	Manhole Cleaning	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -	0.00%
440-5306	Inflow and Infiltration	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ -	\$ 12,500	\$ -	0.00%
440-5341	Telephone	\$ 12,000	\$ 12,000	\$ 12,000	\$ 10,000	\$ -	\$ 10,000	\$ (2,000)	-16.67%
440-5380	Sludge Removal/Treatment	\$ 82,000	\$ 82,000	\$ 108,000	\$ 110,000	\$ -	\$ 110,000	\$ 2,000	1.85%
440-5420	Office Supplies	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ -	\$ 7,000	\$ -	0.00%
440-5421	Police Services	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	\$ 500	\$ -	0.00%
440-5481	Gasoline	\$ 8,000	\$ 8,000	\$ 8,000	\$ 7,800	\$ -	\$ 7,800	\$ (200)	-2.50%
440-5485	Vehicle Supplies Parts	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -	0.00%
440-5536	Sewer Chemicals	\$ 2,400	\$ 2,400	\$ 3,000	\$ 6,000	\$ -	\$ 6,000	\$ 3,000	100.00%
440-5537	Chlorination Supplies	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	\$ 6,000	\$ -	0.00%
440-5585	Uniforms	\$ -	\$ 5,801	\$ 6,500	\$ 7,500	\$ -	\$ 7,500	\$ 1,000	15.38%
440-5730	Dues/Licenses/Training	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -	0.00%
440-5851	Office Equipment	\$ 750	\$ 750	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
440-5852	Internet/Cable/GPS	\$ 800	\$ 800	\$ 900	\$ 900	\$ -	\$ 900	\$ -	0.00%
440-5910	Principle Long Term Debt	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
440-5930	Interest Long Term Debt	\$ 2,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Wastewater		\$ 652,798	\$ 663,107	\$ 709,625	\$ 726,200	\$ (16,000)	\$ 710,200	\$ 575	0.08%

I recommend reductions in energy-related items in the Wastewater Enterprise Fund, as the town is expected to receive discounts for energy credits for its participation in net metering credit programs.

### Water Enterprise Fund (Budget 450)

The Water Division is supported by an enterprise fund. As per the Town's policy, 100% of operations (including indirect administrative costs and direct costs borne by other budgets [e.g., benefits] are funded by the Wastewater Enterprise Fund. Capital costs are also funded by the enterprise fund with the notable exception of the debt water lines along Route 9 and West Street and for the Hadley Water Treatment Plant, which is shared with the General Fund and the Water Enterprise Fund. The debt for the water lines is scheduled for final payment in FY 2020, and the final debt payment for the water treatment plant is FY 2026. All future water capital debt is expected to be funded through the water enterprise fund.

### Meters

Starting in FY 2012, the Division purchased integrated E-coder remote reader water meters and implemented a program of replacing the older water meters (manual read) with new tamper-proof meters that can be read by radio receivers. The program has begun reducing the amount of time needed for meter reading, and because the new devices are more accurate, they reduce unaccounted water usage. To date, the Division has installed approximately 700 E-Coders. The budget proposal supports the continuation of this program.

As part of the meter replacement program, the Town has been conducting an inventory of water meters, and in the process discovering unread meters. Invoices for the estimated unbilled water usage are then prepared and sent to the responsible water users. In FY 2013, the Town recovered approximately \$20,000 in associated water and wastewater revenues. The budget proposal continues this inventory effort.

### Master Plan

The current water master plan was composed in 2003, when the Town relied almost exclusively on the Mount Warner Wells for its water supply. Water from the Callahan Wells was used to supplement the water supply from time to time, but the Callahan Wells water tested high in manganese. Shortly after the water master plan was completed, one of the wells at Mount Warner tested positive for perchlorate and was shut down. In response, the Town built a new ultra-filtration water treatment plant at Callahan Wells, which now supplies all of the Town's water. In so doing, the Town changed many of the features and operations of the water supply system, and much of the 2003 Water Master Plan information became obsolete. The Massachusetts Department of Environmental Protection has mandated that the Town compile a new water master plan. The new plan is supported in the Capital Budget.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
450-5102	DWP Director Salary	\$ 26,056	\$ 27,000	\$ 28,520	\$ 30,120	\$ -	\$ 30,120	\$ 1,600	5.61%
450-5107	Salaries Laborers	\$ 197,492	\$ 158,551	\$ 163,682	\$ 175,300	\$ -	\$ 175,300	\$ 11,618	7.10%
450-5109	Mechanic Salary	\$ 12,213	\$ 12,211	\$ 8,940	\$ 9,130	\$ -	\$ 9,130	\$ 190	2.13%
450-5110	Salary Superintendent	\$ 34,149	\$ 34,835	\$ 36,780	\$ 36,800	\$ -	\$ 36,800	\$ 20	0.05%
450-5111	Water Resource Coor	\$ 42,576	\$ 36,920	\$ 39,000	\$ 39,800	\$ -	\$ 39,800	\$ 800	2.05%
450-5112	DPW Foreman	\$ -	\$ -	\$ 11,824	\$ 12,250	\$ -	\$ 12,250	\$ 426	3.60%
450-5113	Clerical Water	\$ 7,351	\$ 6,845	\$ 7,910	\$ 7,955	\$ -	\$ 7,955	\$ 45	0.57%
450-5115	Longevity	\$ 1,363	\$ 850	\$ 850	\$ 625	\$ -	\$ 625	\$ (225)	-26.47%
450-5120	Temporary Wages	\$ 3,800	\$ 3,800	\$ 4,100	\$ 4,300	\$ -	\$ 4,300	\$ 200	4.88%
450-5130	Overtime	\$ 30,904	\$ 30,904	\$ 36,192	\$ 37,710	\$ -	\$ 37,710	\$ 1,518	4.19%
450-5210	Oil --Shared	\$ 2,138	\$ 2,138	\$ 4,990	\$ 2,270	\$ -	\$ 2,270	\$ (2,720)	-54.51%
450-5211	Electricity	\$ 114,000	\$ 104,000	\$ 104,000	\$ 106,000	\$ (6,000)	\$ 100,000	\$ (4,000)	-3.85%
450-5214	Shared Electricity	\$ 2,129	\$ 2,128	\$ 2,128	\$ 2,600	\$ -	\$ 2,600	\$ 472	22.18%
450-5240	Water Facility Maint.	\$ 15,000	\$ 15,000	\$ 21,000	\$ 16,500	\$ -	\$ 16,500	\$ (4,500)	-21.43%
450-5241	Shared Building Maint.	\$ 2,000	\$ 1,650	\$ 1,650	\$ 1,700	\$ -	\$ 1,700	\$ 50	3.03%
450-5242	Water Equip Maint.	\$ 19,000	\$ 19,000	\$ 54,000	\$ 36,500	\$ -	\$ 36,500	\$ (17,500)	-32.41%
450-5243	Meter Repair & Maint.	\$ 20,025	\$ 25,000	\$ 45,000	\$ 55,000	\$ -	\$ 55,000	\$ 10,000	22.22%
450-5244	Radio Maint.	\$ 2,500	\$ 1,050	\$ 1,050	\$ 1,082	\$ -	\$ 1,082	\$ 32	3.05%
450-5246	Water Vehicle Maint.	\$ 3,250	\$ 3,250	\$ 3,860	\$ 3,350	\$ -	\$ 3,350	\$ (510)	-13.21%
450-5270	Rental Equipment	\$ 3,860	\$ 3,860	\$ 3,860	\$ 3,976	\$ -	\$ 3,976	\$ 116	3.01%
450-5301	Legal Services	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	\$ 2,500	\$ -	0.00%
450-5302	Engineering Services	\$ 49,800	\$ 49,800	\$ 49,800	\$ 49,800	\$ -	\$ 49,800	\$ -	0.00%
450-5303	Drug and Alcohol Test	\$ 404	\$ 404	\$ 404	\$ 417	\$ -	\$ 417	\$ 13	3.22%
450-5341	Telephone	\$ 9,640	\$ 9,640	\$ 9,640	\$ 9,640	\$ -	\$ 9,640	\$ -	0.00%
450-5344	Advertising	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ -	\$ 1,200	\$ -	0.00%
450-5420	Billing/Advertising/Office Spl	\$ 12,700	\$ 12,700	\$ 12,700	\$ 12,700	\$ -	\$ 12,700	\$ -	0.00%
450-5421	Police Services	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,090	\$ -	\$ 3,090	\$ 90	3.00%
450-5481	Gasoline	\$ 44,235	\$ 26,541	\$ 26,541	\$ 27,245	\$ -	\$ 27,245	\$ 704	2.65%
450-5484	Vehicle Parts/Supplies	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ -	\$ 16,000	\$ -	0.00%
450-5530	Water Supplies/Pipe	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ -	\$ 35,000	\$ -	0.00%
450-5536	Water Chemicals/Analysis	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ (10,000)	\$ 32,000	\$ (10,000)	-23.81%
450-5585	Uniforms	\$ -	\$ 4,051	\$ 5,200	\$ 5,800	\$ -	\$ 5,800	\$ 600	11.54%
450-5730	Dues/Licenses	\$ 1,350	\$ 1,350	\$ 6,500	\$ 6,695	\$ -	\$ 6,695	\$ 195	3.00%
450-5731	Licenses	\$ 3,500	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	
450-5850	Water Equip Purchase	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ -	\$ 7,000	\$ -	0.00%
450-5870	Water Vehicle	\$ -	\$ -	\$ 65,000	\$ -	\$ -	\$ -	\$ (65,000)	-100.00%
450-5890	Water Proj. Construction	\$ 10,000	\$ 15,000	\$ 15,000	\$ 15,450	\$ -	\$ 15,450	\$ 450	3.00%
450-5910	Principle Long Term Debt	\$ 120,285	\$ 148,907	\$ 145,194	\$ 153,623	\$ -	\$ 153,623	\$ 8,429	5.81%
450-5930	Interest Long Term Debt	\$ 66,000	\$ 41,963	\$ 45,532	\$ 42,230	\$ -	\$ 42,230	\$ (3,302)	-7.25%
Total Water		\$ 964,420	\$ 911,048	\$ 1,067,547	\$ 1,013,358	\$ (16,000)	\$ 997,358	\$ (70,189)	-6.57%

I recommend reductions in energy-related items in the Water Enterprise Fund, as the town is expected to receive discounts for energy credits for its participation in net metering credit programs.

### Administrative Charges for Enterprise Funds

In addition to the operational and capital costs for water and wastewater, each enterprise fund contains the indirect costs of personnel not assigned to the Department of Public Works, yet whose work contributes to and supports operations. Each enterprise fund contains the direct costs of benefits for enterprise fund personnel. The indirect and direct administrative costs are presented here. (NB: Indirect and direct administrative costs are not shown within the enterprise fund budgets as expenses; the administrative charges are shown as revenues.)



TOWN OF HADLEY									
WATER AND SEWER ENTERPRISE FUNDS									
DIRECT AND INDIRECT ADMINISTRATIVE CHARGES									
PRELIMINARY ESTIMATES									
FY 2015									
<b>Indirect Costs</b>									
				<b>Salaries</b>					
Amount	Percentage								
\$ 9,547,567.00	100.00%	Budget amount of salaries and employee benefits for all departments (including School)						}	Current Fiscal Year
\$ 445,332.00	4.66%	Budget amount of salaries and employee benefits for Water Department							
\$ 368,136.00	3.86%	Budget amount of salaries and employee benefits for Sewer Department.							
Application of percentages to Salaries and Employee Benefits of:									
	\$ 114,508.40	Town Administrator	}	Current fiscal year					
	\$ 82,479.71	Town Accountant							
	\$ 60,260.17	Assistant Accountant/Treasurer							
	\$ 66,968.58	Town Collector							
	\$ 52,670.43	Assistant Collector							
	\$ 79,404.69	Town Treasurer							
	\$ 456,291.98	TOTAL							
Calculation of Indirect Costs for Administrative Services -- Salaries									
	Total Administrative Salaries	x	Percentage Enterprise Salaries	=	Indirect Cost Allocation for Administrative Services Salaries				
Water	\$ 456,291.98		0.0466		\$ 21,283.06				
Sewer	\$ 456,291.98		0.0386		\$ 17,593.75				
<b>Expenses</b>									
Amount	Percentage								
\$ 5,339,487.00	100%	Budget amount of expenses for all departments (including school)						}	Current fiscal year
\$ 806,398.00	15.10%	Budget amount of expenses for Water Department							
\$ 494,036.00	9.25%	Budget amount of expenses for Sewer Department							
Application of percentages to Expenses of:									
	\$ 3,200.00	Town Administrator	}	Current fiscal year					
	\$ 177,815.00	Buildings							
	\$ 24,775.00	Town Accountant							
	\$ 13,326.00	Town Collector							
	\$ 28,111.00	Town Treasurer							
	\$ 35,380.00	Legal							
	\$ 125,906.00	Insurance (less 111F)							
	\$ 408,513.00	TOTAL							
Calculation of Indirect Costs for Administrative Services -- Expenses									
	Total Administrative Expenses	x	Percentage Enterprise Expenses	=	Indirect Cost Allocation for Administrative Services Expenses	Special Adjustments			
Water	\$ 408,513.00		0.1510		\$ 61,695.83		=	\$ 61,695.83	
Sewer	\$ 408,513.00		0.0925		\$ 37,797.66		=	\$ 37,797.66	
Total Indirect Water Charges		=			\$ 82,978.88				
Total Indirect Sewer Charges		=			\$ 55,391.41				
<b>Direct Costs</b>									
Water Department Benefits		=			\$ 107,279.00	Health Ins.	\$ 33,179.00	Water	\$ 28,972.00
Sewer Department Benefits		=			\$ 94,978.00	Life Ins.	\$ 53.00		\$ 47.00
						Medicare	\$ 1,601.00		\$ 3,911.00
						Workers' Comp	\$ 8,231.00		\$ 4,846.00
						Retirement	\$ 64,215.00		\$ 57,202.00
						<b>TOTAL</b>	\$ 107,279.00		\$ 94,978.00
<b>OPEB Costs</b>									
Annual Required Contribution		=			\$ 804,708.00	from most recent actuarial report			
FY 2015 contribution		=	20%		\$ 160,941.60				
Water		=	9.07% of total payroll		\$ 14,597.40	}	Current fiscal year		
Sewer		=	6.14% of total payroll		\$ 9,881.81				
<b>GRAND TOTAL INDIRECT, DIRECT &amp; OPEB CHARGES (Water)</b>					\$ 204,855.29				
<b>GRAND TOTAL INDIRECT, DIRECT &amp; OPEB CHARGES (Sewer)</b>					\$ 160,251.23				

## Budget Series 500: Human Services

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
<u>Series 500 Human Services</u>									
510	Board of Health	\$ 34,695	\$ 34,695	\$ 34,695	\$ 34,995	\$ -	\$ 34,995	\$ 300	0.86%
541	Council on Aging	\$ 70,325	\$ 72,432	\$ 67,217	\$ 76,776	\$ -	\$ 76,776	\$ 9,559	14.22%
543	Veterans' Services	\$ 19,024	\$ 73,000	\$ 104,200	\$ 104,200	\$ -	\$ 104,200	\$ -	0.00%
590	Oliver Smith Will	\$ 100	\$ 100	\$ 100	\$ 100	\$ -	\$ 100	\$ -	0.00%
599	Cable TV	\$ 14,033	\$ 14,751	\$ 15,503	\$ 16,305	\$ -	\$ 16,305	\$ 802	5.17%
Total Human Services		\$ 138,177	\$ 194,978	\$ 221,715	\$ 232,376	\$ -	\$ 232,376	\$ 10,661	4.81%

### Board of Health (Budget 510)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
510-5101	Salary Board of Health	\$ 4,950	\$ 4,950	\$ 4,950	\$ 4,950	\$ -	\$ 4,950	\$ -	0.00%
510-5110	Nurse Salary	\$ 8,385	\$ 8,385	\$ 8,385	\$ 8,385	\$ -	\$ 8,385	\$ -	0.00%
510-5113	Animal Inspector	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,300	\$ -	\$ 1,300	\$ 300	30.00%
510-5301	Inspections	\$ 18,350	\$ 18,350	\$ 18,350	\$ 18,350	\$ -	\$ 18,350	\$ -	0.00%
510-5303	Flu Clinic	\$ 425	\$ 425	\$ 425	\$ 425	\$ -	\$ 425	\$ -	0.00%
510-5320	Tuition/Meetings	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	\$ 500	\$ -	0.00%
510-5343	Postage	\$ 125	\$ 125	\$ 125	\$ 125	\$ -	\$ 125	\$ -	0.00%
510-5344	Advertising	\$ 110	\$ 110	\$ 110	\$ 110	\$ -	\$ 110	\$ -	0.00%
510-5420	Office Supplies	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	\$ 500	\$ -	0.00%
510-5710	Mileage/Meals	\$ 150	\$ 150	\$ 150	\$ 150	\$ -	\$ 150	\$ -	0.00%
510-5730	Dues	\$ 200	\$ 200	\$ 200	\$ 200	\$ -	\$ 200	\$ -	0.00%
Total Board of Health		\$ 34,695	\$ 34,695	\$ 34,695	\$ 34,995	\$ -	\$ 34,995	\$ 300	0.86%

An increase of \$300 for the animal inspector is requested, and I recommend the increase.

### Council on Aging (Budget 541)

#### Mission Statement

The Council on Aging is a municipally appointed volunteer board authorized under Massachusetts General Laws. Major responsibilities of this Department include setting local policy for the administration of elder programs and services; identifying the total needs of the community's elder population; developing, promoting, and implementing services to meet these needs; serving as an

advocate for elders; and educating the community-at-large about these needs and the available resources. Our ultimate goal is to improve the quality of life of Hadley's residents 60 years of age and over and to enable them to remain active and independent within their own community.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
541-5106	Part Time Wages	\$ 6,245	\$ 6,288	\$ 5,783	\$ 9,449	\$ -	\$ 9,449	\$ 3,666	63.39%
541-5107	Salaries Drivers	\$ 1,744	\$ 1,842	\$ 1,969	\$ 3,966	\$ -	\$ 3,966	\$ 1,997	101.42%
541-5110	Salary Director	\$ 50,188	\$ 51,193	\$ 46,074	\$ 49,338	\$ -	\$ 49,338	\$ 3,264	7.08%
541-5133	Community Outreach Coord	\$ 6,298	\$ 7,259	\$ 7,541	\$ 8,838	\$ -	\$ 8,838	\$ 1,297	17.20%
541-5243	Office Equip. Maint.	\$ 900	\$ 900	\$ 900	\$ 450	\$ -	\$ 450	\$ (450)	-50.00%
541-5246	Van Maint. And Repair	\$ 600	\$ 600	\$ 600	\$ 600	\$ -	\$ 600	\$ -	0.00%
541-5320	Tuition/Meetings	\$ 125	\$ 125	\$ 125	\$ 60	\$ -	\$ 60	\$ (65)	-52.00%
541-5343	Postage	\$ 700	\$ 700	\$ 700	\$ 700	\$ -	\$ 700	\$ -	0.00%
541-5350	Recreational Services	\$ 1,200	\$ 1,200	\$ 1,200	\$ 600	\$ -	\$ 600	\$ (600)	-50.00%
541-5420	Office Supplies	\$ 900	\$ 900	\$ 900	\$ 700	\$ -	\$ 700	\$ (200)	-22.22%
541-5481	Gasoline	\$ 900	\$ 900	\$ 900	\$ 1,700	\$ -	\$ 1,700	\$ 800	88.89%
541-5710	Mileage/Meals	\$ 450	\$ 450	\$ 450	\$ 300	\$ -	\$ 300	\$ (150)	-33.33%
541-5730	Dues	\$ 75	\$ 75	\$ 75	\$ 75	\$ -	\$ 75	\$ -	0.00%
Total Council on Aging		\$ 70,325	\$ 72,432	\$ 67,217	\$ 76,776	\$ -	\$ 76,776	\$ 9,559	14.22%

#### Veterans' Services (Budget 543)

The Town provides veterans' services through a contract with the Central Hampshire Veterans' District.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
543-5110	Salary Veterans	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
543-5240	Memorial Day Expenses	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
543-5400	Burial Expenses	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
543-5770	Vet Benefits	\$ 14,324	\$ 57,500	\$ 88,700	\$ 88,700	\$ -	\$ 88,700	\$ -	0.00%
543-5780	Other Expenses	\$ 1,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ -	\$ 13,500	\$ -	0.00%
Total Veterans' Services		\$ 19,024	\$ 73,000	\$ 104,200	\$ 104,200	\$ -	\$ 104,200	\$ -	0.00%

#### Oliver Smith Will (Budget 590)

The Elector for the Oliver Smith Will is elected in the Annual Town Election to represent Hadley on the Board of Electors of Smith Charities. Other electors are selected by the voters of Amherst, Deerfield, Easthampton, Greenfield, Hatfield, Northampton, Whately, and Williamsburg. Smith Charities, established in 1848, annually provides gifts of \$300 for widows with children under the age of eighteen, a one-time gift of \$100 for brides, and \$600 for tradespersons, nurses, and licensed practical nurses. Additional monies may be disbursed to the

trade and nurse categories as determined by the Trustees. Certain requirements such as residence and age apply. The Smith Charities office is in Northampton at 51 Main Street.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
590-5101	Oliver Smith Elector	\$ 100	\$ 100	\$ 100	\$ 100	\$ -	\$ 100	\$ -	0.00%
Total Oliver Smith Will		\$ 100	\$ 100	\$ 100	\$ 100	\$ -	\$ 100	\$ -	0.00%

#### Public Access Cable Television (Budget 599)

#### Mission Statement

TV-5 of Hadley was established to foster the democratic use of electronic media by providing the residents and organizations of Hadley, Massachusetts with access to cable television for the purpose of non-commercial communication within the community.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete )	FY 2015 Admin Rec'd	Change \$	Change %
599-5110	Public Access Coord.	\$ 13,013	\$ 13,731	\$ 14,483	\$ 15,285	\$ -	\$ 15,285	\$ 802	5.54%
599-5243	Equipment Repair	\$ 600	\$ 600	\$ 600	\$ 600	\$ -	\$ 600	\$ -	0.00%
599-5320	Tuition/Meetings	\$ 70	\$ 70	\$ 70	\$ 70	\$ -	\$ 70	\$ -	0.00%
599-5400	Supplies	\$ 350	\$ 350	\$ 350	\$ 350	\$ -	\$ 350	\$ -	0.00%
Total Cable TV		\$ 14,033	\$ 14,751	\$ 15,503	\$ 16,305	\$ -	\$ 16,305	\$ 802	5.17%

At the time of this writing, the Town is negotiating a renewal of the cable television franchise agreement. The anticipated completion of the negotiations is spring 2014, and additional budget adjustments to both operations and capital may be proposed.

## Budget Series 600: Culture and Recreation

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
<u>Series 600 Culture and Recreation</u>									
610	Library	\$ 176,784	\$ 188,085	\$ 195,485	\$ 204,331	\$ (390)	\$ 203,941	\$ 8,456	4.33%
630	Park Commission	\$ 40,099	\$ 41,678	\$ 50,707	\$ 54,602	\$ -	\$ 54,602	\$ 3,895	7.68%
691	Historical Comm	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ -	\$ 1,250	\$ -	0.00%
Total Culture and Recreation		\$ 218,133	\$ 231,013	\$ 247,442	\$ 260,183	\$ (390)	\$ 259,793	\$ 12,351	4.99%

### Goodwin Memorial Library (Budget 610)

#### Mission Statement

The Goodwin Memorial Library offers residents of all ages the means to meet their recreational reading, viewing, and listening needs; a place to meet and interact with others in their community; support for students enrolled in local schools; the materials and support to know and better understand their personal or community heritage.

The budget presented here conforms to the goals of the Goodwin Memorial Library Long-Range Plan.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
610-5110	Salary Librarian & Staff	\$ 116,897	\$ 123,161	\$ 127,750	\$ 130,905	\$ -	\$ 130,905	\$ 3,155	2.47%
610-5200	Custodial Services	\$ 2,510	\$ 2,870	\$ 3,654	\$ 5,210	\$ -	\$ 5,210	\$ 1,556	42.58%
610-5210	Oil/Gas	\$ 2,385	\$ 4,500	\$ 4,500	\$ 4,725	\$ (225)	\$ 4,500	\$ -	0.00%
610-5211	Electricity	\$ 3,100	\$ 3,300	\$ 3,300	\$ 3,465	\$ (165)	\$ 3,300	\$ -	0.00%
610-5230	Water/Sewer Charges	\$ 410	\$ 410	\$ 410	\$ 410	\$ -	\$ 410	\$ -	0.00%
610-5240	Exterio Maint.	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,600	\$ -	\$ 2,600	\$ 300	13.04%
610-5241	Interior Maint.	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,750	\$ -	\$ 1,750	\$ 350	25.00%
610-5244	Computer Resource Srv.	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	\$ 6,000	\$ -	0.00%
610-5247	Security System Maint	\$ 425	\$ 527	\$ 900	\$ 1,200	\$ -	\$ 1,200	\$ 300	33.33%
610-5300	Activites and Programs	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,750	\$ -	\$ 1,750	\$ 250	16.67%
610-5320	Tuition & Meetings	\$ 250	\$ 250	\$ 250	\$ 350	\$ -	\$ 350	\$ 100	40.00%
610-5341	Telephone	\$ 750	\$ 750	\$ 850	\$ 900	\$ -	\$ 900	\$ 50	5.88%
610-5420	Office/Book Processing	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,700	\$ -	\$ 1,700	\$ 200	13.33%
610-5510	Ed.Supplies/Books	\$ 35,357	\$ 37,617	\$ 39,171	\$ 40,866	\$ -	\$ 40,866	\$ 1,695	4.33%
610-5840	Building Improvements	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,500	\$ -	\$ 2,500	\$ 500	25.00%
Total Public Library		\$ 176,784	\$ 188,085	\$ 195,485	\$ 204,331	\$ (390)	\$ 203,941	\$ 8,456	4.33%

## Park and Recreation Commission (Budget 630)

### Mission Statement

The Hadley Park and Recreation Department, operating under the direction of the elected board of Park Commissioners, is dedicated to providing leisure activities to enrich people's lives and contribute to the total development of our community. We excel to meet the needs of our customers and residents and the needs of the Town of Hadley through activities that are representative of the best practices of our profession.

The mission of all our youth sports programs is to promote a fun, yet challenging environment in which participants are introduced to and taught the basics of a given sport. The program is strictly recreational in nature and emphasizes equal opportunity for involvement and participation.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
630-5101	Salary Park Commission	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050	\$ -	\$ 1,050	\$ -	0.00%
630-5100	Coordinator Salary	\$ 28,384	\$ 29,962	\$ 31,647	\$ 33,409	\$ -	\$ 33,409	\$ 1,762	5.57%
630-5106	Part Time Clerical	\$ -	\$ 1	\$ 11,345	\$ 11,978	\$ -	\$ 11,978	\$ 633	5.58%
630-5107	School Use Custodial	\$ 7,000	\$ 3,500	\$ 4,500	\$ 4,500	\$ -	\$ 4,500	\$ -	0.00%
630-5300	School Use Expense	\$ -	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ -	
630-5320	Tuition & Meetings	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	\$ 500	\$ -	0.00%
630-5420	Office Supplies	\$ 1,440	\$ 1,440	\$ 1,440	\$ 1,440	\$ -	\$ 1,440	\$ -	0.00%
630-5710	Mileage	\$ 225	\$ 225	\$ 225	\$ 225	\$ -	\$ 225	\$ -	0.00%
630-5850	Equipment Purchase	\$ 1,500	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ 1,500	\$ 1,500	
Total Park Commission		\$ 40,099	\$ 41,678	\$ 50,707	\$ 54,602	\$ -	\$ 54,602	\$ 3,895	7.68%

## Historical Commission (Budget 691)

### Mission Statement

The Hadley Historical Commission is the municipal body responsible for community-wide historic preservation planning. The HHC maintains an inventory of the town's historic buildings and landscapes, assists the Planning Board with design review, and undertakes projects that promote the appreciation of the town's historic resources. The Commission also helps preserve the town's historic records, though queries concerning these materials should be directed first to the Town Clerk.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
691-5300	Hist. Studies/Surveys	\$ 600	\$ 800	\$ 800	\$ 800	\$ -	\$ 800	\$ -	0.00%
691-5302	Programs/Lectures	\$ 350	\$ 350	\$ 350	\$ 350	\$ -	\$ 350	\$ -	0.00%
691-5420	Office Supplies	\$ 300	\$ 100	\$ 100	\$ 100	\$ -	\$ 100	\$ -	0.00%
Total Historical Commission		\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ -	\$ 1,250	\$ -	0.00%

## Budget Series 700: Debt

### Debt (Budgets 710 and 750)

#### TOWN CREDIT RATING

The Town of Hadley's credit rating remains strong. From FY 2005 to FY 2010, the Town earned a credit rating of A+ from Standard and Poor's. In FY 2011, the Town was able to upgrade its credit rating to AA from Standard and Poor's. The Town has maintained its current credit rating for 4 years. A high credit rating 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+	A+	AA	AA	AA

The Town's debt service continues to decline from a high in FY 2005 of over 14% of net operating revenues to where it now stands at 6.8% of net operating revenues – toward the lower end of the Town's recommended debt burden. Long-term debt similarly shows a decline. The Town remains well within its statutory debt limits.

Water debt service holds steady at 15.38% of net operating revenues for the enterprise fund – actually lower than the 20% minimum adopted policy limit. Sewer debt service has dropped to zero percent, as all sewer enterprise fund debt was retired in FY 2012. For both water and sewer, the Town is pursuing infrastructure improvements that will require borrowing from enterprise funds.

The Town has authorized no debt from Community Preservation Act revenues, and currently, there is a proposal to fund some of the historic building renovation CPA

In summer 2014, the Town Treasurer is preparing to issue a bond for nearly \$2 million for borrowing that has already been approved by Town Meeting. The cost of debt for the Hopkins Academy Athletic Fields purchase, the technology for the Elementary School, the DPW dump truck, the Hopkins Academy roof, the School Department wheelchair van, the DPW tractor, and Sewer Pump Stations 1 and 4 will be

bundled into a single borrowing to maximize savings and to obtain the lowest interest rate possible. The estimated budget presented here includes the projected debt service for these projects at an anticipated 3% annual interest rate. The bond bid results will determine the final FY 2015 costs for debt service.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Actual	FY 2013 Actual	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
710-5910	Principle Long Term Debt	\$ 865,286	\$ 777,716	\$ 705,195	\$ 690,223	\$ -	\$ 690,223	\$ (14,972)	-2.12%
750-5915	Interest Long Term Debt	\$ 153,521	\$ 139,110	\$ 116,442	\$ 110,449	\$ -	\$ 110,449	\$ (5,993)	-5.15%
Total Debt		\$ 1,018,807	\$ 916,826	\$ 821,637	\$ 800,672	\$ -	\$ 800,672	\$ (20,965)	-2.55%

## Budget Series 900: Benefits

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
<u>Series 900 Benefits</u>									
911	Retirement	\$ 636,370	\$ 705,441	\$ 744,184	\$ 843,488	\$ (15,686)	\$ 827,802	\$ 83,618	11.24%
912	Workers' Comp.	\$ 83,315	\$ 103,071	\$ 98,000	\$ 98,000	\$ -	\$ 98,000	\$ -	0.00%
914	Health Insurance	\$ 1,087,000	\$ 1,039,117	\$ 1,063,000	\$ 1,087,000	\$ -	\$ 1,087,000	\$ 24,000	2.26%
915	Life Insurance	\$ 2,500	\$ 2,535	\$ 2,535	\$ 2,500	\$ -	\$ 2,500	\$ (35)	-1.38%
916	Medicare	\$ 106,080	\$ 98,106	\$ 98,772	\$ 99,000	\$ -	\$ 99,000	\$ 228	0.23%
945	Police & Fire Accident	\$ 35,666	\$ 37,591	\$ 41,698	\$ 44,000	\$ -	\$ 44,000	\$ 2,302	5.52%
919	OPEB	\$ -	\$ -	\$ 82,444	\$ 164,888	\$ (2,444)	\$ 162,444	\$ 80,000	97.04%
Total Benefits		\$ 1,950,931	\$ 1,985,861	\$ 2,130,633	\$ 2,338,876	\$ (18,130)	\$ 2,320,746	\$ 190,113	1.1490034

## Benefits (Budget Series 900)

Mission: To provide high quality benefits to active employees and retirees in order uphold a high standard of living and work place productivity.

Employee Benefits consist of the following:

1. Retirement Assessment: The amount shown here is the assessment from the Hampshire County Retirement System that the Town is required to pay to finance a portion of retirement benefits of Town and non-teaching school employees. This assessment is pursuant to MGL Chapter 32 and is based on an actuarial valuation of the long-term funding obligations of the Hampshire County retirement System. Employees must contribute toward their retirement up to 11% of their base pay, depending on the date of hire.



2. Health Benefits: The Town must contribute annually to finance (1) the cost of health insurance for active and retired employees; (2) the cost of life insurance for active and retired employees; and (3) the Town's 1.45% share of Medicare tax for all employees hired after 1986.

Health insurance costs are divided between known and unknown costs.

**Known Costs:** Hadley's health plan year with the Hampshire-Franklin Group Insurance Trust runs from April 1 through March 31. Hadley's fiscal year runs from July 1 through June 30. The first nine months of Hadley's fiscal year is collinear with the health plan year of the Hampshire-Franklin Group Insurance Trust, and therefore the insurance costs for that nine months are known. Budgeting is a simple matter of calculating the rates and number of plans and inserting a number.

**Unknown Costs:** There are three unknown costs that also need to be budgeted. The first is the remaining three months of the Hadley fiscal year (April through June). The insurance premiums will be set each February by the Hampshire-Franklin Group Insurance Trust. At budget time, the Town will not know the rates for the final three months of the fiscal year and must make an educated guess 12 months in advance.

The second unknown costs stem from open enrollment season (February) when every employee is allowed to make changes with their health plan. Some years the overall impact of open enrollment is minimal; other years it can be significant. The impact of open enrollment must be budgeted.

The third unknown costs arise from changes in employment and life circumstances whereby an employee may change their health insurance plan at any time in the fiscal year. Examples of qualifying events include, new hires, birth of a first child, and a spouse losing benefits in another place of employment. Such life experiences can drive an employee's health insurance costs up. The impact of allowed health plan upgrades must be budgeted.

The Town pays 65% of the health insurance premium for active employees working at least 20 hours per week, and 50% for qualifying retired employees. Part-time elected officials elected after 2010 are ineligible to receive this benefit.

3. Workers' Compensation: The medical costs incurred by employees who are injured on the job, except for most public safety workers (see section below).
4. Police and Fire Accident Insurance: Unlike most employees who are covered by Workers' Compensation, police officers and firefighters are excluded from coverage for workplace injuries. Special insurance is used to cover costs of coverage for injured public safety workers.
5. Other Post-Employment Benefits (OPEB): OPEB refers to any post-employment benefit other than pensions. In the case of Hadley, these benefits are limited to non-teaching retirees and consist of health insurance and life insurance. The Town of Hadley has adopted a six-point strategy to address its OPEB liability, and the budget presented here advances the strategy.

The Affordable Care Act, better known as “ObamaCare”, will start taking effect in Calendar Year 2014. Most of the provisions either are currently already in effect in Massachusetts communities, as the Commonwealth enacted health insurance reform under the Romney Administration many years ago. There are, however, several features of the new federal law that may impact the town’s benefit costs.

First, savings due to employees switching from the town’s health insurance plan as administered by the Hampshire Franklin Group Insurance Trust are unlikely to materialize. Currently, an employee receiving insurance through the Trust pays a premium, which is excludable from income for Federal income tax purposes. Also that employee’s health insurance premium is matched by a contribution from the Town of Hadley. If that employee chooses to purchase health insurance from the marketplace, then the employee loses both the employer contribution, and the health insurance premium is no longer excluded from income for Federal income tax purposes. Combined, these lost perquisites will most likely deter employees from purchasing other health insurance plans.

Second, the new Federal act requires additional payments to comply with the law. At the time of this writing, these costs are being researched and will be presented.

Third, for those part-time employees, even elected ones, who receive any kind of payment, the Town is obligated to provide a pre-tax Section 12 plan. Unfortunately, the Commonwealth’s Section 125 plan does not comply with Federal law. Thus, the opportunity to offer a Section 125 plan is on hold until the Commonwealth has fixed the non-compliance issues.

Costs for maintaining benefits are distributed between the General Fund and the two Enterprise Funds.

I recommend a single payment for the retirement assessment, which will earn a discount of \$15,686. I also recommend a reduction in the Town’s OPEB contribution in the amount of \$2,444, which reflects the revised Annual Requirement Contribution (ARC) as calculated in the latest actuarial report of unfunded other post-employment benefits.

# SECTION IV

Education: Budget Series 300

## SECTION IV

### Education: Budget Series 300

#### Education (Budget Series 300)

This section contains information about the FY 2015 Operating Budget and Financing Plan for education. It includes costs for the Hadley Elementary School and Hopkins Academy.

#### Mission Statement

The Hadley School District, in partnership with the community, provides a safe and supportive environment that fosters cooperation, critical thinking, creativity, and integrity. Our curriculum promotes the development of essential knowledge, the effective use of technology and the skills needed to become lifelong leaders who contribute positively to a global society.

#### Welcome

The Hadley School District has been ably led by Interim Superintendent of Schools Donna Moyer for the past 18 months. At the time of this writing, the School Committee has offered the Superintendent's position to Dr. Anne McKenzie of the Lower Pioneer Valley Educational Collaborative. We thank Superintendent Moyer for her leadership and wish her well in her future career. We welcome Superintendent McKenzie and look forward to a long and collaborative working relationship. We offer any help to ease the transition from one administration to another.

#### Budget Overview

The budget presented here is preliminary, as the School Committee has not held their public hearing on the proposed budget and is not expected to do so until January 27, 2014. In addition, the Massachusetts Department of Elementary and Secondary Education has not released information concerning Chapter 70 spending requirements, and it is not expected to do so until late January 2014. A best guess estimate of the FY 2015 Required Local Contribution (the amount that must be raised at Town Meeting) is \$5,848,871. The Town of Hadley has historically funded education well above the minimum requirement, and the current recommendation maintains that tradition by exceeding the minimum by \$289,929.

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
	<u>Series 300 Education</u>								
301	Education	\$ 5,387,053	\$ 5,592,447	\$ 5,960,000	\$ 6,149,861	\$ (11,061)	\$ 6,138,800	\$ 178,800	3.00%
Total Education		\$ 5,387,053	\$ 5,592,447	\$ 5,960,000	\$ 6,149,861	\$ (11,061)	\$ 6,138,800	\$ 178,800	3.00%

I recommend a reduction in the School Department budget based on expected savings associated with the Town's participation in electricity credits under the net metering credit program.

The School Committee is scheduled to adopt a budget on or shortly after their public hearing on January 27, 2014. In January, the complete budget can be viewed at <http://www.hadleyschools.org/Pages/index>

The School Committee is also developing a capital plan. The capital requests for FY 2015 will be presented on January 27, 2014.

The Hadley School District financial policies can be found at:

[http://www.hadleyschools.org/pages/hadleyDistrict\\_Webdocs/District/d/sectiond](http://www.hadleyschools.org/pages/hadleyDistrict_Webdocs/District/d/sectiond)

# Section V

Unappropriated Expenses: Budget Series  
800

## SECTION V

### UNAPPROPRIATED EXPENSES

#### Unappropriated Expenses (Budget Series 800)

A	B	C	D	E	F	G	H	I	J
								(H-E)	(H-E)/E
ACCOUNT	DESCRIPTION	FY2012 Voted	FY 2013 Voted	FY 2014 Voted	FY 2015 Request	Admin Add/(Delete)	FY 2015 Admin Rec'd	Change \$	Change %
<u>Series 800 State and Other Assessments</u>									
820	State Assessments	\$ 394,867	\$ 578,934	\$ 825,659	\$ 825,659	\$ -	\$ 825,659	\$ -	0.00%
840	PVTA Assessments	\$ 169,562	\$ 205,267	\$ 197,681	\$ 203,149	\$ -	\$ 203,149	\$ 5,468	2.77%
999	Overlay	\$ 96,003	\$ 76,958	\$ 78,199	\$ 100,000	\$ (10,000)	\$ 90,000	\$ 11,801	15.09%
999	Offsets	\$ 395,648	\$ 404,316	\$ 393,729	\$ 393,729	\$ -	\$ 393,729	\$ -	0.00%
Total Assessments		\$ 1,056,080	\$ 1,265,475	\$ 1,495,268	\$ 1,522,537	\$ (10,000)	\$ 1,512,537	\$ 11,801	1.15%

The Commonwealth of Massachusetts assesses all cities and town for general services and special accounts, and these charges are not subject to town meeting appropriation. In addition, the Commonwealth requires municipalities to maintain overlay accounts -- 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.

The Commonwealth also provides offset receipts that must be shown as an expense. These offsets include 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.

The budget presented here is preliminary, as the Commonwealth has not released any information regarding Local Aid and Local Assessments. A best guess estimate is that state assessments and other unappropriated expenses (i.e., expenses not enacted by Town Meeting vote) will remain level with prior year's estimates -- with the sole exception that the Overlay expense will increase between \$10,000 and \$20,000 to account for anticipated increases tax appeals normally encountered in a revaluation year.

# Section VI

Community Profile

Financial Policies of the Town of Hadley

Glossary of Terms Used

Sources Consulted



## Section VI

### COMMUNITY PROFILE

Socioeconomic	
County	HAMPSHIRE
School Structure	K-12
Form of Government	OPEN TOWN MEETING
2012 Population	5,270
2011 Labor Force	2,549
2011 Unemployment	7.50
2010 DOR Income Per Capita	25,450
2009 Housing Units per Sq Mile	83.78
2011 Road Miles	83.47
EQV Per Capita (2012 EQV/2010 Population)	184,733
Number of Registered Vehicles (2012)	5,384
2012 Number of Registered Voters	3,894

#### Bond Ratings

Moody's Bond Ratings as of December 2012\*

Standard and Poor's Bond Ratings as of December 2012\* AA

\*Blank indicates the community has not been rated by the bond agency

#### Fiscal Year 2013 Estimated Cherry Sheet Aid

Education Aid	1,269,995
General Government	577,659
Total Receipts	1,847,654
Total Assessments	784,201
Net State Aid	1,063,453

#### Fiscal Year 2014 Tax Classification

Tax Classification	Assessed Values	Tax Levy	Tax Rate
Residential	599,402,900	6,377,647	10.64
Open Space	0	0	0
Commercial	272,033,500	2,894,436	10.64
Industrial	24,671,300	262,503	10.64
Personal Property	17,304,572	184,121	10.64
Total	913,412,272	9,718,707	

## **FINANCIAL POLICIES**

### **General Fund**

#### **Operations:**

- All current operating expenditures will be paid for with current operating revenues.
- Budgetary procedures that fund current expenditures at the expense of future needs, such as postponing expenditures, accruing future revenues, or rolling over short-term debt, will be avoided.

#### **Revenues (General):**

- All revenue forecasts shall be conservative.
- Regular reports comparing actual to budgeted revenues will be prepared and presented to the Board of Selectmen and Finance Committee.
- Meet quarterly with Assessors to review tax revenue projections.

#### **Intergovernmental Revenues:**

- All potential grants shall be carefully examined for matching requirements. The funds necessary to match intergovernmental grants shall not exceed 5% of net operating revenues.
- Intergovernmental revenues used for operating purposes shall not exceed 25% of net operating revenues.
- Intergovernmental assistance shall be used for capital improvements that are consistent with the capital improvement plan and local governmental priorities, and whose operating and maintenance costs have been included in operating budget forecasts.

#### **One-Time Revenues:**

- One-time revenues will be used only after an examination determines whether they are subsidizing an imbalance between operating revenues and expenditures and then only if a long-term forecast shows that the operating deficit will not continue.
- One-time revenues will be used only for one-time expenditures.
- One-time revenues should be placed in a stabilization fund by town meeting vote, if not used for one-time expenditures.

#### Elastic Revenues:

- A balance will be sought in the revenue structure between the proportions of elastic and inelastic revenues. New sources of revenue will be sought to achieve the desired balance.
- Each time a new revenue source or a change in the rate of an existing source is considered, the effect of this change on the balance of elastic and inelastic revenues will be thoroughly examined.
- Meals tax revenue will be placed in a capital stabilization account.

#### Uncollected Taxes:

- The annual level of uncollected property taxes will not exceed 1.7%.
- An aggressive policy of collecting property tax revenues will be followed.
- A detailed list of outstanding property taxes should be prepared quarterly.

#### Debt Service:

- 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.

#### 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.

#### Expenditures:

- Reports comparing actual revenues and expenditures to budgeted amounts will be prepared regularly.

- Where possible, performance measures and productivity indicators will be integrated into the budget.

#### Investments:

#### I. The Investment of General Funds, Special Revenue Funds, and Capital Projects Funds

**A. Scope:** This section of the policy applies only to short term operating funds such as general funds, special revenue funds, and capital project funds. Section two will deal with trust funds, bond proceeds, and any other funds with special circumstances such as stabilization funds. Hampshire County retirement Board is responsible for the investment of the pension funds.

**B. Objectives:** Massachusetts General Laws, Chapter 44, Section 55B requires the Treasurer to invest all public funds except those required to be kept available for purposes of immediate distribution. Modern banking systems enable the Treasurer to maintain even these funds in interest bearing form until the date a disbursement order clears through the banking system.

The state law further requires that invested funds are to be placed at the highest possible rate of interest reasonably available, taking account of safety, liquidity and yield. Therefore, these guidelines are intended to further the objective of securing the highest return that is consistent with safety of principal while meeting the daily cash requirements for the operation of the entity's business.

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital through the mitigation of credit risk and interest rate risk. These risks shall be mitigated by the diversification and prudent selection of investment instruments, and choice of depository. Credit risk is the risk of loss due to the failure of the security issuer or backer. Interest rate risk is the risk that the market value of the security will fall due to changes in general interest rates.

Liquidity is the next most important objective. The overall investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Since all possible cash demands cannot be anticipated, the Treasurer shall carry out investment activities in a manner that provides for meeting unusual cash demands without the liquidation of investments that could result in forfeiture of accrued interest earnings, and loss of principal in some cases.

Yield is the third, and last, objective. Investments shall be undertaken so as to achieve a fair market average rate of return, taking into account safety and liquidity constraints as well as all legal requirements.

**C. Investment Instruments:** Public investments in Massachusetts are not protected through provisions in State law. Therefore, they are largely uncollateralized. Many banking institutions are willing to put up collateral, albeit at a cost to the entity of a lower interest rate. The Treasurer negotiates for the highest rates possible, consistent with safety principles.

The Treasurer may invest in the following instruments:

1. Massachusetts State pooled fund: Unlimited amounts(Pool is liquid)The Massachusetts Municipal Depository Trust(MMDT), an investment pool for state, local, county and other

independent governmental authorities, is under the auspices of the State Treasurer and currently managed by Fidelity Investments. It invests in Bankers Acceptances, Commercial Paper of high quality, Bank Certificates of Deposit (C.D.), Repurchase Agreements (Repos), and U.S. Treasury Obligations. It has Federal Deposit Insurance Corporation (F.D.I.C.) pass-through insurance on the C.D.'s and takes delivery on the Repos and Treasuries. Under Government Accounting Standards Board Regulation (GASB III), it is not considered an uncollateralized product.

2. U.S. Treasuries that will be held to maturity: Unlimited amounts (Up to one year maturity from date of purchase)
3. U.S. Agency obligations that will be held to maturity: Unlimited amounts (Up to one year maturity from date of purchase)
4. Bank accounts or C.D.'s (Up to one year) which are fully collateralized through a third party agreement: Unlimited amounts
5. Bank accounts or C.D.'s (Up to one year) fully insured by F.D.I.C. and in some cases also Depository Insurance Fund of Massachusetts (D.I.F.M.): \$100,000 limit **all** bank accounts and C.D.'s in one institution are considered in the aggregate to receive the \$100,000 insurance coverage.
6. Unsecured bank deposits of any kind such as other checking, savings, money market, or Certificates of Deposit accounts at Banks that do not fit the above categories. These investments are subject to the following limitations: These investments will be limited to no more than 5% of an institution's assets and no more than 10% of a municipality's cash. Their credit worthiness will be tracked by Veribanc, Sheshunoff, or other bank credit worthiness reporting systems. They will be diversified as much as possible. C.D.'s will be purchased for no more than three months and will be reviewed frequently.
7. Repurchase Agreements (Repos). U.S. government securities or securities of U.S. government agencies purchased under an agreement with a trust company, national bank or banking company to repurchase at not less than the original purchase price of the security, not to exceed ninety days.

**D. Diversification:** Diversification should be interpreted in two ways: in terms of maturity as well as instrument type and issuer. The diversification concept should include prohibition against over concentration of maturities as well as concentration in a specific institution. With the exception of U.S. Treasury obligations or investments fully collateralized by U.S. Treasuries or agencies, and State pools (MMDT), no more than 10% of the Town's investments shall be invested in a single financial institution.

**E. Authorization:** The Treasurer has authority to invest municipality funds, subject to the statutes of the Commonwealth cited above.

**F. Ethics:** The Treasurer (and any Assistant Treasurers) shall refrain from any personal activity that may conflict with the proper execution of the investment program or which could impair or appear to impair ability to make impartial investment decisions. Said individual(s) shall disclose to the Select Board any material financial interest in financial institutions that do business with the town. She (He)

shall disclose any large personal financial investment positions or loans that could be related to the performance of the town's investments.

**G. Relationships with Financial Institutions:** Financial institutions should be selected first and foremost with regard to safety. Municipalities should, when feasible, use one or more of the recognized bank rating services, such as Veribanc or Sheshunoff. Brokers should be recognized, reputable dealers.

The Treasurer shall require any brokerage houses and broker/dealers, wishing to do business with the Town, to supply the following information to the Treasurer:

- Audited financial statements
- Proof of National Association of Security Dealers Certification
- A statement that the dealer has read the Town's investment policy and will comply with it
- Proof of credit worthiness(minimum standards: at least five years in operation and a minimum capital of 10 million dollars)

**H. Reporting Requirements:** On a semi-annual basis, a report containing the following information will be prepared by the Treasurer and distributed to the Select Board and Finance Committee. The semi-annual report will include the following information, as a minimum requirement:

- A listing of the individual accounts and individual securities held at the end of the reporting period.
- A listing of the short-term investment portfolio by security type and maturity to ensure compliance with the diversification and maturity guidelines established in the "Diversification" section of this Investment Policy.
- A summary of the income earned on a monthly basis and year to date basis shall be reported.
- The Treasurer shall include in the report a brief statement of general market and economic conditions and other factors that may affect the Town's cash position.
- The report should demonstrate the degree of compliance with the tenets set forth in the Investment Policy.

## **II. The Investment of Trust Funds and Bond Proceeds**

This section of the policy applies only to funds that could be invested long term, i.e. trust funds, stabilization funds and bond proceeds. For issues subject to arbitrage rebate, an arbitrage tracking system such as those available at banks and MMDT will be used to track expenditures of and interest earned on borrowed funds. Alternative tracking systems should be approved by and used under the advice of Bond Counsel.

**A. Arbitrage Regulations:** Tax free debt may be issued by cities, towns, and districts, which means that they are able to borrow at rates well below market rates. At the same time, the federal government has issued regulations to prevent them from issuing debt with the goal of investing the borrowed funds at a higher rate of interest than that at which money was borrowed, or committing arbitrage. If the federal regulations are not followed, there are fines and penalties, but even worse, the tax free status of the debt could be jeopardized.

Unless debt is issued as a "small issuer," that is, an entity issuing less than \$5 million of tax exempt debt in a calendar year, the proceeds shall be used within certain prescribed time frames, or be subject to fines and penalties as described above.

**B. Trust Funds:** Trust funds may be co-mingled and invested in any instruments allowed by the Legal List issued by the Banking Commissioner each July. Each trust fund must be accounted for separately.

**C. Stabilization Funds:** The Stabilization Fund shall not exceed ten per cent of the equalized valuation of the Town, and any interest shall be added to and become a part of the fund. The Treasurer may invest the proceeds in the following:

- National Banks
- Savings Banks
- Cooperative banks or trust companies organized under Massachusetts laws
- Securities legal for savings banks
- Federal Savings and Loan Associations situated in the Commonwealth
- MMDT.

## Enterprise Funds

Water Revenues:

- All revenue forecasts shall be conservative.
- Regular reports comparing actual to budgeted revenues will be prepared and presented to the Board of Selectmen and Finance Committee.

Water Fund Balances:

- A water reserve will be established to cope with emergencies. This reserve will be maintained at 100% of the enterprise operating fund.
- A contingency reserve fund will be established to provide for nonrecurring unanticipated expenditures, or to meet unexpected small increases in service delivery costs. This reserve will be maintained at 1% of the enterprise operating fund.
- A special stabilization fund will be established to provide for capital improvements and replacements. This special stabilization fund will be maintained at 10% of the enterprise operating fund.

Water Operations:

- All current operating expenditures will be paid for with current operating revenues.

- Budgetary procedures that fund current expenditures at the expense of future needs, such as postponing expenditures, accruing future revenues, or rolling over short-term debt, will be avoided.
- All fees and charges for each enterprise fund will be set at a level that fully supports the direct and indirect cost of the activity. Indirect costs include annual depreciation.

#### Water Debt Service:

- 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.

#### Wastewater Revenues:

- All revenue forecasts shall be conservative.
- Regular reports comparing actual to budgeted revenues will be prepared and presented to the Board of Selectmen and Finance Committee.

#### Wastewater Fund Balances:

- A sewer reserve will be established to cope with emergencies. This reserve will be maintained at 100% of the enterprise operating fund.
- A contingency reserve fund will be established to provide for nonrecurring unanticipated expenditures, or to meet unexpected small increases in service delivery costs. This reserve will be maintained at 1% of the enterprise operating fund.
- A special stabilization fund will be established to provide for capital improvements and replacements. This special stabilization fund will be maintained at 10% of the enterprise operating fund.

#### Wastewater Operations:

- All current operating expenditures will be paid for with current operating revenues.
- Budgetary procedures that fund current expenditures at the expense of future needs, such as postponing expenditures, accruing future revenues, or rolling over short-term debt, will be avoided.
- All fees and charges for each enterprise fund will be set at a level that fully supports the direct and indirect cost of the activity. Indirect costs include annual depreciation.

#### Wastewater Debt Service:

- 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.



# 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** – 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 53F the 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 changes 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 shall 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.

## SOURCES

Association of Town Finance Committees

2012 Finance Committee Handbook.

BadgeQuest, Inc.

2011 Management Study of the Hadley Police Department.

Comprehensive Environmental, Inc.

2011 (Water) Capital Improvement Plan.

2003 Town of Hadley, MA, Water Supply Master Plan.

Drummey, Rosane, Anderson, Inc.

2013 Town of Hadley, Massachusetts, Facilities Plan for Town Buildings.

Elmore, Parker

2013 Town of Hadley Other Postemployment Benefits Plan: GASB 45 Actuarial Valuation as of July 1, 2012 for the Fiscal Years Ending June 30, 2013, June 30, 2014.

International City/County Management Association

2003 Evaluating Financial Condition: A Handbook for Local Government

Massachusetts Department of Revenue

2013 Town of Hadley: Financial Management Review.

2007 Town of Hadley: Review of Highway and Water Departments.

2007 Town of Hadley: Sewer Department and Enterprise Fund Review.

Melanson Heath and Company

2013 Town of Hadley Annual Financial Statements For the Year Ended June 30, 2012.

2012 Town of Hadley Annual Financial Statements For the Year Ended June 30, 2011.

Municipal Resources, Inc.

2012 Town of Hadley Fire Services Organizational Analysis.

Olde Mohawk Masonry and Historic Restoration, Inc.

2013 Historic Buildings Preservation Plan: Town of Hadley, Massachusetts.



Primoris Benefit Advisors, Inc.

- 2011 Town of Hadley Other Postemployment Benefits Plan: GASB 45 Actuarial Valuation as of July 1, 2010 for the Fiscal Years Ending June 30, 2011, June 30, 2012.
- 2008 Town of Hadley Retiree Welfare Plan: GASB 45 Actuarial Valuation as of July 1, 2008 for the Fiscal Year Ending June 30, 2009.

Ron L. Beaulieu and Company

- 2011 Town of Hadley, Massachusetts Independent Auditor's Report and Management's Financial Statements, June 30, 2010.
- 2010 Town of Hadley, Massachusetts Audited Financial Statements, June 30, 2009.
- 2009 Town of Hadley, Massachusetts Audited Financial Statements, June 30, 2008.

Tighe and Bond

- 2008 Sewage Pumping Stations and Wastewater Treatment Facility Capital Improvement Plan.

Town of Hadley

- 2013 Hadley, Massachusetts, Annual Report, 2012.
- 2013 Long-Range Plan FY 2015 – FY 2020: Goodwin Memorial Library.
- 2012 Departmental Administration and Finance Policies and Procedures.
- 2005 Hadley Master Plan.

# Section VII

## Capital Plan Summary

## Section VI

### CAPITAL PLAN SUMMARY

A companion document to the FY 2015 budget book is the five year capital plan. Presented here is a summary of the capital projects for FY 2015 only.

#### RECOMMENDED CAPITAL PROJECTS

The following capital projects are recommended for funding in FY 2015. The table below lists the projects, the amounts, and the funding sources.

FY 2015 Recommended Capital Budget										
Department	Project	Cost	Capital Stabilization	Free Cash FY 2014	Stabilization	Water Reserves	Wastewater Reserves	Sewer Impact Fee	Debt	Community Preservation Act
Select Board	Master Plan Update	\$ 40,000	\$ 40,000							
	Computer Upgrade	\$ 12,000	\$ 12,000							
Police										
	Cruisers	\$ 69,499			\$ 69,499					
	Computer Upgrades	\$ 30,000	\$ 30,000							
	Heating Upgrade	\$ 28,310	\$ 28,310							
	Fire Arms Equipment	\$ 7,000	\$ 7,000							
	Ballistic Vests	\$ 17,600	\$ 17,600							
	Furniture	\$ 15,000	\$ 15,000							
Fire										
	Heavy Rescue/Pumper	\$ 761,250							\$ 761,250	
	Command/1st Response Vehicle	\$ 68,000		\$ 68,000						
	Center Station Exercise Room	\$ 20,900	\$ 20,900							
	Radio Equipment Upgrade	\$ 179,500							\$ 179,500	
	Carpeting & Painting	\$ 32,000	\$ 32,000							
Highway										
	John Deere Loader	\$ 190,000							\$ 190,000	
	F-550 Dump Truck #1	\$ 83,000		\$ 83,000						
	F-550 Dump Truck #2	\$ 85,000	\$ 85,000							
	Superintendent's Vehicle	\$ 6,000		\$ 6,000						
	Route 47 Culvert	\$ 900,000							900,000	
Wastewater										
	Electrical Improvements	\$ 550,000						\$ 225,000	\$ 325,000	
	Sewer Pump Stations 1 & 4	\$ 800,000							\$ 800,000	
	Sewer Vehicle	\$ 45,000					\$ 45,000			
Water										
	Filtration Membrane	\$ 10,000				\$ 10,000				
	Master Plan Update	\$ 50,000				\$ 50,000				
	Water Tank Altitude Valve	\$ 60,000							\$ 60,000	
	Valve Replacement Program	\$ 32,500				\$ 32,500				
Library										
	Lighting	\$ 45,000								\$ 45,000
	Step Repair (South)	\$ 4,000								\$ 4,000
	Split AC Basement	\$ 7,500								\$ 7,500
	Storm Windows	\$ 8,000								\$ 8,000
	Painting Interior	\$ 9,000	\$ 9,000							
	Brick Repair Basement	\$ 3,000								\$ 3,000
	Basement Carpet	\$ 20,000								\$ 20,000
	Shelving Archival Storage	\$ 20,000		\$ 20,000						
	Gutter/Snow Guard	\$ 10,000								\$ 10,000
	Technology	\$ 40,000	\$ 20,000							
Conservation Commission										
	Land Preservation	\$ 100,000								\$ 100,000
TOTALS		\$ 4,359,059	\$ 316,810	\$ 177,000	\$ 69,499	\$ 92,500	\$ 45,000	\$ 225,000	\$ 3,215,750	\$ 197,500

The recommended capital projects are:

Master Plan Update: The current Hadley Master Plan will turn 10 years on October 2015, the anniversary of its adoption by town meeting. Maintaining an up-to-date Master Plan is good planning and a requirement for many state grant programs. I recommend starting the update project in summer 2014. Funding of \$40,000 is through the Capital Stabilization Account.

Computer Upgrades: The Select Board's Office is entering the second year of upgrading the Town Hall computer system. Much of the work is being funded through the Massachusetts Community Innovative Challenge Grant program, and to date, the grant has been able to pay for switching Internet Service Provider to a more reliable platform and initiating a Web-based email system. The Town, in

collaboration with its partners in the Hampshire Council of Governments, has applied for a second round of grants to continue the upgrade of Hadley government IT. The capital request covers costs which are ineligible for grant funding, but are indispensable to accomplishing the phased upgrade. Funding of \$12,000 is through Capital Stabilization.

Cruisers: The Police Department normally replaces one cruiser per year. In FY 2015, the department requires replacement of two cruisers, which have high mileage. Funding of \$69,499 is through the Stabilization Account and is equivalent to interest earned in that account.

Computer Upgrades: The Police Department computers and server are aging and need replacement and upgrades. There is real potential for loss of important information if the computers fail. Funding of \$30,000 is through the Capital Stabilization Account.

Public Safety Complex Heating Upgrade: The heating system for the Public Safety Complex requires upgrades. Funding of \$28,310 is through the Capital Stabilization Account.

Fire Arms Equipment: The Police Department plans to upgrade many of its fire arms and associated equipment. Funding of \$7,000 is through the Capital Stabilization Account.

Ballistic Vests: The Police Department ballistic vests need replacement. Twenty-two vest at \$800 a piece is estimated. Funding of \$17,600 is through the Capital Stabilization Account.

Furniture: The Public Safety Complex squad room and dispatch center require new furniture to replace worn out items. Funding of \$15,000 is through the Capital Stabilization Account.

Heavy Rescue/Pumper: The Fire Department's existing 1987 Chevrolet Val-Van rescue truck and the 1987 Pierce Arrow Pumper are scheduled to be replaced. The proposal is to combine two trucks into one heavy rescue/pumper truck. Funding of \$761,250 is through debt.

Command/1<sup>st</sup> Response Vehicle: The Fire Department requires the addition of a 4-wheel drive SUV command vehicle to fulfill the Fire Chief's contract. Funding of \$68,000 is through Free Cash.

Center Station Exercise Room Completion: The Police Association and the Fire Association have provided funds to convert an unused room in the Public Safety Complex into an exercise room. Funding to complete the project is requested. Funding of \$20,900 is through the Capital Stabilization Account.

Radio Equipment Replacement/Upgrade: The Police Department and Fire Department plan to upgrade many radios. Much of the existing equipment is obsolete or is of poor quality. In addition, the Public Safety Complex experienced an electrical event that damaged the existing dispatch equipment beyond repair. Using insurance proceeds, the Police Department has replaced its damaged dispatch equipment, but the new equipment does not fit the existing furniture. The capital request provides modern furniture to house the dispatch equipment and provides for expandability to allow for two dispatchers in

times of major emergencies. The estimated cost of the dispatch console furniture is \$12,000. Funding of \$179,500, which covers the radio replacement and the dispatch console furniture, is through debt.

Carpeting and Painting: The Public safety Complex carpeting needs to be replaced as per the Facilities Plan. In addition, interior walls need repainting. Much of the work will be performed in-house, so costs are for materials. Funding of \$32,000 is through the Capital Stabilization Account.

John Deere Loader: The Department of Public Workers Highway Division plans to acquire a new loader and will restrict the existing 1995 loader to off-road use. Funding of \$190,000 is through debt.

Ford F-550 Dump Truck #1: The Department of Public Works Highway Division plans to replace the 1996 Ford F-350 Dump Truck (Truck #9). Funding of \$83,000 (after trade-in) is through Free Cash.

Ford F-550 Dump Truck #2: The Department of Public Works Highway Division plans to replace the 1997 Ford F-350 Dump Truck (Truck #7). Funding of \$85,000 is through Capital Stabilization.

Superintendent's Vehicle: The Department of Public Works Highway Division plans to replace the 2001 Superintendent's Crown Victoria with a used vehicle. The original submitted price is \$20,000, but the recommended price is \$6,000, which appears to be in line with anticipated costs for surplus vehicles gathered from Green Community fleets. Funding of \$6,000 is through Free Cash.

Electrical Improvements (Pump Stations 5, 6, 7, and 8): The Department of Public Works Wastewater Division plans to perform electrical upgrades and safety improvements to Pump Stations 5, 6, 7, and 8 as per the recommendations of the Tighe and Bond wastewater capital improvements plan. Funding of \$550,000 is through a combination of \$225,000 from the Sewer Impact Fee Account and \$325,000 in debt.

Pump Stations 1 and 4 Supplemental Funding: At the fall town meeting 2013, the Town authorized borrowing of \$986,000 to upgrade Sewer Pump Stations 1 and 4. Bids were received shortly afterward, and the bid prices exceeded the available funds. All bids were rejected, and the project will be rebid in winter 2014. The original budget will need to be supplemented by an estimated \$800,000. Funding is through debt to be paid through sewer receipts.

Wastewater Vehicle: The Department of Public Works Wastewater Division plans to replace the 2000 pick-up truck. Funding of \$45,000 is through Wastewater Reserves.

Water Filtration Membrane Replacement Program: The Town annually contributes \$10,000 to a special stabilization fund to pay for the future replacement of the 57 membranes at the Water Treatment Plant. The membranes have a 10 year life expectancy, and are estimated to cost \$1,000 each to replace. This payment will be the eighth year of payment toward the program. Funding of \$10,000 is from Water Reserves.

Water Master Plan: The Department of Public Works Water Division needs to update the 2003 water master plan. Funding of \$50,000 is through Water Reserves.

Water Tank Altitude Valve: The Department of Public Works Water Division plans to replace the tank altitude valve and vault at Mount Warner and Mount Holyoke water tanks. Funding of \$60,000 is through debt to be paid from water receipts.

Valve Replacement Program: The Department of Public Works Water Division is initiating a new program of exercising and replacing valves within the water distribution system. Proposed here is the first annual payment to fund the on-going program. Funding of \$32,000 is through Water Reserves. Future funding should be built into the operating budget for the Water Division.

Library Lighting: The Library plans a three year lighting improvement program. The first year investment of \$45,000 would replace the lighting in the main floor. Funding is through Community Preservation Act funds.

Library Step Repair (South Side): The Library plans to repair the south side steps. Funding of \$4,000 is through the Community Preservation Act funds.

Library Basement Air Conditioning and Humidity Control: The Library plans to address moisture and humidity problems with three capital projects. The first project is to install an air conditioning and humidity controls in the basement. Funding of \$7500 is through the Community Preservation Act funds.

Library Storm Windows: The Library plans to install storm windows over a three year period. The first installment of \$8,000 would come from Community Preservation Act funds.

Interior Painting: The Library plans to paint the interior over a three year period. The first installment of \$9,000 would come from Capital Stabilization funds.

Brick Repair (Basement): The Library plans to repair and preserve bricks and mortar in the basement as part of its moisture and humidity control efforts. Funding of \$3,000 would come from Community Preservation Act funds.

Carpet (Basement): The Library plans to replace the existing carpet that has been damaged by moisture. Funding of \$20,000 would come from Community Preservation Act funds.

Shelving/Archival Storage: The Library plans to replace existing shelving with better equipment in FY 2015 and FY 2017. The first installment of \$20,000 would come from Free Cash.

Snow Guard/Gutters: The Library plans to upgrade the gutters and snow guards. Funding of \$10,000 would come from Community Preservation Act funds.

Library Technology: The Library plans to upgrade information technology in FY 2015 and FY 2018. Funding of the first installment of \$20,000 is through Capital Stabilization.

Land Preservation: The Conservation Commission has a number of land preservation projects under development. Shown here is an estimated \$100,000, which would come from Community Preservation Act funds.

#### CAPITAL PROJECTS ON HOLD PENDING FURTHER INFORMATION

At the time of this writing, Town leaders are discussing seven major building renovation projects. The Select Board will be holding public hearings to gather input and offer the community information about the scale and timing of the projects.

Prices and scopes of work were developed by Drummey, Rosane, Anderson, Inc. and presented to the Select Board as a Facilities Plan in September 2013. A funding proposal was presented to the Select Board on October 31, 2013. Final decisions about the proposed work are pending.

#### Municipal Buildings

Town Hall	\$1,010,202
Senior Center	\$2,340,389
Public Safety Complex	\$952,920
DPW Garage	\$2,092,973
Goodwin Memorial Library	\$1,875,479
Russell School	\$3,414,548
North Hadley Village Hall	\$2,891,634
	-----
	\$14,578,155 (at least)

At the time of this writing, the School Department is still developing a capital plan. Items for possible funding include:

#### School Department

Elementary School Generator  
Hopkins Academy HVAC  
Hopkins Academy Locker Rooms  
Other

A final School Department capital request schedule will be presented on January 27, and 29, 2014.



### CAPITAL PROJECTS DEFERRED

The following projects have been deferred and are not recommended for FY 2015.

Mobile Sweeper	\$85,000 – Recommend Program Elimination.
Route 9 Water Line Replacement Project	\$900,000 – Recommend reschedule for FY 2016.

# Section VIII

## Community Preservation Act Fund Proposal



September 5, 2013

Select Board  
Finance Committee  
Capital Planning Committee  
Community Preservation Act Committee  
Historical Commission  
Ms. Constance Mieczkowski, Treasurer  
Town of Hadley  
100 Middle Street  
Hadley, MA 01035

**Re: Historic Buildings Preservation Funding Plan: UPDATE.**

Dear Members of Hadley Town Government:

Please accept this letter as a proposal for funding the building restorations outlined in the Historic Buildings Preservation Plan as recommended by Olde Mohawk Masonry and Historic Restoration, Inc. ("Olde Mohawk"). The funding source for the scope of work presented in the plan comes from Community Preservation Act (CPA) funds, and can be borrowed from CPA revenues or paid by direct appropriation of CPA funds. All the projects outlined in the Olde Mohawk plan are eligible for funding from Community Development Act funds.

I acknowledge that I offer this proposal prior to the completion of the more comprehensive facilities plan currently being conducted by Drummey Rosane Anderson. The facilities plan is expected to be completed in late August/early September. The current proposal should be viewed as a supplement to any funding strategy associated with the larger facilities plan.

Presented here is a funding strategy for completing all the work within CPA fund budget limits and within an 8-year timeframe. The most financially responsible method for funding is to borrow against CPA revenues.

## Introduction:

The historical buildings are the ones that people think of first when they think of the good things in Hadley. Not only are the historic buildings important to the community's identity, but they are valuable Town-owned assets that must be preserved and restored. North Hadley Village Hall supports a wide variety of Park and Recreation Commission programs; it provides a substation for the Hadley Fire Department; and it houses important emergency communication equipment to help provide enhanced communications to north Hadley. Town Hall houses the core functions of municipal government, and Russell School helps anchor the community's center and offers potential for supporting future municipal programs and services. In 2009, the Town dedicated itself to improving Town Hall's appearance in time for Hadley's 350<sup>th</sup> celebration. By undertaking these historical preservation projects now, Hadley's community pride will be served, and the Town's valuable assets will be preserved.

The Community Preservation Act Committee, Historic Commission, Finance Committee recommended, and voters at Town Meeting funded the historical presentation study. The Historic Commission and Select Board hired Olde Mohawk to complete a study of the most historic town-owned buildings. Olde Mohawk mapped out the costs, scopes of work, and schedule for 9 projects ranked in priority over 8 years with a total estimated cost of \$1,798,242 (See Attachment A). Now is the time to act to preserve the historical aspects of the buildings within an acceptable schedule, within budget, and with no additional impact on taxes.

Community Preservation Act funds are available for the 9 projects. Borrowing from CPA revenues is the most effective way to use CPA money to address the entire scope of work within the recommended timeframe for accomplishing the work. Borrowing takes advantage of the community's AA credit rating (Standard and Poor's) and historic low interest rates. Borrowing is the fiscally responsible method of funding that will ensure that CPA funds are also available to fulfill the remainder of the CPA mission: open space preservation, affordable housing, and park and recreation projects. Borrowing can be managed in a financially sustainable way within the local revenue stream – with no additional impact on taxes.

The projects listed by Olde Mohawk do not include design services, estimated to be \$300,000 (see p. 7 of Olde Mohawk report). The design services are apportioned as follows: Town Hall is estimated to comprise 1.5% of the design services (or \$4,500); North Hadley Village Hall is estimated to comprise 42.5% of design services (or \$127,500); and Russell School Building is estimated to comprise 56% of the design services (or \$168,000). These costs estimates have been added to Olde Mohawk estimates and are included here.

It is important to state at the outset that Olde Mohawk was contracted to perform a historical preservation study of three buildings, and their study does not include (a) other buildings (e.g., Goodwin Memorial Library) and (b) building restoration projects of a non-historical nature, such as plumbing, HVAC, hazardous materials mitigation and abatement (e.g., asbestos removal and underground storage tank removal), electrical, structural, energy efficiency, ADA, and code compliance. Their

recommendations must be considered in context of a comprehensive building restoration strategy. At the time of this writing, the Town of Hadley is conducting a facilities plan for seven municipal buildings that will create the larger plan to guide the Town's building development strategy. I anticipate that the facilities plan will be completed in time for action at the Fall town meeting, 2013.

#### Recommended Policies:

It is important to establish clear policies to manage the Town's finances and manage projects effectively. Presented here are seven guidelines to help move forward with the projects with careful financial management taken into consideration.

The first guideline is to plan to fund fully all the recommended work from CPA funds. Grants and other sources of funding might be available, and should be used to support the recommended work, but such funds are not assured, initial financial planning does not include such funding sources.

The second guideline is to designate a minimum of \$66,600 annually to be available for other purposes (e.g., open space, recreation, and affordable housing). To achieve this goal, local annual income will be set at 70% of the maximum local contribution allowed by law. The remaining 30% of local annual income will be set aside as required by law.

The third guideline is that total debt service for all borrowing within CPA, that is debt payments taken from adjusted local annual income, will not exceed the local annual income (set at 70%; see second goal above).

The fourth guideline is that direct appropriations for historic preservation shall not exceed \$225,000/year, or 17% of the FY 2013 balance.

The fifth guideline is that no debt service shall be funded from the State contribution or the CPA fund balance, in accordance with state law.

The sixth guideline is to set the state annual matching contribution rate at 10% (current state match is 54%). This provides a conservative estimate for total revenues, in case the Commonwealth drastically reduces their match.

The seventh guideline is to limit borrowing to ten years, although Massachusetts General Law allows for 20 year borrowing. A shorter borrowing term is in keeping with Hadley's financial management policies and recommendations from bonding agencies.

I recommend that the Town adopt these policies.

### Effect of Borrowing on Financial Position

The current proposal shows the effects of borrowing from CPA local annual revenue to fund large historic preservation projects, and it shows direct appropriations from CPA funds to complete smaller historic preservation projects (i.e., projects valued at \$225,000 or less).

The debt service scenario presented here and funded by Community Preservation Act local adjusted revenue remains within the debt limits outlined above. Currently, there is no debt supported by CPA funds.

### Effect of Statutory Borrowing Limits and Future Borrowing Capacity

The Commonwealth sets a maximum borrowing limit on municipalities of 5% of Equalized Valuation (EQV) and 10% of EQV. Total debt under 5% EQV can be added without inquiry from the Department of Revenue. Debt in excess of 5% and up to 10% of EQV requires an explanation to the Department of Revenue.

The Town of Hadley's total debt stands at 0.97% of EQV. Adding the entire debt contemplated in the current CPA borrowing scenario would bring the total debt up to about 1.12% of EQV.

### Effect of Borrowing on Community Preservation Act Fund Balances

The borrowing scenario presented in Attachment A shows debt service funded no more than 97% of adjusted CPA local contribution revenues. On average for the life of all debt service, the CPA will retain 44.88% of local receipts (not counting set asides). In addition, several smaller projects (less than \$225,000 value) can be paid from direct appropriation from CPA funds. Under the scenario presented here, the total CPA balance grows each year from \$1,329,126 to an excess of \$2,000,000 in 5 years and remains above \$2,000,000 for the remainder of the debt service. Such CPA balances should be ample for other community needs, such as open space preservation, affordable housing, and parks and recreation.

### Effect of Not Borrowing on Community Preservation Act Fund Balances

If the Town does not permit borrowing against CPA revenue, then the historical preservation can still be accomplished, but CPA fund balances will be drawn down, leaving less for other CPA-eligible projects.

Presented in Attachment B is a funding plan that shows the effect of funding the projects through direct CPA appropriations instead of borrowing. Under this scenario, the CPA balance drops each year from the current balance of \$1,329,126 to a low of \$854,892 by the 5th year and then increases the balance until the balance comes even in year 14. The drawdown of the CPA fund balance represents a loss of over \$1 million of potential CPA funds over a 13-year period that could be used for other eligible purposes.

## Summary

The task of preserving the Town's three historic buildings is important because the Community Preservation Act Committee, Historic Commission, and the voters supported the Olde Mohawk study in anticipation of tackling the problem of deteriorating buildings. The voters originally adopted the Community Preservation Act and embraced a new tax because they saw it as a way to hold onto the most important aspects of Hadley's character: open space and history. The 9 projects recommended by Olde Mohawk can be implemented in an 8-year timeframe using CPA funds to cover all expenses. Grants, gifts, and other sources of funding can be used to offset reliance on CPA funds. Accomplishing the work will support the town's community pride and maintain its valuable assets for the future.

All projects can be funded by borrowing with an acceptable impact on CPA fund balances and in keeping with the Town's conservative financial management approach. Paying for all of Olde Mohawk's projects through direct CPA appropriations is a riskier approach that leaves less CPA funds for other projects and is therefore not recommended.

In closing, I wish to thank the Town's personnel who worked very hard to help develop this scenario. The Historic Commission has been indispensable in managing the Olde Mohawk study, the Community Preservation Act Community helped provide the appropriate funding to help collect the information, and the Town leadership has contributed in providing a clear path to making Town buildings a priority. We are fortunate to have hard-working, dedicated, and thoughtful staff, volunteers, and elected leaders. Any errors or misinterpretations of fact or law are mine alone.

I look forward to working with the Select Board, the Finance Committee, the Community Preservation Act Committee, Historic Commission, Treasurer, and the Capital Planning Committee to explore the opportunities that are presented here.

Sincerely,

A handwritten signature in black ink, reading "David G. Nixon". The signature is written in a cursive, flowing style.

David G. Nixon  
Town Administrator

# ATTACHMENT A

TOWN OF HADLEY																														
BORROWING SCENARIO – BUILDING CAPITAL IMPROVEMENTS – COMMUNITY PRESERVATION ACT FUNDS																														
NOT A BUDGET PROPOSAL – FOR DISCUSSION PURPOSES ONLY																														
ALL BORROWING – 30 YEARS																														
Interest Rate = 3%																														
Community Preservation																														
	Cost of Project	Priority as per Historical Preservation Report	Max. Allowable Borrowing (Years)	GASB 34 Life Expectancy	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
A. Capital Projects Funded Through Borrowing																														
Revenue Source Available for Borrowing: 70% of Local Annual Budget (by 2.5%)																														
	155,400	159,285	163,267	167,349	171,533	176,821	180,216	181,722	189,340	194,073	198,905	203,898	208,996	214,221	219,576	225,066	230,692	236,459	242,371	248,430	254,641	261,007	267,532	274,221	281,076	288,103				
North Hadley Village Hall Roof	263,136	4	20	50																										
Russell School Woodwork and Roofing	331,511	5	20	50																										
North Hadley Village Hall Exterior Restoration	339,536	6	20	50																										
Russell School Brick and Stone Restoration	603,444	7	20	50																										
Totals: Projects by Reserve	1,513,629																													
Balance of Local Annual Income (Effects of Borrowing)																														



B. Capital Projects Funded by CPA Direct Appropriation	Cost of Project	Priority as per Historical Preservation Report	GASB84 Life Expectancy	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
North-Hadley Village Hall Immediate Projects	6,600	1	50	6,600																									
Russell School Immediate Projects	12,653	2	50	12,653																									
Town Hall Immediate Projects	27,600	3	50	27,600																									
North-Hadley Village Hall Windows	73,168	8	50							73,168																			
Russell School Masonry, roof, and windows	204,836	9	50									204,836																	
<b>Total Projects Funded by Direct CPA Appropriations</b>	<b>324,857</b>			<b>46,853</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>73,168</b>	<b>0</b>	<b>204,836</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(B)</b>																													

C. COMMUNITY PRESERVATION ACT FUNDS IMPACT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Starting Balance (Available CPA Funds for Town Meeting Appropriation)	1,125,144	1,329,126	1,546,266	1,728,346	1,918,618	2,076,661	2,244,179	2,421,341	2,458,418	2,580,811	2,544,461	2,690,205	2,874,429	3,102,577	3,341,698	3,622,993	3,914,719	4,217,091	4,588,070	4,969,539	5,359,929	5,760,079	6,170,233	6,590,641	7,021,559	7,463,290
Set Aside from 30% of Local Annual Income (Adjusted by 2.5%)	66,600	68,265	69,972	71,721	73,514	75,352	77,236	79,166	81,146	83,174	85,254	87,385	89,570	91,809	94,104	96,457	98,868	101,340	103,873	106,470	109,132	111,860	114,657	117,523	120,461	123,473
State Match (10% of Current State Match = 54%)	22,200	22,755	23,324	23,907	24,505	25,117	25,745	26,389	27,049	27,725	28,418	29,128	29,857	30,603	31,368	32,152	32,956	33,780	34,624	35,490	36,377	37,287	38,219	39,174	40,154	41,158
Less Direct Appropriation (See Total B)	-40,218	0	0	0	0	0	0	-73,118	0	-170,732	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL	1,173,726	1,420,146	1,639,562	1,823,974	2,016,636	2,177,130	2,347,160	2,453,378	2,566,602	2,628,978	2,658,123	2,806,719	2,993,855	3,224,889	3,467,770	3,751,602	4,045,543	4,352,211	4,727,168	5,111,499	5,505,438	5,909,226	6,323,109	6,747,338	7,182,174	7,627,880
Add Balance of Available Local Annual Income (See Balance A)	155,400	126,120	88,784	94,644	60,024	67,049	74,181	5,040	14,199	23,473	32,682	67,710	108,722	116,710	155,823	163,117	170,548	236,459	242,371	248,430	254,641	261,007	267,532	274,221	281,076	288,103
TOTAL (C): Funds Remaining in CPA Fund	1,329,126	1,546,266	1,728,346	1,918,618	2,076,661	2,244,179	2,421,341	2,458,418	2,580,811	2,544,461	2,690,205	2,874,429	3,102,577	3,341,698	3,622,993	3,914,719	4,217,091	4,588,070	4,969,539	5,359,929	5,760,079	6,170,233	6,590,641	7,021,559	7,463,290	7,915,983

## ATTACHMENT B

[illegible]

B. COMMUNITY PRESERVATION ACT FUNDS IMPACT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Starting Balance (Available CPA Funds for Town Meeting Appropriation)	1,125,144	1,329,126	1,318,293	1,243,345	1,186,785	854,892	1,058,014	1,136,375	1,426,653	1,724,186	2,029,159	2,341,755	2,662,167	2,990,589	3,327,221	3,672,269	4,025,944	4,388,460	4,760,039	5,140,908	5,531,298	5,931,449	6,341,602	6,762,010	7,192,928	7,634,619
100% of Local Annual Income (Adjusted by 2.5%)	222,000	227,550	233,239	239,070	245,046	251,173	257,452	263,888	270,485	277,248	284,179	291,283	298,565	306,029	313,680	321,522	329,560	337,799	346,244	354,900	363,773	372,867	382,189	391,744	401,537	411,576
State Match (10% Estimated -- Current State Match = 5%)	22,200	22,755	23,324	23,907	24,505	25,117	25,745	26,389	27,049	27,725	28,418	29,128	29,857	30,603	31,368	32,152	32,956	33,780	34,624	35,490	36,377	37,287	38,219	39,174	40,154	41,158
Less Direct Appropriation (See Total B)	-40,218	-26,138	-331,511	-319,536	-600,444	-73,168	-204,836	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	1,329,126	1,318,293	1,243,345	1,186,785	854,892	1,058,014	1,136,375	1,426,653	1,724,186	2,029,159	2,341,755	2,662,167	2,990,589	3,327,221	3,672,269	4,025,944	4,388,460	4,760,039	5,140,908	5,531,298	5,931,449	6,341,602	6,762,010	7,192,928	7,634,619	8,087,352