TOWN OF HADLEY
MASSACHUSETTS

Town Administrator's Budget
Fiscal Year 2020

For the Fiscal Year
July 1, 2019 through June 30, 2020

February 13, 2019

Presented by

David G. Nixon
Town Administrator

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Section I

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

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

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

February 13, 2019

To the People of Hadley:

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

The budget document is more than a summary of planned 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 serves as a policy document.
- The budget serves as a financial plan.
- The budget serves as an operational guide.
- The budget serves as a communication device.

The budget is balanced, based on the revenue and fund transfer projections and the recommended revisions to expenses. The budget supports a municipal government that is focused on providing level services and aligns with the values and priorities of the community as expressed in the Master Plan Update 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 2019, the Governor made public his proposal on such matters as Local Aid, Local Assessments, Chapter 90 (roads and bridges), and Chapter 70 (education), and the Legislature will shortly submit their own proposals. The financial outlook may change.

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 Accountant Justin Cole of Bay State Municipal Accounting Group, Inc., Town Collector Susan Glowatsky, Licensing Coordinator Jennifer James, Assistant Collector Kimberly Peiffer, Town Treasurer Linda Sanderson, Assistant Assessor Daniel Zdonek, and Assistant Treasurer Joan Zuzgo deserve special mention for their efforts to provide me with information and insights. All of the department heads receive my thanks for their dedication in developing operational budgets that serve the best interests of Hadley's residents, businesses, and visitors. 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 Public's Guide to the Budget to navigate better to areas of interest.

TOWN OF HADLEY	
FY 2020 REVENUE AND EXPENDITURE SUMMARY	
1/29/2019	
General Fund	
Revenues	$ 18,796,313
Expenses	$ 19,374,685
Revenues - Expenses	$ (578,372)
Transfers from Other Funds	
Free Cash for One-Time Expenses	$ 339,476
Free Cash to Balance Omnibus Budget	$ 235,524
Stabilization Fund to OPEB	$ -
MSBA Debt Fund Reserve	$ 2,444
November 2014 Premium Balance	$ 928
BALANCE:	$ (0)
Enterprise Funds	
Revenues	$ 2,082,010
Expenses	$ 2,106,835
Revenues - Expenses	$ (24,825)
Transfers from Other Funds	
Water Reserves	$ 10,000
Sewer Reserves	$ 10,000
Cable TV Reserves	$ 4,825
BALANCE:	$ -

The preliminary budget was presented to the Select Board and the Finance Committee on February 13, 2019. Community leaders will subsequently meet with department heads to 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.

On **May 2, 2019**, 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

The Public's Guide to the Budget Book

This section is intended to serve as a guide to the reader in navigating the budget book.

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

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

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

Second: The budget itself is presented in the following sequence:

Section I includes the Town Administrator's Letter of Transmittal outlining the major features of the proposed budget, goals, and information to help decision makers. This section also contains the Organization Chart and Staffing Trend.

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

Section III contains most Town Government budgets:

General Government (Budget Series 100),
Public Safety (Budget Series 200),
Public Works (Budget Series 400),
Enterprise Funds (Budget Series 440,450, and 599),
Human Services (Budget Series 500),
Culture and Recreation (Budget Series 600),
Debt (Budget Series 700), and
Unclassified (formerly "Benefits") (Budget Series 900).

Section IV contains the Educational budget (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 capital plan along with recommendations for spending in FY 2020.

Section VIII contains a summary of long-term trends and governing policies showing the Town's financial condition.

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

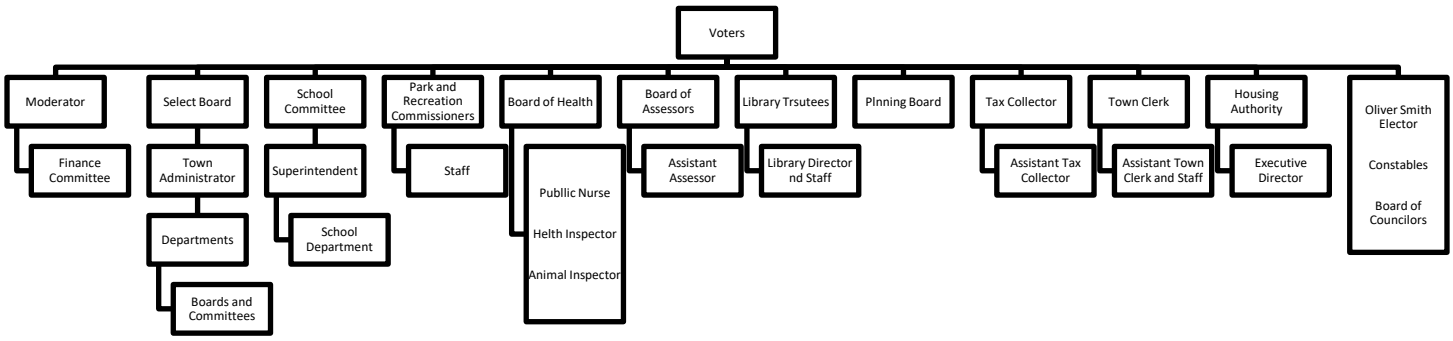
We hope you find this introductory guide a useful tool as you acquaint yourself with the latest financial and planning information for the Town of Hadley.

ORGANIZATIONAL CHART

Town of Hadley Government Mission Statement

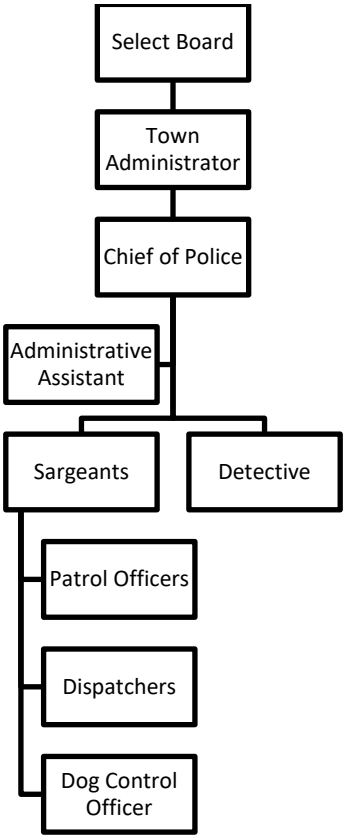
The mission of town government is to serve the residents, businesses, and visitors in the Town of Hadley by providing high-quality services that enhance the quality of life by preserving the character of the community, encouraging commerce and prosperity, and providing stewardship to the community's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

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

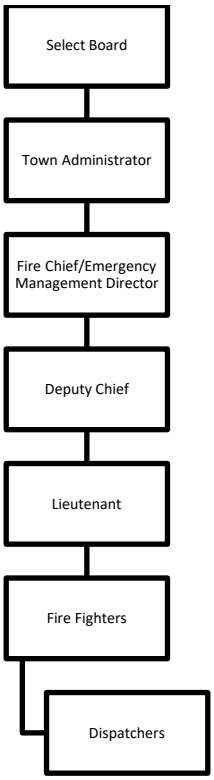


Major departments are shown here:

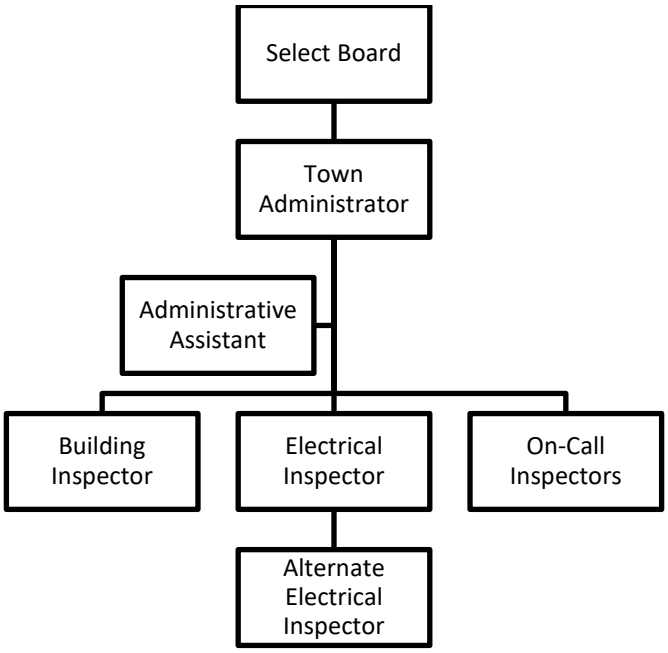
Police Department:



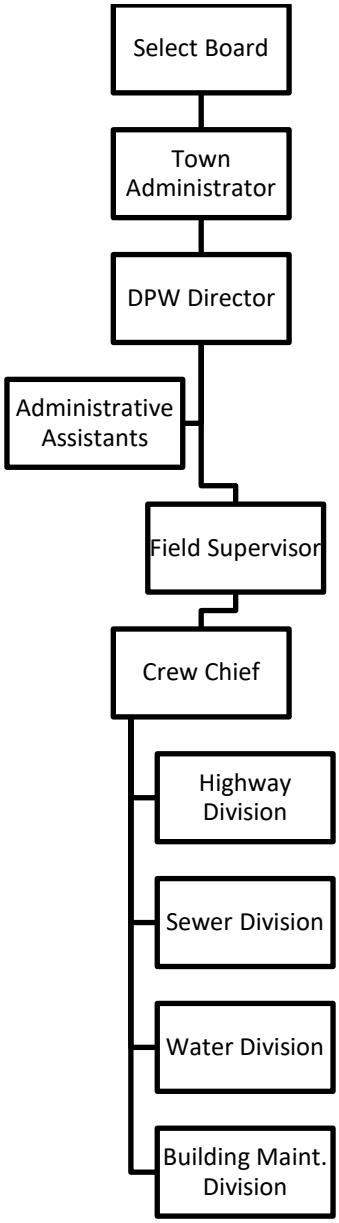
Fire Department:



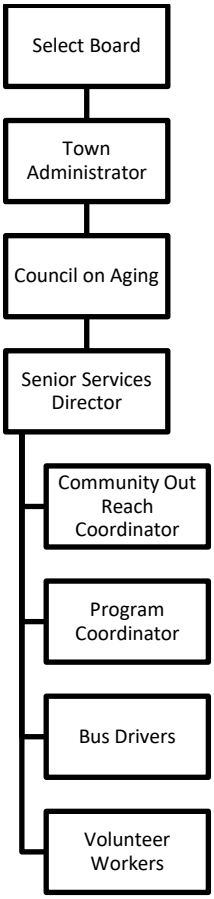
Inspection Services:



Department of Public Works:



Council on Aging:



BUDGET CALENDAR

July

- July 1st, Fiscal Year Begins.

August

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

September

- Preparation for Fall Special Town Meeting.

October

- All-Boards Meeting to set next fiscal year priorities.
- Preview to Special Town Meeting held.
- Special Town Meeting held third or fourth Thursday.

November

- Tax classification hearing and tax rate set.

December

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

January

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

February/March

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

April

- Final Warrant is prepared and posted.
- Preview of Annual Town Meeting held.

May

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

June

- Fiscal year ends on June 30th.

Town Administrator’s Letter of Transmittal to the Select Board, Finance Committee, and Capital Planning Committee

February 13, 2019

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 2020.

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 2020 Budget. The budget is balanced based on the projected revenues, transfers, and recommended expenditures.

Fiscal Balance

The Fiscal Year 2020 budget represents a balanced budget.

The Select Board established principles by which to develop the FY 2020 budget. First, there shall be no general Proposition 2½ override. Second, budget shall level services where possible (allowing for higher increases in non-discretionary budgets [e.g., state assessments]). Third, the firefighter positions created in FY 2018 are to be retained and funded sustainably in FY 2020. Fourth, the Select Board established a rotating schedule for funding priorities by function:

FY 2020 = General Government
FY 2021 = Public Works
FY 2022 = Education
FY 2023 = Public Safety
FY 2024 = Human Services and Culture and Recreation

Fifth, 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 budgets in coordination with other departments within their division (e.g., General Government Division, Public Safety Division). 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 January, the Select Board established a budget schedule for the calendar year 2019 Annual Town Meeting. The 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 2, 2019.**

Financial Position

The Town of Hadley is in very good financial condition. Its credit rating is at a historic high; its reserves are high; its tax base is in solid condition; its tax rate continues to be among the lowest in the Commonwealth; its uncollected property taxes are below recommended state guidelines and are at historic lows; its debt is within optimal limits; 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 12.61% of operating funds, which exceeds the Town's dollar target, and exceeds the state benchmark of 5% of operating funds. Wastewater reserves are at 30.18% of net operating revenues for the Wastewater Enterprise Fund. Water reserves are around 76.79% of net operating funds.

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, buildings, and infrastructure improvements.

Free Cash

The Select Board and Finance Committee jointly agreed to adopt a Free Cash policy in order to improve the Town's financial management. Formerly, the Town has relied on Free Cash to fund a portion of the recurring operational budget, whereas the new policy aims to reduce the Town's reliance on Free Cash for such recurring expenses. The new policy sets the goal of reducing use of Free Cash by $75,000 per year until the amount of Free Cash used to fund the operating expenses reaches zero. Free Cash will continue to be used to fund one-time expenses contained within the Omnibus Budget, such as any capital expenses, augmenting trust funds related to fringe benefits and unfunded liabilities related to employee fringe benefits (e.g., OPEB and pension unfunded liabilities). Any Free Cash not used for the Omnibus Budget will be applied to various stabilization accounts. The policy recommends that at least $75,000 remains as Free Cash, which may be appropriated for capital projects.

In FY 2019, the Town suspended its Free Cash policy to fund the new ambulance service. The FY 2020 budget returns to the Free Cash policy.

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.

TOWN OF HADLEY	
FY 2020 REVENUE AND EXPENDITURE SUMMARY	
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Sewer Reserves	$ 10,000
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BALANCE:	$ -

Goals and Objectives for FY 2020

In preparing the FY 2020 budget, the Town committed to achieving certain goals and objectives. Below is a summary of what was accomplished in FY 2019 and what needs to be accomplished in FY 2020.

Goal 1 – Human Resources:

In 2016/2017, the Town participated in the Community Compact Program Best Management Program, and the Massachusetts Department's Division of Local Services (DLS) conducted an assessment of the Town financial management systems and structure. One of their recommended improvement was to establish a human resources position.

DLS stated, "The town's largest annual expenditure is its labor force, including the costs of compensation, fringe benefits, professional development, and other expenses. Communities have a responsibility to recognize that employees constitute an active investment, and when properly trained, managed, and deployed, can provide efficient and cost-effective services to residents, businesses, and visitors. In addition, communities must maintain complete and accurate personnel records, develop and implement consistent employee policies, and report required data to regulatory agencies or face significant risks and penalties."

Their report points out that most top administrative personnel devote a significant amount of time to administering and addressing HR-related issues, yet there is no official dedicated to HR or who has the extensive human resource management experience or broad knowledge of all local, state and federal compliance requirements, and it does not have adequate employee tracking systems.

The Select Board has embraced the DLS recommendation and has made the establishment off a Human Resources position a high priority.

The new HR position will:

- Provide timely direction and oversight on employee matters;
- Develop and administer employee policies and procedures, ensuring consistent interpretation and application;
- Administer employee benefit programs, including health, dental, life, and disability insurance, unemployment insurance, workers' compensation and employee assistance;
- Maintain employee classification, benefit, and compensation plans;
- Direct employee recruitment and hiring activities, and coordinate orientation, training, and employee recognition activities;
- Manage the collection, custody, and compliance reporting of employee data to local, state, and federal agencies
- Develop impact studies, plans, and forecasts to assist local officials with union negotiations, labor relations issues, grievances, arbitrations and disputes.

Goal 1.1: In FY 2020, the Town is committed to establishing sustainable funding for the human resources services equaling roughly $80,000 for the position, plus associated expenses.

Goal 2 – General Government:

In FY 2020, the Select Board committed to enhancing the 100 Series functions (General Government). Using information from the Town's SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) as well as the Town's ASHOF analysis (Administrative Support of Higher Order Functions), the Select Board committed to strengthening administrative support to allow key departments to devote more time to strategic planning and to implementing policies and practices that add value to the community.

Goal 2.1: In FY 2020, the existing administrative support staff will be redeployed to provide support to the Tax Collector's and Treasurer's Offices. The redeployment does not increase the total number of hours currently in place, but where support staff are not needed or under-utilized, available hours were re-assigned to departments in need.

Goal 2.2: In FY 2020, the Treasure's hours are expanded by 5 hours to allow the position to devote more time to strategic financial management.

Goal 2.3: In FY 2020, the Town supports the Senior Tax Work-Off Program in General Government, and the proposed budget supports continuing the program, as well as providing small stipends to interns.

Goal 3 – Public Safety:

In FY 2017, the Town made a commitment to increase its public safety services. In particular, the Town committed to increasing the size and functions of the Police Department. Working together with the United Pubic Service Employees Union (UPSEU), the Town pledged to increase its patrol officers by at least three full-time positions within the first 6 months of the fiscal year. By October 2016, funding was secured, and the Police Department achieved its staffing goals.

For FY 2018, the Town funded 4 full-time firefighters: a deputy chief, another lieutenant, and 2 full-time fire fighters.

The addition of these positions added to the Fire Department's ability to provide such important services as

- fire prevention inspections,
- fire safety education,
- code enforcement, and
- enhanced response to emergencies.

Goal 3.1: In FY 2020, the Town is committed to maintaining sustainable funding for the enhanced public safety services.

Goal 4 -- Public Works:

In FY 2019, the Town welcomed Mr. Christopher I. Okafor as the new Director of the Department of Public Works. The Director plans to introduce and implement a number of new programs and services.

Goal 4.1: In FY 2020, the Town will review the water and sewer rates to promote water conservation, achieve service solvency, and to support needed capital improvements. The rates were increased in FY 2018, but need to be reviewed annually.

Goal 5 – Building Maintenance and Construction Support:

In FY 2018, the Building Maintenance budget was re-organized to combine separate building-related accounts into a single maintenance account under the direction of the DPW. Building maintenance items such as custodial services, maintenance contracts, alarm systems, grounds keeping, and repairs have been consolidated into a unified budget for greater accountability and control over the Town's maintenance efforts.

The following FY 2018 budgets were transferred into the Building Maintenance Budget:

Account	Description	Amount
192-5200	Custodial Services (Senior Center)	$8,000
192-5233	Alarm System (Senior Center)	$1,350
192-5450	Building Supplies (Senior Center)	$1,000
196-5200	Custodial Services (Town Hall)	$8,000
196-5233	Alarm System (Town Hall)	$200
199-5233	Alarm System (Russell Building)	$350
220-5243	Building Maintenance (Center Station and No. Hadley Station)	$3,000
222-5102	Groundskeeper (Public Safety Complex)	$1,200
222-5107	Custodial Services (Public Safety Complex)	$8,550

222-5430	Building Maint. Supplies (Public Safety Complex)	$2,600
610-5200	Custodial Services (Library)	$5,600
610-5240	Exterior Maint. (Library)	$3,000
610-5241	Interior Maint. (Library)	$2,200
610-5247	Security System Maint. (Library)	$1,200
TOTAL TRANSFERS		**$46,250**

In late FY 2019, the Town moved ahead with the demolition of the old Senior Center, which results in displacing the Council on Aging, Veterans' Services, Public Health Nurse, Planning Board, Park and Recreation Commission, Historical Commission, and Hadley Media.

The Town has agreed to rent space at Most Holy Redeemer Parrish Hall in order to accommodate the Council on Aging, Veterans' Services, and Public Health Nurse. Hadley Media will relocate to the upper floor of Goodwin Memorial Library. The remaining departments will be placed in Town Hall with off-site storage.

Goal 5.1: Funding for building maintenance and operations shall include costs for continued support for departments and functions displaced by the demolition of the old Senior Center.

Goal 6 – Financial Management:

OPEB.

In FY 2017, the Town amended its strategy for funding its Other Post-Employment Benefits (OPEB). Whereas formerly, the Town pursued and aggressive funding approach, increasing its annual appropriation by $80,000 each year, a figure arrived at by increasing the town's annual contributions to achieve full funding of the Annual Required Contribution (ARC) of about $800,000 in 10 years.

As the Town passed the $240,000 annual contribution mark in FY 2016, an analysis revealed that the community had passed the "stop the bleeding" point of $213,000 annual contribution and was very slowly paying off its unfunded liability. It was time to rethink Hadley's aggressive strategy and develop an approach that was sustainable over the long term.

- The level of annual appropriation at $240,000 was deemed insufficient to address its OPEB funding within an acceptable timeframe.

- Using an actuarial study, the Town identified the annual contribution of $269,061 at 7% investment return and $340,000 at 4% investment return as acceptable targets.

- These annual funding targets could be achieved by increasing the annual contribution by 2.5% -- in line with general revenue growth. The table below shows the incremental funding plan that is now pursued.

TOWN OF HADLEY				
OPEB FUNDING PLAN				
Fiscal Year	Annual OPEB Contribution	2.5% Increase	TOTAL	Target Annual Contribition
2016	$ 245,000			
2017	$ 245,000	$ 6,125	$ 251,125	
2018	$ 251,125	$ 6,278	$ 257,403	
2019	$ 257,403	$ 6,435	$ 263,838	
2020	$ 263,838	$ 6,596	$ 270,434	$ 269,061
2021	$ 270,434	$ 6,761	$ 277,195	
2022	$ 277,195	$ 6,930	$ 284,125	
2023	$ 284,125	$ 7,103	$ 291,228	
2024	$ 291,228	$ 7,281	$ 298,509	
2025	$ 298,509	$ 7,463	$ 305,971	
2026	$ 305,971	$ 7,649	$ 313,621	
2027	$ 313,621	$ 7,841	$ 321,461	
2028	$ 321,461	$ 8,037	$ 329,498	
2029	$ 329,498	$ 8,237	$ 337,735	
2030	$ 337,735	$ 8,443	$ 346,179	$ 340,000

In Hadley, the most recent reported unfunded liability is $7,752,001, an increase of $796,886 over the 2016 actuarial report.

A difficult aspect of addressing OPEB effectively over the long term is that the federal actuarial rules keep changing. OPEB reporting was formerly governed by the provisions of GASB 45 (federal actuarial standards). New regulations required the Town to adopt GASB 74 for the year ending June 30, 2017 and GASB 75 for the fiscal year ending June 30, 2018. Adopting GASB 74/75 introduces a new actuarial cost method and discount rate as well as new disclosures and methodologies for reporting plan liabilities and OPEB expenses. These changes make comparisons to the old liabilities reported under GASB 45 misleading. The liability reported under GASB 74/75 requires the recognition of liabilities immediately, rather than recognizing those same liabilities over a 30-year period (as GASB 45 allowed).

These federal requirements apply to all governmental agencies throughout the country, and since liabilities must be reported immediately, and cannot be reported over a 30-year schedule, all U.S. governmental agencies saw an increase in their OPEB liability.

In sum, the new GASB 74/75 report effectively establishes a new baseline for determining Hadley's OPEB liability, making comparisons to former OPEB liability reports difficult. The Town is advised to continue its funding strategy by increasing its annual contribution by 2.5% in order to bring down the liability and make funding work within Proposition 2 ½ (all other variables being equal).

One way to measure the Town's effort to address OPEB obligations is to present the OPEB trust fund balance as a percentage of the total OPEB liability (such a comparison is meaningful under GASB 45, GASB 74, and GASB 75 actuarial rules).

The Town's effort is presented below and shows a positive and heathy trend.

TOWN OF HADLEY

OTHER POST EMPLOYMENT BENEFITS

12/14/2018

Future Medical, Dental, and Life Insurance for Retirees

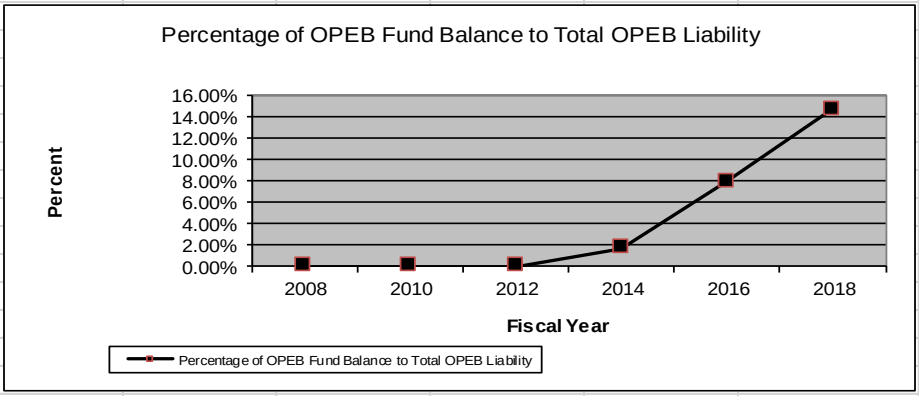
FORMULA

Total OPEB Fund Balance

Total OPEB Liability

WARNING TREND

Decreasing OPEB Fund Balance as a percentage of Total OPEB Liability



	Fiscal Year					
	2008	2010	2012	2014	2016	2018
Total OPEB Liability	$ 7,217,729	$ 6,789,193	$ 7,663,521	$ 7,113,438	$ 6,955,115	$ 7,752,001
Total OPEB Fund Balance	$ -	$ -	$ -	$ 123,369	$ 552,245	$ 1,141,644
Percentage of OPEB Fund Balance to Total OPEB Liability	0.00%	0.00%	0.00%	1.73%	7.94%	14.73%

Another way to measure the Town's effort to address OPEB obligations is to present the unfunded OPEB liability as a percentage of the Town's assessed valuation to examine how well can the Town's tax base sustain a long-term commitment toward funding its OPEB obligation.

The Town's performance is presented below and shows a stable and sustainable funding trend.

TOWN OF HADLEY

OTHER POST EMPLOYMENT BENEFITS AND ASSESSED VALUATION

12/14/2018

Future Medical, Dental, and Life Insurance for Retirees

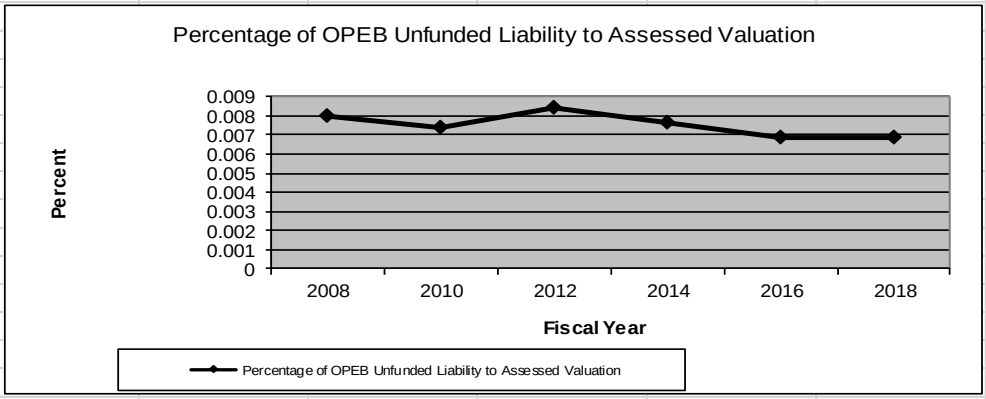
FORMULA

Total OPEB Unfunded Liability

Assessed Valuation

WARNING TREND

Increasing OPEB Unfunded Liability as a Percentage of Assessed Valuation



	Fiscal Year					
	2008	2010	2012	2014	2016	2018
Total OPEB Unfunded Liability	$ 7,217,729	$ 6,789,193	$ 7,663,521	$ 6,990,069	$ 6,402,870	$ 6,610,357
Assessed Valuation	$ 901,983,635	$ 924,919,288	$ 909,728,621	$ 913,412,272	$ 935,709,078	$ 965,413,885
Percentage of OPEB Unfunded Liability to Assessed Valuation	0.80%	0.73%	0.84%	0.77%	0.68%	0.68%

In FY 2019, the Town increased the annual OPEB contribution by 2.5% to raise the annual contribution to $263,838.

Goal 6.1: In FY 2020, the Town will increase the annual OPEB contribution by 2.5% to raise the annual contribution to $270,434.

Free Cash.

For FY 2018, the Select Board, in consultation with the Finance Committee, established a new policy governing Free Cash. The Town has historically used some portion of its Free Cash to subsidize the ensuing year's annual operating budget. However, it is the Town's goal to limit the amount of Free Cash used in the operating budget to a sustainable level and to use these available funds for non-recurring one-time expenses, such as capital items.

In order to pursue a gradual transition from using Free Cash to fund recurring operational expenses, the Town plans to reduce its annual Free Cash appropriation by $75,000 each year until such time as the annual appropriation from Free Cash for the operating budget is lowered to $0. In each year, the Town will maintain at least $75,000 of Free Cash available for other purposes.

The Select Board affirmed that the following are deemed to be appropriate uses of Free Cash:

- Operating Budget – in order to pursue a gradual transition from using Free Cash to fund recurring operational expenses, the Town will reduce its annual appropriation by $75,000 each year until such time as the annual appropriation from Free Cash for the operating budget is lowered to $0. Capital expenses contained within the budget and unfunded liabilities relating to employee fringe benefits may be funded with Free Cash.

- Appropriated Reserve – an amount to provide for extraordinary or unforeseen expenditures as authorized by MGL Chapter 40, Section 6.

- Stabilization Fund – to fund or replenish the Stabilization Fund.

- Capital Stabilization Fund and the Capital Improvement Program – to fund capital projects that would otherwise incur borrowing costs associated with the issuance of debt.

- Special Use – to augment the trust funds related to fringe benefits and unfunded liabilities related to employee fringe benefits (e.g., OPEB and pension unfunded liabilities).

- Extraordinary Deficits – to fund any potential deficits that would otherwise be carried over to the following fiscal year.

- Emergency Appropriations – to allow for fiscal flexibility.

Due to the late addition of the ambulance service in FY 2019, the Town had to suspend the Free Cash policy and relied on Free Cash to fund recurring expenses. The FY 2020 budget restarts the Town's Free cash policy by using the higher level of FY 2019 Free Cash as a baseline (an amount equal to $370,522), but in FY 2020 reducing reliance on Free Cash for recurring expenses by $134,998 (in excess of the annual reduction goal). Here is the Free Cash spending plan for FY 2020:

TOWN OF HADLEY			
FY 2020			
FREE CASH SPENDING PLAN FY 2020			
1/29/2019			
Description	Description	FY 2020 ATM Estimate	ATM FY 2020 Admin. Rec'd.
A. Free Cash (Estimated Certified 9/30/18)		$ 650,000	$ 650,000
B. Free Cash for One-Time Expenses within the Omnibus Budget			
	Transfer to OPEB Trust	$ 270,434	$ 270,434
	Reserve Fund (MGL Chapter 40, Section 6)	$ 50,000	$ 50,000
	Unfunded Liability within Pension Assessment	$ 19,042	$ 19,042
	Transfer to Stabilization	$ 5,000	$ -
	SUBTOTAL	$ 344,476	$ 339,476
C. Free Cash for Recurring Expenses within the Omnibus Budget			
	Recurring Expenses	$ 235,524	$ 235,524
	SUBTOTAL	$ 235,524	$ 235,524
D. Free Cash Reserved for Future Use		$ 70,000	$ 75,000

Goal 6.2: In FY 2020, the Town will restart its reliance on Free Cash to fund recurring expenses within the operating budget in accordance with the Free Cash policy.

Stabilization Fund.

The Select Board reviewed the Town's 2015 policy governing the Stabilization Fund. The fund was found to be in excess of 14% of net operating revenues (exceeding the Massachusetts Department of Revenue's recommended 5% of net operating revenues and the Town's minimum of 10% of net operating revenues). Despite the healthy state of the fund, the Town considered adding to the Stabilization Fund.

A strong Stabilization Fund enhances flexibility and resiliency to Hadley's finances for unforeseen and uncontrollable costs.

In FY 2019, the Town used $263,838 in Stabilization Funds to make its annual contribution to the OPEB fund.

Goal 6.3: In FY 2020, the Town will use excess Free Cash to be certified in September in the amount of $263,838 to replenish the Stabilization Fund (an amount equivalent to the FY 2019 OPEB contribution).

Economic Outlook

According to the Unites States Bureau of Labor Statistics, the national unemployment rate was declined from 4.7% in November 2017 to 4.1% in November 2018. For the Commonwealth of Massachusetts, unemployment was 3.6% in November 2018. In Hadley, November 2018 unemployment was indexed at 2.1%.

Without offering political commentary, the national economic outlook is uncertain. Instability in markets is likely to continue, with some seeing large gains; others will face additional costs. To the degree that the United States economy is insulated from erratic decisions made at the national level, it should continue to rise over the longer haul. But changes in national trade policies, coupled with efforts to change health insurance and to reform taxes have created uncertainty in the markets.

In Hadley, the local economy continues to improve. Revenues from room occupancy taxes have increased, and meals tax revenue have risen in the first two quarters indicating that people are spending disposable income in higher amounts than last year. Building shows signs of sustaining economic activity, and purchases of automobiles are keeping pace with last year's growth.

In Spring 2015, Berkshire Gas Company announced a moratorium on new natural gas connections and any expanded service, citing peak demand and limited pipeline capacity. A new natural gas pipeline was proposed, but the plan for its implementation was ultimately withdrawn. Despite the shutoff, a number of large commercial developments proceeded, and more are planned. Commercial establishments have chosen alternate heating fuels until more natural gas can be supplied. The Town of Hadley is working with its Legislative Delegation to improve the situation where it can.

Tax Rate

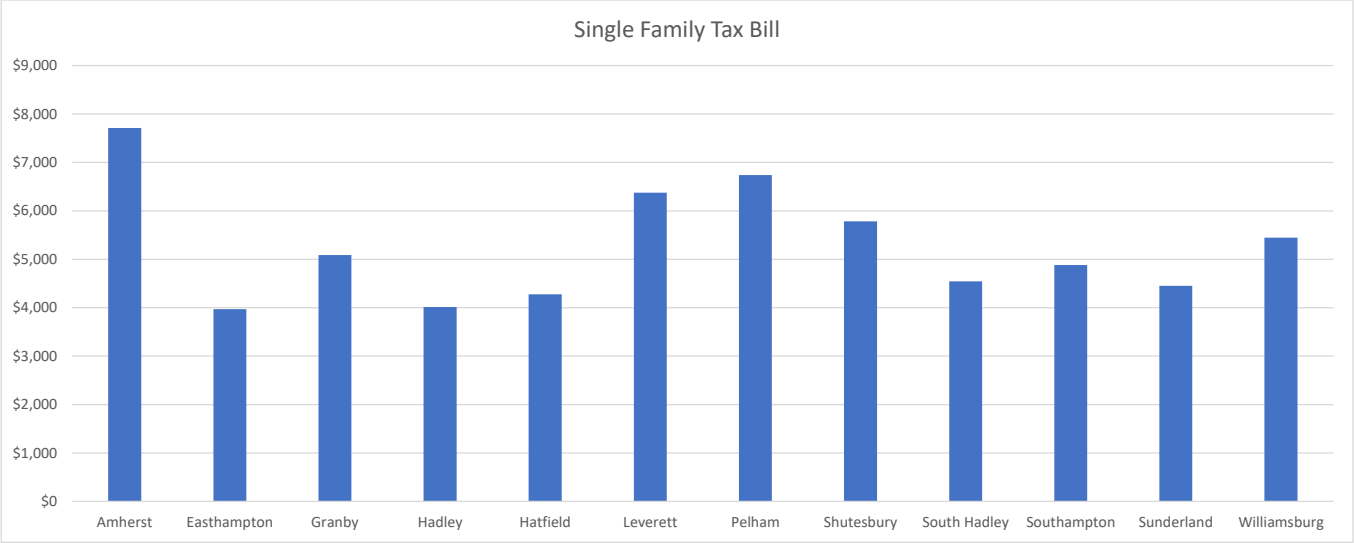
The Town of Hadley's tax rate remains among the lowest in the Valley. Similarly, the average family tax bill remains lower than the state average and lower even than that of many of the surrounding communities. In FY 2013, Hadley's average family tax bill was $3,214, which is 16% lower than the average family tax bill in Hampshire County and 30%

lower than the average state-wide[1]. Despite the low taxes, the quality of services remains high and is consistently provided year after year.

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

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

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



Source: Massachusetts Department of Revenue.

Here is how Hadley's tax rate compares with surrounding communities[2]:

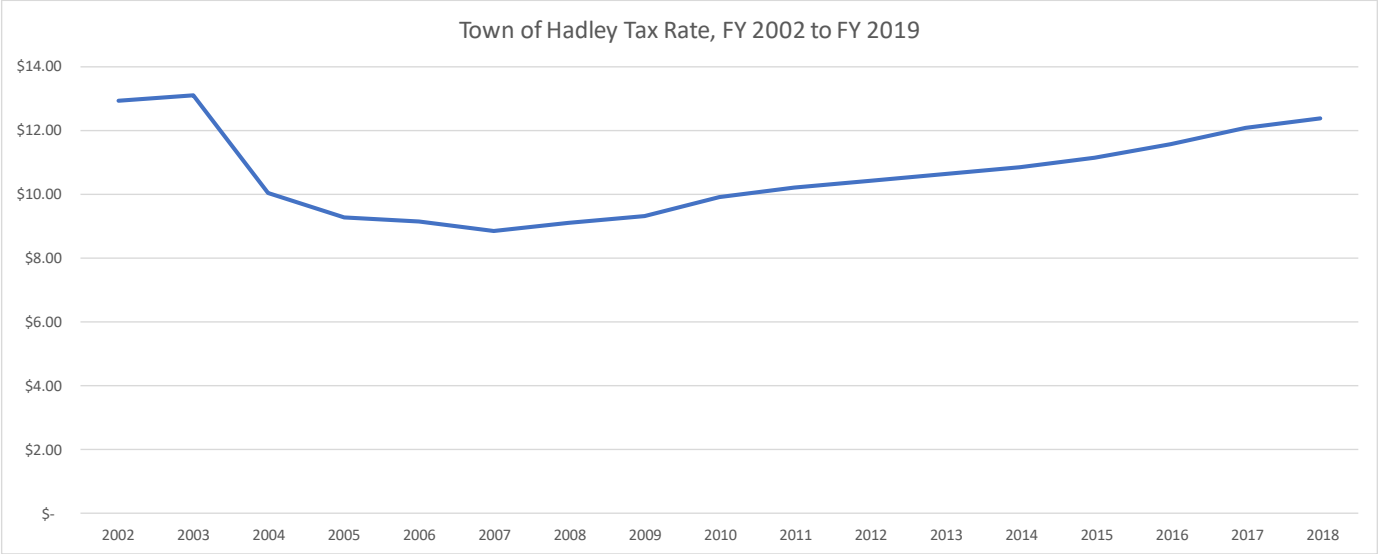
[1] Department of Revenue. 2013, Town of Hadley Financial Management Review.
[2] Department of Revenue, 2018, Tax Rate Approved Report.

Town or City	FY 2018	FY 2019
Hadley	$12.09	$12.36
Amherst	$21.14	$21.80
Northampton	$17.04	$17.37
Hatfield	$13.58	$13.89
Easthampton	$16.00	$15.46
Granby	$19.93	$19.36
South Hadley	$17.64	$17.75
Pelham	$20.87	$21.59
Southampton	$16.72	$16.31
Sunderland	$15.00	$15.33
Williamsburg	$20.18	$19.80
Leverett	$21.05	$20.89
Shutesbury	$23.06	$23.26

Here is Hadley's tax rate history.

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

Here is the tax rate history in chart form:



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

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. In FY 2014, the Town was able to increase its credit rating again to AA+. 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

Fiscal Year		FY14	FY15	FY16	FY17	FY18	FY19
Hadley's Credit Rating (Standard and Poor's)		AA+	AA+	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 three of the past five fiscal years (FY 2014 showed a slight deficit of -3.47% and FY 2016 showed a slight deficit of -4.48% in net operating revenues). With new debt proposed for infrastructure improvements, the Town will need to raise rates. The Select Board is currently reviewing various proposals and has already committed to quarterly billing.

The Wastewater Enterprise Fund requires careful attention in FY 2020. The enterprise fund operating position as measured in constant dollars has decreased since FY 2016. 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 re needed to manage any shortfalls. The wastewater enterprise fund operating position has eroded significantly in three fiscal years (from -18.06% to -25.56% from FY 2016 to FY 2018). With new debt proposed for infrastructure improvements, the Town will need to raise rates. The Select Board is currently reviewing various proposals and has already committed to quarterly billing.

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 99.44% of its taxes annually from FY 2008 through FY 2018. The Town of Hadley's uncollected property taxes stood in FY 2018 at 0.69% of total property tax commitment. The amount of uncollected taxes in FY 2015 was $96,672, below the $100,000 threshold for the first time. FY 2016 saw a small increase in uncollected taxes, but still within optimal limits.

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, in preference to engaging in enforcement actions. For most property owners, 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 2020 budget is the five-year capital plan. The Town of Hadley formally adopted a capital plan in 2007, and it has been updated annually. 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 meals tax revenue (about $270,000

annually, but can vary according the funding priorities) into the Capital Stabilization Fund. Each fall, 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 Towns 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 2020. Interest rates, although trending upwards, remain at historic lows. The Town may take advantage of a historic moment to do a lot of good for buildings, infrastructure and equipment.

FY 2020

FISCAL YEAR 2020 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE

			General Fund	Stabilization	Borrowing		Enterprise Funds			Trust Funds	Receipt Reserved			Other		TOTAL
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Amount	Number of Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	
Select Board	IT Upgrades	$ 36,000		$ 36,000												$ 36,000
Police	Cruiser	$ 47,000		$ 47,000												$ 47,000
	Training, Ammunition, and Parts	$ 10,000		$ 10,000												$ 10,000
Fire	OSHA Capital Upgrades	$ 25,000		$ 25,000												$ 25,000
	PSC Emergency Generator	$ 100,000			$ 100,000	10										$ 100,000
	Fire Dept Roof and Bay Expansion	$ 2,789,000			$ 2,789,000	20										$ 2,789,000
DPW - Highway	Internat'l 7600 (#26 1995)	$ 200,000			$ 200,000	10										$ 200,000
	Chapter 90 Program	$ 350,000									$ 350,000					$ 350,000
	Dike (Phase 3 Certification)	$ 200,000			$ 200,000	20										$ 200,000
DPW - Wastewater	Sewer Line Assessment	$ 30,000					$ 30,000									$ 30,000
	Sewer Lining & Repairs	$ 100,000										$ 100,000				$ 100,000
DPW - Water	Hydrant & Valve Replacement	$ 60,000						$ 60,000								$ 60,000
	Callahan Well Filter Replacement	$ 26,000						$ 26,000								$ 26,000
	Callahan Well #2 Reconditioning	$ 20,000						$ 20,000								$ 20,000
	Replace Water Main @ Bay Road Bridge	$ 100,000			$ 100,000	20										$ 100,000
Park & Recreation	Spray Park	$ 250,000											$ 250,000			$ 250,000
Library	Exterior Painting	$ 13,000											$ 13,000			$ 13,000
School	HA Girl's Locker Room Upgrade	$ 500,000			$ 500,000	20										$ 500,000
	Technology Upgrades	$ 17,500		$ 17,500												$ 17,500
Conservation	Land Preservation	$ 100,000											$ 100,000			$ 100,000
COA	Computers	$ 20,000		$ 20,000												$ 20,000
Hadley Media	Equipment	$ 15,000							$ 15,000							$ 15,000
Municipal Building Committee	TH: HVAC Condensing Unit	$ 15,000		$ 15,000												$ 15,000
	TH: Replace Office Counters	$ 7,000		$ 7,000												$ 7,000
	Russell: Roof Slate Repair	$ 8,000											$ 8,000			$ 8,000
	Goodwin: Ceiling & Wiring Imp.	$ 145,500											$ 145,500			$ 145,500
Board of Health	IT & Software	$ 5,000		$ 5,000												$ 5,000
TOTAL		$ 5,189,000	$ -	$ 182,500	$ 3,889,000		$ 30,000	$ 106,000	$ 15,000	$ -	$ 350,000	$ 100,000	$ 516,500	$ -	$ -	$ 5,189,000

Open Issues

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

- Hadley Media staffing issues need to be resolved.
- The new compensation and classification plan (a study is underway) needs to be implemented.
- Stipends for the Planning Board need to be addressed.
- The staffing and management of the Cemeteries by DPW need to be addressed.

- School Budget – The School Department is still developing its budget. A final figure will be available after the School Committee holds its public hearing in March 2019.

- Water and Sewer Rates – As projects within the two enterprise funds are executed and debt is added to the rates, the Town will need to understand how well those rates match revenue requirements. Rate adjustments, in light of operating costs, infrastructure improvements and increased OPEB expenditure requirements, are likely.

The Town of Hadley is fortunate to have a strong foundation on which to meet its challenges. Our local economy is resilient, and recovery is assured. 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 budget with the town leaders. If you have any questions, please feel free to call me at (413) 586-0221.

Sincerely,

David G. Nixon
Town Administrator

STAFFING TREND

TOWN OF HADLEY
STAFFING PLAN (Excluding School Department)
2/9/2019

Department	Position	Full-Time Equivalents (35 hours = 1 FTE)			
		FY 2017	FY 2018	FY 2019	FY 2020 Proposed
122-Select Board					
	Assistant Procurement Officer/Licensing Coordinator	1	1	1	1
	Clerical Assistant	0.29	0.29	0.29	0.14
129- Town Administrator					
	Town Administrator	1	1	1	1
135- Town Accountant					
	Assistant Accountant	0.29	0.29	0.29	0
141-Assessors					
	Assistant Assessor	1	1	1	1
	Clerical Assistant	0.14	0.14	0.14	0.14
145-Treasurer					
	Treasurer	1	1	1	1
	Benefits Coordinator	1	1	1	0
	Assistant Treasurer	0	0	0	0.14
146-Tax Collector					
	Tax Collector	1	1	1	1
	Water and Sewer Billing Coordinator	1	1	1	1
	Clerical Assistant	0	0	0	0.14
152-Human Resources					
	Human Resources Director	0	0	0	1
	Benefits Coordintor	0	0	0	1
161-Town Clerk					
	Town Clerk	1	1	1	1
	Assistant Town Clerk	0.14	0.14	0.14	0.14
	Clerical Assistant	0.29	0.29	0.29	0.29
171-Conservation Commission					
	Conservation Agent	0.29	0.29	0.29	0.29
210-Police					
	Chief	1	1	1	1
	Detective	0	1	1	1
	Sargeant	3	3	3	3
	Patrol Officer (full time)	10	10	10	10
	Patrol Officer (part time)	0.44	0.44	0.44	0.44
	Patrol Officer (part time)	0.49	0.49	0.49	0.49
	Patrol Officer (part time)	0.2	0	0	0
	Patrol Officer (part time)	0.69	0.69	0.69	0.69
	Patrol Officer (part time)	0.23	0	0	0
	Patrol Officer (part time)	0.2	0	0	0
	4 Patrol Officers (specials)	On Call	On Call	On Call	On Call
	Clerical	1	1	1	1
	Custodial	0.29	0	0	0
222-Dispatcher					
	Dispatcher (full time)	3	3	4	4
	Dispatcher (part time)	0.46	0.46	0.46	0.46
	Dispatcher (part time)	0.23	0.23	0.23	0.23
	Dispatcher (part time)	0.23	0.23	0.23	0.23
	Dispatcher (part time)	0.23	0.23	0.23	0.23
	Dispatcher (part time)	0.23	0.23	0.23	0.23
	Dispatcher (part time)	0.23	0.23	0.23	0.23
	2 Dispatchers (part time)	On Call	On Call	On Call	On Call
220-Fire Department					
	Chief	1	1	1	1
	Deputy Chief	0	1	1	1
	Lieutenant	1	2	2	2
	Fire Fighters (full time)	0	2	2	2
	Office Manager	0.43	0.43	0	0
	20 On-Call Fire Fighters	On Call	On Call	On Call	On Call
241-Building Inspector					
	Building Inspector	1	1	1	1
	Clerical	0.5	0.5	0.5	0.5
242-Gas Inspector					
	Gas Inspector	As needed	As needed	As needed	As needed
243-Plumbing Inspector					
	Plumbing Inspector	As needed	As needed	As needed	As needed
Electrical Inspector					
	Electrical Inspector	As needed	As needed	As needed	As needed
Weights & Measurers					
	Sealer of Weights and Measures	As needed	As needed	As needed	As needed
422-DPW Highway					
	DPW Director	1	1	1	1
	Superintendent	1	0	0	0
	Field Supervisor	0	1	1	1
	Foreman	1	0	0	0
	Crew Chief	0	1	1	1
	Laborers	6	6	6	6
	Mechanic	1	1	1	1
	Clerical	1	1	1	1
440-DPW Sewer					
	Chief Operator	1	1	1	1
	Assistant Chief Operator	1	1	1	1
	Operator	1	1	1	1
	Administrative Assistant	0.71	0.57	0.57	0.57
450-DPW Water					
	Water Treatment Operator	1	1	1	1
	Water Distribution	2	2	2	2
	Water Resources Coordinator	1	1	1	1
541- Council on Aging					
	Senior Services Director	1	1	1	1
	Outreach Coordinator	0.06	0.29	0.29	0.57
	Office Manager Assistant	0.14	0	0	0
	Program Coordinator	0	1	1	1
	Clerical	0.17	0	0	0
	Clerical	0.4	0	0	0
	3 Drivers	On Call	On Call	On Call	On Call
599-Hadley Public Access TV					
	Station Manager	1	0	0	0
	2 Production Assistants	0.42	0.58	0.58	0.58
610-Library					
	Library Director	1	1	1	1
	Children's Librarian	0.77	0.77	0.77	0.77
	Library Assistant	0.51	0.51	0.51	0.51
	Circulation Assistant	0.28	0.28	0.28	0.28
	Circulation Assistant	0.28	0.28	0.28	0.28
	Library Page	0.28	0.28	0.28	0.28
	Youth Services Coordinator	0.28	0.28	0.28	0.28
630-Park & Recreation Commission					
	Director	1	1	1	1
	Clerical	0.46	0	0	0
TOTAL FTE		**62.28**	**65.44**	**66.01**	**67.13**
		FY 2017	**FY 2018**	**FY 2019**	**FY 2020 Proposed**

Section II

Budget Summary

Section II:

Budget Summary

REVENUES

This summary presents the projected revenues for Fiscal Year 2020.

TOWN OF HADLEY

FY 2020 REVENUES (GENERAL FUND & ENTERPRISE FUNDS)

1/29/2019

Account	Revenue Summary	FY 2017 Actual	FY 2018 Budgeted	FY 2018 Actual	FY 2019 Projected	FY 2020 Projected	FY 20 - 19 Change $	FY 20 - 19 Change %
	Table 1: Property Tax Levy							
	Tax Levy	$ 9,718,621	$ 10,157,691	$ 10,157,691	$ 10,576,322	$ 11,032,660	$ 456,338	4.31%
	Prop 2.5%	$ 244,376	$ 253,942	$ 253,942	$ 264,408	$ 275,817	$ 11,408	4.31%
	New Growth	$ 194,694	$ 164,689	$ 164,689	$ 191,930	$ 190,000	$ (1,930)	-1.01%
	Debt Exclusions	$ 821,512	$ 1,107,317	$ 1,107,317	$ 1,104,585	$ 1,207,736	$ 103,151	9.34%
000-4110-41	Subtotal	$ 10,979,203	$ 11,683,639	$ 11,683,639	$ 12,137,245	$ 12,706,213	$ 568,968	4.69%
	Table 2: State Aid							
000-4621	Chapter 70	$ 953,529	$ 985,814	$ 985,814	$ 1,030,533	$ 1,255,964	$ 225,431	21.88%
000-4620	Charter School Reimbursement	$ 76,916	$ 95,695	$ 95,695	$ 38,399	$ 66,412	$ 28,013	72.95%
000-4670	Unrestricted General Government Aid	$ 418,387	$ 436,378	$ 436,378	$ 469,266	$ 481,936	$ 12,670	2.70%
000-4613	Abatements to Veterans' and Blind	$ 13,250	$ 13,113	$ 13,113	$ 15,575	$ 16,913	$ 1,338	8.59%
000-4667	Veterans' Benefits and Exemptions	$ 56,854	$ 58,135	$ 58,135	$ 56,376	$ 56,684	$ 308	0.55%
000-4699	PILOT	$ 204,286	$ 202,415	$ 202,415	$ 206,028	$ 206,028	$ -	0.00%
000-4610-46	Offsets (School Choice, Lunch, Library)	$ 595,973	$ 629,112	$ 629,112	$ 545,180	$ 579,607	$ 34,427	6.31%
	Subtotal	$ 2,319,195	$ 2,420,662	$ 2,420,662	$ 2,361,357	$ 2,663,544	$ 302,187	12.80%
	Table 3: Local Receipts							
000-4121	ProRataAssessment	$ 6,988	$ 1,298	$ 3,787	$ 7,000	$ 7,000	$ -	0.00%
000-4150	MotorVehicle	$ 614,698	$ 696,445	$ 770,025	$ 682,971	$ 720,000	$ 37,029	5.42%
000-4171-41	Interest&Penalties	$ 30,726	$ 35,427	$ 30,453	$ 30,000	$ 32,000	$ 2,000	6.67%
000-4180	PILOT (Not from Cherry Sheet)	$ 6,579	$ 3,027	$ 38,805	$ 28,000	$ 28,000	$ -	0.00%
000-4164	Boat Excise	$ 3,012	$ 2,987	$ 2,930	$ 3,000	$ 3,000	$ -	0.00%
000-4673	Motel Occupancy Tax	$ 796,821	$ 818,358	$ 855,815	$ 844,667	$ 860,000	$ 15,333	1.82%
000-4165	Meals Excise	$ 277,062	$ 337,684	$ 358,132	$ 350,000	$ 365,000	$ 15,000	4.29%
000-4350	PVTA	$ 153,466	$ 145,823	$ 146,283	$ 171,349	$ 171,349	$ -	0.00%
000-4695	Court/local Fines	$ 34,357	$ 37,580	$ 27,500	$ 37,000	$ 37,000	$ -	0.00%
000-4820	Investment Earnings	$ 11,832	$ 9,269	$ 20,948	$ 14,000	$ 16,000	$ 2,000	14.29%
000-4821	Bond Interest	$ -	$ -	$ -	$ -	$ -	$ -	0.00%
000-4840, 46	Miscellaneous (Incl. Medicare D)	$ 21,920	$ 63,785	$ 56,948	$ 25,000	$ 40,000	$ 15,000	60.00%
000-4841	Prior Year Refund	$ 4,626	$ 3,436	$ -	$ 2,500	$ 2,500	$ -	0.00%
192-198	Rental	$ 725	$ 844	$ 844	$ 1,200	$ 1,200	$ -	0.00%
000-4941	Spec/Assets-Sale of own-owned prop	$ -	$ 1,659	$ 1,659	$ 3,000	$ 3,000	$ -	0.00%
122	Select Board Receipts	$ 73,332	$ 103,676	$ 120,900	$ 110,000	$ 180,000	$ 70,000	63.64%
146	Collector Receipts	$ 31,178	$ 31,877	$ 31,877	$ 32,000	$ 32,000	$ -	0.00%
141	Assessor Receipts	$ -	$ 385	$ 385	$ 500	$ 500	$ -	0.00%
161	Clerk Receipts	$ 18,908	$ 17,627	$ 21,394	$ 18,000	$ 20,000	$ 2,000	11.11%
171-176	ConCom/ZBA Receipts	$ 9,704	$ 975	$ 1,650	$ 2,000	$ 2,000	$ -	0.00%
175	Planning Board Receipts	$ 975	$ 9,105	$ 6,191	$ 6,000	$ 6,000	$ -	0.00%
210	Police Receipts	$ 18,922	$ 19,433	$ 16,268	$ 22,077	$ 22,077	$ -	0.00%
220	Fire Receipts	$ 20,502	$ 19,057	$ 25,056	$ 22,500	$ 27,000	$ 4,500	20.00%
241	Building Inspector Receipts	$ 96,045	$ 102,374	$ 178,428	$ 110,000	$ 120,000	$ 10,000	9.09%
243	Plumb/Gas Inspector Receipts	$ 11,467	$ 21,098	$ 30,995	$ 15,000	$ 20,000	$ 5,000	33.33%
245-4451	Electrical Inspector Receipts	$ 5,021	$ 4,104	$ 4,104	$ 4,000	$ 5,000	$ 1,000	25.00%
510	Board of Health Receipts	$ 44,733	$ 47,425	$ 46,960	$ 47,500	$ 47,500	$ -	0.00%
491	Cemetery Receipts	$ 70	$ 100	$ 100	$ 50	$ 50	$ -	0.00%
610-4772	Library Receipts	$ 12	$ 135	$ -	$ 23	$ 23	$ -	0.00%
599-4840	TV5 Receipts	$ 80	$ 788	$ 788	$ 750	$ 750	$ -	0.00%
122-4680	University of Mass Payment	$ 50,000	$ 55,000	$ 110,000	$ 60,000	$ 60,000	$ -	0.00%
	Ambulance Rebate	$ -	$ -	$ -	$ -	$ 112,000	$ 112,000	
	Medical Marijuana Host Agreement	$ -	$ -	$ -	$ -	$ 50,000	$ 50,000	
	Subtotal	$ 2,343,761	$ 2,590,781	$ 2,909,225	$ 2,650,087	$ 2,990,949	$ 340,862	12.86%
	Table 4: Enterprise Receipts							
450	Water	$ 820,999	$ 1,305,039	$ 1,305,039	$ 1,039,688	$ 1,078,153	$ 38,465	3.70%
	Water Administration	$ 174,793	$ 214,006	$ 214,006	$ 205,467	$ 195,712	$ (9,755)	-4.75%
440	Wastewater	$ 727,840	$ 837,035	$ 837,035	$ 914,463	$ 939,860	$ 25,397	2.78%
	Wastewater Administration	$ 142,547	$ 153,868	$ 153,868	$ 212,381	$ 215,335	$ 2,954	1.39%
599	Hadley Public Access TV (HPAT)	$ -	$ 69,740	$ 69,740	$ 57,711	$ 63,997	$ 6,286	10.89%
	HPAT Administration	$ -	$ -	$ -	$ 14,890	$ 24,560	$ 9,670	64.94%
	Subtotal	$ 1,866,179	$ 2,579,688	$ 2,579,688	$ 2,444,600	$ 2,517,617	$ 73,017	2.99%
	Gross Revenues	$ 17,508,338	$ 19,274,770	$ 19,593,214	$ 19,593,289	$ 20,878,323	$ 1,285,034	6.56%

Description

Property Tax Levy: The FY 2020 property tax levy is expected to increase $568,968 or 4.69% (NB: This does not mean that the tax rate or individual property tax bills will increase by that percentage). The projected levy is a function of the FY 2019 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 2020 new growth is estimated to be $190,000 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 will increase from FY 2019 to FY 2020 by $103,151 or 9.34% due to the new debt approved by the voters.

Local Aid: Local Aid, as reported on the Cherry Sheet, is expected to increase by a net of $194,363 when adjusted for assessments and off-set expenses.

Local Receipts: FY 2020 projections of revenue from local receipts (revenues generated from a wide variety of local charges and assessments) show an increase of $340,862 or 12.86%. Two new categories of revenue appear in this budget: Ambulance Rebates and payment under a host community agreement for medical marijuana.

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 Choice, and Library Grants.

Revenue offsets are projected to increase by $34,427 or 6.31% in FY 2020, based on the Governor's budget proposal.

Enterprise Revenues: This category of revenues consists of water, wastewater, and cable television 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, the Wastewater Enterprise Fund, and the Public Access Television Enterprise Fund to cover costs of indirect costs for operating the services. Such costs include administrative support from 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. This year, I recommend creating an enterprise fund for the Hadley Public Access Television Department (HPAT, and administrative costs of HPAT personnel and operations are shown as a transfer from the Enterprise Fund to the General Fund.

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 $435,607. This represents a $2,869 increase.

Finally, each enterprise fund contains a special contingency reserve of $10,000 to cover unforeseen costs within the fiscal year, with the exception that HPAT Enterprise Fund has a reserve contingency of $4,825. Controlled by the Finance Committee, it serves as a Reserve Fund within each enterprise fund.

Transfers from Other Funds: The remaining monies consist of special transfers, Free Cash, appropriations from accounts dedicated for specific purposes, and transfers from funds available. The total from Transfers from Other Funds amounts to $575,000.

The following are recommended for use for the FY 2020 budget:

- Free Cash: 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. Based on available information, the Town will need to use $575,000 of Free Cash to balance the budget.

  Consistent with the newly-adopted Free cash policy, the proposed budget uses $339,476 of Free Cash to cover one-time expenses contained within the budget (i.e., OPEB, retirement unfunded liability, Reserve Fund, and a transfer into the Stabilization Account).

  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 2020 capital program. The Town should transfer $300,000 of Free Cash (if available) into the Capital Stabilization Fund at the Fall Town Meeting 2019.

- MSBA Debt Reserve: The Massachusetts School Building Authority overestimated their reimbursement for eligible school building renovations by about $25,000. The Massachusetts Department of Revenue requires the Town to apply that excess reimbursement toward the school-related debt in annual amounts of $2,444 for ten years. This is the sixth year of using these funds to underwrite our debt.

- November 2014 Hopkins Academy Premium Balance: A small balance remains after the Hopkins Academy roof project, and the Department of Revenue requires that the Town apply the balance toward school-related debt in annual amounts of $928 for ten years. This is the fifth year of the program.

- 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 2020, I do not anticipate transferring 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.

TOWN OF HADLEY
FY 2020XPENDITURES
1/29/2019

A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
	Series 100 General Government									
114	Moderator	$ 100	$ 100	$ 100	$ 100	$ 100	$ -	$ 100	$ -	0.00%
122	Select Board	$ 63,402	$ 66,621	$ 71,391	$ 70,541	$ 65,475	$ 388	$ 65,863	$ (4,678)	-6.63%
129	Town Administator	$ 90,460	$ 93,340	$ 93,752	$ 95,379	$ 97,555	$ (300)	$ 97,255	$ 1,876	1.97%
131	Finance Committee	$ 800	$ 250	$ 160	$ 250	$ 250	$ -	$ 250	$ -	0.00%
132	Reserve Fund	$ 34,550	$ 50,000	$ 30,664	$ 50,000	$ 50,000	$ -	$ 50,000	$ -	0.00%
135	Town Accountant	$ 92,265	$ 92,933	$ 93,910	$ 87,450	$ 87,015	$ (90)	$ 86,925	$ (525)	-0.60%
141	Assessors	$ 84,986	$ 88,227	$ 85,396	$ 89,253	$ 118,235	$ (22,766)	$ 95,469	$ 6,216	6.96%
145	Treasurer	$ 115,485	$ 137,584	$ 131,531	$ 140,771	$ 125,994	$ (4,276)	$ 121,718	$ (19,053)	-13.53%
146	Tax Collector	$ 107,773	$ 113,724	$ 111,554	$ 115,287	$ 131,200	$ (5,033)	$ 126,167	$ 10,880	9.44%
151	Town Counsel	$ 43,815	$ 41,380	$ 41,391	$ 36,380	$ 36,380	$ -	$ 36,380	$ -	0.00%
152	Human Resources	$ -	$ -	$ -	$ -	$ 130,024	$ -	$ 130,024	$ 130,024	
161	Town Clerk	$ 74,977	$ 79,291	$ 78,723	$ 83,024	$ 86,865	$ (2,330)	$ 84,535	$ 1,511	1.82%
163	Registrars	$ 14,687	$ 13,920	$ 13,764	$ 15,994	$ 20,070	$ (7,000)	$ 13,070	$ (2,924)	-18.28%
171	Conservation	$ 3,139	$ 3,110	$ 3,129	$ 15,110	$ 15,110	$ -	$ 15,110	$ -	0.00%
175	Planning Board	$ 8,296	$ 12,780	$ 11,437	$ 18,484	$ 18,598	$ (600)	$ 17,998	$ (486)	-2.63%
176	Board of Appeals	$ 1,985	$ 2,035	$ 1,925	$ 2,035	$ 2,035	$ -	$ 2,035	$ -	0.00%
193	Insurance	$ 103,000	$ 104,400	$ 124,651	$ 124,071	$ 127,173	$ -	$ 127,173	$ 3,102	2.50%
192-199	Town Buildings	$ 116,190	$ 116,311	$ 107,030	$ 99,775	$ 100,350	$ (900)	$ 99,450	$ (325)	-0.33%
Total General Government		$ 955,910	$ 1,016,006	$ 1,000,508	$ 1,043,904	$ 1,212,429	$ (42,907)	$ 1,169,522	$ 125,618	12.03%
	Series 200 Public Safety									
210	Police	$ 1,016,708	$ 1,188,301	$ 1,017,525	$ 1,226,098	$ 1,333,616	$ (1,400)	$ 1,332,216	$ 106,118	8.65%
220	Fire	$ 307,945	$ 523,081	$ 423,211	$ 613,875	$ 681,226	$ (20,864)	$ 660,362	$ 46,487	7.57%
222	Communications	$ 261,899	$ 299,345	$ 273,468	$ 347,025	$ 381,477	$ (500)	$ 380,977	$ 33,952	9.78%
230	Ambulance	$ 135,000	$ 140,000	$ 140,000	$ 267,500	$ 282,250	$ -	$ 282,250	$ 14,750	5.51%
241	Building Inspector	$ 92,730	$ 96,577	$ 90,120	$ 97,401	$ 114,070	$ (14,626)	$ 99,444	$ 2,043	2.10%
242	Gas Inspector	$ 4,447	$ 4,542	$ 4,176	$ 4,626	$ 4,848	$ (81)	$ 4,767	$ 141	3.05%
243	Plumbing Inspector	$ 6,496	$ 6,757	$ 6,868	$ 6,877	$ 7,252	$ (142)	$ 7,110	$ 233	3.39%
Total Public Safety		$ 1,825,225	$ 2,258,603	$ 1,955,368	$ 2,563,402	$ 2,804,739	$ (37,613)	$ 2,767,126	$ 203,724	7.95%
	Series 300 Education									
301	Education	$ 6,473,940	$ 6,934,167	$ 7,195,311	$ 7,064,167	$ 7,407,914	$ (159,872)	$ 7,248,042	$ 183,875	2.60%
Total Education		$ 6,473,940	$ 6,934,167	$ 7,195,311	$ 7,064,167	$ 7,407,914	$ (159,872)	$ 7,248,042	$ 183,875	2.60%
	Series 400 Public Works									
422	Highway	$ 675,629	$ 777,879	$ 680,214	$ 755,546	$ 797,122	$ (6,000)	$ 791,122	$ 35,576	4.71%
423	Snow & Ice	$ 149,418	$ 182,223	$ 153,553	$ 182,223	$ 182,223	$ -	$ 182,223	$ -	0.00%
424	Street Lighting	$ 19,292	$ 20,840	$ 19,640	$ 21,885	$ 22,979	$ -	$ 22,979	$ 1,094	5.00%
490	Building Maint.	$ 65,906	$ 142,100	$ 112,154	$ 145,740	$ 165,770	$ (15,500)	$ 150,270	$ 4,530	3.11%
491	Cemetery	$ 17,341	$ 18,335	$ 17,806	$ 18,335	$ 18,335	$ -	$ 18,335	$ -	0.00%
Total Public Works		$ 927,586	$ 1,141,377	$ 983,367	$ 1,123,729	$ 1,186,429	$ (21,500)	$ 1,164,929	$ 41,200	3.67%
	Series 440, 450 and 599 Enterprise Funds									
440	Sewer	$ 727,840	$ 917,213	$ 856,567	$ 914,463	$ 948,160	$ (8,300)	$ 939,860	$ 25,397	2.78%
	Sewer Contingency	$ -	$ 10,000	$ -	$ 10,000	$ 10,000	$ -	$ 10,000	$ -	0.00%
450	Water	$ 820,999	$ 1,041,944	$ 832,424	$ 1,036,598	$ 1,094,153	$ (16,000)	$ 1,078,153	$ 41,555	4.01%
	Water Contingency	$ -	$ 10,000	$ -	$ 10,000	$ 10,000	$ -	$ 10,000	$ -	0.00%
599	Cable TV	$ -	$ 62,509	$ 56,514	$ 57,711	$ 63,997	$ -	$ 63,997	$ 6,286	10.89%
	Cable TV Contingency	$ -	$ 20,000	$ -	$ 20,000	$ 4,825	$ -	$ 4,825	$ (15,175)	-75.88%
Total Enterprise Funds		$ 1,548,839	$ 2,061,666	$ 1,745,505	$ 2,048,772	$ 2,131,135	$ (24,300)	$ 2,106,835	$ 58,063	2.83%
	Series 500 Human Services									
510	Board of Health	$ 35,973	$ 36,535	$ 35,766	$ 36,435	$ 36,435	$ -	$ 36,435	$ -	0.00%
541	Council on Aging	$ 79,333	$ 80,300	$ 83,924	$ 96,617	$ 104,341	$ -	$ 104,341	$ 7,724	7.99%
543	Veterans' Services	$ 90,567	$ 110,122	$ 93,074	$ 104,000	$ 104,000	$ (5,000)	$ 99,000	$ (5,000)	-4.81%
590	Oliver Smith Will	$ 100	$ 100	$ -	$ 100	$ 100	$ -	$ 100	$ -	0.00%
599	Cable TV (old)	$ 47,161	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Human Services		$ 253,134	$ 227,057	$ 212,764	$ 237,152	$ 244,876	$ (5,000)	$ 239,876	$ 2,724	1.15%
	Series 600 Culture and Recreation									
610	Library	$ 197,153	$ 198,416	$ 193,525	$ 203,455	$ 208,466	$ (3,042)	$ 205,424	$ 1,969	0.97%
630	Park Commission	$ 52,956	$ 39,653	$ 41,087	$ 50,811	$ 68,800	$ (17,257)	$ 51,543	$ 732	1.44%
691	Historical Comm	$ 198	$ 1,250	$ -	$ 950	$ 950	$ -	$ 950	$ -	0.00%
Total Culture and Recreation		$ 250,307	$ 239,319	$ 234,612	$ 255,216	$ 278,216	$ (20,299)	$ 257,917	$ 2,701	1.06%
	Series 700 Debt									
710	Principal	$ 767,597	$ 1,148,441	$ 1,148,441	$ 1,167,252	$ 1,082,650	$ -	$ 1,082,650	$ (84,602)	-7.25%
750	Interest	$ 116,090	$ 106,634	$ 106,634	$ 103,428	$ 302,619	$ -	$ 302,619	$ 199,191	192.59%
Total Debt		$ 883,687	$ 1,255,075	$ 1,255,075	$ 1,270,680	$ 1,385,269	$ -	$ 1,385,269	$ 114,589	9.02%
	Series 800 State and Other Assessments									
820	State Assessments	$ 947,053	$ 942,944	$ 910,458	$ 1,017,488	$ 1,095,450	$ -	$ 1,095,450	$ 77,962	7.66%
840	PVTA Assessments	$ 206,504	$ 197,933	$ 181,445	$ 204,113	$ 204,113	$ -	$ 204,113	$ -	0.00%
999	Overlay	$ 72,932	$ 30,000	$ 30,000	$ 65,000	$ 65,000	$ (10,000)	$ 55,000	$ (10,000)	-15.38%
999	Offsets	$ 595,973	$ 567,981	$ 567,981	$ 545,180	$ 579,607	$ -	$ 579,607	$ 34,427	6.31%
		$ -								
Total Assessments		$ 1,822,462	$ 1,738,858	$ 1,689,884	$ 1,831,781	$ 1,944,170	$ (10,000)	$ 1,934,170	$ 102,389	5.59%
	Series 900 Unclassified									
911	Retirement	$ 917,931	$ 1,057,117	$ 1,057,117	$ 1,105,022	$ 1,294,613	$ (22,843)	$ 1,271,770	$ 166,748	15.09%
912	Workers' Comp.	$ 65,000	$ 72,000	$ 72,413	$ 76,441	$ 77,970	$ -	$ 77,970	$ 1,529	2.00%
913	Unemployment	$ 6,044	$ 40,000	$ 30,002	$ 30,000	$ 33,000	$ -	$ 33,000	$ 3,000	10.00%
914	Health Insurance	$ 1,081,992	$ 1,281,000	$ 1,202,982	$ 1,241,000	$ 1,368,000	$ -	$ 1,368,000	$ 127,000	10.23%
915	Life Insurance	$ 2,299	$ 2,800	$ 2,414	$ 2,800	$ 2,660	$ -	$ 2,660	$ (140)	-5.00%
916	Medicare	$ 106,080	$ 98,106	$ 122,647	$ 108,236	$ 139,000	$ -	$ 139,000	$ 30,764	28.42%
945	Police & Fire Accident	$ 35,666	$ 37,591	$ 45,108	$ 44,000	$ 45,000	$ -	$ 45,000	$ 1,000	2.27%
919	OPEB	$ -	$ 257,403	$ 257,403	$ 263,838	$ 270,434	$ -	$ 270,434	$ 6,596	2.50%
920	Trans. to Stab.	$ -	$ -	$ -	$ -	$ 5,000	$ (5,000)	$ -	$ -	
Total Unclassified		$ 2,215,012	$ 2,846,017	$ 2,790,086	$ 2,871,337	$ 3,235,677	$ (27,843)	$ 3,207,834	$ 336,497	11.72%
TOTAL MUNICIPAL		$ 17,156,102	$ 19,718,145	$ 19,062,480	$ 20,310,140	$ 21,830,854	$ (349,334)	$ 21,481,520	$ 1,171,380	5.77%

TOWN OF HADLEY	
FY 2020 REVENUE AND EXPENDITURE SUMMARY	
1/29/2019	
General Fund	
Revenues	$ 18,796,313
Expenses	$ 19,374,685
Revenues - Expenses	$ (578,372)
Transfers from Other Funds	
Free Cash for One-Time Expenses	$ 339,476
Free Cash to Balance Omnibus Budget	$ 235,524
Stabilization Fund to OPEB	$ -
MSBA Debt Fund Reserve	$ 2,444
November 2014 Premium Balance	$ 928
BALANCE:	$ (0)

Enterprise Funds	
Revenues	$ 2,082,010
Expenses	$ 2,106,835
Revenues - Expenses	$ (24,825)
Transfers from Other Funds	
Water Reserves	$ 10,000
Sewer Reserves	$ 10,000
Cable TV Reserves	$ 4,825
BALANCE:	$ -

TOWN OF HADLEY

FY 2020

FREE CASH SPENDING PLAN FY 2020

1/29/2019

Description	Description	FY 2020 ATM Estimate	ATM FY 2020 Admin. Rec'd.
A. Free Cash (Estimated Certified 9/30/18)		$ 650,000	$ 650,000
B. Free Cash for One-Time Expenses within the Omnibus Budget			
	Transfer to OPEB Trust	$270,434	$ 270,434
	Reserve Fund (MGL Chapter 40, Section 6)	$ 50,000	$ 50,000
	Unfunded Liability within Pension Assessment	$ 19,042	$ 19,042
	Transfer to Stabilization	$ 5,000	$ -
	SUBTOTAL	$344,476	$ 339,476
C. Free Cash for Recurring Expenses within the Omnibus Budget			
	Recurring Expenses	$235,524	$ 235,524
	SUBTOTAL	$235,524	$ 235,524
D. Free Cash Reserved for Future Use		$ 70,000	$ 75,000

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	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
Series 100 General Government										
114	Moderator	$ 100	$ 100	$ 100	$ 100	$ 100	$ -	$ 100	$ -	0.00%
122	Select Board	$ 63,402	$ 66,621	$ 71,391	$ 70,541	$ 65,475	$ 388	$ 65,863	$ (4,678)	-6.63%
129	Town Administator	$ 90,460	$ 93,340	$ 93,752	$ 95,379	$ 97,555	$ (300)	$ 97,255	$ 1,876	1.97%
131	Finance Committee	$ 800	$ 250	$ 160	$ 250	$ 250	$ -	$ 250	$ -	0.00%
132	Reserve Fund	$ 34,550	$ 50,000	$ 30,664	$ 50,000	$ 50,000	$ -	$ 50,000	$ -	0.00%
135	Town Accountant	$ 92,265	$ 92,933	$ 93,910	$ 87,450	$ 87,015	$ (90)	$ 86,925	$ (525)	-0.60%
141	Assessors	$ 84,986	$ 88,227	$ 85,396	$ 89,253	$ 118,235	$ (22,766)	$ 95,469	$ 6,216	6.96%
145	Treasurer	$ 115,485	$ 137,584	$ 131,531	$ 140,771	$ 125,994	$ (4,276)	$ 121,718	$ (19,053)	-13.53%
146	Tax Collector	$ 107,773	$ 113,724	$ 111,554	$ 115,287	$ 131,200	$ (5,033)	$ 126,167	$ 10,880	9.44%
151	Town Counsel	$ 43,815	$ 41,380	$ 41,391	$ 36,380	$ 36,380	$ -	$ 36,380	$ -	0.00%
152	Human Resources	$ -	$ -	$ -	$ -	$ 130,024	$ -	$ 130,024	$ 130,024	
161	Town Clerk	$ 74,977	$ 79,291	$ 78,723	$ 83,024	$ 86,865	$ (2,330)	$ 84,535	$ 1,511	1.82%
163	Registrars	$ 14,687	$ 13,920	$ 13,764	$ 15,994	$ 20,070	$ (7,000)	$ 13,070	$ (2,924)	-18.28%
171	Conservation	$ 3,139	$ 3,110	$ 3,129	$ 15,110	$ 15,110	$ -	$ 15,110	$ -	0.00%
175	Planning Board	$ 8,296	$ 12,780	$ 11,437	$ 18,484	$ 18,598	$ (600)	$ 17,998	$ (486)	-2.63%
176	Board of Appeals	$ 1,985	$ 2,035	$ 1,925	$ 2,035	$ 2,035	$ -	$ 2,035	$ -	0.00%
193	Insurance	$ 103,000	$ 104,400	$ 124,651	$ 124,071	$ 127,173	$ -	$ 127,173	$ 3,102	2.50%
192-199	Town Buildings	$ 116,190	$ 116,311	$ 107,030	$ 99,775	$ 100,350	$ (900)	$ 99,450	$ (325)	-0.33%
Total General Government		$ 955,910	$ 1,016,006	$ 1,000,508	$ 1,043,904	$ 1,212,429	$ (42,907)	$ 1,169,522	$ 125,618	12.03%

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.

MODERATOR										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
114-5730	Moderator	$ 100	$ 100	$ 100	$ 100	$ 100	$ -	$ 100	$ -	0.00%
Total Moderator		$ 100	$ 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.

SELECT BOARD										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
122-5101	Select Board Salaries	$ 5,000	$ -	$ 1,250	$ -	$ -	$ -	$ -	$ -	
122-5112	Administrative Assist.	$ 30,423	$ 41,412	$ 41,149	$ 42,092	$ 42,092	$ -	$ 42,092	$ -	0.00%
122-5120	Clerical Services	$ 9,281	$ 9,626	$ 9,841	$ 9,966	$ 5,083	$ -	$ 5,083	$ (4,883)	-49.00%
122-5300	Interpreter	$ 510	$ 850	$ 1,880	$ 900	$ 900	$ -	$ 900	$ -	0.00%
122-5307	Town Reports	$ 3,011	$ 3,000	$ 2,985	$ 3,300	$ 3,300	$ -	$ 3,300	$ -	0.00%
122-5308	Tuition/Meetings	$ 413	$ 400	$ 1,221	$ 2,300	$ 2,300	$ -	$ 2,300	$ -	0.00%
122-5385	BoardDocs/Archival Prog.	$ 6,434	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 2,388	$ 5,388	$ 2,388	79.60%
122-5420	Office Supplies	$ 2,622	$ 3,000	$ 3,094	$ 3,000	$ 3,000	$ -	$ 3,000	$ -	0.00%
122-5650	PVPC Smart Growth	$ 788	$ 800	$ 827	$ 1,000	$ 1,000	$ -	$ 1,000	$ -	0.00%
122-5690	HCOG Membership	$ 3,182	$ 3,183	$ 3,182	$ 3,183	$ -	$ -	$ -	$ (3,183)	-100.00%
122-5710	Mileage/Meals	$ 690	$ 250	$ 482	$ 700	$ 700	$ -	$ 700	$ -	0.00%
122-5730	Dues	$ 1,048	$ 1,100	$ 2,480	$ 1,100	$ 1,100	$ -	$ 1,100	$ -	0.00%
122-new	Internship Stipends	$ -	$ -	$ -	$ -	$ 3,000	$ (2,000)	$ 1,000	$ 1,000	
Total Select Board		$ 63,402	$ 66,621	$ 71,391	$ 70,541	$ 65,475	$ 388	$ 65,863	$ (4,678)	-6.63%

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's duties are listed in Chapter 6, Section 6-3 and Chapter 86, Section 86-7 of the Code of the Town of Hadley.

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

TOWN ADMINISTRATOR										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
129-5110	Town Admin Salary	$ 88,370	$ 91,440	$ 91,940	$ 93,779	$ 95,655	$ -	$ 95,655	$ 1,876	2.00%
129-5308	Tuition/Meetings	$ 475	$ 400	$ 660	$ 400	$ 400	$ -	$ 400	$ -	0.00%
129-5710	Mileage/Meals	$ 590	$ 300	$ -	$ -	$ 300	$ (300)	$ -	$ -	
129-5730	Dues	$ 1,025	$ 1,200	$ 1,152	$ 1,200	$ 1,200	$ -	$ 1,200	$ -	0.00%
Total Town Administrator		$ 90,460	$ 93,340	$ 93,752	$ 95,379	$ 97,555	$ (300)	$ 97,255	$ 1,876	1.97%

Finance Committee (Budget 131)

The Finance Committee is established under the provisions of MGL Chapter 39, Section 16 and considers any and all municipal questions of a financial nature and makes recommendations to town meeting. The Hadley Finance Committee consists of five members, who are appointed by the Moderator for a three-year term.

FINANCE COMMITTEE										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
131-5300	Stipend	$ 800	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
131-5730	Dues	$ -	$ 250	$ 160	$ 250	$ 250	$ -	$ 250	$ -	0.00%
Total Finance Committee		$ 800	$ 250	$ 160	$ 250	$ 250	$ -	$ 250	$ -	0.00%

Reserve Fund (Budget 132)

An amount set aside annually within the budget of the Town of Hadley (not to exceed 5% of the tax levy of the preceding fiscal year to provide a funding source for extraordinary and unforeseen expenditures. Appropriations from the Reserve Fund must be approved by the Finance Committee.

RESERVE FUND										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
132-5780	Reserve Fund	$ 34,550	$ 50,000	$ 30,664	$ 50,000	$ 50,000	$ -	$ 50,000	$ -	0.00%
Total Reserve Fund		$ 34,550	$ 50,000	$ 30,664	$ 50,000	$ 50,000	$ -	$ 50,000	$ -	0.00%

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.

TOWN ACCOUNTANT										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
135-5110	Town Accountant Salary	$ 25,196	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
135-5112	Asst. Town Accountant	$ 10,189	$ 10,751	$ 8,119	$ 5,100	$ -	$ -	$ -	$ (5,100)	-100.00%
135-5302	Auditor Services	$ 17,500	$ 20,000	$ 23,000	$ 20,000	$ 20,000	$ -	$ 20,000	$ -	0.00%
135-5313	Other Professional Srv	$ 33,000	$ 55,000	$ 55,796	$ 55,000	$ 59,765	$ -	$ 59,765	$ 4,765	8.66%
135-5385	Software Maint. VADAR	$ 6,060	$ 6,682	$ 6,935	$ 7,000	$ 6,900	$ -	$ 6,900	$ (100)	-1.43%
135-5420	Office Supplies	$ 260	$ 350	$ 60	$ 200	$ 200	$ -	$ 200	$ -	0.00%
135-5730	Dues	$ 60	$ 150	$ -	$ 150	$ 150	$ (90)	$ 60	$ (90)	-60.00%
Total Town Accountant		$ 92,265	$ 92,933	$ 93,910	$ 87,450	$ 87,015	$ (90)	$ 86,925	$ (525)	-0.60%

The proposed budget continues the use of an accounting firm to perform this function.

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.

ASSESSORS										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
141-5101	Assessors Salary	$ 6,962	$ -	$ -	$ -	$ 6,962	$ (6,962)	$ -	$ -	
141-5110	Asst. Assessor Salary	$ 60,322	$ 61,269	$ 61,043	$ 62,494	$ 64,007	$ -	$ 64,007	$ 1,513	2.42%
141-5112	Clerical Wages	$ 5,113	$ 5,036	$ 5,015	$ 5,137	$ 21,044	$ (15,804)	$ 5,240	$ 103	2.01%
141-5244	Office Equip Maint	$ -	$ 132	$ 132	$ 132	$ 4,132	$ -	$ 4,132	$ 4,000	3030.30%
141-5300	Book Binding	$ -	$ 300	$ 300	$ 600	$ -	$ -	$ -	$ (600)	-100.00%
141-5306	Mapping Services	$ 2,950	$ 3,300	$ 3,102	$ 3,300	$ 3,600	$ -	$ 3,600	$ 300	9.09%
141-5308	Tuition/Meetings	$ 1,030	$ 1,000	$ 713	$ 1,000	$ 1,000	$ -	$ 1,000	$ -	0.00%
141-5313	Triennial Reval Exp		$ 600	$ 261	$ -	$ 900	$ -	$ 900	$ 900	
141-5385	Software Maint.	$ 6,739	$ 13,950	$ 12,774	$ 13,950	$ 13,950	$ -	$ 13,950	$ -	0.00%
141-5420	Office Supplies	$ 978	$ 1,200	$ 995	$ 1,200	$ 1,200	$ -	$ 1,200	$ -	0.00%
141-5630	Registry of Deeds	$ 267	$ 650	$ 381	$ 650	$ 650	$ -	$ 650	$ -	0.00%
141-5710	Mileage/Meals	$ 335	$ 500	$ 440	$ 500	$ 500	$ -	$ 500	$ -	0.00%
141-5730	Dues	$ 290	$ 290	$ 240	$ 290	$ 290	$ -	$ 290	$ -	0.00%
Total Assessors		$ 84,986	$ 88,227	$ 85,396	$ 89,253	$ 118,235	$ (22,766)	$ 95,469	$ 6,216	6.96%

The Assessors request that their stipends be re-instated and present the following community comparison:

COMMUNITY	# PARCELS	TOTAL VALUE	CIP VALUE	BOARD SALARY	STAFF SALARIES	EXPENSES	TOTAL BUDGET	budget per $100,000 of value	budget per $100,000 of cip	budget per $1 mil of valuation	budget per $1 mil of cip	budget per parcel
NORTHFIELD	2,295	443,710,184	170,154,110	$5,707	$51,148	$13,495	$70,348	15.85	41.34	158.54	413.44	$30.65
ORANGE	3,406	500,763,052	106,185,350					0.00	0.00	0.00	0.00	$0.00
HATFIELD	2,032	528,680,104	122,703,380	$5,672	$29,229	$28,101	$63,002	11.92	51.34	119.17	513.45	$31.00
GRANBY	2,997	619,588,635	51,793,420	$10,884	$36,128	$17,749	$64,761	10.45	125.04	104.52	1250.37	$21.61
DEERFIELD	3,098	675,736,236	167,008,470	$8,000	$53,477	$21,535	$83,012	12.28	49.71	122.85	497.05	$26.80
SOUTHAMPTON *	2,964	682,974,713	41,474,160	N/A	$57,411	$27,687	$85,098	12.46	205.18	124.60	2051.83	$28.71
WARE	4,567	688,890,630	114,636,430	$10,000	$71,632	$20,500	$102,132	14.83	89.09	148.26	890.92	$22.36
MONTAGUE	4,190	826,261,031	257,989,400	$4,500	$135,095	$25,310	$165,705	20.05	64.23	200.55	642.29	$39.55
HADLEY	**3,051**	**948,447,638**	**331,906,330**	**$6,962**	**$65,324**	**$21,922**	**$94,208**	**9.93**	**28.38**	**99.33**	**283.84**	**$30.88**
GREENFIELD	6,726	1,397,384,231	360,166,120	$5,400	$92,336	$61,185	$158,921	11.37	44.12	113.73	441.24	$23.63
EASTHAMPTON	6,344	1,435,983,946	190,379,440	$2,700	$75,275	$14,200	$92,175	6.42	48.42	64.19	484.16	$14.53
SOUTH HADLEY	7,362	1,484,848,045	133,546,550	N/A	$132,488	$41,810	$174,298	11.74	130.51	117.38	1305.15	$23.68
AMHERST	6,998	2,235,716,580	242,406,290	**	**	**	**	N/A	N/A	N/A	N/A	N/A
NORTHAMPTON	11,886	3,326,877,583	669,694,150	N/A	$152,963	$89,850	$242,813	7.30	36.26	72.99	362.57	$20.43

ALL VALUES ARE FY2017 - ALL BUDGETS ARE FY2018 UNLESS NOTED.

* THE SOUTHAMPTON BUDGET IS FY2017

** THE AMHERST BUDGET IS NOT AVAILABLE ONLINE. IT IS COMBINED WITH ALL FINANCIAL DEPARTMENTS UNDER THE FINANCE DIRECTOR.

Town Treasurer (Budget 145)

Mission Statement

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

TOWN TREASURER										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
145-5110	Town Treasurer Salary	$ 58,523	$ 60,055	$ 60,055	$ 61,256	$ 73,129	$ -	$ 73,129	$ 11,873	19.38%
145-5118	Assistant Treasurer	$ 38,387	$ 46,074	$ 44,117	$ 46,995	$ 23,119	$ -	$ 23,119	$ (23,876)	-50.81%
145-5118	Clerical Support	$ -	$ -	$ -	$ -	$ 4,276	$ (4,276)	$ -	$ -	
145-5244	Office Equip Maint	$ -	$ 500	$ -	$ 500	$ 500	$ -	$ 500	$ -	0.00%
145-5300	Other Professional Srv	$ -	$ 500	$ -	$ 500	$ 500	$ -	$ 500	$ -	0.00%
145-5303	Tax Foreclosure	$ (515)	$ 6,000	$ 6,000	$ 6,000	$ -	$ -	$ -	$ (6,000)	-100.00%
145-5308	Tuition/Meetings	$ 304	$ 500	$ 214	$ 500	$ 500	$ -	$ 500	$ -	0.00%
145-5313	Financial Services	$ 2,000	$ 3,000	$ 3,000	$ 5,600	$ 5,750	$ -	$ 5,750	$ 150	2.68%
145-5314	Payroll Service	$ 12,491	$ 15,000	$ 14,401	$ 15,000	$ 12,000	$ -	$ 12,000	$ (3,000)	-20.00%
145-5385	Software Maint.	$ 2,303	$ 2,500	$ 1,648	$ 2,000	$ 2,000	$ -	$ 2,000	$ -	0.00%
145-5420	Office Supplies	$ 1,022	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ -	$ 1,000	$ -	0.00%
145-5710	Mileage/Meals	$ -	$ 150	$ 26	$ 150	$ 150	$ -	$ 150	$ -	0.00%
145-5730	Dues	$ 120	$ 220	$ 220	$ 370	$ 370	$ -	$ 370	$ -	0.00%
145-5740	Surity Bond	$ 850	$ 935	$ 850	$ 900	$ 900	$ -	$ 900	$ -	0.00%
145-5747	Certification Fee	$ -	$ 150	$ -	$ -	$ 150	$ -	$ 150	$ 150	
145-5750	Borrowing Fee	$ -	$ 1,000	$ -	$ -	$ 1,650	$ -	$ 1,650	$ 1,650	0.00%
Total Town Treasurer		$ 115,485	$ 137,584	$ 131,531	$ 140,771	$ 125,994	$ (4,276)	$ 121,718	$ (19,053)	-13.53%

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.

TAX COLLECTOR										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
146-5110	Tax Collector Salary	$ 60,349	$ 60,963	$ 60,963	$ 61,953	$ 68,225	$ (5,033)	$ 63,192	$ 1,239	2.00%
146-5118	Water & Sewer Bill Coc	$ 37,266	$ 38,794	$ 38,602	$ 39,367	$ 45,116	$ -	$ 45,116	$ 5,749	14.60%
146-5120	Clerical Services	$ -	$ -	$ -	$ -	$ 5,083	$ -	$ 5,083	$ 5,083	
146-5306	Tech Support/Maint.	$ -	$ 1,400	$ 836	$ 1,400	$ 500	$ -	$ 500	$ (900)	-64.29%
146-5307	Forms	$ 2,069	$ 2,550	$ 2,416	$ 2,550	$ 2,550	$ -	$ 2,550	$ -	0.00%
146-5308	Tuition/Meetings	$ 1,058	$ 1,500	$ 1,046	$ 1,500	$ 1,550	$ -	$ 1,500	$ -	0.00%
146-5313	Banking Services	$ -	$ 100	$ -	$ 100	$ 100	$ -	$ 100	$ -	0.00%
146-5385	Software Maint.	$ 5,774	$ 6,366	$ 6,058	$ 6,366	$ 6,000	$ -	$ 6,000	$ (366)	-5.75%
146-5420	Office Supplies	$ 272	$ 925	$ 698	$ 925	$ 925	$ -	$ 925	$ -	0.00%
146-5710	Mileage/Meals	$ 423	$ 300	$ 300	$ 300	$ 325	$ -	$ 325	$ 25	8.33%
146-5730	Dues	$ 120	$ 150	$ 122	$ 150	$ 150	$ -	$ 150	$ -	0.00%
146-5740	Public Officials Bond	$ 442	$ 576	$ 513	$ 576	$ 576	$ -	$ 576	$ -	0.00%
146-5950	Prop. Tax Abatements	$ -	$ 100	$ -	$ 100	$ 100	$ -	$ 100	$ -	0.00%
Total Tax Collector		$ 107,773	$ 113,724	$ 111,554	$ 115,287	$ 131,200	$ (5,033)	$ 126,117	$ 10,830	9.39%

Town Counsel (Budget 151)

The Town employs KP-Law, PC for most of its legal services. Other legal firms are employed occasionally for specific tasks as needed.

LEGAL EXPENSES										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
151-5300	Litigation	$ 2,764	$ 20,880	$ 21,051	$ 15,880	$ 15,880	$ -	$ 15,880	$ -	0.00%
151-5303	Town Counsel Serv	$ 33,006	$ 16,000	$ 15,215	$ 16,000	$ 16,000	$ -	$ 16,000	$ -	0.00%
151-5304	Legal Notices	$ 1,825	$ 1,000	$ 2,992	$ 1,000	$ 1,000	$ -	$ 1,000	$ -	0.00%
151-5730	Legal Subscriptions	$ 6,220	$ 3,500	$ 2,133	$ 3,500	$ 3,500	$ -	$ 3,500	$ -	0.00%
Total Legal		$ 43,815	$ 41,380	$ 41,391	$ 36,380	$ 36,380	$ -	$ 36,380	$ -	0.00%

Human Resources (Budget 152)

This is a new department.

Mission Statement

The new Human Resources position will:

- Provide timely direction and oversight on employee matters;
- Develop and administer employee policies and procedures, ensuring consistent interpretation and application;

- Administer employee benefit programs, including health, dental, life, and disability insurance, unemployment insurance, workers' compensation and employee assistance;
- Maintain employee classification, benefit, and compensation plans;
- Direct employee recruitment and hiring activities, and coordinate orientation, training, and employee recognition activities;
- Manage the collection, custody, and compliance reporting of employee data to local, state, and federal agencies; and
- Develop impact studies, plans, and forecasts to assist local officials with union negotiations, labor relations issues, grievances, arbitrations and disputes.

HUMAN RESOURCES										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
152-5110	Human Resource Salary	$ -	$ -	$ -	$ -	$ 80,000	$ -	$ 80,000	$ 80,000	
152-5118	Benefits Coordinator	$ -	$ -	$ -	$ -	$ 48,124	$ -	$ 48,124	$ 48,124	
152-5308	Tuition/Meetings	$ -	$ -	$ -	$ -	$ 400	$ -	$ 400	$ 400	
152-5710	Mileage/Meals	$ -	$ -	$ -	$ -	$ 300	$ -	$ 300	$ 300	
152-5730	Dues	$ -	$ -	$ -	$ -	$ 1,200	$ -	$ 1,200	$ 1,200	
Total Human Resources		$ -	$ -	$ -	$ -	$ 130,024	$ -	$ 130,024	$ 130,024	

Town Clerk and Registrars (Budgets 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.

TOWN CLERK										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
161-5110	Town Clerk Salary	$ 57,386	$ 58,912	$ 58,912	$ 60,090	$ 63,621	$ (2,330)	$ 61,291	$ 1,201	2.00%
161-5120	Temporary Wages	$ 14,056	$ 15,229	$ 14,661	$ 15,534	$ 15,594	$ -	$ 15,594	$ 60	0.39%
161-5244	Equip Repairs & Maint	$ 3,056	$ 600	$ 600	$ 2,000	$ 400	$ -	$ 400	$ (1,600)	-80.00%
161-5300	Book Binding	$ 101	$ 500	$ 500	$ 500	$ 500	$ -	$ 500	$ -	0.00%
161-5308	Tuition/Meetings		$ 1,000	$ 1,000	$ 1,000	$ 750	$ -	$ 750		
161-5311	Bylaw Codification	$ -	$ -	$ -	$ 2,850	$ 3,000	$ -	$ 3,000	$ 150	0.00%
161-5385	Software Maint.		$ 2,000	$ 2,000		$ 2,000	$ -	$ 2,000		
161-5420	Office Supplies	$ 278	$ 750	$ 750	$ 750	$ 750	$ -	$ 750	$ -	0.00%
161-5710	Mileage/Meals	$ -	$ 100	$ 100	$ 100	$ 100	$ -	$ 100	$ -	0.00%
161-5730	Dues	$ 100	$ 200	$ 200	$ 200	$ 150	$ -	$ 150	$ (50)	-25.00%
Total Town Clerk		$ 74,977	$ 79,291	$ 78,723	$ 83,024	$ 86,865	$ (2,330)	$ 84,535	$ (239)	1.82%

BOARD OF REGISTRARS										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
163-5120	Poll Worker Wages	$ 3,300	$ 2,500	$ 2,500	$ 2,500	$ 2,000	$ -	$ 2,000	$ (500)	-20.00%
163-5190	Salaries- Bd of Registrars	$ 4,920	$ 4,920	$ 4,920	$ 4,994	$ 4,920	$ -	$ 4,920	$ (74)	-1.48%
163-5306	Automark	$ -	$ 1,500	$ 1,500	$ 1,500	$ 750	$ -	$ 750	$ (750)	-50.00%
163-5307	Printing	$ 5,590	$ 4,000	$ 4,000	$ 6,000	$ 4,500	$ -	$ 4,500	$ (1,500)	-25.00%
163-5420	Office Supplies	$ 664	$ 750	$ 699	$ 750	$ 750	$ -	$ 750	$ -	0.00%
163-5710	Mileage/Meals	$ 213	$ 250	$ 145	$ 250	$ 150	$ -	$ 150	$ (100)	-40.00%
	Voting Booths	$ -	$ -	$ -	$ -	$ 7,000	$ (7,000)	$ -	$ -	
Total Board of Registrars		$ 14,687	$ 13,920	$ 13,764	$ 15,994	$ 20,070	$ (7,000)	$ 13,070	$ (2,924)	-18.28%

The Registrars' budget varies from year to year depending on election cycles.

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).

CONSERVATION COMMISSION										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
171-5300	Prof. Conservation Services	$ 2,450	$ 2,000	$ 2,000	$ 14,000	$ 14,000	$ -	$ 14,000	$ -	0.00%
171-5420	Office Supplies	$ 364	$ 780	$ 854	$ 780	$ 760	$ -	$ 760	$ (20)	-2.56%
171-5730	Dues	$ 325	$ 330	$ 275	$ 330	$ 350	$ -	$ 350	$ 20	6.06%
Total Conservation		$ 3,139	$ 3,110	$ 3,129	$ 15,110	$ 15,110	$ -	$ 15,110	$ -	0.00%

Planning Board (Budget 175)

The Planning Board is a five-member elected body that acts on building and land use plans that are subject to the Commonwealth's Zoning Act (MGL Chapter 40A).

PLANNING BOARD										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
135-5112	Administrative Assist	$ -	$ -	$ -	$ 5,704	$ 5,818	$ -	$ 5,818	$ 114	2.00%
175-5190	Salaries Planning Board	$ 2,300	$ 2,300	$ 2,300	$ 2,300	$ 2,300	$ -	$ 2,300	$ -	0.00%
175-5300	Planning Services	$ 3,305	$ 7,500	$ 7,486	$ 7,500	$ 7,500	$ -	$ 7,500	$ -	0.00%
175-5304	Advertising	$ 2,463	$ 1,500	$ 1,326	$ 1,500	$ 1,500	$ -	$ 1,500	$ -	0.00%
175-5308	Training & Meetings	$ 130	$ 500	$ 75	$ 500	$ 500	$ -	$ 500	$ -	0.00%
175-5420	Office Supplies	$ 98	$ 900	$ 250	$ 900	$ 900	$ (600)	$ 300	$ (600)	-66.67%
1175-5730	Dues	$ -	$ 80	$ -	$ 80	$ 80	$ -	$ 80	$ -	0.00%
Total Planning Board		$ 8,296	$ 12,780	$ 11,437	$ 18,484	$ 18,598	$ (600)	$ 17,998	$ (486)	-2.63%

Board of Appeals (Budget 176)

The Zoning Board of Appeals is established and operates according to the provisions of MGL Chapter 40A, Sections 12 through 16. The Hadley Board of Appeals consists of 5 members and 2 alternate members, who serve three-year terms and are appointed by the Select Board. The Board of Appeals issues variances from local zoning, serves as the special permit granting authority in some cases, and hears appeals to decisions made by the Building Inspector or Zoning Enforcement Officer.

BOARD OF APPEALS										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
176-5190	Salary Board of Appeals	$ 1,135	$ 1,135	$ 1,025	$ 1,135	$ 1,135	$ -	$ 1,135	$ -	0.00%
176-5304	Advertising	$ 850	$ 900	$ 900	$ 900	$ 900	$ -	$ 900	$ -	0.00%
Total Board of Appeals		$ 1,985	$ 2,035	$ 1,925	$ 2,035	$ 2,035	$ -	$ 2,035	$ -	0.00%

Insurance (Budget 193)

The Town maintains insurance coverage for a wide range of activities, offices, and programs. The Town continues its coverage under the Massachusetts Interlocal Insurance Agency.

PROPERTY & LIABILITY INSURANCE										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
193-5740	Expenses	$ 103,000	$ 104,400	$ 124,651	$ 124,071	$ 127,173	$ -	$ 127,173	$ 3,102	2.50%
Total Property Insurance		$ 103,000	$ 104,400	$ 124,651	$ 124,071	$ 127,173	$ -	$ 127,173	$ 3,102	2.50%

Operation of Town Buildings (Budgets 192 through 199)

The Town operates four municipal buildings in the Budget Series 100: Town Hall, Senior Center, North Hadley Village Hall, Russell School Building. Other building operations are found within their comparable budget series (e.g., the Public Safety Complex operational expenses are to be found within Budget Series 200).

Building maintenance budgets are found in Budget 490.

SENIOR CENTER OPERATIONS										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
192-5200	Custodial Services	$ 6,590	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
192-5210	Electricity	$ 11,974	$ 8,000	$ 8,000	$ 8,000	$ -	$ -	$ -	$ (8,000)	-100.00%
192-5215	Oil	$ 9,721	$ 22,000	$ 11,875	$ 18,000	$ -	$ -	$ -	$ (18,000)	-100.00%
192-5230	Sewer/Water	$ 686	$ 900	$ 751	$ 900	$ -	$ -	$ -	$ (900)	-100.00%
192-5340	Telephone/Internet	$ 3,169	$ 3,350	$ 3,350	$ 5,100	$ -	$ -	$ -	$ (5,100)	-100.00%
192-5850	Equipment	$ 2,389	$ 2,000	$ 1,260	$ 2,000	$ -	$ -	$ -	$ (2,000)	-100.00%
new	Lease Payment	$ -	$ -	$ -	$ -	$ 34,900	$ -	$ 34,900	$ 34,900	
Total Senior Center		$ 34,529	$ 36,250	$ 25,236	$ 34,000	$ 34,900	$ -	$ 34,900	$ 900	2.65%

TOWN HALL OPERATIONS										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
196-5200	Custodial Services	$ 6,762	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
196-5210	Electricity	$ 10,534	$ 9,300	$ 9,178	$ 9,300	$ 9,300	$ -	$ 9,300	$ -	0.00%
196-5215	Heat-Gas	$ 2,589	$ 3,800	$ 3,274	$ 3,800	$ 3,800	$ (400)	$ 3,400	$ (400)	-10.53%
196-5230	Sewer/Water	$ 394	$ 525	$ 651	$ 525	$ 650	$ -	$ 650	$ 125	23.81%
196-5241	Alarm System	$ 420	$ -	$ -	$ 200	$ 200	$ -	$ 200	$ -	0.00%
196-5244	Equipment Maint.	$ 124	$ 400	$ 7,726	$ 200	$ 200	$ -	$ 200	$ -	0.00%
196-5270	Postage Machine Sr	$ 6,663	$ 6,200	$ 7,968	$ 1,500	$ 1,500	$ -	$ 1,500	$ -	0.00%
196-5306	Tech Services	$ 16,434	$ 26,336	$ 23,467	$ 17,000	$ 20,000	$ -	$ 20,000	$ 3,000	17.65%
196-5340	Telephone/Internet	$ 6,696	$ 6,200	$ 7,883	$ 8,300	$ 8,000	$ -	$ 8,000	$ (300)	-3.61%
196-5345	Postage	$ 9,628	$ 16,000	$ 16,841	$ 15,000	$ 17,000	$ -	$ 17,000	$ 2,000	13.33%
196-5420	Supplies	$ 1,077	$ 4,700	$ 2,282	$ 1,100	$ 1,100	$ -	$ 1,100	$ -	0.00%
196-5422	Computer Supplies	$ -	$ -	$ -	$ 500	$ 500	$ -	$ 500	$ -	0.00%
196-5430	Building Maint.	$ 262	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%
196-5450	Supplies	$ 484	$ -	$ -	$ 1,100	$ 1,100	$ -	$ 1,100	$ -	0.00%
196-5850	Equipment Purchase	$ 1,944	$ -	$ -	$ 500	$ 500	$ (500)	$ -	$ (500)	-100.00%
Total Town Hall		$ 64,011	$ 73,461	$ 79,270	$ 59,025	$ 63,850	$ (900)	$ 62,950	$ 3,925	6.65%

NORTH HADLEY VILLAGE HALL OPERATIONS										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
198-5200	Custodial Services	$ 6,381	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
196-5210	Electricity	$ 5,859	$ 5,200	$ 1,519	$ 2,000	$ -	$ -	$ -	$ (2,000)	-100.00%
198-5215	Heating	$ 2,651	$ -	$ -	$ 2,500	$ -	$ -	$ -	$ (2,500)	-100.00%
198-5241	Alarm System	$ -	$ -	$ -	$ 300	$ -	$ -	$ -	$ (300)	-100.00%
198-5340	Telephone	$ 2,452	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total North Hadley Hall		$ 17,343	$ 5,200	$ 1,519	$ 4,800	$ -	$ -	$ -	$ (4,800)	-100.00%

RUSSELL SCHOOL OPERATIONS										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
199-5210	Electricity	$ 302	$ 900	$ 900	$ 900	$ 900	$ -	$ 900	$ -	0.00%
199-5241	Alarm System	$ 5	$ -	$ -	$ 350	$ -	$ -	$ -	$ (350)	-100.00%
199-5340	Telephone	$ -	$ 500	$ 105	$ 700	$ 700	$ -	$ 700	$ -	
Total Russell School		$ 307	$ 1,400	$ 1,005	$ 1,950	$ 1,600	$ -	$ 1,600	$ (350)	-17.95%

Budget Series 200: Public Safety

Introduction

The budgets 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	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
	Series 200 Public Safety									
210	Police	$ 1,016,708	$ 1,188,301	$ 1,017,525	$ 1,226,098	$ 1,333,616	$ (1,400)	$ 1,332,216	$ 106,118	8.65%
220	Fire	$ 307,945	$ 523,081	$ 423,211	$ 613,875	$ 681,226	$ (20,864)	$ 660,362	$ 46,487	7.57%
222	Communications	$ 261,899	$ 299,345	$ 273,468	$ 347,025	$ 381,477	$ (500)	$ 380,977	$ 33,952	9.78%
230	Ambulance	$ 135,000	$ 140,000	$ 140,000	$ 267,500	$ 282,250	$ -	$ 282,250	$ 14,750	5.51%
241	Building Inspector	$ 92,730	$ 96,577	$ 90,120	$ 97,401	$ 114,070	$ (14,626)	$ 99,444	$ 2,043	2.10%
242	Gas Inspector	$ 4,447	$ 4,542	$ 4,176	$ 4,626	$ 4,848	$ (81)	$ 4,767	$ 141	3.05%
243	Plumbing Inspector	$ 6,496	$ 6,757	$ 6,868	$ 6,877	$ 7,252	$ (142)	$ 7,110	$ 233	3.39%
Total Public Safety		$ 1,825,225	$ 2,258,603	$ 1,955,368	$ 2,563,402	$ 2,804,739	$ (37,613)	$ 2,767,126	$ 203,724	7.95%

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.

POLICE DEPARTMENT										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
210-5110	Salary Police Chief	$ 96,000	$ 96,000	$ 96,000	$ 111,300	$ 113,526	$ -	$ 113,526	$ 2,226	2.00%
210-5112	Admin/Clerical Salaries	$ 43,157	$ 44,491	$ 35,037	$ 45,159	$ 45,159	$ -	$ 45,159	$ -	0.00%
201-5118	Wages Full Time Officers	$ 439,527	$ 634,135	$ 557,176	$ 697,362	$ 774,446	$ -	$ 774,446	$ 77,084	11.05%
210-5120	Wages Part Time Officers	$ 154,702	$ 61,855	$ 32,703	$ 34,426	$ 36,835	$ -	$ 36,835	$ 2,409	7.00%
210-5130	Overtime	$ 114,582	$ 122,381	$ 101,322	$ 98,853	$ 105,772	$ -	$ 105,772	$ 6,919	7.00%
210-5131	Training	$ 23,382	$ 41,546	$ 40,969	$ 45,109	$ 47,147	$ -	$ 47,147	$ 2,038	4.52%
210-5242	Vehicle Repair & Maint.	$ 25,284	$ 20,000	$ 20,000	$ 20,400	$ 20,400	$ -	$ 20,400	$ -	0.00%
210-5244	Equipment Repair & Maint.	$ 7,142	$ 9,188	$ 8,295	$ 7,275	$ 8,100	$ -	$ 8,100	$ 825	11.34%
210-5303	Legal/Negotiator Services	$ 7,035	$ 4,500	$ 4,500	$ 4,500	$ 3,500	$ -	$ 3,500	$ (1,000)	-22.22%
210-5306	Tech. Support Services	$ 19,385	$ 27,240	$ 24,395	$ 30,029	$ 26,794	$ -	$ 26,794	$ (3,235)	-10.77%
210-5308	Professional Development	$ 14,518	$ 22,125	$ 21,860	$ 29,425	$ 29,425	$ -	$ 29,425	$ -	0.00%
210-5340	Telecommunications	$ 6,946	$ 11,390	$ 7,783	$ 10,740	$ 10,740	$ (1,000)	$ 9,740	$ (1,000)	-9.31%
210-5345	Postage	$ 608	$ 600	$ 551	$ 650	$ 650	$ -	$ 650	$ -	0.00%
210-5420	Office Supplies	$ 3,396	$ 4,500	$ 4,497	$ 4,500	$ 4,500	$ -	$ 4,500	$ -	0.00%
210-5480	Fuel	$ 21,698	$ 35,000	$ 26,554	$ 30,000	$ 43,928	$ -	$ 43,928	$ 13,928	46.43%
210-5580	Other Police Expenses/K9	$ 14,023	$ 21,000	$ 7,406	$ 20,750	$ 25,714	$ -	$ 25,714	$ 4,964	23.92%
210-5580	Dog Officer Expenses	$ 373	$ 300	$ 63	$ 250	$ 250	$ -	$ 250	$ -	0.00%
210-5582	Uniforms	$ 17,273	$ 22,825	$ 20,881	$ 25,025	$ 25,275	$ -	$ 25,275	$ 250	1.00%
210-5710	Travel/Mileage/Meals	$ 810	$ 940	$ 940	$ 1,500	$ 1,500	$ (400)	$ 1,100	$ (400)	-26.67%
210-5730	Dues	$ 6,867	$ 8,285	$ 6,593	$ 8,845	$ 9,955	$ -	$ 9,955	$ 1,110	12.55%
Total Police		$ 1,016,708	$ 1,188,301	$ 1,017,525	$ 1,226,098	$ 1,333,616	$ (1,400)	$ 1,332,216	$ 106,118	8.65%

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.

FIRE DEPARTMENT										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
220-5110	Salary Fire Chief	$ 80,001	$ 91,000	$ 89,110	$ 92,702	$ 92,702	$ -	$ 92,702	$ -	0.00%
220-5112	Admin Salaries	$ 15,716	$ 14,768	$ 9,283	$ -	$ 14,864	$ (14,864)	$ -	$ -	
220-5118	Wages Full Time	$ 53,726	$ 185,761	$ 125,411	$ 297,530	$ 328,657	$ -	$ 328,657	$ 31,127	10.46%
220-5120	Part Time Wages	$ 43,286	$ 50,000	$ 26,847	$ 50,000	$ 40,000	$ -	$ 40,000	$ (10,000)	-20.00%
220-5130	Overtime	$ 637	$ 1,452	$ 1,452	$ 3,443	$ 4,308	$ -	$ 4,308	$ 865	25.12%
220-5140	Inspection/Station Duty Wages	$ 22,087	$ 30,500	$ 30,500	$ 25,500	$ 20,500	$ -	$ 20,500	$ (5,000)	-19.61%
220-5215	Oil - No Hadley Station	$ 1,020	$ 1,200	$ 1,200	$ 1,200	$ 1,200	$ -	$ 1,200	$ -	0.00%
220-5242	Fire Vehicle Repair/Maint.	$ 6,925	$ 7,500	$ 7,500	$ 7,500	$ 8,000	$ -	$ 8,000	$ 500	6.67%
220-5244	Fire Equip/Radio Repair/Maint.	$ -	$ 22,575	$ 22,575	$ 14,500	$ 14,500	$ -	$ 14,500	$ -	0.00%
220-5244	Air Pack Maint.	$ -	$ 5,300	$ 5,300	$ 5,300	$ 5,000	$ -	$ 5,000	$ (300)	-5.66%
220-5244	Bldg Maint. Center and North	$ 1,642	$ 3,000	$ 3,000	$ 3,000	$ 9,000	$ (6,000)	$ 3,000	$ -	0.00%
220-5245	Fire Extinguisher Maint.	$ -	$ 1,200	$ 1,200	$ 1,800	$ 11,200	$ -	$ 11,200	$ 9,400	522.22%
220-5300	Engine Ladder Test & Maint.	$ 24,229	$ 32,000	$ 32,000	$ 30,000	$ 35,000	$ -	$ 35,000	$ 5,000	16.67%
220-5311	Physical & Testing	$ 334	$ 750	$ 750	$ 950	$ 2,000	$ -	$ 2,000	$ 1,050	110.53%
220-5320	Tuition/Meetings/Training	$ 4,091	$ 4,500	$ 4,500	$ 6,500	$ 6,500	$ -	$ 6,500	$ -	0.00%
220-5340	Telephone/Internet	$ 6,071	$ 6,500	$ 6,500	$ 6,500	$ 7,140	$ -	$ 7,140	$ 640	9.85%
220-5343	Postage	$ 125	$ 125	$ 125	$ 125	$ 125	$ -	$ 125	$ -	0.00%
220-5346	CTY Emergency Broadcast	$ 4,959	$ 5,000	$ 4,959	$ 5,000	$ 5,000	$ -	$ 5,000	$ -	0.00%
220-5420	Office Supplies	$ 1,042	$ 2,500	$ 2,019	$ 2,500	$ 3,000		$ 3,000	$ 500	20.00%
220-5480	Gasoline/Diesel	$ 6,249	$ 9,400	$ 4,890	$ 9,200	$ 13,000	$ -	$ 13,000	$ 3,800	41.30%
220-5500	Fire Medical Supplies	$ 2,519	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ -	$ 4,000	$ -	0.00%
220-5530	Fire Prevenion Supplies	$ 2,499	$ 1,250	$ 1,250	$ 2,350	$ 2,000	$ -	$ 2,000	$ (350)	-14.89%
220-5530	Civil Defense Supplies	$ 2,499	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ -	$ 1,000	$ -	0.00%
220-5582	Uniforms	$ 2,047	$ 2,500	$ 2,500	$ 4,000	$ 4,000	$ -	$ 4,000	$ -	0.00%
220-5582	Fire Chief Uniforms		$ 1,000	$ 672	$ 1,000	$ 1,000	$ -	$ 1,000	$ -	0.00%
220-5700	PPE Bunker Coat/Pants	$ 11,218	$ 10,000	$ 8,963	$ 10,000	$ 14,400	$ -	$ 14,400	$ 4,400	44.00%
220-5710	Mileage	$ 307	$ 500	$ 24	$ 500	$ 500	$ -	$ 500	$ -	0.00%
220-5730	Dues	$ 2,611	$ 3,500	$ 3,500	$ 3,500	$ 6,300	$ -	$ 6,300	$ 2,800	80.00%
220-5830	Grant Matching Funds	$ 1,325	$ 1,325	$ 1,000	$ 1,325	$ 1,325	$ -	$ 1,325	$ -	0.00%
220-5840	Computer Hardware Purchase	$ 820	$ 7,800	$ 7,800	$ 8,000	$ 9,800	$ -	$ 9,800	$ 1,800	22.50%
220-5850	Firefighting Equipment	$ 5,267	$ 3,500	$ 3,823	$ 3,500	$ 3,500	$ -	$ 3,500	$ -	0.00%
220-5851	Airpack Replacement	$ 722	$ 5,775	$ 5,025	$ 6,050	$ 6,305	$ -	$ 6,305	$ 255	4.21%
220-5871	Radio Repair Maint.	$ 1,027	$ 3,400	$ 2,410	$ 3,200	$ 3,200	$ -	$ 3,200	$ -	0.00%
220-5872	Repair/Replacement Hose	$ 2,944	$ 2,500	$ 2,123	$ 2,200	$ 2,200	$ -	$ 2,200	$ -	0.00%
Total Fire		$ 307,945	$ 523,081	$ 423,211	$ 613,875	$ 681,226	$ (20,864)	$ 660,362	$ 46,487	7.57%

In FY 2018, the Fire Department received funding to support four new firefighter positions for 6 months. In FY 2019, funding for 12 months for these new positions was provided. FY 2020 funds these positions for 12 months.

Communication (Budget 222)

COMMUNICATIONS										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
222-5118	Dispatchers Wages	$ 130,670	$ 145,950	$ 139,155	$ 195,472	$ 250,980	$ -	$ 250,980	$ 55,508	28.40%
222-5120	Part Time Wages	$ 68,924	$ 71,820	$ 62,548	$ 69,455	$ 37,125	$ -	$ 37,125	$ (32,330)	-46.55%
222-5130	Overtime	$ 15,689	$ 20,000	$ 25,038	$ 24,808	$ 30,808	$ -	$ 30,808	$ 6,000	24.19%
222-5131	Wages Training	$ 5,001	$ 8,475	$ 2,462	$ 1,950	$ 1,950	$ -	$ 1,950	$ -	0.00%
222-5210	Electricity	$ 29,324	$ 31,000	$ 29,854	$ 34,420	$ 37,862	$ -	$ 37,862	$ 3,442	10.00%
222-5215	Heat - Gas	$ 5,717	$ 10,000	$ 8,412	$ 10,000	$ 11,000	$ -	$ 11,000	$ 1,000	10.00%
222-5230	Water/Sewer	$ 953	$ 1,200	$ 1,109	$ 1,320	$ 1,452	$ -	$ 1,452	$ 132	10.00%
222-5303	Legal Services	$ 136	$ 1,500	$ 560	$ 1,000	$ 1,000	$ (500)	$ 500	$ (500)	-50.00%
222-5308	Tuition/Meetings	$ 2,942	$ 2,800	$ 243	$ 2,000	$ 2,000	$ -	$ 2,000	$ -	0.00%
222-5450	Building Maint Supplies	$ 1,423	$ 2,600	$ 1,886	$ 2,600	$ 2,600	$ -	$ 2,600	$ -	0.00%
222-5580	Equipment Purchase		$ 2,500	$ 1,161	$ 2,500	$ 3,000	$ -	$ 3,000	$ 500	20.00%
222-5582	Uniforms	$ 1,120	$ 1,500	$ 1,040	$ 1,500	$ 1,700	$ -	$ 1,700	$ 200	13.33%
Total Communications		$ 261,899	$ 299,345	$ 273,468	$ 347,025	$ 381,477	$ (500)	$ 380,977	$ 33,952	9.78%

Ambulance Service (Budget 230)

AMBULANCE										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
230-5330	Ambulance Service	$ 135,000	$ 140,000	$ 140,000	$ 267,500	$ 282,250	$ -	$ 282,250	$ 14,750	5.51%
Total Ambulance		$ 135,000	$ 140,000	$ 140,000	$ 267,500	$ 282,250	$ -	$ 282,250	$ 14,750	5.51%

Inspection Services (Budgets 241, 242, and 243)

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.

BUILDING INSPECTOR										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
241-5110	Salary Building Inspector	$ 60,322	$ 63,353	$ 61,043	$ 64,302	$ 65,268	$ 320	$ 65,588	$ 1,286	2.00%
241-5112	Admin Salaries	$ 19,785	$ 20,735	$ 21,360	$ 21,468	$ 34,883	$ (12,986)	$ 21,897	$ 429	2.00%
241-5120	Wages - Part Time Inspectors	$ 3,108	$ 6,460	$ 4,820	$ 6,589	$ 5,589	$ -	$ 5,589	$ (1,000)	-15.18%
241-5244	Equipment Maint & Repair		$ 1,510	$ -	$ 1,510	$ 1,510	$ -	$ 1,510	$ -	0.00%
241-5307	Printing	$ -	$ 200	$ 220	$ 200	$ 200	$ -	$ 200	$ -	0.00%
241-5308	Tuition/Meetings	$ 475	$ 750	$ 306	$ 750	$ 1,410	$ (660)	$ 750	$ -	0.00%
241-5340	Telephone	$ 363	$ 400	$ 612	$ 612	$ 1,300	$ -	$ 1,300	$ 688	112.42%
241-5420	Office Supplies	$ 459	$ 2,739	$ 894	$ 1,430	$ 1,430	$ -	$ 1,430	$ -	0.00%
241-5480	Inspectors Fuel	$ -	$ -	$ -	$ -	$ 1,000	$ (400)	$ 600	$ 600	
241-5710	Mileage/Meals	$ 387	$ 250	$ 650	$ 250	$ 1,190	$ (900)	$ 290	$ 40	16.00%
241-5730	Dues	$ 7,831	$ 180	$ 215	$ 290	$ 290	$ -	$ 290	$ -	0.00%
Total Building Inspector		$ 92,730	$ 96,577	$ 90,120	$ 97,401	$ 114,070	$ (14,626)	$ 99,444	$ 757	2.10%

GAS INSPECTOR										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
242-5110	Salary Gas Inspector	$ 3,341	$ 3,442	$ 3,391	$ 3,511	$ 3,663	$ (81)	$ 3,582	$ 71	2.02%
242-5308	Tuition/Meetings	$ 490	$ 645	$ 330	$ 660	$ 660	$ -	$ 660	$ -	0.00%
242-5710	Mileage/Meals	$ 616	$ 455	$ 455	$ 455	$ 525	$ -	$ 525	$ 70	15.38%
Total Gas Inspector		$ 4,447	$ 4,542	$ 4,176	$ 4,626	$ 4,848	$ (81)	$ 4,767	$ 141	3.05%

PLUMBING INSPECTOR										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
243-5110	Salary Plumbing Inspector	$ 5,826	$ 6,002	$ 5,913	$ 6,122	$ 6,387	$ (142)	$ 6,245	$ 123	2.01%
243-5118	Asst. Plumbing Insp.	$ 410	$ 410	$ 610	$ 410	$ 450	$ -	$ 450	$ 40	9.76%
243-5710	Mileage/Meals	$ 260	$ 345	$ 345	$ 345	$ 415	$ -	$ 415	$ 70	20.29%
Total Plumbing Inspector		$ 6,496	$ 6,757	$ 6,868	$ 6,877	$ 7,252	$ (142)	$ 7,110	$ 233	3.39%

Budget Series 400: Public Works

Public Works (Budgets 422 through 491)

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 storm water 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.

Budget Summary

A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
	Series 400 Public Works									
422	Highway	$ 675,629	$ 777,879	$ 680,214	$ 755,546	$ 797,122	$ (6,000)	$ 791,122	$ 35,576	4.71%
423	Snow & Ice	$ 149,418	$ 182,223	$ 153,553	$ 182,223	$ 182,223	$ -	$ 182,223	$ -	0.00%
424	Street Lighting	$ 19,292	$ 20,840	$ 19,640	$ 21,885	$ 22,979	$ -	$ 22,979	$ 1,094	5.00%
490	Building Maint.	$ 65,906	$ 142,100	$ 112,154	$ 145,740	$ 165,770	$ (15,500)	$ 150,270	$ 4,530	3.11%
491	Cemetery	$ 17,341	$ 18,335	$ 17,806	$ 18,335	$ 18,335	$ -	$ 18,335	$ -	0.00%
Total Public Works		$ 927,586	$ 1,141,377	$ 983,367	$ 1,123,729	$ 1,186,429	$ (21,500)	$ 1,164,929	$ 41,200	3.67%

Highway (Budget 422)

HIGHWAY DIVISION										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
422-5110	PW Professional Salaries	$ 44,573	$ 57,315	$ 55,366	$ 58,461	$ 57,125	$ -	$ 57,125	$ (1,336)	-2.29%
422-5112	PW Adminstrative Salaries	$ 30,198	$ 31,377	$ 31,688	$ 32,005	$ 32,515	$ -	$ 32,515	$ 510	1.59%
422-5118	PW Other Regular Salaries	$ 301,513	$ 350,253	$ 317,101	$ 328,310	$ 340,400	$ -	$ 340,400	$ 12,090	3.68%
422-5120	PW Part Time/Temp. Wages	$ 3,606	$ 6,000	$ 128	$ 6,120	$ 6,242	$ -	$ 6,242	$ 122	1.99%
422-5130	Overtime	$ 8,446	$ 14,000	$ 5,642	$ 12,240	$ 12,240	$ -	$ 12,240	$ -	0.00%
422-5190	Stipends	$ 2,100	$ 2,450	$ 2,800	$ 3,300	$ 4,500	$ -	$ 4,500	$ 1,200	36.36%
422-5210	PW Highway Electricity	$ 13,211	$ 11,870	$ 13,399	$ 12,460	$ 15,840	$ -	$ 15,840	$ 3,380	27.13%
422-5215	PW Heating	$ 1,200	$ 3,605	$ 2,317	$ 3,600	$ 3,960	$ -	$ 3,960	$ 360	10.00%
422-5230	Sewer/Water	$ -	$ 320	$ 315	$ 400	$ 400	$ -	$ 400	$ -	0.00%
422-5241	Building Systems	$ 5,580	$ 3,680	$ 9,523	$ -	$ -	$ -	$ -	$ -	
422-5242	Vehicle Repairs & Maint.	$ 84,745	$ 85,659	$ 74,618	$ 80,000	$ 80,000	$ -	$ 80,000	$ -	0.00%
422-5243	Street & Pedestrian Way Maint.	$ 27,563	$ 36,000	$ 37,795	$ 36,000	$ 45,000	$ -	$ 45,000	$ 9,000	25.00%
422-5244	Equipment Repairs & Maint.	$ 1,773	$ 2,300	$ 1,340	$ 2,500	$ 2,500	$ -	$ 2,500	$ -	0.00%
422-5270	PW Rental &Leases	$ 9,905	$ 6,180	$ 1,819	$ 5,000	$ 5,000	$ (1,000)	$ 4,000	$ (1,000)	-20.00%
422-5290	Property Related Services	$ 4,313	$ 4,200	$ 3,504	$ 4,300	$ 4,300	$ -	$ 4,300	$ -	0.00%
422-5303	PW Legal Services	$ 298	$ 500	$ 432	$ 500	$ 500	$ -	$ 500	$ -	0.00%
422-5305	PW Police Details	$ 3,742	$ 3,700	$ 7,708	$ 4,000	$ 10,000	$ -	$ 10,000	$ 6,000	150.00%
422-5306	Tech Support Services	$ 515	$ 3,000	$ 1,022	$ 3,000	$ 3,000	$ -	$ 3,000	$ -	0.00%
422-5310	Engineering & Arch Services	$ 9,583	$ 12,650	$ 15,036	$ 12,650	$ 15,000	$ -	$ 15,000	$ 2,350	18.58%
422-5311	Medical Drug Test & Evaluation	$ 300	$ 600	$ 510	$ 600	$ 600	$ -	$ 600	$ -	0.00%
422-5312	Arborist/Vegetation Mgt.	$ 35,238	$ 36,000	$ 15,901	$ 36,000	$ 36,000	$ -	$ 36,000	$ -	0.00%
422-5340	Telecommunications	$ 4,817	$ 4,500	$ 5,816	$ 5,000	$ 6,500	$ -	$ 6,500	$ 1,500	30.00%
422-5385	Software Lics/SAAS		$ 2,500	$ 1,418	$ 2,500	$ 5,000	$ -	$ 5,000	$ 2,500	100.00%
422-5420	Office Supplies	$ 1,621	$ 1,500	$ 5,287	$ 2,000	$ 2,200	$ -	$ 2,200	$ 200	10.00%
422-5480	Vehicle Fuel	$ 46,090	$ 55,700	$ 27,475	$ 63,000	$ 60,000	$ (5,000)	$ 55,000	$ (8,000)	-12.70%
422-5530	Public Works Supplies	$ 18,092	$ 22,320	$ 26,733	$ 22,300	$ 27,500	$ -	$ 27,500	$ 5,200	23.32%
422-5582	Uniforms	$ 15,148	$ 17,200	$ 12,122	$ 16,800	$ 16,800	$ -	$ 16,800	$ -	0.00%
422-5730	Dues/Licenses	$ 1,459	$ 2,500	$ 3,399	$ 2,500	$ 4,000	$ -	$ 4,000	$ 1,500	60.00%
Total Highway		$ 675,629	$ 777,879	$ 680,214	$ 755,546	$ 797,122	$ (6,000)	$ 791,122	$ 35,576	4.71%

Snow and Ice (Budget 423)

SNOW AND ICE										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
423-5107	Snow Removal	$ 10,363	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
423-5120	PT Seasonal Salaries	$ -	$ 10,768	$ 1,611	$ 10,768	$ 10,768	$ -	$ 10,768	$ -	0.00%
423-5130	Overtime	$ 15,076	$ 60,205	$ 34,484	$ 60,205	$ 60,205	$ -	$ 60,205	$ -	0.00%
423-5530	Public Works Suplies	$ -	$ 11,250	$ 12,869	$ 11,250	$ 11,250	$ -	$ 11,250	$ -	0.00%
423-5533	Snow Supplies Salt/Sand	$ 118,929	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
423-5535	Roadway Treatments	$ -	$ 100,000	$ 104,589	$ 100,000	$ 100,000	$ -	$ 100,000	$ -	0.00%
423-5534	Temporary Patch	$ 5,050	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Snow & Ice		$ 149,418	$ 182,223	$ 153,553	$ 182,223	$ 182,223	$ -	$ 182,223	$ -	0.00%

This account is used to clear streets and municipal parking lots of snow and ice. Municipalities are allowed to expend in excess of available appropriations, so long as the amount raised at town meeting equaled or exceeded the amount raised for snow and ice in the previous fiscal year. The Town's long-standing practice is to level-fund this account.

Street Lighting (Budget 424)

STREET LIGHTS										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
424-5210	Electricity	$ 19,292	$ 20,840	$ 19,640	$ 21,885	$ 22,979	$ -	$ 22,979	$ 1,094	5.00%
Total Street Lights		$ 19,292	$ 20,840	$ 19,640	$ 21,885	$ 22,979	$ -	$ 22,979	$ 1,094	5.00%

The Town has entered into a fixed price agreement for electricity, so these costs should remain stable through October 2019 (FY 2020).

Highway Building Maintenance (Budget 490)

BUILDING MAINTENANCE										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
490-5118	Bldg. Maint. Salaries	$ -	$ -	$ -	$ 25,490	$ 26,000	$ -	$ 26,000	$ 510	
490-5130	Bldg. Maint. Overtime	$ -	$ -	$ -	$ 1,000	$ 1,020	$ -	$ 1,020	$ 20	
490-5240-192	Sr. Ctr. Ext. Maint.	$ -	$ 22,000	$ 7,310	$ 12,500	$ 12,500	$ (12,500)	$ -	$ (12,500)	-100.00%
490-5240-196	Town Hall Ext. Maint.	$ 838	$ 10,000	$ 1,481	$ 10,000	$ 10,000	$ -	$ 10,000	$ -	0.00%
490-5240-220	NH Fire St. Ext Maint.	$ -	$ -	$ 228	$ 3,000	$ 3,000	$ (3,000)	$ -	$ (3,000)	-100.00%
490-5240-222	PSC Ext. Maint.	$ -	$ 58,200	$ 49,428	$ 38,200	$ 38,200	$ -	$ 38,200	$ -	0.00%
490-5240-610	Library Ext. Maint.	$ -	$ 3,000	$ 2,274	$ 3,000	$ 3,000	$ -	$ 3,000	$ -	0.00%
490-5241-192	Sr. Ctr. Int. Maint.	$ 16,371	$ 1,350	$ -	$ -	$ -	$ -	$ -	$ -	
490-5241-196	Town Hall Int. Maint.	$ 16,981	$ 10,200	$ 13,353	$ 10,200	$ 10,200	$ -	$ 10,200	$ -	0.00%
490-5241-199	Russell Sch. Int. Maint	$ -	$ 350	$ 211	$ 350	$ 350	$ -	$ 350	$ -	0.00%
490-5241-220	NH Fire St. Int. Maint.	$ 1,199	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
490-5241-222	PSC Int. Maint.	$ 30,517	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
490-5241-422	Highway Bldg Maint.	$ -	$ -	$ -	$ 6,000	$ 10,500	$ -	$ 10,500	$ 4,500	75.00%
490-5241-610	Library Int. Maint.	$ -	$ 3,400	$ 1,584	$ 3,400	$ 3,400	$ -	$ 3,400	$ -	0.00%
490-5380-192	Sr. Ctr. Custodial	$ -	$ 9,000	$ 9,160	$ 9,000	$ 9,000	$ -	$ 9,000	$ -	0.00%
490-5380-196	Town Hall Custodial	$ -	$ 9,000	$ 8,030	$ 9,000	$ 9,000	$ -	$ 9,000	$ -	0.00%
490-5380-222	PSC Custodial	$ -	$ 9,000	$ 13,914	$ 9,000	$ 14,400	$ -	$ 14,400	$ 5,400	60.00%
490-5380-490	DPW Custodial	$ -	$ -	$ -	$ -	$ 9,600	$ -	$ 9,600	$ 9,600	
490-5380-610	Library Custodial	$ -	$ 5,600	$ 4,655	$ 5,600	$ 5,600	$ -	$ 5,600	$ -	0.00%
490-5450-192	Sr. Ctr. Bldg Supplies	$ -	$ 1,000	$ 526	$ -	$ -	$ -	$ -	$ -	
Total Building Maint.		$ 65,906	$ 142,100	$ 112,154	$ 145,740	$ 165,770	$ (15,500)	$ 150,270	$ 4,530	3.11%

In FY 2018, the Building Maintenance budget was re-organized to combine separate building-related accounts into a single maintenance account under the direction of the DPW. Building maintenance items such as custodial services, maintenance contracts, alarm systems, grounds keeping, and repairs have been consolidated into a unified budget for greater accountability and control over the Town's maintenance efforts.

Cemeteries (Budget 491)

The budget funds maintenance of the five Town-owned cemeteries. Burial costs are funded through a revolving fund. In FY 2019, responsibility for maintaining the cemeteries passed from the Cemetery Committee to the Department of Public Works by town meeting vote.

CEMETERY										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
491-5118	Salary Cemetery	$ 5,340	$ 5,505	$ 5,505	$ 5,505	$ 5,505	$ -	$ 5,505	$ -	0.00%
491-5290	Cemetery Property Sr	$ 12,001	$ 12,830	$ 12,301	$ 12,830	$ 12,830	$ -	$ 12,830	$ -	0.00%
Total Cemetery		$ 17,341	$ 18,335	$ 17,806	$ 18,335	$ 18,335	$ -	$ 18,335	$ -	0.00%

Budget Series 440, 450 and 599: Enterprise Funds (Wastewater, Water, and Public Access Television)

A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
Series 440, 450 and 599 Enterprise Funds										
440	Sewer	$ 727,840	$ 917,213	$ 856,567	$ 914,463	$ 948,160	$ (8,300)	$ 939,860	$ 25,397	2.78%
	Sewer Contingency	$ -	$ 10,000	$ -	$ 10,000	$ 10,000	$ -	$ 10,000	$ -	0.00%
450	Water	$ 820,999	$ 1,041,944	$ 832,424	$ 1,036,598	$ 1,094,153	$ (16,000)	$ 1,078,153	$ 41,555	4.01%
	Water Contingency	$ -	$ 10,000	$ -	$ 10,000	$ 10,000	$ -	$ 10,000	$ -	0.00%
599	Cable TV	$ -	$ 62,509	$ 56,514	$ 57,711	$ 63,997	$ -	$ 63,997	$ 6,286	10.89%
	Cable TV Contingency	$ -	$ 20,000	$ -	$ 20,000	$ 4,825	$ -	$ 4,825	$ (15,175)	-75.88%
Total Enterprise Funds		$ 1,548,839	$ 2,061,666	$ 1,745,505	$ 2,048,772	$ 2,131,135	$ (24,300)	$ 2,106,835	$ 58,063	2.83%

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 are supported in this budget. It is in the Town's long-term interest to eliminate extraneous water sources to the wastewater collection system. Extraneous water is expensive to treat and reduces the wastewater treatment plant's capacity. Annual investigations of the collection system and follow remediation of cracked and broken sewer pipes will help maintain the system in proper working order for many years.

The Town is examining water and wastewater rates with an eye toward maintaining a sustainable enterprise fund. Annual variations in rainfall result in higher revenues in dry, hot years and lower revenues in wet, cold years. Taken altogether, however, increasing costs (especially in energy, personnel, and debt) are squeezing the water and wastewater enterprise funds.

SEWER ENTERPRISE FUND										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
440-5110	Salary Chief Operator	$ 47,507	$ 42,925	$ 42,016	$ -	$ -	$ -	$ -	$ -	
440-5110	Professional Salaries	$ 66,516	$ -	$ -	$ 44,500	$ 57,125	$ -	$ 57,125	$ 12,625	28.37%
440-5112	Adminstrative Salaries	$ 28,769	$ 25,056	$ 23,617	$ 25,358	$ 25,865	$ -	$ 25,865	$ 507	2.00%
440-5113	Assist. Chief Operator Sal	$ 58,927	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
440-5118	Sewer Salaries	$ 27,667	$ 180,830	$ 179,224	$ 185,920	$ 190,325	$ -	$ 190,325	$ 4,405	2.37%
440-5120	Sewer Part Time Salaries	$ 5,888	$ 16,935	$ 5,025	$ 12,240	$ 12,240	$ -	$ 12,240	$ -	0.00%
440-5130	Overtime	$ 36,280	$ 42,466	$ 37,594	$ 43,740	$ 44,800	$ -	$ 44,800	$ 1,060	2.42%
440-5190	Stipends/Longevity	$ 1,400	$ 1,400	$ 1,400	$ 1,850	$ 2,300	$ -	$ 2,300	$ 450	24.32%
440-5210	Electricity	$ -	$ -	$ -	$ 76,000	$ 83,600	$ -	$ 83,600	$ 7,600	10.00%
440-5215	Heating	$ -	$ 9,000	$ 5,415	$ 9,000	$ 9,000	$ (2,000)	$ 7,000	$ (2,000)	-22.22%
440-5210	Oil Sewer Treatment	$ 65,031	$ 71,000	$ 73,470	$ -	$ -	$ -	$ -	$ -	
440-5230	Sewer Other Utilities	$ 1,903	$ 3,800	$ 2,329	$ 3,800	$ 3,800	$ (800)	$ 3,000	$ (800)	-21.05%
440-5242	Vehicle Repairs & Maint.	$ 2,677	$ 7,000	$ 527	$ 7,000	$ 7,000	$ (3,000)	$ 4,000	$ (3,000)	-42.86%
440-5244	Equipment Repairs & Maint.	$ 50,717	$ 85,000	$ 110,597	$ 85,000	$ 85,000	$ -	$ 85,000	$ -	0.00%
440-5290	Property Related Srv.	$ -	$ 2,800	$ 2,649	$ 2,800	$ 2,800	$ -	$ 2,800	$ -	0.00%
440-5300	Other Professional Srv.	$ 116,098	$ 185,500	$ 179,544	$ 185,500	$ 185,500	$ -	$ 185,500	$ -	0.00%
440-5303	Legal Services	$ 5,411	$ 4,800	$ 1,120	$ 4,800	$ 4,800	$ (2,000)	$ 2,800	$ (2,000)	-41.67%
440-5305	Police Services	$ -	$ 500	$ 500	$ 1,000	$ 1,000	$ -	$ 1,000	$ -	0.00%
440-5306	Tech Suport Srv.	$ -	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ -	$ 1,000	$ -	0.00%
440-5310	Engineering Services	$ 31,675	$ 45,000	$ 20,696	$ 45,000	$ 45,000	$ -	$ 45,000	$ -	0.00%
440-5340	Telecommunications	$ 10,077	$ 12,950	$ 11,108	$ 12,000	$ 12,000	$ -	$ 12,000	$ -	0.00%
440-5385	Software Licensing/SAAS	$ -	$ 1,400	$ 1,389	$ 2,650	$ 4,650	$ -	$ 4,650	$ 2,000	75.47%
440-5420	Office Supplies	$ 4,906	$ 5,000	$ 3,555	$ 5,000	$ 5,000	$ -	$ 5,000	$ -	0.00%
440-5480	Gasoline	$ 4,711	$ 7,800	$ 5,815	$ 6,000	$ 7,000	$ (500)	$ 6,500	$ 500	8.33%
440-5530	Sewer Supplies	$ 9,980	$ 11,500	$ 6,750	$ 10,500	$ 10,500	$ -	$ 10,500	$ -	0.00%
440-5582	Uniforms	$ 5,888	$ 9,000	$ 5,104	$ 7,300	$ 7,300	$ -	$ 7,300	$ -	0.00%
440-5730	Dues/Licenses/Training	$ 3,085	$ 5,000	$ 989	$ 5,000	$ 5,000	$ -	$ 5,000	$ -	0.00%
440-5830	Capital Infrastructure Maint.	$ 6,600	$ 5,200	$ 783	$ 5,200	$ 5,000		$ 5,000	$ (200)	-3.85%
440-5910	Principal Long Term Debt	$ 88,806	$ 88,806	$ 88,806	$ 82,556	$ 88,456	$ -	$ 88,456	$ 5,900	7.15%
440-5915	Interest Long Term Debt	$ 47,321	$ 45,545	$ 45,545	$ 43,749	$ 42,099	$ -	$ 42,099	$ (1,650)	-3.77%
Total Wastewater		$ 727,840	$ 917,213	$ 856,567	$ 914,463	$ 948,160	$ (8,300)	$ 939,860	$ 25,397	2.78%

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.

WATER ENTERPRISE FUND										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
450-5110	Professional Salaries	$ 34,173	$ 57,315	$ 55,366	$ 58,650	$ 57,125	$ -	$ 57,125	$ (1,525)	-2.60%
450-5112	Admin Salaries	$ 35,818	$ 49,202	$ 57,254	$ 56,164	$ 62,475	$ -	$ 62,475	$ 6,311	11.24%
450-5115	Longevity	$ -	$ -	$ -	$ -	$ 900	$ -	$ 900	$ 900	
450-5118	Water Salaries	$ 214,388	$ 187,371	$ 178,565	$ 193,820	$ 202,450	$ -	$ 202,450	$ 8,630	4.45%
450-5120	Temporary Wages	$ -	$ 4,500	$ -	$ 4,590	$ 4,690	$ -	$ 4,690	$ 100	2.18%
450-5130	Overtime	$ 43,713	$ 26,020	$ 25,020	$ 27,700	$ 33,300	$ -	$ 33,300	$ 5,600	20.22%
450-5140	Shift Differentials	$ -	$ 14,480	$ 15,528	$ 18,300	$ 18,500	$ -	$ 18,500	$ 200	1.09%
450-5210	Wtr Electricity	$ 117,516	$ 121,000	$ 115,725	$ 129,000	$ 141,900	$ -	$ 141,900	$ 12,900	10.00%
450-5215	Heating	$ 556	$ 9,840	$ 7,022	$ 9,840	$ 10,824	$ -	$ 10,824	$ 984	10.00%
450-5230	Other Utilities Water/Sewer	$ -	$ 34,000	$ 15,999	$ 41,000	$ 33,000	$ -	$ 33,000	$ (8,000)	-19.51%
450-5241	Water Building Systems	$ 10,783	$ 21,525	$ 12,463	$ 21,525	$ 21,525	$ (5,000)	$ 16,525	$ (5,000)	-23.23%
450-5242	Water Vehicle Repairs & Maint.	$ 755	$ 16,500	$ 1,062	$ 16,500	$ 15,000	$ (5,000)	$ 10,000	$ (6,500)	-39.39%
450-5244	Equip Repairs & Maint.	$ 49,314	$ 35,220	$ 25,816	$ 35,220	$ 35,220	$ -	$ 35,220	$ -	0.00%
450-5270	Rental Equipment	$ 3,536	$ 12,000	$ -	$ 11,000	$ 11,000	$ (5,000)	$ 6,000	$ (5,000)	-45.45%
450-5290	Property Related Srv.	$ 1,221	$ 400	$ 285	$ 400	$ 400	$ -	$ 400	$ -	0.00%
450-5303	Legal Services	$ 60	$ 3,000	$ 1,875	$ 3,000	$ 3,200	$ (1,000)	$ 2,200	$ (800)	-26.67%
450-5304	Advertising & Legal Notices	$ 1,466	$ 1,320	$ -	$ 1,300	$ 1,300	$ -	$ 1,300	$ -	0.00%
450-5305	Police Services	$ 2,226	$ 3,500	$ 1,946	$ 3,500	$ 3,500	$ -	$ 3,500	$ -	0.00%
450-5306	Tech Support Srv.	$ -	$ 5,400	$ 2,131	$ 5,400	$ 5,400	$ -	$ 5,400	$ -	0.00%
450-5310	Engineering Services	$ 44,848	$ 61,075	$ 43,029	$ 61,000	$ 61,000	$ -	$ 61,000	$ -	0.00%
450-5311	Water Medical	$ 256	$ 420	$ -	$ 400	$ 400	$ -	$ 400	$ -	0.00%
450-5340	Telecommunications	$ 9,192	$ 11,200	$ 8,990	$ 11,000	$ 11,000	$ -	$ 11,000	$ -	0.00%
450-5385	Software Licensing/SAAS	$ -	$ 5,500	$ 5,006	$ 6,750	$ 9,000	$ -	$ 9,000	$ 2,250	33.33%
450-5420	Billing/Advertising/Office Spl	$ 9,908	$ 3,800	$ 984	$ 3,800	$ 3,800	$ -	$ 3,800	$ -	0.00%
450-5480	Vehicle Fuel	$ 16,514	$ 18,000	$ 3,413	$ 10,000	$ 10,000	$ -	$ 10,000	$ -	0.00%
450-5530	Water Public Works Supplies	$ 21,569	$ 13,800	$ 17,152	$ 13,800	$ 20,000	$ -	$ 20,000	$ 6,200	44.93%
450-5582	Uniforms	$ 2,906	$ 10,400	$ 3,724	$ 7,300	$ 7,300	$ -	$ 7,300	$ -	0.00%
450-5730	Dues/Licenses	$ 7,813	$ 6,700	$ 5,765	$ 7,200	$ 8,000	$ -	$ 8,000	$ 800	11.11%
450-5830	Capital Infrastructure Maint.	$ 20,502	$ 98,600	$ 46,578	$ 98,600	$ 98,600	$ -	$ 98,600	$ -	0.00%
450-5850	Water Equip Purchase	$ 3,314	$ 12,000	$ 13,478	$ 12,000	$ 15,000	$ -	$ 15,000	$ 3,000	25.00%
450-5910	Pricinple Long Term Debt	$ 132,936	$ 158,270	$ 135,621	$ 138,362	$ 158,868	$ -	$ 158,868	$ 20,506	14.82%
450-5930	Interest Long Term Debt	$ 35,716	$ 39,586	$ 32,627	$ 29,477	$ 29,476	$ -	$ 29,476	$ (1)	0.00%
Total Water		$ 820,999	$ 1,041,944	$ 832,424	$ 1,036,598	$ 1,094,153	$ (16,000)	$ 1,078,153	$ 41,555	4.01%

Hadley Public Access Television Enterprise Fund (Budget 599)

Mission Statement

Hadley Public Access Television (HPAT) 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.

Introduction

HPAT provides two channels for local programming related to public, educational, and governmental programming (PEG) with a possible third channel available when needed. HPAT is funded from grants from the cable companies that use public rights of way to provide services to cable TV and cable-based Internet users. Such grants are negotiated in franchise agreements as per the provisions of the Cable

Communications Policy Act of 1984, and the Town of Hadley executed a franchise agreement with Charter Communications Entertainment I, LLC on March 19, 2014. A copy of Hadley's current license may be found here:

http://www.mass.gov/ocabr/government/oca-agencies/dtc-lp/competition-division/cable-tv-division/municipal-info/cable-television-licenses.html

HADLEY MEDIA ENTERPRISE FUND										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
599-5102	Full Time Salaries	$ 21,864	$ -	$ -	$ -	$ 39,000	$ (39,000)	$ -	$ -	
599-5120	Part Time Salaries	$ 5,374	$ 17,255	$ 17,245	$ 17,340	$ 17,767	$ -	$ 17,767	$ 427	2.46%
599-5210	Electricity	$ -	$ -	$ -	$ -	$ 3,500	$ -	$ 3,500	$ 3,500	
599-5244	Equipment Repair	$ -	$ 3,000	$ -	$ 500	$ 500	$ -	$ 500	$ -	0.00%
599-5300	Professional Consulting Srv	$ 15,217	$ 38,000	$ 37,999	$ 38,000	$ -	$ 39,000	$ 39,000	$ 1,000	2.63%
599-5320	Tuition/Meetings	$ -	$ 750	$ -	$ -	$ -	$ -	$ -	$ -	
599-5340	Telephone/Internet	$ 541	$ 1,460	$ 596	$ 676	$ 1,800	$ -	$ 1,800	$ 1,124	166.27%
599-5385	Software	$ -	$ 1,194	$ 549	$ 1,145	$ 480	$ -	$ 480	$ (665)	-58.08%
599-5420	Supplies	$ 3,384	$ 500	$ 125	$ 50	$ 550	$ -	$ 550	$ 500	1000.00%
599-5341	Charter Internet	$ 541	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
599-5730	Dues	$ 240	$ 350	$ -	$ -	$ 400	$ -	$ 400	$ 400	
Total Cable TV		$ 47,161	$ 62,509	$ 56,514	$ 57,711	$ 63,997	$ -	$ 63,997	$ 6,286	10.89%

Cable franchise funds consist of three components: The first is a subscriber fee of $0.50 subscriber (a rate set by statute [MGL Chapter 166A, Section 9]). The Town of Hadley has 1,684 subscribers, which results in an annual payment of $842. This money is placed in the General Fund.

The second source of funds is an annual payment of a percentage of the gross revenues generated in Hadley for all cable services. According to the terms of the franchise agreement, Hadley will receive the following:

Year One	3.0% of Gross Revenues
Year Two	3.5% of Gross Revenues
Years Three through Ten	4.0% of Gross Revenues

On June 16, 2015, the Town received a payment of $59,204.24. Based on this first-year payment, the Town expects to receive an estimated minimum of $67,919 in June 2016, $68,250 in June 2017, and $68,530 in June 2018. The exact amount will be determined by market conditions.

The third source of funds is support for capital equipment to operate the Hadley cable station. The Town will receive $150,000 for capital expenses in two lump sum payments of $75,000 each: the first by 90 days from the effective date of the agreement; and the second on the fourth anniversary of the agreement – March 26, 2018.

Administrative Charges for Enterprise Funds

In addition to the operational and capital costs for water, wastewater, and public access television, each enterprise fund supports the indirect costs of personnel not assigned to the Department of Public Works or Hadley Public Access Television Department (HPAT), yet whose work contributes to and supports operations (e.g., the Treasurer who handles all water, wastewater, and HPAT funds), and the indirect costs for the supporting functions that make the enterprise funds possible (e.g. legal and insurance costs). 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.)

In 2014, Hadley's administrative charges were reviewed by the Massachusetts Department of Revenue and found to be reasonable and allowed by the Department's guidelines for enterprise funds.

TOWN OF HADLEY
WATER, SEWER AND HPAT ENTERPRISE FUNDS
DIRECT AND INDIRECT ADMINISTRATIVE CHARGES
2/5/2019
FY2020

A. Indirect Costs

Salaries

Amount	Percentage		
$ 10,381,219.00	100.00%	Budget amount of salaries and employee benefits for all departments (including School)	Current Fiscal Year
$ 309,045.00	2.98%	Budget amount of salaries and employee benefits for Water Department	
$ 345,686.00	3.33%	Budget amount of salaries and employee benefits for Sewer Department.	
$ 17,000.00	0.16%	Budget amount of salaries and employee benefits for Hadley Public Acces TV (HPAT)	

Application of percentages to Salaries and Employee Benefits of:

$ 131,288.46	Town Administrator	Current fiscal year
$ -	Town Accountant	
$ 10,622.43	Assistant Accountant	
$ 90,701.57	Town Collector	
$ 62,769.21	Assistant Collector	
$ 67,136.87	Assistant Treasurer	
$ 75,522.14	Town Treasurer	
$ 438,040.68	TOTAL	

Calculation of Indirect Costs for Administrative Services -- Salaries

	Total Administrative Salaries	x	Percentage Enterprise Salaries	=	Indirect Cost Allocation for Administrative Services Salaries	Special Adjustments	=	
Water	$ 438,040.68		0.0298		$ 13,040.31		=	$ 13,040.31
Sewer	$ 438,040.68		0.0333		$ 14,586.39		=	$ 14,586.39
HPAT	$ 438,040.68		0.0016		$ 717.32	-251.32	=	$ 466.00

Expenses

Amount	Percentage		
$ 7,685,137.60	100%	Budget amount of expenses for all departments (including school)	Current fiscal year
$ 800,197.30	10.41%	Budget amount of expenses for Water Department	
$ 862,107.20	11.22%	Budget amount of expenses for Sewer Department	
$ 154,946.81	2.02%	Budget amount of expenses for HPAT	

Application of percentages to Expenses of:

$ 2,400.00	Town Administrator	Current fiscal year
$ 364,889.29	Buildings	
$ 82,310.57	Town Accountant	
$ 13,987.00	Town Collector	
$ 31,305.00	Town Treasurer	
$ 41,380.00	Legal	
$ 104,400.00	Insurance (less 111F)	
$ 640,671.86	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	$ 640,671.86		0.1041		$ 66,708.49		=	$ 66,708.49
Sewer	$ 640,671.86		0.1122		$ 71,869.61		=	$ 71,869.61
HPAT	$ 640,671.86		0.0202		$ 12,917.15	$ (282.00)	=	$ 12,635.15

Total Indirect Water Charges	=	$ 79,748.79
Total Indirect Sewer Charges	=	$ 86,456.00
Total Indirect HPAT Charges	=	$ 13,352.47

B. Direct Costs

		Water	Wastewater	HPAT
	Health Ins.	$ 35,541.00	$ 36,628.00	$ -
	Life Ins.	$ 70.00	$ 45.00	$ 17.00
	Medicare	$ 4,769.00	$ 1,638.00	$ 245.00
	Workers' Comp	$ 9,283.00	$ 7,908.00	$ 2,190.00
	Retirement	$ 54,320.00	$ 71,951.00	$ 4,851.00
	Unemployment	$ -	$ -	$ 3,310.00
	TOTAL	$ 103,983.00	$ 118,170.00	$ 10,613.00

Water Department Benefits	=	$ 103,983.00
Sewer Department Benefits	=	$ 118,170.00
HPAT Benefits	=	$ 10,613.00

C. OPEB Costs

FY 2019 contribution	=	$ 263,838.00	x 2.5%	$ 270,434
Water	=	4.43% of total payroll		$ 11,980.22
Sewer	=	3.96% of total payroll		$ 10,709.18
HPAT	=	0.22% of total payroll		$ 594.95

Current fiscal year

GRAND TOTAL INDIRECT, DIRECT & OPEB CHARGES (Water)	**$ 195,712.02**
GRAND TOTAL INDIRECT, DIRECT & OPEB CHARGES (Sewer)	**$ 215,335.18**
GRAND TOTAL INDIRECT, DIRECT & OPEB CHARGES (HPAT)	**$ 24,560.43**

Budget Series 500: Human Services

A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
	Series 500 Human Services									
510	Board of Health	$ 35,973	$ 36,535	$ 35,766	$ 36,435	$ 36,435	$ -	$ 36,435	$ -	0.00%
541	Council on Aging	$ 79,333	$ 80,300	$ 83,924	$ 96,617	$ 104,341	$ -	$ 104,341	$ 7,724	7.99%
543	Veterans' Services	$ 90,567	$ 110,122	$ 93,074	$ 104,000	$ 104,000	$ (5,000)	$ 99,000	$ (5,000)	-4.81%
590	Oliver Smith Will	$ 100	$ 100	$ -	$ 100	$ 100	$ -	$ 100	$ -	0.00%
599	Cable TV (old)	$ 47,161	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Human Services		$ 253,134	$ 227,057	$ 212,764	$ 237,152	$ 244,876	$ (5,000)	$ 239,876	$ 2,724	1.15%

Board of Health (Budget 510)

BOARD OF HEALTH										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
510-5118	Salary Board of Health	$ 4,950	$ 4,950	$ 4,950	$ 4,950	$ 4,950	$ -	$ 4,950	$ -	0.00%
510-5190	Nurse Salary	$ 9,800	$ 9,800	$ 9,800	$ 9,800	$ 9,800	$ -	$ 9,800	$ -	0.00%
510-5195	Animal Inspector	$ -	$ 1,300	$ 1,000	$ 1,300	$ 1,300	$ -	$ 1,300	$ -	0.00%
510-5300	Inspections	$ 19,736	$ 18,350	$ 18,537	$ 18,350	$ 18,350	$ -	$ 18,350	$ -	0.00%
510-5304	Legal Notices & Adv.	$ -	$ 110	$ 35	$ 110	$ 110	$ -	$ 110	$ -	0.00%
510-5308	Tuition/Meetings	$ 150	$ 500	$ 50	$ 500	$ 500	$ -	$ 500	$ -	0.00%
510-5311	Flu Clinic	$ 607	$ 600	$ 583	$ 600	$ 600	$ -	$ 600	$ -	0.00%
510-5340	Telephone	$ 305	$ -	$ 327	$ -	$ -	$ -	$ -	$ -	
510-5345	Postage	$ 24	$ 75	$ -	$ 75	$ 75	$ -	$ 75	$ -	0.00%
510-5420	Office Supplies	$ 173	$ 500	$ 336	$ 500	$ 500	$ -	$ 500	$ -	0.00%
510-5710	Mileage/Meals	$ 93	$ 150	$ 88	$ 100	$ 100	$ -	$ 100	$ -	0.00%
510-5730	Dues	$ 135	$ 200	$ 60	$ 150	$ 150	$ -	$ 150	$ -	0.00%
Total Board of Health		$ 35,973	$ 36,535	$ 35,766	$ 36,435	$ 36,435	$ -	$ 36,435	$ -	0.00%

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.

COUNCIL ON AGING										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
541-5110	Salary Director	$ 51,580	$ 53,704	$ 53,099	$ 61,963	$ 63,202	$ -	$ 63,202	$ 1,239	2.00%
541-5118	COA Coordinator	$ 4,070	$ 12,680	$ 16,151	$ 17,270	$ 23,790	$ -	$ 23,790	$ 6,520	37.75%
541-5118	Community Outreach Coord	$ 14,743	$ 5,403	$ 2,741	$ 9,180	$ 9,180	$ -	$ 9,180	$ -	0.00%
541-5120	Part Time Wages	$ -	$ -	$ 4,027	$ -	$ -	$ -	$ -	$ -	
541-5195	Salaries Drivers	$ 5,019	$ 3,553	$ 2,771	$ 3,264	$ 3,500	$ -	$ 3,500	$ 236	7.23%
541-5242	Van Maint. And Repair	$ 555	$ 700	$ 1,438	$ 700	$ 350	$ -	$ 350	$ (350)	-50.00%
541-5244	Office Equip. Maint.	$ 305	$ 450	$ 300	$ 400	$ 75	$ -	$ 75	$ (325)	-81.25%
541-5308	Tuition/Meetings	$ 80	$ 60	$ 20	$ 60	$ 60	$ -	$ 60	$ -	0.00%
541-5345	Postage	$ 600	$ 800	$ 875	$ 1,000	$ 1,100	$ -	$ 1,100	$ 100	10.00%
541-5350	Recreational Services	$ 625	$ 800	$ 604	$ 800	$ 800	$ -	$ 800	$ -	0.00%
541-5420	Office Supplies	$ 883	$ 700	$ 1,232	$ 1,000	$ 1,000	$ -	$ 1,000	$ -	0.00%
541-5480	Gasoline	$ 450	$ 900	$ 388	$ 450	$ 700	$ -	$ 700	$ 250	55.56%
541-5710	Mileage/Meals	$ 348	$ 300	$ -	$ 250	$ 250	$ -	$ 250	$ -	0.00%
541-5730	Dues	$ 75	$ 250	$ 278	$ 280	$ 334	$ -	$ 334	$ 54	19.29%
Total Council on Aging		$ 79,333	$ 80,300	$ 83,924	$ 96,617	$ 104,341	$ -	$ 104,341	$ 7,724	7.99%

The Friends of Hadley COA agreed to fund the Coordinator position $3,000 in FY 2018, $5,100 in FY 2019, with the goal that the Town will pay the balance in FY 2020.

Veterans' Services (Budget 543)

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

VETERANS' SERVICES										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
543-5300	Burial Expenses	$ -	$ 1,000	$ -	$ 1,000	$ 1,000	$ -	$ 1,000	$ -	0.00%
543-5350	Memorial Day Expenses	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ -	$ 1,000	$ -	0.00%
543-5580	Other Expenses	$ 19,983	$ 19,422	$ 21,387	$ 22,000	$ 22,000	$ -	$ 22,000	$ -	0.00%
543-5770	Vet Benefits	$ 69,584	$ 88,700	$ 70,687	$ 80,000	$ 80,000	$ (5,000)	$ 75,000	$ (5,000)	-6.25%
Total Veterans' Services		$ 90,567	$ 110,122	$ 93,074	$ 104,000	$ 104,000	$ (5,000)	$ 99,000	$ (5,000)	-4.81%

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.

ELECTOR UNDER THE OLIVER SMITH WILL										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
590-5195	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

Hadley Media 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.

Introduction

Hadley Media provides up to three channels for local programming related to public, educational, and governmental programming (PEG). Hadley Media is funded from grants from the cable companies that use public rights of way to provide services to cable TV and cable-based Internet users. Such grants are negotiated in franchise agreements as per the provisions of the Cable Communications Policy Act of 1984, and the Town of Hadley executed a franchise agreement with Charter Communications Entertainment I, LLC on March 19, 2014. A copy of Hadley's current license may be found here:

http://www.mass.gov/ocabr/government/oca-agencies/dtc-lp/competition-division/cable-tv-division/municipal-info/cable-television-licenses.html

Hadley Media's budget is presented in the Enterprise Fund section (Budget Series 440, 450, and 599) of this book.

Budget Series 600: Culture and Recreation

A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
Series 600 Culture and Recreation										
610	Library	$ 197,153	$ 198,416	$ 193,525	$ 203,455	$ 208,466	$ (3,042)	$ 205,424	$ 1,969	0.97%
630	Park Commission	$ 52,956	$ 39,653	$ 41,087	$ 50,811	$ 68,800	$ (17,257)	$ 51,543	$ 732	1.44%
691	Historical Comm	$ 198	$ 1,250	$ -	$ 950	$ 950	$ -	$ 950	$ -	0.00%
Total Culture and Recreation		$ 250,307	$ 239,319	$ 234,612	$ 255,216	$ 278,216	$ (20,299)	$ 257,917	$ 2,701	1.06%

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.

Introduction

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

GOODWIN MEMORIAL LIBRARY										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
610-5110	Librarian Salary	$ 127,885	$ 57,854	$ 57,894	$ 61,693	$ 64,778	$ -	$ 64,778	$ 3,085	5.00%
610-5120	Part-Time Library Salaries	$ -	$ 78,717	$ 72,511	$ 82,957	$ 87,658	$ (3,042)	$ 84,616	$ 1,659	2.00%
610-5200	Custodial Services	$ 5,089	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
610-5210	Electricity	$ 3,496	$ 4,500	$ 5,326	$ 4,100	$ 4,500	$ -	$ 4,500	$ 400	9.76%
610-5215	Heating	$ 1,604	$ 3,000	$ 2,267	$ 2,800	$ 2,800	$ -	$ 2,800	$ -	0.00%
610-5230	Water/Sewer Charges	$ 181	$ 325	$ 168	$ 275	$ 200	$ -	$ 200	$ (75)	-27.27%
610-5240	Exterio Maint.	$ 2,018	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
610-5241	Library Building Systems	$ 1,997	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
610-5306	Computer Resource Srv.	$ 7,013	$ 2,158	$ 1,791	$ 1,200	$ 1,000	$ -	$ 1,000	$ (200)	-16.67%
610-5247	Security System Maint	$ 923	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
610-5308	Tuition & Meetings	$ 157	$ 500	$ 174	$ 500	$ 400	$ -	$ 400	$ (100)	-20.00%
610-5340	Telephone & Internet	$ 1,270	$ 1,400	$ 1,712	$ 2,500	$ 2,500	$ -	$ 2,500	$ -	0.00%
610-5350	Programs/Activities	$ 3,198	$ 3,500	$ 2,708	$ 3,250	$ 2,500	$ -	$ 2,500	$ (750)	-23.08%
610-5420	Office Supplies	$ 1,154	$ 2,000	$ 1,613	$ 1,500	$ 1,250	$ -	$ 1,250	$ (250)	-16.67%
610-5450	Custodial Supplies	$ -	$ -	$ -	$ -	$ 500	$ -	$ 500	$ 500	
610-5510	Ed.Supplies/Books	$ 41,168	$ 38,220	$ 40,869	$ 36,750	$ 34,500	$ -	$ 34,500	$ (2,250)	-6.12%
610-5730	Dues/Memberships/Lics.	$ -	$ 6,242	$ 6,492	$ 5,930	$ 5,880	$ -	$ 5,880	$ (50)	
Total Public Library		$ 197,153	$ 198,416	$ 193,525	$ 203,455	$ 208,466	$ (3,042)	$ 205,424	$ 1,969	0.97%

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.

PARK AND RECREATION COMMISSION										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
630-5101	Salary Park Commission	$ 1,050	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
630-5110	Director Salary	$ 37,406	$ 30,788	$ 34,515	$ 36,566	$ 47,691	$ (10,393)	$ 37,298	$ 732	2.00%
630-5112	Administrative Salary	$ 10,577	$ -	$ -	$ -	$ 6,864	$ (6,864)	$ -	$ -	
630-5120	School Use Custodial	$ -	$ 4,500	$ 2,150	$ 4,500	$ 4,500	$ -	$ 4,500	$ -	0.00%
630-5300	School Use Expense	$ 663	$ -	$ -	$ 4,080	$ 4,080	$ -	$ 4,080	$ -	0.00%
630-5308	Tuition & Meetings	$ 185	$ 200	$ -	$ 500	$ 500	$ -	$ 500	$ -	0.00%
630-5340	Telecommunications		$ -	$ 1,393	$ -	$ -	$ -	$ -	$ -	
630-5420	Office Supplies	$ 1,365	$ 1,440	$ 1,108	$ 1,440	$ 1,440	$ -	$ 1,440	$ -	0.00%
630-5710	Mileage	$ 319	$ 225	$ 110	$ 225	$ 225	$ -	$ 225	$ -	0.00%
630-5850	Equipment Purchase	$ 1,391	$ 2,500	$ 1,811	$ 3,500	$ 3,500	$ -	$ 3,500	$ -	0.00%
Total Park Commission		$ 52,956	$ 39,653	$ 41,087	$ 50,811	$ 68,800	$ (17,257)	$ 51,543	$ 732	1.44%

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.

HISTORICAL COMMISSION										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
691-5300	Hist. Studies/Surveys	$ -	$ 800	$ -	$ 500	$ 500	$ -	$ 500	$ -	0.00%
691-5350	Programs/Lectures	$ -	$ 350	$ -	$ 350	$ 350	$ -	$ 350	$ -	0.00%
691-5420	Office Supplies	$ 198	$ 100	$ -	$ 100	$ 100	$ -	$ 100	$ -	0.00%
Total Historical Commission		$ 198	$ 1,250	$ -	$ 950	$ 950	$ -	$ 950	$ -	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. In FY2014 the Town again increased its bond rating to AA+. The Town has maintained its current credit rating for 4 years, and in the most recent borrowing of October 2014, the Town's credit rating was re-affirmed. 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
Fiscal Year		FY14	FY15	FY16	FY17	FY18	FY19		
Hadley's Credit Rating (Standard and Poor's)		AA+	AA+	AA+	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 7.38% of net operating revenues – 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 10.97% of net operating revenues for the enterprise fund – actually lower than the 20% minimum adopted policy limit. Sewer debt service has risen from zero in FY 2014 to 13.05% in FY 2018. All sewer enterprise fund debt was retired in FY 2012, but more has been added with the Pump Stations 1 and 4 upgrade project. 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 using borrowing from CPA funds.

DEBT										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
710-5910	Principal Long Term Debt (Inside)					$ 81,085	$ -	$ 81,085	$ 81,085	
710-5911	Principal Long Term Debt (Outside)					$ 451,615	$ -	$ 451,615	$ 451,615	
750-5915	Interest Long Term Debt (Inside)					$ 20,437	$ -	$ 20,437	$ 20,437	
750-5916	Interest Long Term Debt (Outside)					$ 193,987	$ -	$ 193,987	$ 193,987	
750-5925	Principal Short-Term Notes (Inside)					$ 63,950	$ -	$ 63,950	$ 63,950	
750-5926	Principal Short-Term Notes (Outside)					$ 486,000	$ -	$ 486,000	$ 486,000	
750-5926	Interest Short-Term Notes (Inside)					$ 12,061	$ -	$ 12,061	$ 12,061	
	Interest Short-Term Notes (Outside)					$ 76,134	$ -	$ 76,134	$ 76,134	
710-5910	Principal Long Term Debt	$ 767,597	$ 1,148,441	$ 1,148,441	$ 1,167,252	$ -	$ -	$ -	$ -	-100.00%
750-5915	Interest Long Term Debt	$ 116,090	$ 106,634	$ 106,634	$ 103,428	$ -	$ -	$ -	$ -	-100.00%
Total Debt		$ 883,687	$ 1,255,075	$ 1,255,075	$ 1,270,680	$ 1,385,269	$ -	$ 1,385,269	$ 114,589	9.02%

Budget Series 900: Unclassified

Unclassified (Budget Series 900)

Unclassified Expenses, formerly titled "Benefits", is comprised of the 900 Series Budget items. The title was changed to the technical name of Unclassified Expenses because the 900 Budget Series contains both benefits (such as health insurance) and transfers to trusts or other funds (e.g., OPEB and Stabilization).

UNCLASSIFIED (1)										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
911-5170	Retirement	$ 917,931	$ 1,057,117	$ 1,057,117	$ 1,105,022	$ 1,294,613	$ (22,843)	$ 1,271,770	$ 166,748	15.09%
912-5170	Workers Comp.	$ 65,000	$ 72,000	$ 72,413	$ 76,441	$ 77,970	$ -	$ 77,970	$ 1,529	2.00%
913-5170	Unemployment Ins.	$ 6,044	$ 40,000	$ 30,002	$ 30,000	$ 33,000	$ -	$ 33,000	$ 3,000	10.00%
914-5170	Health Insurance	$ 1,081,992	$ 1,281,000	$ 1,202,982	$ 1,241,000	$ 1,368,000	$ -	$ 1,368,000	$ 127,000	10.23%
915-5170	Life Insurance	$ 2,299	$ 2,800	$ 2,414	$ 2,800	$ 2,660	$ -	$ 2,660	$ (140)	-5.00%
916-5170	Medicare	$ 114,878	$ 133,000	$ 122,647	$ 133,000	$ 139,000	$ -	$ 139,000	$ 6,000	4.51%
919-5170	OPEB Contribution	$ 164,888	$ 257,403	$ 257,403	$ 263,838	$ 270,434	$ -	$ 270,434	$ 6,596	2.50%
920	Transfer to Stab.	$ -	$ -	$ -	$ -	$ 5,000	$ (5,000)	$ -	$ -	
Total Unclassified		$ 2,353,032	$ 2,843,320	$ 2,744,978	$ 2,852,101	$ 3,190,677	$ (27,843)	$ 3,162,834	$ 310,733	10.89%

UNCLASSIFIED (2)										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
945-5740	Police/Fire Volunteer Accident	$ 43,281	$ 45,000	$ 45,108	$ 45,000	$ 45,000	$ -	$ 45,000	$ -	0.00%
Total Insurance Benefit		$ 43,281	$ 45,000	$ 45,108	$ 45,000	$ 45,000	$ -	$ 45,000	$ -	0.00%

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. If the Town can pay the assessment in one lump sum, then a 2% discount is available. I recommend the one payment and securing a discount of $22,843.

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: Formerly, Hadley's health plan year with the Hampshire-Franklin Group Insurance Trust runs from April 1 through March 31. Starting July 1, 2018, the health plan year will be changed to match Hadley's fiscal year, which runs from July 1 through June 30. Such a change will eliminate much of the uncertainty associated with budgeting for an unknown increase in the last quarter. Budgeting is a simple matter of calculating the rates and number of plans and inserting a number.

   Unknown Costs: There are two unknown costs that also need to be budgeted.

   The first unknown cost stem from open enrollment season (May) 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 second 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 paid 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 Police and Fire Accident Insurance below).

4. Unemployment Insurance: The Town has opted for a reimbursable status, as opposed to a contributing status, and the Town sees considerable savings (estimated to be well over $100,000) as a result. The Town formerly paid unemployment claims out of a special article that was replenished by town meeting vote from time to time. Starting in FY 2015, the Town added an unemployment insurance line to its benefits in order to budget more precisely unemployment payments. The existing balance in the unemployment article will be drawn down and not replenished. This new line item will cover costs of unemployment.

5. Other Post-Employment Benefits (OPEB): OPEB refers to any post-employment benefit other than pensions. OPEB is a national accounting requirement that affects all municipalities, districts, and state governments. In the case of Hadley, these benefits are limited to present and future retirees, and the benefits consist of health insurance and life insurance. In Hadley, the most recent reported unfunded liability is $7,752,001, an increase of $796,886 over that reported in the 2016 actuarial report. The increase may be alarming, but it needs to be viewed in context.

   OPEB reporting was formerly governed by the provisions of GASB 45. To comply with new federal regulations, the Town adopted GASB 74 for the year ending June 30, 2017 and GASB 75 for the fiscal year ending June 30, 2018. Adopting GASB 74/75 introduces a new actuarial cost method and discount rate as well as new disclosures and methodologies for reporting plan liabilities and OPEB expenses. These changes make comparisons to the old liabilities reported under GASB 45 misleading. The liability reported under GASB 74/75 require the recognition of liabilities immediately, rather than recognizing those same liabilities over a 30-year period (as GASB 45 allowed).

   These federal requirements apply to all governmental agencies throughout the country, and since liabilities must be reported immediately, and cannot be reported over a 30-year schedule, all U.S. governmental agencies will see an increase in their OPEB liability.

   In sum, the new GASB 74/75 report effectively establishes a new baseline for determining Hadley's OPEB liability, making comparisons to former OPEB liability reports difficult. The Town is advised to continue its funding strategy by increasing its annual contribution by 2.5% in order to bring down the liability and make funding work within Proposition 2 ½ (all other variables being equal).

In FY 2013, the Town of Hadley developed an aggressive six-point strategy to address its OPEB liability and launched it in FY 2014. The main part of the strategy was to add ever-increasing annual amounts to an OPEB irrevocable trust (a special account set up to receive and hold OPEB funds) until the Town achieved a sustainable level of funding that would pay down the unfunded liability. The Town identified $80,000 as the initial annual contribution, and each year that amount would be increased by an additional $80,000. In FY 2014, the voters approved $80,000. In FY 2015, the voters approved $164,888, and in FY 2016, the voters approved $245,000. With this most recent contribution, the Town exceeded its actuarial annual pay-as-you-go amount of $213,000, and this means that (with all other variables remaining steady) the unfunded liability will not grow faster than the pay down rate. Auditors and bond rating agencies will regard the Town's effort very favorably.

Once the annual funding goal exceed the pay-as-you-go contribution, the Town amended its funding plan from an aggressive one to a more measured approach. The Town Treasurer and Town Administrator recommend that the Town increase its annual OPEB contributions by 2.5% annually. The previous strategy of arithmetic funding of $80,000 annually is discontinued. Under the new plan, the Town is expected to exceed its 30-year pay-down target of $269,000/year in FY 2020 (assuming a 7% rate of return on investments over the long run), and Hadley will be placed on a sustainable funding schedule for handling this obligation.

At the last town meeting, the voters approved a $263,838 annual payment to OPEB.

In FY 2020, the Town may assess the investment environment in order to maximize responsible investment of its OPEB monies, as well as evaluate the related issue of pension liability and determine prospects for diverting funds away from an amortized pension liability.

The effect of the new strategy is to relieve pressure from Unclassified Expenses (formerly "Benefits") (Budget Series 900), which have been strained in recent years to support the aggressive OPEB strategy.

The Town's next targets to meet are (1) annual payments of $269,061 to its unfunded liability, which is identified in an actuarial report as an amount sufficient to pay down the unfunded liability over a 30 year period with a 7% investment return and (2) annual payments of $340,000, which is estimated by our actuarial as an amount sufficient to pay down the unfunded liability over a 30 year period with a 4% investment return.

The Financial Management Team, in consultation with our chief financial advisor, actuarial advisor, and OPEB investment advisor, recommend amending the Town's present OPEB funding plan to include the following: (1) exploring an investment strategy for the OPEB irrevocable trust that balances the principles of yield, security, and liquidity to achieve a 4% investment return over the long run, and (2) a gradual funding approach to achieving the next targets, so as

to lessen the strain on other areas of the budget. Future funding efforts are recommended to grow by 2½% to exceed the first target in FY 2020 and to exceed the second target in FY 2030. The payment schedule is summarized below:

TOWN OF HADLEY				
OPEB FUNDING PLAN				
Fiscal Year	Annual OPEB Contribution	2.5% Increase	TOTAL	Target Annual Contribition
2016	$ 245,000			
2017	$ 245,000	$ 6,125	$ 251,125	
2018	$ 251,125	$ 6,278	$ 257,403	
2019	$ 257,403	$ 6,435	$ 263,838	
2020	$ 263,838	$ 6,596	$ 270,434	$ 269,061
2021	$ 270,434	$ 6,761	$ 277,195	
2022	$ 277,195	$ 6,930	$ 284,125	
2023	$ 284,125	$ 7,103	$ 291,228	
2024	$ 291,228	$ 7,281	$ 298,509	
2025	$ 298,509	$ 7,463	$ 305,971	
2026	$ 305,971	$ 7,649	$ 313,621	
2027	$ 313,621	$ 7,841	$ 321,461	
2028	$ 321,461	$ 8,037	$ 329,498	
2029	$ 329,498	$ 8,237	$ 337,735	
2030	$ 337,735	$ 8,443	$ 346,179	$ 340,000

6. Police and Fire Accident Insurance: Police and Fire personnel are exposed to greater risks than many other municipal employees, and they are not covered by Workers' Compensation. Special insurance is provided to cover claims that might arise from public safety personnel performing their duties.

The Affordable Care Act, better known as "ObamaCare", took effect in Calendar Year 2014, and is very likely to be amended or entirely eliminated under the Trump Administration. Most of the provisions of the ACA are currently already in effect in Massachusetts communities, as the Commonwealth enacted health insurance reform under the Romney Administration many years ago.

Savings due to employees switching from the town's health insurance plan as administered by the Hampshire Franklin Group Insurance Trust to the open health insurance market 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.

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

SECTION IV

Education: Budget Series 300

SECTION IV

Education: Budget Series 300

Education (Budget Series 300)

This section contains information about the FY 2020 Operating Budget and Financing Plan for education. It includes costs for the Hadley Elementary School and Hopkins Academy.

Mission Statement

We are guided by the mission to provide a safe and supportive environment that fosters cooperation, critical thinking, creativity, and integrity; and educating students to contribute to a global society.

Budget Overview

The budget presented here is a preliminary estimate prepared for budget discussion purposes. The School Committee has not held their public hearing on the proposed budget and is not expected to do so until March 2019. The Massachusetts Department of Elementary and Secondary Education released information concerning Chapter 70 spending requirements. A preliminary FY 2020 Required Local Contribution (the minimum amount that the Commonwealth requires to be raised at Town Meeting) is $4,968,021. The Town of Hadley has historically funded education well above the minimum requirement, and the current budget proposal maintains that tradition.

EDUCATION										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
300	Education	$ 6,473,940	$ 6,934,167	$ 7,195,311	$ 7,064,167	$ 7,407,914	$ (159,872)	$ 7,248,042	$ 183,875	2.60%
Total School		$ 6,473,940	$ 6,934,167	$ 7,195,311	$ 7,064,167	$ 7,407,914	$ (159,872)	$ 7,248,042	$ 183,875	2.60%

The School Committee is scheduled to adopt a budget on or shortly after their public hearing in March 2019. The requested budget will be posted at http://www.hadleyschools.org/Pages/index

The Hadley School District financial policies can be found at:

http://www.hadleyschools.org/pages/hadleyDistrict_Webdocs/District/policies

Section V

Unappropriated Expenses: Budget Series 800

SECTION V

UNAPPROPRIATED EXPENSES

Unappropriated Expenses (Budget Series 800 and 999)

STATE ASSESSMENTS										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
820-5640-01	Air Pollution Assessment	$ 1,911	$ 1,895	$ 1,738	$ 1,939	$ 1,909	$ -	$ 1,909	$ (30)	-1.55%
840-5640-02	PVTA Assessment	$ 206,504	$ 197,933	$ 181,445	$ 204,113	$ 204,113	$ -	$ 204,113	$ -	0.00%
820-5634-03	Motor Vehicle Assessment	$ 2,920	$ 3,360	$ 3,080	$ 3,360	$ 3,360	$ -	$ 3,360	$ -	0.00%
820-5640-04	School Choice Assessment	$ 385,346	$ 251,681	$ 279,170	$ 377,463	$ 424,265	$ -	$ 424,265	$ 46,802	12.40%
820-5640-05	Charter School Assessment	$ 556,876	$ 686,008	$ 626,470	$ 634,726	$ 665,916	$ -	$ 665,916	$ 31,190	4.91%
Total State Assessments		$ 1,153,557	$ 1,140,877	$ 1,091,903	$ 1,221,601	$ 1,299,563	$ -	$ 1,299,563	$ 77,962	6.38%

OFFSETS AND OVERLAY										
A	B	C	D	E	F	G	H	I	J	K
									(I-F)	(I-F)/F
ACCOUNT	DESCRIPTION	FY 2017 Actual	FY 2018 Voted	FY 2018 Actual	FY 2019 Voted	FY 2020 Requested	FY 2020 Admin. Add/(Delete)	FY 2020 Admin. Rec'd	Change $	Change %
999-5771	School Choice Offset	$ 589,766	$ 561,100	$ 561,100	$ 538,154	$ 571,860	$ -	$ 571,860	$ 33,706	6.26%
999-5773	Library Offset	$ 6,207	$ 6,881	$ 6,881	$ 7,026	$ 7,747	$ -	$ 7,747	$ 721	10.26%
999-5998	Overlay	$ 72,932	$ 30,000	$ 30,000	$ 65,000	$ 65,000	$ (10,000)	$ 55,000	$ (10,000)	-15.38%
Total Offsets and Overlay		$ 668,905	$ 597,981	$ 597,981	$ 610,180	$ 644,607	$ (10,000)	$ 634,607	$ 24,427	4.00%

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 released only preliminary information regarding Local Aid and Local Assessments.

Section VI

Community Profile

Financial Policies of the Town of Hadley

Glossary of Terms Used

Sources Consulted

Section VI

TOWN OF HADLEY

COMMUNITY PROFILE

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

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

Fiscal Year 2016 Estimated Cherry Sheet Aid	
Education Aid	1,620,211
General Government	698,984
Total Receipts	2,319,195
Total Assessments	1,153,557
Net State Aid	1,165,638

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

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

Fiscal Year 2017 Tax Classification			
Tax Classification	**Assessed Values**	**Tax Levy**	**Tax Rate**
Residential	616,541,300	7,133,383	11.57
Open Space	0	0	0
Commercial	280,030,900	3,239,958	11.57
Industrial	26,602,200	307,787	11.57
Personal Property	25,273,238	292,411	11.57
Total	**948,447,638**	**10,973,539**	

Other Available Funds		
2017 Free Cash	**FY2015 Stabilization Fund**	**FY2017 Overlay Reserve**
551,143	2,368,766	63,057

More information may be obtained by the Town of Hadley's webpage: www.hadleyma.org

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 53Fthe services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

M.G.L. – Massachusetts General Law.

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

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

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

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

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

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

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

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

Reserve Fund – An amount set aside annually within the budget of a town (not to exceed 5 percent of the tax levy for the preceding year) or city (not to exceed 3 percent of the tax levy for the preceding

year) to provide a funding source for extraordinary and unforeseen expenditures. In a town, the Finance Committee can authorize transfers from this fund for extraordinary and unforeseen expenditures. Other uses of the fund require budgetary transfers by Town Meeting. In a city, transfers from this fund may be voted by the city council upon recommendation of the mayor

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

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

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

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

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

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

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

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

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

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

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

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

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Section VII

Capital Plan Summary

Section VI

CAPITAL PLAN SUMMARY

A companion document to the FY 2020 budget book is the five-year capital plan. Presented here is a summary of the capital projects for FY 2020 only.

RECOMMENDED CAPITAL PROJECTS

The following capital projects are proposed for funding in FY 2020. The table below lists the projects, the amounts, and the funding sources.

FY 2020

FISCAL YEAR 2020 CAPITAL IMPROVEMENT PROGRAM BY FUNDING SOURCE

			General Fund	Stabilization	Borrowing		Enterprise Funds			Trust Funds	Receipt Reserved			Other		
Department	Project Title	Department Request ($)	Raise and Appropriate	Capital Stabilization	Amount	Number of Years	Sewer	Water	Hadley Media		Chapter 90	Sewer Impact	CPA	Amount	Funds	TOTAL
Select Board	IT Upgrades	$ 36,000		$ 36,000												$ 36,000
Police	Cruiser	$ 47,000		$ 47,000												$ 47,000
	Training, Ammunition, and Parts	$ 10,000		$ 10,000												$ 10,000
Fire	OSHA Capital Upgrades	$ 25,000		$ 25,000												$ 25,000
	PSC Emergency Generator	$ 100,000			$ 100,000	10										$ 100,000
	Fire Dept Roof and Bay Expansion	$ 2,789,000			$ 2,789,000	20										$ 2,789,000
DPW - Highway	Internat'l 7600 (#26 1995)	$ 200,000			$ 200,000	10										$ 200,000
	Chapter 90 Program	$ 350,000									$350,000					$ 350,000
	Dike (Phase 3 Certification)	$ 200,000			$ 200,000	20										$ 200,000
DPW - Wastewater	Sewer Line Assessment	$ 30,000					$ 30,000									$ 30,000
	Sewer Lining & Repairs	$ 100,000										$ 100,000				$ 100,000
DPW - Water	Hydrant & Valve Replacement	$ 60,000						$ 60,000								$ 60,000
	Callahan Well Filter Replacement	$ 26,000						$ 26,000								$ 26,000
	Callahan Well #2 Reconditioning	$ 20,000						$ 20,000								$ 20,000
	Replace Water Main @ Bay Road Bridge	$ 100,000			$ 100,000	20										$ 100,000
Park & Recreation	Spray Park	$ 250,000											$ 250,000			$ 250,000
Library	Exterior Painting	$ 13,000											$ 13,000			$ 13,000
School	HA Girl's Locker Room Upgrade	$ 500,000			$ 500,000	20										$ 500,000
	Technology Upgrades	$ 17,500		$ 17,500												$ 17,500
Conservation	Land Preservation	$ 100,000											$ 100,000			$ 100,000
COA	Computers	$ 20,000		$ 20,000												$ 20,000
Hadley Media	Equipment	$ 15,000							$ 15,000							$ 15,000
Municipal Building Committee	TH: HVAC Condensing Unit	$ 15,000		$ 15,000												$ 15,000
	TH: Replace Office Counters	$ 7,000		$ 7,000												$ 7,000
	Russell: Roof Slate Repair	$ 8,000											$ 8,000			$ 8,000
	Goodwin: Ceiling & Wiring Imp.	$ 145,500											$ 145,500			$ 145,500
Board of Health	IT & Software	$ 5,000		$ 5,000												$ 5,000
TOTAL		$ 5,189,000	$ -	$ 182,500	$ 3,889,000		$ 30,000	$ 106,000	$ 15,000	$ -	$350,000	$ 100,000	$ 516,500	$ -	$ -	$ 5,189,000

Section VIII

Financial Trends for the Town of Hadley

Financial Trends for the Town of Hadley

Introduction

The Town of Hadley monitors its long-term financial condition in order to identify and address those areas of the community's overall finances showing weakness, underperformance, or imbalance. In addition, the Town identifies strengths and those areas of the community's financial condition that are robust and performing well. Our goal is to improve the town's financial condition wherever possible, taking the long-term into perspective at all times.

To achieve our goals, the Financial Management Team, Finance Committee, and Select Board conduct many analyses of our finances in order to take multiple perspectives of such indicators as revenues, expenses, fund balances, debt, and the enterprise funds. The Town uses best management practices recommended by the International City/County Management Association (ICMA) to conduct these analyses, and based on the usefulness of the trend monitoring, the Select Board (with advice from the Finance Committee and Financial Management Team) adopts policies to manage better the overall budget.

The New York Comptroller defines financial condition as the ability of a municipality to balance recurring revenues with recurring expenditure, while providing adequate public services. A town in good financial condition generally maintains service levels during times of economic downturns, identified and adjusts to changing economic and demographic conditions, and develops resources to meet future needs. Good financial condition is more than balancing the budget, an act that all Massachusetts cities and towns are required to do. Assessing financial condition means examining the-longer-than-budgetary-cycle rhythms contained within the Town's numbers for indications of weakness or strength that can spell trouble in the future.

Here is a summary of the financial analyses and status of each. Detailed analyses follow the summary. Where applicable, the adopted financial policies are listed:

TOWN OF HADLEY

Financial Condition Summary

2/11/2019

Expenses	
Description	**Status**
Expenditure per Capita	Stable/Positive
Expenditure by Function: General Government	Stable/Positive
Expenditure by Function: Public Safety	Stable/Positive
Expenditure by Function: Education	Further Review
Expenditure by Function: Public Works	Stable/Positive
Expenditure by Function: Human Services	Further Review
Expenditure by Function: Culture and Recreation	Stable/Positive
Expenditure by Function: Debt	Stable/Positive
Expenditure by Function: State Assessments	Stable/Positive
Expenditure by Function: Benefits/Unclassified	Further Review

Debt	
Description	**Status**
General Fund Debt Service	Stable/Positive
Sewer Debt Service	Stable/Positive
Water Debt Service	Stable/Positive
General Fund Long-Term Debt	Stable/Positive
General Fund Borrowing Limits	Stable/Positive

Revenues	
Description	**Status**
Tax Revenues (Constant Dollars)	Stable/Positive
Uncollected Taxes	Stable/Positive
Elastic Revenues	Stable/Positive
Intergovernmental Revenues	Stable/Positive
One-Time Revenues	Stable/Positive
Stabilization Fund	Warning Trend

Enterprise Funds	
Description	**Status**
Sewer Fund Balance	Warning Trend
Sewer Operating Position	Warning Trend
Sewer Expenditure by Function	Stable/Positive
Sewer Revenue Shortfall/Surplus	Warning Trend
Water Fund Balance	Stable/Positive
Water Operating Position	Stable/Positive
Water Expenditure by Function	Stable/Positive
Water Revenue Shortfall/Surplus	Stable/Positive

Expenses

The following 10 trend analyses measure financial condition with respect to expenditures. There are no analyses that show warning trends, and 2 that require further attention.

TOWN OF HADLEY

EXPENDITURES PER CAPITA

12/14/2018

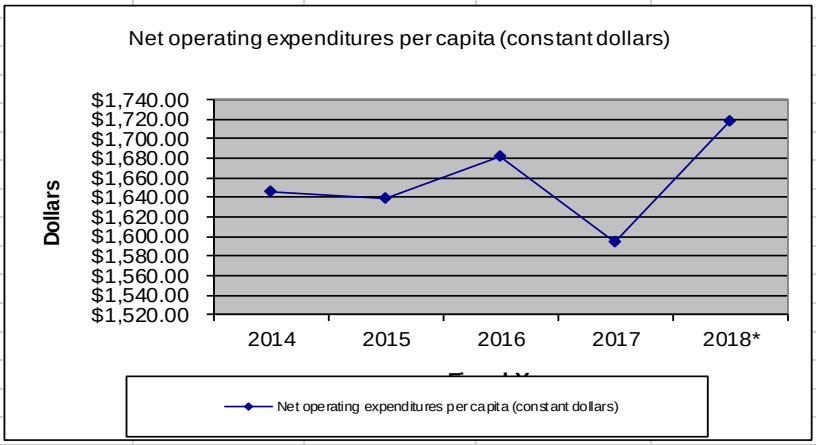
FORMULA

Net operating expenditures (constant dollars)

Population

WARNING TREND

Increasing net operating expenditures per capita (constant dollars)



	Fiscal Year				
	2014	2015	2016	2017	2018*
Net operating expenditures	$ 14,437,914	$ 14,751,979	$ 15,318,031	$ 15,629,288	$ 17,140,080
Consumer Price Index (CPI)	$ 184.8	$ 185.2	$ 185.2	$ 188.6	$ 195.5
CPI in decimal	$ 1.848	$ 1.852	$ 1.852	$ 1.886	$ 1.955
Net operating expenditures in CPI 1990 dollars	$ 7,812,724	$ 7,965,431	$ 8,271,075	$ 8,287,003	$ 8,767,304
Population	4747	4859	4916	5198	5102
Net operating expenditures per capita (constant dollars)	$ 1,645.82	$ 1,639.31	$ 1,682.48	$ 1,594.27	$ 1,718.41

*= Unaudited

SUGGESTIONS FOR ANALYSIS

• Is the increase caused by increased levels of existing services or by addition of new services? Are there increased revenues to pay for these increased services?

• If the increase cannot be explained by the addition of new services, is personnel productivity or service efficiency declining?

• Is the increase linked to an increase in fixed costs, or is it due to increases in programs that can be cut back at the discretion of the town?

• Is the increase due to mandated services? Can the level of government imposing mandates provide funding?

• Is the increase linked to externally funded programs that have shifted costs to the town? Does the town have a funding plan to support programs started with seed money?

• Is the increase linked to debt?

• Is the population experiencing a decline in numbers? Personal or business income?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 4/9/08)

• 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.

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

Expenditures by capita is a rough assessment of how much money is spent on delivering services for each person in the community. By itself, this indictor is not very precise, but it can serve as an early warning that something in the Town's expenditures warrants further review. The graph shows some variation, but in general, the Town is spending about $1,650/person in the long term.

The next 9 trends analyses focus on each functional area of government and compares how well balanced are the spending priorities of the Town relative to the overall budget. In ideal conditions, all functions receive equal treatment, so as the budget goes up and down, so does each function. The tide should lift all boats equally.

In reality, however, the Town sets different priorities to different functions, and to the degree that funding is directed to that priority function, then that function's trend line will incline. Similarly, if the Town choses to underfund a function, then that trend line should decline.

The rate of funding is shown as percentages of the entire budget, thus automatically adjusting for inflation.

These next 9 analyses help gauge how well the Town is keeping its funding priorities balanced.

TOWN OF HADLEY

EXPENDITURES BY FUNCTION: GENERAL GOVERNMENT

12/14/2018

(100 Budget Series: Town Hall Staff and Elected Officials, Committees, Buildings, Property Insurance)

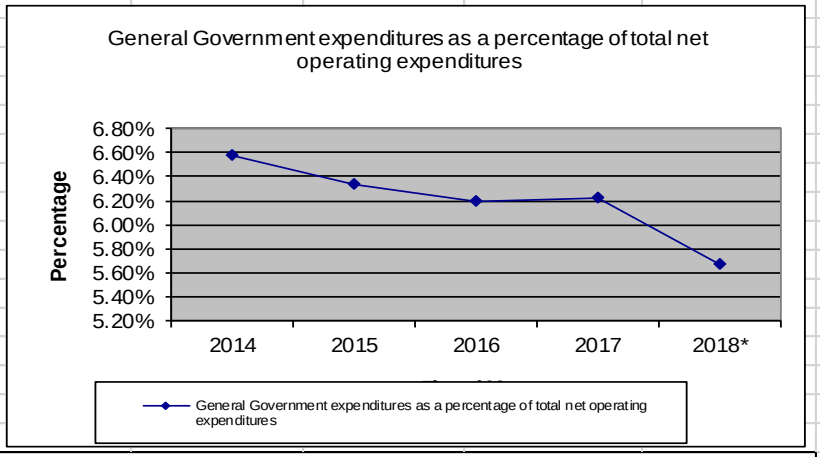
FORMULA

Operating expenditures for General Government

Total net operating expenditures

WARNING TREND

Increasing operating expenditures for one function as a percentage of total net operating expenditures



	Fiscal Year				
	2014	2015	2016	2017	2018*
General Government expenditures	$ 950,399	$ 934,466	$ 949,304	$ 972,815	$ 972,628
Total net operating expenditures	$ 14,437,914	$ 14,751,979	$15,318,031	$ 15,629,288	$ 17,140,080
General Government expenditures as a percentage of total net operating expenditures	6.58%	6.33%	6.20%	6.22%	5.67%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

• Is the increase in the function area caused by increased services or by an addition of new services? Are there increased revenues to pay for the increased services?

• If the increase cannot be explained by the addition of new services, is personnel productivity or service efficiency declining? Can changes in management practices or technology deal with this?

• Is the increase due to an increase in externally funded programs and will the funding be on a continuous basis?

• Is the increase due to mandated services? Is there alternate funding available?

• Are there alternatives available for reducing the expenditures without significantly reducing services?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY RECOMMENDATIONS

• Expenditure levels in constant dollars will be held level in the functional areas of _____, _____, and _____.

• Service level increases in the functional areas of _____, ____, and _____ may result in increases in expenditure levels in constant dollars.

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

General Government shows stability in expenditures over the long term. Variations in percentages are very modest.

TOWN OF HADLEY

EXPENDITURES BY FUNCTION: PUBLIC SAFETY

12/14/2018

(200 Budget Series: Police, Fire, Ambulance, Inspection Services, Public Safety Complex)

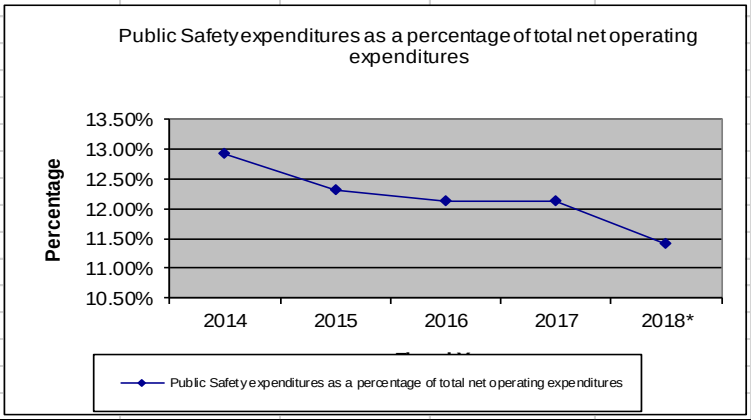
FORMULA

Operating expenditures for Public Safety

Total net operating expenditures

WARNING TREND

Increasing operating expenditures for one function as a percentage of total net operating expenditures



	Fiscal Year				
	2014	2015	2016	2017	2018*
Public Safety expenditures	$ 1,864,290	$ 1,816,065	$ 1,857,069	$ 1,895,389	$ 1,956,973
Total net operating expenditures	$ 14,437,914	$ 14,751,979	$15,318,031	$ 15,629,288	$ 17,140,080
Public Safety expenditures as a percentage of total net operating expenditures	12.91%	12.31%	12.12%	12.13%	11.42%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

• Is the increase in the function area caused by increased services or by an addition of new services? Are there increased revenues to pay for the increased services?

• If the increase cannot be explained by the addition of new services, is personnel productivity or service efficiency declining? Can changes in management practices or technology deal with this?

• Is the increase due to an increase in externally funded programs and will the funding be on a continuous basis?

• Is the increase due to mandated services? Is there alternate funding available?

• Are there alternatives available for reducing the expenditures without significantly reducing services?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY RECOMMENDATIONS

• Expenditure levels in constant dollars will be held level in the functional areas of _____, _____, and _____.

• Service level increases in the functional areas of _____, ____, and _____ may result in increases in expenditure levels in constant dollars.

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

Public Safety shows overall stability. In FY 2017, through FY 2019, the Select Board assigned a higher priority to public safety services, and future trend analyses should show a planned incline in expenditures.

TOWN OF HADLEY

EXPENDITURES BY FUNCTION: SCHOOLS

12/14/2018

(300 Budget Series: School Department)

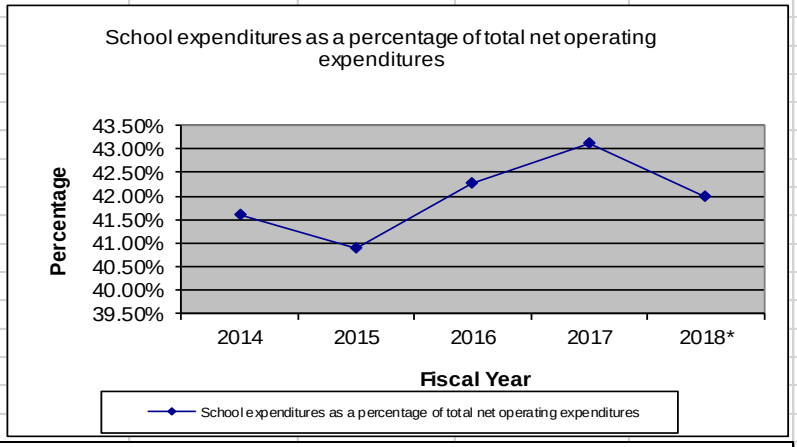
FORMULA

Operating expenditures for Schools

Total net operating expenditures

WARNING TREND

Increasing operating expenditures for one function as a percentage of total net operating expenditures



	Fiscal Year				
	2014	2015	2016	2017	2018*
School expenditures	$ 6,007,024	$ 6,032,203	$ 6,473,940	$ 6,736,321	$ 7,195,311
Total net operating expenditures	$ 14,437,914	$ 14,751,979	$15,318,031	$ 15,629,288	$ 17,140,080
School expenditures as a percentage of total net operating expenditures	41.61%	40.89%	42.26%	43.10%	41.98%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

• Is the increase in the function area caused by increased services or by an addition of new services? Are there increased revenues to pay for the increased services?

• If the increase cannot be explained by the addition of new services, is personnel productivity or service efficiency declining? Can changes in management practices or technology deal with this?

• Is the increase due to an increase in externally funded programs and will the funding be on a continuous basis?

• Is the increase due to mandated services? Is there alternate funding available?

• Are there alternatives available for reducing the expenditures without significantly reducing services?

STATUS

Warning trend observed

√ Conditions warrant further review

Indications are stable/positive

POLICY RECOMMENDATIONS

• Expenditure levels in constant dollars will be held level in the functional areas of _____, _____, and _____.

• Service level increases in the functional areas of _____, ____, and _____ may result in increases in expenditure levels in constant dollars.

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

Education has been identified as a priority for the Select Board and School Committee for many years. Significant increases in educational spending were needed since FY 2014, and an incline may be observed from that time. The caution indication calls for greater attention to how to balance the needs of the educational system with the need of funding other functions. In addition state leaders are engaging with the state funding formula, and statutory changes may affect Hadley's finances.

TOWN OF HADLEY

EXPENDITURES BY FUNCTION: PUBLIC WORKS (Excluding Water and Sewer)

12/14/2018

(400 Budget Series: Highway, street lights, cemetery)

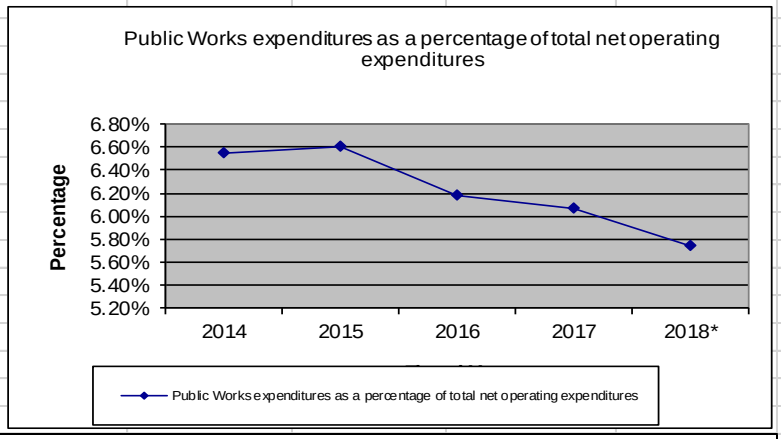
FORMULA

Operating expenditures for Public Works

Total net operating expenditures

WARNING TREND

Increasing operating expenditures for one function as a percentage of total net operating expenditures



	Fiscal Year				
	2014	2015	2016	2017	2018*
Public Works expenditures	$ 944,352	$ 974,922	$ 946,825	$ 948,223	$ 983,662
Total net operating expenditures	$ 14,437,914	$ 14,751,979	$15,318,031	$ 15,629,288	$ 17,140,080
Public Works expenditures as a percentage of total net operating expenditures	6.54%	6.61%	6.18%	6.07%	5.74%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

• Is the increase in the function area caused by increased services or by an addition of new services? Are there increased revenues to pay for the increased services?

• If the increase cannot be explained by the addition of new services, is personnel productivity or service efficiency declining? Can changes in management practices or technology deal with this?

• Is the increase due to an increase in externally funded programs and will the funding be on a continuous basis?

• Is the increase due to mandated services? Is there alternate funding available?

• Are there alternatives available for reducing the expenditures without significantly reducing services?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY RECOMMENDATIONS

• Expenditure levels in constant dollars will be held level in the functional areas of _____, _____, and _____.

• Service level increases in the functional areas of _____, ____, and _____ may result in increases in expenditure levels in constant dollars.

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

Public Works is influenced by weather, and a hard winter can drive up expenses. The overall pattern in Public Safety funding is stable.

TOWN OF HADLEY

EXPENDITURES BY FUNCTION: HUMAN SERVICES

10/18/2018

(500 Budget Series: COA, Veterans', Oliver Smith, Cable TV)

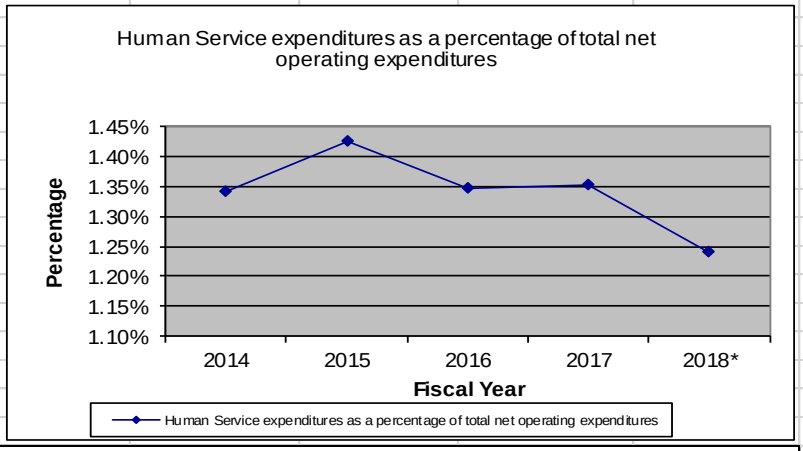
FORMULA

Operating expenditures for Human Services

Total net operating expenditures

WARNING TREND

Increasing operating expenditures for one function as a percentage of total net operating expenditures



	Fiscal Year				
	2014	2015	2016	2017	2018*
Human Service expenditures	$ 193,535	$ 210,344	$ 206,180	$ 211,206	$ 212,762
Total net operating expenditures	$ 14,437,914	$ 14,751,979	$15,318,031	$ 15,629,288	$ 17,140,080
Human Service expenditures as a percentage of total net operating expenditures	1.34%	1.43%	1.35%	1.35%	1.24%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

• Is the increase in the function area caused by increased services or by an addition of new services? Are there increased revenues to pay for the increased services?

• If the increase cannot be explained by the addition of new services, is personnel productivity or service efficiency declining? Can changes in management practices or technology deal with this?

• Is the increase due to an increase in externally funded programs and will the funding be on a continuous basis?

• Is the increase due to mandated services? Is there alternate funding available?

• Are there alternatives available for reducing the expenditures without significantly reducing services?

STATUS

Warning trend observed

√ Conditions warrant further review

Indications are stable/positive

POLICY RECOMMENDATIONS

• Expenditure levels in constant dollars will be held level in the functional areas of _____, _____, and _____.

• Service level increases in the functional areas of _____, ____, and _____ may result in increases in expenditure levels in constant dollars.

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

Human Services shows stability in its long-term spending. The annual variation is very modest, but the impact on future services caused by a new Senior Center should be reviewed.

TOWN OF HADLEY

EXPENDITURES BY FUNCTION: CULTURE AND RECREATION

12/14/2018

(600 Budget Series: Library, Park and Recreation, Historical)

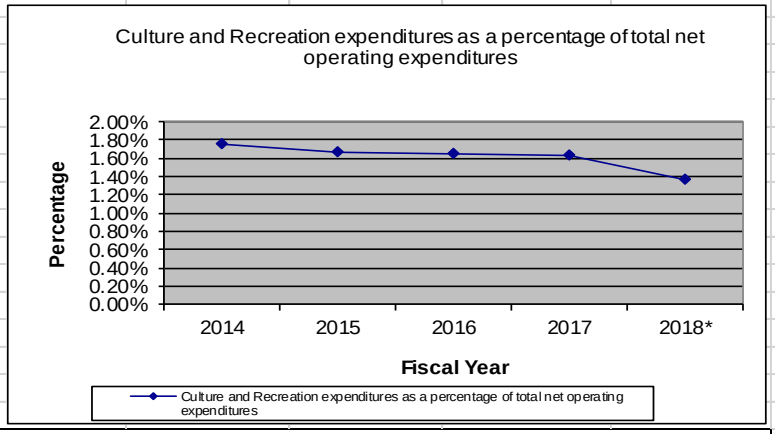
FORMULA

Operating expenditures for Culture and Recreation

Total net operating expenditures

WARNING TREND

Increasing operating expenditures for one function as a percentage of total net operating expenditures



	Fiscal Year				
	2014	2015	2016	2017	2018*
Culture and Recreation expenditures	$ 253,112	$ 244,689	$ 252,473	$ 255,918	$ 234,797
Total net operating expenditures	$ 14,437,914	$ 14,751,979	$15,318,031	$ 15,629,288	$ 17,140,080
Culture and Recreation expenditures as a percentage of total net operating expenditures	1.75%	1.66%	1.65%	1.64%	1.37%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

• Is the increase in the function area caused by increased services or by an addition of new services? Are there increased revenues to pay for the increased services?

• If the increase cannot be explained by the addition of new services, is personnel productivity or service efficiency declining? Can changes in management practices or technology deal with this?

• Is the increase due to an increase in externally funded programs and will the funding be on a continuous basis?

• Is the increase due to mandated services? Is there alternate funding available?

• Are there alternatives available for reducing the expenditures without significantly reducing services?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY RECOMMENDATIONS

• Expenditure levels in constant dollars will be held level in the functional areas of _____, _____, and _____.

• Service level increases in the functional areas of _____, ____, and _____ may result in increases in expenditure levels in constant dollars.

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

Culture and Recreation show stability in its long-term spending. The annual variation is very modest.

TOWN OF HADLEY

EXPENDITURES BY FUNCTION: DEBT

12/14/2018

(700 Budget Series: Debt and Interest)

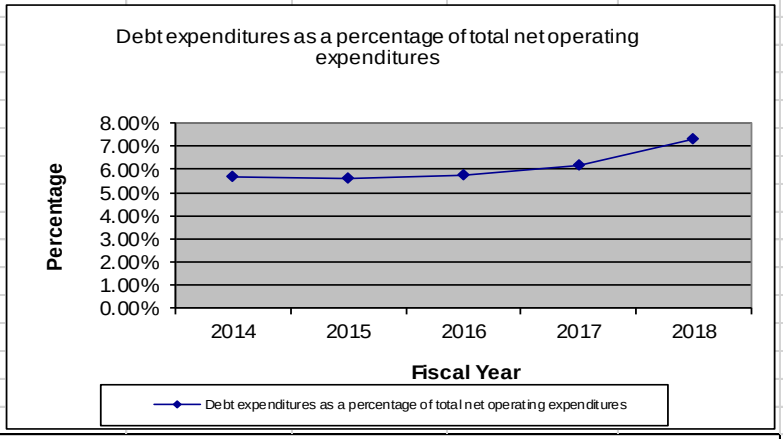
FORMULA

Operating expenditures for Debt

Total net operating expenditures

WARNING TREND

Increasing operating expenditures for one function as a percentage of total net operating expenditures



	Fiscal Year				
	2014	2015	2016	2017	2018
Debt expenditures	$ 817,811	$ 827,325	$ 883,651	$ 969,650	$ 1,255,075
Total net operating expenditures	$ 14,437,914	$ 14,751,979	$15,318,031	$ 15,629,288	$ 17,140,080
Debt expenditures as a percentage of total net operating expenditures	5.66%	5.61%	5.77%	6.20%	7.32%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

• Is the increase in the function area caused by increased services or by an addition of new services? Are there increased revenues to pay for the increased services?

• If the increase cannot be explained by the addition of new services, is personnel productivity or service efficiency declining? Can changes in management practices or technology deal with this?

• Is the increase due to an increase in externally funded programs and will the funding be on a continuous basis?

• Is the increase due to mandated services? Is there alternate funding available?

• Are there alternatives available for reducing the expenditures without significantly reducing services?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY RECOMMENDATIONS

• Expenditure levels in constant dollars will be held level in the functional areas of _____, _____, and _____.

• Service level increases in the functional areas of _____, ____, and _____ may result in increases in expenditure levels in constant dollars.

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

Annual spending on debt shows stability in the long term. The Town has established a policy to keep General Fund debt service between 10% and 6% of net operating revenues (see Debt Service below). Planned future debt service is expected to be maintained with those optimal limits.

TOWN OF HADLEY

EXPENDITURES BY FUNCTION: STATE AND OTHER ASSESSMENTS

12/14/2018

(800 Budget Series: State, County, PVTA, and PVPC)

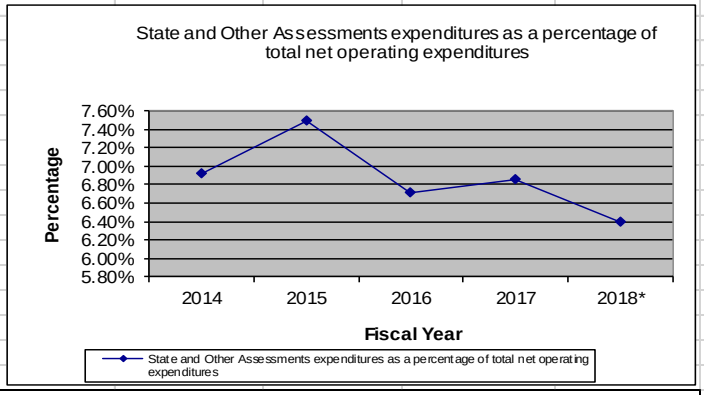
FORMULA

Operating expenditures for State and Other Assessments

Total net operating expenditures

WARNING TREND

Increasing operating expenditures for one function as a percentage of total net operating expenditures



	Fiscal Year				
	2014	2015	2016	2017	2018*
State and Other Assessments expenditures	$ 997,939	$ 1,106,218	$ 1,027,375	$ 1,070,754	$ 1,095,403
Total net operating expenditures	$ 14,437,914	$ 14,751,979	$15,318,031	$ 15,629,288	$ 17,140,080
State and Other Assessments expenditures as a percentage of total net operating expenditures	6.91%	7.50%	6.71%	6.85%	6.39%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

• Is the increase in the function area caused by increased services or by an addition of new services? Are there increased revenues to pay for the increased services?

• If the increase cannot be explained by the addition of new services, is personnel productivity or service efficiency declining? Can changes in management practices or technology deal with this?

• Is the increase due to an increase in externally funded programs and will the funding be on a continuous basis?

• Is the increase due to mandated services? Is there alternate funding available?

• Are there alternatives available for reducing the expenditures without significantly reducing services?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY RECOMMENDATIONS

• Expenditure levels in constant dollars will be held level in the functional areas of _____, _____, and _____.

• Service level increases in the functional areas of _____, ____, and _____ may result in increases in expenditure levels in constant dollars.

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

State Assessments remain stable over the long term, but are subject to wide variation. State Assessments include School Choice and charter school out-of-district sending charges, the cost of Pioneer Valley Transit Authority transportation, and other expenses.

TOWN OF HADLEY

EXPENDITURES BY FUNCTION: BENEFITS

12/14/2018

(900 Budget Series: Retirement, Workers' Comp., Health, Life, and Accident Ins., Disability, Medicare)

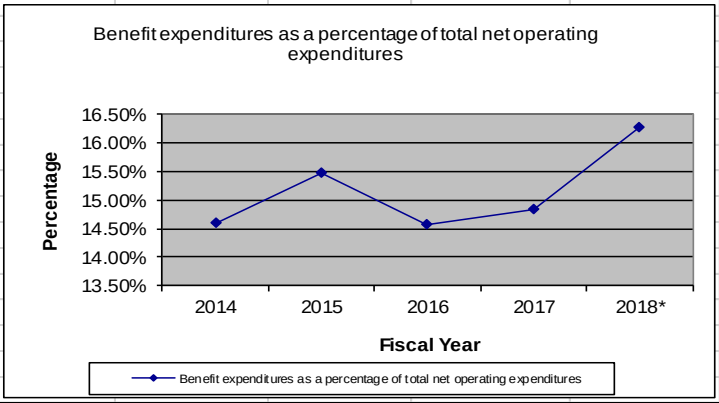
FORMULA

Operating expenditures for Benefits

Total net operating expenditures

WARNING TREND

Increasing operating expenditures for one function as a percentage of total net operating expenditures



	Fiscal Year				
	2014	2015	2016	2017	2018*
Benefit expenditures	$ 2,107,441	$ 2,281,745	$ 2,231,426	$ 2,317,887	$ 2,790,087
Total net operating expenditures	$ 14,437,914	$ 14,751,979	$15,318,031	$ 15,629,288	$ 17,140,080
Benefit expenditures as a percentage of total net operating expenditures	14.60%	15.47%	14.57%	14.83%	16.28%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

• Is the increase in the function area caused by increased services or by an addition of new services? Are there increased revenues to pay for the increased services?

• If the increase cannot be explained by the addition of new services, is personnel productivity or service efficiency declining? Can changes in management practices or technology deal with this?

• Is the increase due to an increase in externally funded programs and will the funding be on a continuous basis?

• Is the increase due to mandated services? Is there alternate funding available?

• Are there alternatives available for reducing the expenditures without significantly reducing services?

STATUS

Warning trend observed

√ Conditions warrant further review

Indications are stable/positive

POLICY RECOMMENDATIONS

• Expenditure levels in constant dollars will be held level in the functional areas of _____, _____, and _____.

• Service level increases in the functional areas of _____, ____, and _____ may result in increases in expenditure levels in constant dollars.

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

Unclassified Expenses (formerly known as "Benefits") shows growth over the long term. Managing growth of benefits will be a priority in future budgets.

Revenues

The following 6 trend analyses measure revenues from different perspective. All show stability in the long term, with the exception of the Stabilization Fund balance.

TOWN OF HADLEY

TAX REVENUES ADJUSTED FOR INFLATION

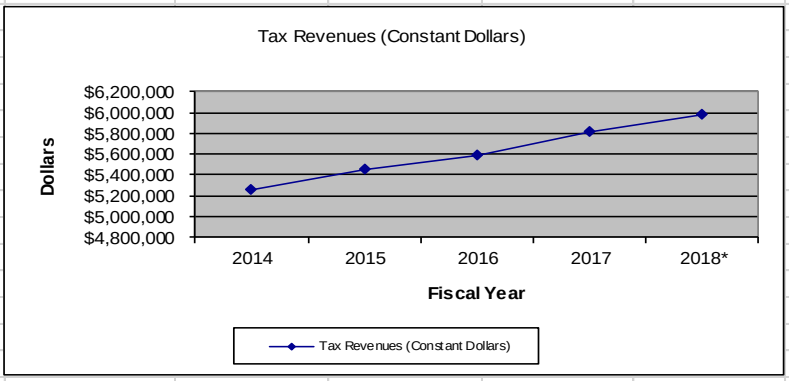
12/14/2018

FORMULA

Tax Revenues (constant dollars)

WARNING TREND

Decline in tax revenues (constant dollars)



	Fiscal Year				
	2014	2015	2016	2017	2018*
Tax Revenues	$ 9,718,962	$ 10,108,311	$ 10,432,897	$ 10,950,877	$ 11,684,427
Consumer Price Index (CPI) (1990 dollars)	184.8	185.2	186.6	188.6	195.5
CPI in Decimal	1.848	1.852	1.866	1.886	1.955
Tax Revenues (Constant Dollars)	$ 5,259,179	$ 5,458,051	$ 5,591,049	$ 5,806,404	$ 5,976,689

* = Unaudited

SUGGESTIONS FOR ANALYSIS

- Have poor economic conditions created reductions in market values of property or overall incomes of the residents?
- Is the percentage of nontaxable property increasing?
- Are all provisions of local taxes being adhered to? Are there companies or individuals avoiding tax through provisions that can be corrected?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 4/9/08)

- Meet quarterly with Assessors to review tax revenue projections.
- When a warning trend is observed, corrective analysis and actions should be brought forward to decision-makers.

Tax revenues adjusted for inflation shows whether the purchasing power of tax dollars is declining over the long term. The overall trend shows stability. National inflation has been very modest as the results reflect.

TOWN OF HADLEY

UNCOLLECTED PROPERTY TAXES

12/14/2018

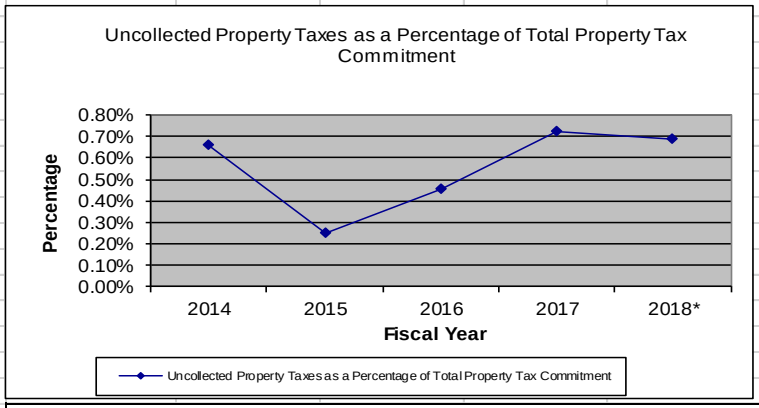
FORMULA

Uncollected property taxes

Total property tax commitment

WARNING TREND

Increasing amount of uncollected property taxes as a percentage of total property tax commitment



	Fiscal Year				
	2014	2015	2016	2017	2018*
Total Property Tax Commitment	$ 9,718,707	$ 10,077,061	$ 10,433,156	$ 10,973,539	$ 11,679,854
Uncollected Property Taxes	$ 64,387	$ 24,874	$ 47,434	$ 79,031	$ 80,219
Uncollected Property Taxes as a Percentage of Total Property Tax Commitment	0.66%	0.25%	0.45%	0.72%	0.69%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

- Is general economic decline affecting taxpayers' ability to make their tax payments? Is a growing proportion of low- or fixed-income property owners having difficulty paying property tax bills?
- Is the proportion of distressed properties within the town increasing? Can rehabilitation programs be initiated? Can new uses be found for property whose original use is no longer economically viable?
- Are collection procedures adequate, especially in regard to delinquent property taxes?
- Is the percentage of uncollected taxes higher than is assumed in revenue estimates?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 4/9/08)

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

Uncollected Taxes represents a source of potential revenues, so keeping the amount of uncollected taxes low is important to funding other functions of the local government. 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% to avoid having ratings firms 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.

TOWN OF HADLEY

ELASTIC REVENUES

Interest, Motor Vehicle Excise, Hotel/Motel Tax, Meals Tax

12/14/2018

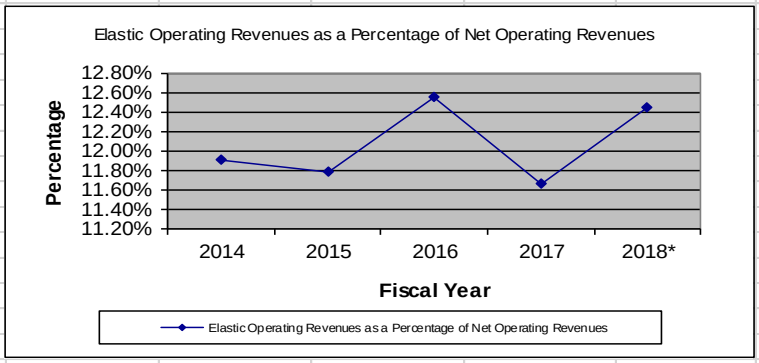
FORMULA

Elastic Operating Revenues

Net Operating Revenues

WARNING TREND

Decreasing Amount of Elastic Operating Revenues as a Percentage of Net Operating Revenues



	Fiscal Year				
	2014	2015	2016	2017	2018*
Elastic Operating Revenues	$ 1,691,863	$ 1,735,029	$ 1,859,076	$ 1,855,924	$ 2,116,388
Net Operating Revenues	$ 14,206,059	$ 14,718,437	$ 14,800,134	$ 15,897,512	$ 16,999,501
Elastic Operating Revenues as a Percentage of Net Operating Revenues	11.91%	11.79%	12.56%	11.67%	12.45%

* = unaudited

SUGGESTIONS FOR ANALYSIS

• Do revenues rely heavily on inelastic revenues sources? Can more elastic revenue be instituted or increased?

• Has general economic decline or the out-migration of population or business created the decline in the elastic portion of the town's revenue base? Could redevelopment programs help?

• Are inelastic fees, such as permit fees, reviewed frequently and adjusted?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (Adopted 3/17/10)

• 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.

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

Elastic revenues consist of those revenues that represent income from discretionary spending, and are a good indicator of how well the local economy is performing. In general, people are spending on new vehicles, staying in local hotels, eating at local restaurants. Conditions are stable/positive.

TOWN OF HADLEY

INTERGOVERNMENTAL REVENUES

12/14/2018

(State Aid, Grants, CPA Funds, Etc.)

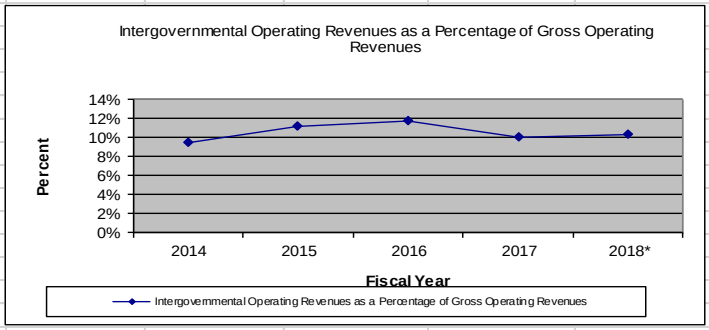
FORMULA

Intergovernmental operating revenues

Gross operating revenues

WARNING TREND

Increasing amount of governmental operating revenue as a percentage of gross operating revenues



	Fiscal Year				
	2014	2015	2016	2017	2018*
Intergovernmental Operating Revenues	$ 1,346,464	$ 1,642,338	$ 1,748,734	$ 1,530,938	$ 1,748,697
Gross Operating Revenues	$ 14,226,719	$ 14,745,291	$ 14,837,429	$ 15,298,407	$ 16,999,501
Intergovernmental Operating Revenues as a Percentage of Gross Operating Revenues	9%	11%	12%	10%	10%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

• Does the Town of Hadley have contingency plans in case intergovernmental revenues are significantly reduced or discontinued?

• Have fixed-term grants for special programs been accepted? Will the Town of Hadley be able to continue the special programs when such grants end?

• Are matching funds for intergovernmental revenues increasing as a percentage of operating expenditures? What is the Town of Hadley's dollar commitment in matching funds, additional reporting requirements, or unreimbursed overhead costs? Have all these costs been anticipated, budgeted, and recorded?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 4/9/08)

• 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.

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

Intergovernmental Revenues measure support from state and federal programs to maintain local services and capital projects. These revenues, while important and beneficial, are never guaranteed from year-to-year, and over-reliance on such funds can lead to problems if state and federal funding

priorities change or if such programs are eliminated. The Town of Hadley maintains such revenues between 9% and 23% of gross operating revenues. A total cap of 25% is set by policy.

TOWN OF HADLEY

ONE TIME REVENUES

12/14/2018

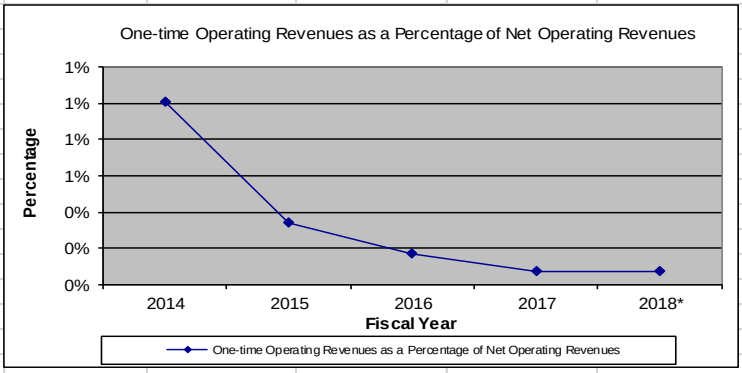
FORMULA

One-time operating revenues

Net operating revenues

WARNING TREND

Increasing use of one-time operating revenues as a percentage of net operating revenues



	Fiscal Year				
	2014	2015	2016	2017	2018*
One-time Operating Revenues	$ 143,445	$ 50,292	$ 25,626	$ 11,532	$ 11,813
Net Operating Revenues	$ 14,206,059	$ 14,718,437	$ 14,800,134	$ 15,897,512	$ 16,999,501
One-time Operating Revenues as a Percentage of Net Operating Revenues	1%	0%	0%	0%	0%

*= Unaudited

SUGGESTIONS FOR ANALYSIS

• Are one-time revenues being used to fund ongoing expenditures as opposed to one-time expenditures? What is the probability that these revenues will cease to be available?

• If one-time revenues are being used for one-time expenditures, are there ongoing revenues available to pay the operating and maintenance costs for the associated capital expenses and programs ?

• Is the use of reserves or balances from prior years significantly reducing the Town of Hadley's ability to weather unexpected financial problems?

• Is the Town of Hadley experiencing operating deficits?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 4/9/08)

• 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.

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

One-Time Revenues are special infusions of funds into the budget and cannot be relied on from year-to-year. The Town of Hadley has been segregating one-time revenues from its operating budget and transferring such funds to capital projects. FY 2018 reliance on one-time revenues is less than 1/2% of one percent of net operating revenues.

TOWN OF HADLEY

STABILIZATION FUND BALANCES

12/14/2018

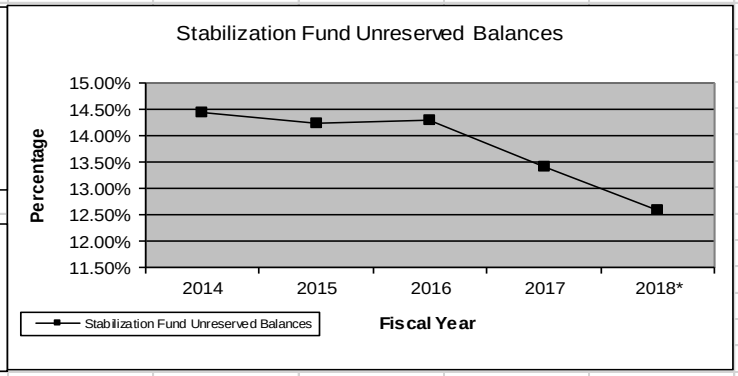
FORMULA

Stabilization fund balances

Net operating revenues

WARNING TREND

Declining stabilization fund balances as a percentage of net operating revenues.



	Fiscal Year				
	2014	2015	2016	2017	2018*
Stabilization Fund Unreserved Balances	$ 2,053,986	$ 2,097,442	$ 2,117,112	$ 2,132,230	$ 2,144,035
Net Operating Revenues	$14,206,059	$14,718,437	$14,800,134	$15,897,512	$16,999,501
Stabilization Fund Unreserved Balances as a Percentage of Net Operating Revenues	14.46%	14.25%	14.30%	13.41%	12.61%

*= Unaudited

SUGGESTIONS FOR ANALYSIS

- Are fund balances dropping lower than is considered desirable? Can they be rebuilt?
- Are fund balances being used to subsidize operating deficits?
- Are reserves being used for purposes other than those they were originally set aside for?
- Does the Stabilization balance meet the 5% Massachusetts Department of Revenue recommendation?

STATUS

√ Warning trend observed

Conditions warrant further review

Indications are stable/positive

POLICY (ADOPTED 3/4/15)

- A Stabilization Fund reserve will be established to cope with emergencies. This reserve will be maintained at _10___% of operating revenues.

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

The Stabilization Fund shows stability over the long term. The Massachusetts Department of Revenue recommends stabilization funds at 5% of net operating revenues, and the Town of Hadley has set policy that the stabilization fund balance shall not be lower than 10% of net operating revenues. The Town has been able exceed its policy minimum. The decline shown in the trend indicates that the Town should contribute to the Stabilization Fund to prevent future erosion.

In addition, in FY 2019 the Town transferred over $260,000 from Stabilization to the OPEB Trust as a one-time exercise. In FY 2020, the Town should replenish the Stabilization Fund with surplus Free Cash.

Debt

The next 5 trend analyses measure debt from several perspectives. All trend analyses show stability over the long term.

Debt is an important tool for municipalities to maintain their capital plan. Keeping debt at the right levels helps the Town plan effectively for its large capital needs. Too little debt signals that the Town is not keeping pace with its equipment, buildings, and infrastructure. Too much debt becomes a crushing obligation for the tax payers.

TOWN OF HADLEY

DEBT SERVICE

12/14/2018

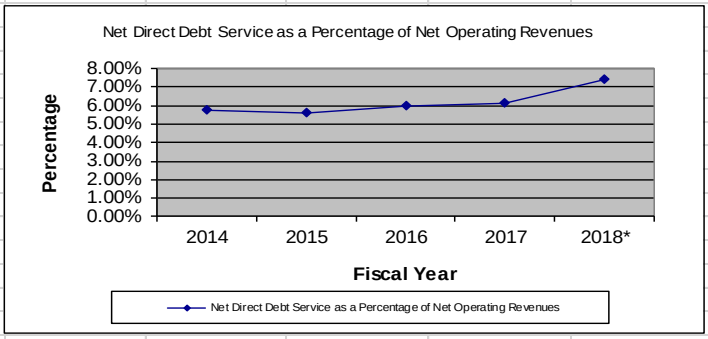
FORMULA

Net Direct Debt Service

Net Operating Revenues

WARNING TREND

Increasing Net Direct Service as a Percentage of Net Operating Revenues



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

* = unaudited

SUGGESTIONS FOR ANALYSIS

- Is an increase caused by an increase in debt?
- Is an increase due to rising interest rates as opposed to increases in principal?
- Can debt issued at a relatively high interest rate be refinanced at a lower rate to reduce the annual amount of debt service?
- What are the projected debt service requirements over the next ten years? Do the projections show an increase or decrease?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 4/9/08)

- Total debt service for general obligation bonds will not exceed 10 percent of net operating revenues.
- Total debt service for general obligation bonds will not fall below 6 percent of net operating revenues.
- Before bonded long-term debt is issued, the impact of debt service on total annual fixed costs will be analyzed.
- When a warning trend is observed, corrective analysis and actions should be brought forward to decision-makers.

Debt Service is the annual payments for principal and interest for borrowing within the General Fund. The optimal annual debt service limits are 6% to 10% of net operating revenues. Planned debt service for FY 2020 is within the recommended range.

TOWN OF HADLEY

SEWER DEBT SERVICE

12/14/2018

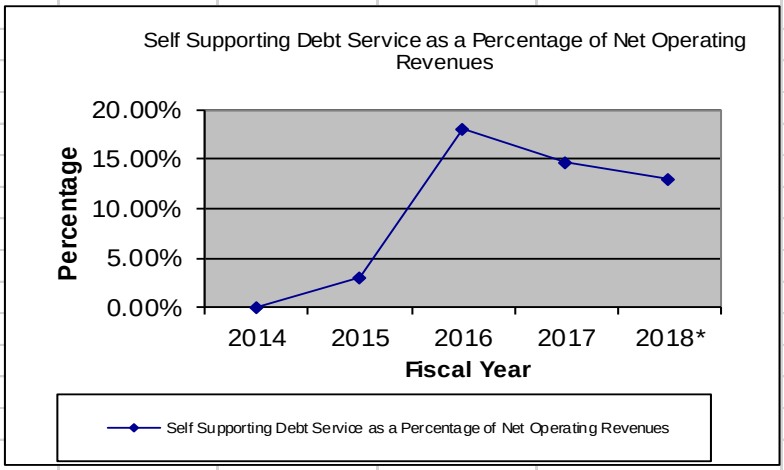
FORMULA

Self Supporting Debt Service

Net Operating Revenues

WARNING TREND

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



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

* = unaudited

SUGGESTIONS FOR ANALYSIS

• Is an increase caused by an increase in debt?

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

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

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

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 11/20/13)

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

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

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

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

Debt Service within the Sewer Enterprise Funds increased when borrowing occurred for the Sewer Pump Stations Project. Optimal annual debt service within the enterprise funds is between 20% and 30% of enterprise operating revenues. Although the trend line is increasing steeply, the overall sewer debt services is only slightly below the bottom end of the optimal range. Future planned sewer debt will be carefully evaluated to maintain an appropriate balance.

Sewer rates should be examined to ensure service level solvency.

TOWN OF HADLEY

WATER DEBT SERVICE

12/14/2018

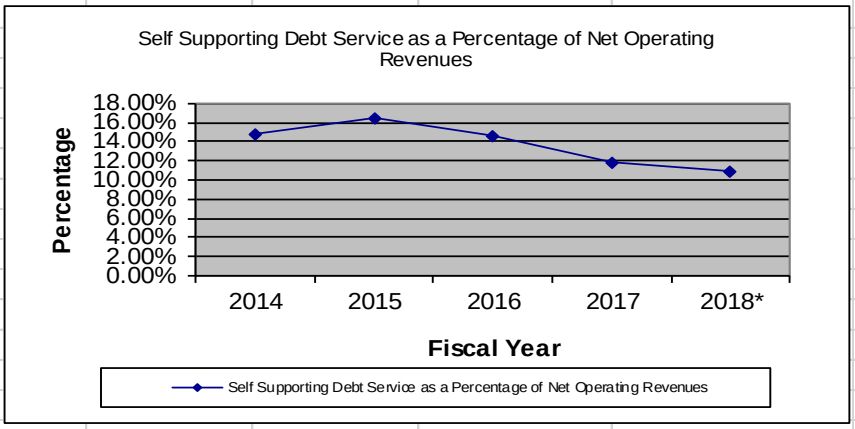
FORMULA

Self Supporting Debt Service

Net Operating Revenues

WARNING TREND

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



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

* = unaudited

SUGGESTIONS FOR ANALYSIS

• Is an increase caused by an increase in debt?

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

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

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

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 11/20/13)

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

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

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

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

Debt Service within the Water Enterprise Funds has remained stable, due to the long-term payment of the bond for the water treatment plant. Future borrowing for improvements to the water distribution infrastructure will be evaluated to maintain an appropriate balance of debt service. Optimal annual debt service within the enterprise funds is between 20% and 30% of enterprise operating revenues.

Water rates should be examined to ensure service level solvency.

TOWN OF HADLEY

LONG-TERM DEBT

10/18/2018

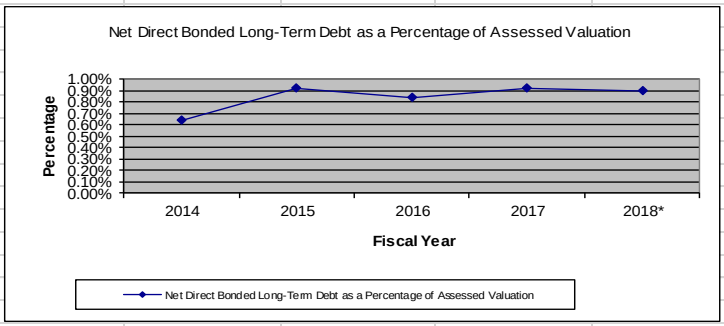
FORMULA

Net Direct Bonded Long-Term Debt

Assessed Valuation

WARNING TREND

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



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

*=Unaudited

SUGGESTIONS FOR ANALYSIS

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

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

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

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

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 4/9/08)

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

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

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

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

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

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

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

Long-Term Debt measures the total amount of debt (not annual debt service) compared to the Town's assessed valuation. In other words, how does debt compare to property values. This indicator

measures how well can a community afford the debt it takes on. In Hadley's case, valuations have grown, whereas long-term debt has remained relatively even, due to careful planning where old debt is retired and new debt takes its place. Total debt obligation remains less than 1% of total valuation.

TOWN OF HADLEY

DEBT/BORROWING LIMITS

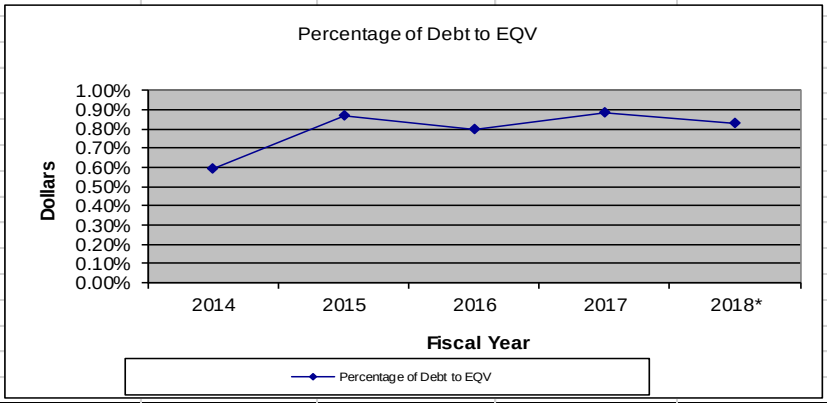
12/14/2018

FORMULA

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

WARNING TREND

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



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

* = unaudited

SUGGESTIONS FOR ANALYSIS

- If an increase is observed, is assessed valuation declining?
- If an increase is observed, is long-term debt increasing? If so, consider:
  - -- Is the Town becoming more reliant on long-term debt to finance capital projects?
  - -- How much additional debt will need to be incurred in the next three to five years?
  - -- Are debt proceeds being used to fund ongoing operations?
  - -- Is the increase a trend, or is it caused by a debt issued for a one-time-only capital project, such as a new municipal building?
- What was the amount of long-term debt before the increase? Was it low to moderate, or was the amount already straining the Town's ability to pay?

STATUS

. Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 4/9/08)

- Meet annually with Assessors to discuss total property valuations.
- Meet with Financial Team before incurring new debt.
- When a warning trend is observed, corrective analysis and actions should be brought forward to decision-makers.

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

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

Enterprise Funds

The following 8 trend analyses measure performance in two enterprise funds: water and sewer. (The newly-established Hadley Public Access television Enterprise Fund is not show here. Information about its operations and performance may be found in the budget section of this book.) Three trend analyses shows a warning trend; the other 5 are stable/positive.

TOWN OF HADLEY

SEWER ENTERPRISE FUND BALANCES

12/14/2018

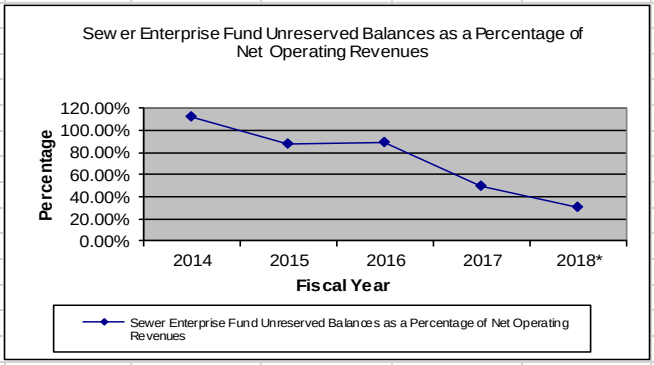
FORMULA

Unreserved enterprise fund balances

Net operating revenues

WARNING TREND

Declining unreserved enterprise fund balances as a percentage of net operating revenues.



	Fiscal Year				
	2014	2015	2016	2017	2018*
Sewer Enterprise Fund Unreserved Balances	$ 886,945	$ 695,816	$ 708,048	$ 461,524	$ 313,058
Net Operating Revenue	$ 787,701	$ 791,057	$ 796,980	$ 927,600	$ 1,037,284
Sewer Enterprise Fund Unreserved Balances as a Percentage of Net Operating Revenues	112.60%	87.96%	88.84%	49.75%	30.18%

*= Unaudited

SUGGESTIONS FOR ANALYSIS

- Are fund balances dropping lower than is considered desirable? Can they be rebuilt?
- Are fund balances being used to subsidize operating deficits?
- Are reserves being used for purposes other than those they were originally set aside for?

STATUS

√ Warning trend observed

Conditions warrant further review

Indications are stable/positive

POLICY (ADOPTED 3/3/10)

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

This trend shows the balances in the Sewer Reserves relative to the enterprise operating budget. The trend shows a warning trend. The current balance does not meet the Massachusetts Department of Revenue's recommended balance of 75%. Identifying additional revenues that build reserves is recommended.

TOWN OF HADLEY

SEWER ENTERPRISE FUND OPERATING DEFICIT OR SURPLUS

12/14/2018

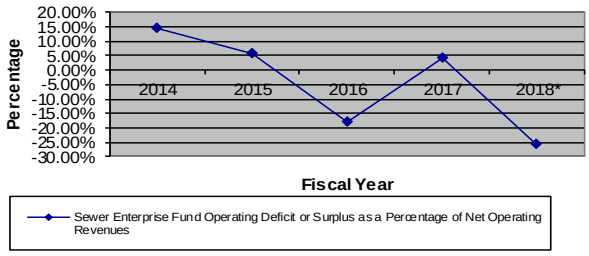
FORMULA

Enterprise fund operating deficit or surplus

Net operating revenues

WARNING TREND

Increase in enterprise fund operating deficit as a percentage of net operating revenues.



	Fiscal Year				
	2014	2015	2016	2017	2018*
Sewer Enterprise Fund Operating Deficit or Surplus	$ 113,139	$ 45,127	$ (143,930)	$ 40,371	$ (265,088)
Net Operating Revenue	$ 787,701	$ 791,057	$ 796,980	$ 927,600	$ 1,037,284
Sewer Enterprise Fund Operating Deficit or Surplus as a Percentage of Net Operating Revenues	14.36%	5.70%	-18.06%	4.35%	-25.56%

* = unaudited

SUGGESTIONS FOR ANALYSIS

- If a deficit is observed, was the deficit anticipated during budget preparation? Is it expected to continue in future years? Will surpluses or other sources of funding be available?
- Is the deficit being funded by borrowing from surpluses in other funds? Can these other funds afford the loan without creating problems later?
- Was the deficit due to revenue shortfalls?
- Was the deficit caused by expenditure overruns? Were these due to inaccurate expenditure estimates at budget time or to ineffective expenditure controls during the fiscal year?
- Was the deficit caused by an emergency? Are sufficient reserves left for future emergencies?
- Are reserves being used for purposes other than originally intended?

STATUS

√ Warning trend observed

Conditions warrant further review

Indications are stable/positive

POLICY (ADOPTED 3/3/10)

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

This trend analysis shows the effect of inflation on the Sewer Reserves. In a low interest rate environment, there should be no erosion of working capital. The decline in working capital in constant

dollars shows that the Sewer Fund is not generating enough revenues. The Select Board is studying sewer rates.

TOWN OF HADLEY

EXPENDITURES BY FUNCTION: SEWER ENTERPRISE

12/14/2018

(440 Budget Series: Sewer Department)

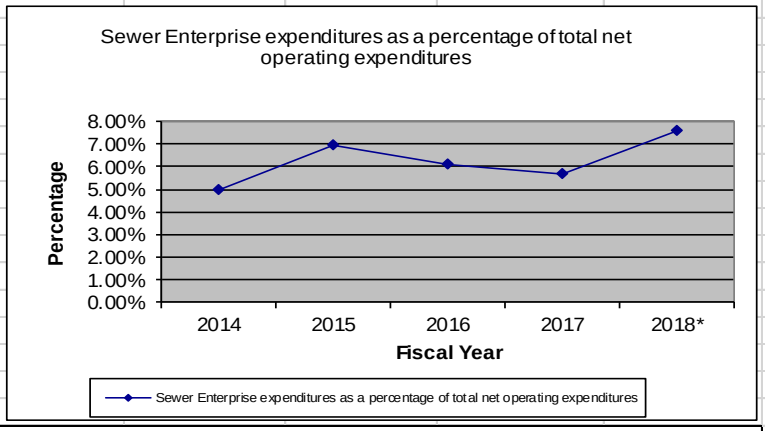
FORMULA

Operating expenditures for Sewer Enterprise

Total net operating expenditures

WARNING TREND

Increasing operating expenditures for one function as a percentage of total net operating expenditures



	Fiscal Year				
	2014	2015	2016	2017	2018*
Sewer Enterprise expenditures	$ 716,908	$ 1,020,661	$ 938,411	$ 887,229	$ 1,302,372
Total net operating expenditures	$ 14,437,914	$ 14,751,979	$15,318,031	$ 15,629,288	$ 17,140,080
Sewer Enterprise expenditures as a percentage of total net operating expenditures	4.97%	6.92%	6.13%	5.68%	7.60%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

• Is the increase in the function area caused by increased services or by an addition of new services? Are there increased revenues to pay for the increased services?

• If the increase cannot be explained by the addition of new services, is personnel productivity or service efficiency declining? Can changes in management practices or technology deal with this?

• Is the increase due to an increase in externally funded programs and will the funding be on a continuous basis?

• Is the increase due to mandated services? Is there alternate funding available?

• Are there alternatives available for reducing the expenditures without significantly reducing services?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY RECOMMENDATIONS

• Expenditure levels in constant dollars will be held level in the functional areas of _____, _____, and _____.

• Service level increases in the functional areas of _____, ____, and _____ may result in increases in expenditure levels in constant dollars.

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

This trend shows that the Sewer Enterprise Fund operates at a steady rate relative to the rest of the municipal budget.

TOWN OF HADLEY

SEWER ENTERPRISE FUND REVENUE SHORTFALLS OR SURPLUSES

12/14/2018

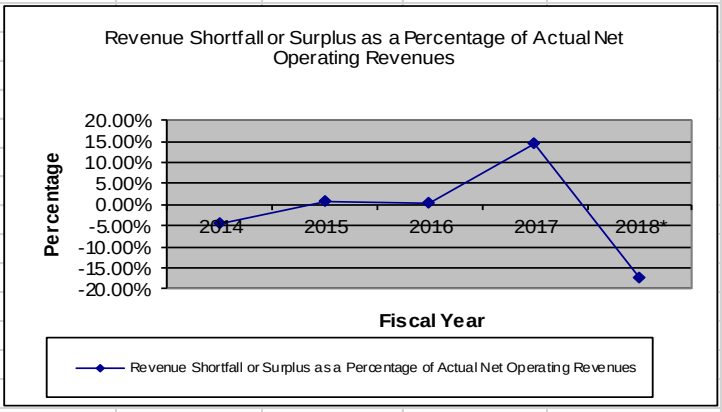
FORMULA

Revenue shortfalls or surpluses

Net operating revenues

WARNING TREND

Increase in revenue shortfalls as a percentage of actual net operating revenues



	Fiscal Year				
	2014	2015	2016	2017	2018*
Actual Net Operating Revenues	$ 787,701	$ 791,057	$ 796,980	$ 927,600	$ 1,037,284
Budgeted Net Operating Revenues	$ 822,172	$ 785,043	$ 794,481	$ 794,481	$ 1,218,698
Revenue Shortfall or Surplus	$ (34,471)	$ 6,014	$ 2,499	$ 133,119	$ (181,414)
Revenue Shortfall or Surplus as a Percentage of Actual Net Operating Revenues	-4.38%	0.76%	0.31%	14.35%	-17.49%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

- Is this trend caused by a deteriorating revenue base?
- Is the trend due to regional, state. or federal problems?
- Is the trend due to ineffective estimating procedures?
- Are revenue estimates made optimistically high in order to balance the budget, or overcautiously low?
- Are collection and accounts receivable procedures adequate?

STATUS

√ Warning trend observed

Conditions warrant further review

Indications are stable/positive

POLICY (ADOPTED 3/3/10)

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

This trend shows that revenues currently exceed expenditures. The Select Board is currently reviewing sewer rates and other sewer-related charges.

TOWN OF HADLEY

WATER ENTERPRISE FUND BALANCES

12/17/2018

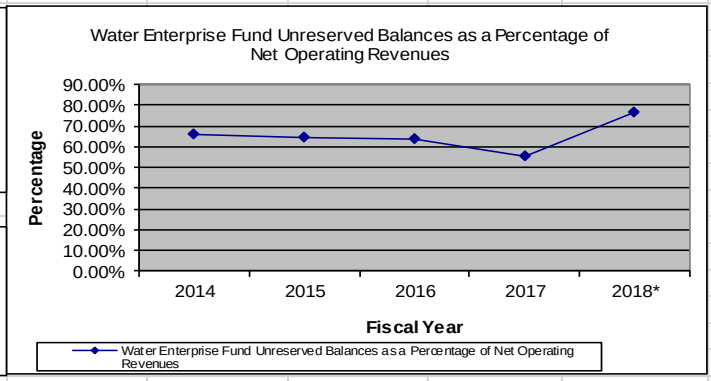
FORMULA

Unreserved enterprise fund balances

Net operating revenues

WARNING TREND

Declining unreserved enterprise fund balances as a percentage of net operating revenues.



	Fiscal Year				
	2014	2015	2016	2017	2018*
Water Enterprise Fund Unreserved Balances	$ 758,938	$ 768,216	$ 768,307	$ 784,088	$ 1,177,447
Net Operating Revenue	$ 1,153,461	$ 1,184,412	$ 1,206,182	$ 1,417,566	$ 1,533,339
Water Enterprise Fund Unreserved Balances as a Percentage of Net Operating Revenues	65.80%	64.86%	63.70%	55.31%	76.79%

*= Unaudited

SUGGESTIONS FOR ANALYSIS

- Are fund balances dropping lower than is considered desirable? Can they be rebuilt?
- Are fund balances being used to subsidize operating deficits?
- Are reserves being used for purposes other than those they were originally set aside for?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 4/9/08)

- 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.

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

TOWN OF HADLEY

WATER ENTERPRISE FUND BALANCES

1/18/2018

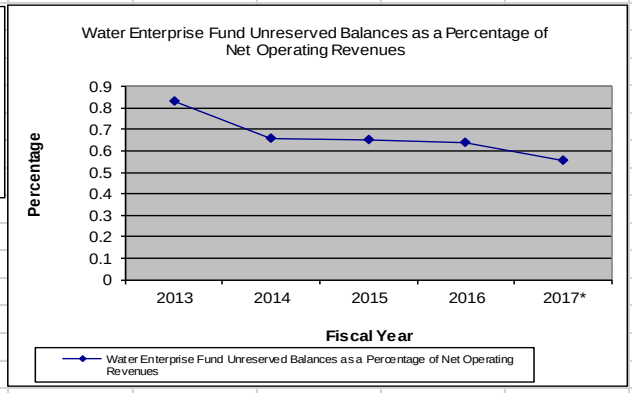
FORMULA

Unreserved enterprise fund balances

Net operating revenues

WARNING TREND

Declining unreserved enterprise fund balances as a percentage of net operating revenues.



	Fiscal Year				
	2013	2014	2015	2016	2017*
Water Enterprise Fund Unreserved Balances	$ 1,036,043	$ 758,938	$ 768,216	$ 768,307	$ 783,088
Net Operating Revenue	$ 1,246,681	$ 1,153,461	$ 1,184,412	$ 1,206,182	$ 1,417,566
Water Enterprise Fund Unreserved Balances as a Percentage of Net Operating Revenues	83.10%	65.80%	64.86%	63.70%	55.24%

*= Unaudited

SUGGESTIONS FOR ANALYSIS

- Are fund balances dropping lower than is considered desirable? Can they be rebuilt?
- Are fund balances being used to subsidize operating deficits?
- Are reserves being used for purposes other than those they were originally set aside for?

STATUS

√ Warning trend observed

Conditions warrant further review

Indications are stable/positive

POLICY (ADOPTED 4/9/08)

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

This trend shows the balances in the Water Reserves relative to the enterprise operating budget. The trend shows long-term stability, with the provision that the reserve balance is less than the optimal level of 100%, and the current balance does not meet the Massachusetts Department of Revenue's recommended balance of 75%. Identifying additional revenues that build reserves is recommended.

This trend analysis show the effect of inflation on the Water Reserves. In a low interest rate environment, there is no erosion of working capital.

TOWN OF HADLEY

EXPENDITURES BY FUNCTION: WATER ENTERPRISE

12/14/2018

(450 Budget Series: Water Department)

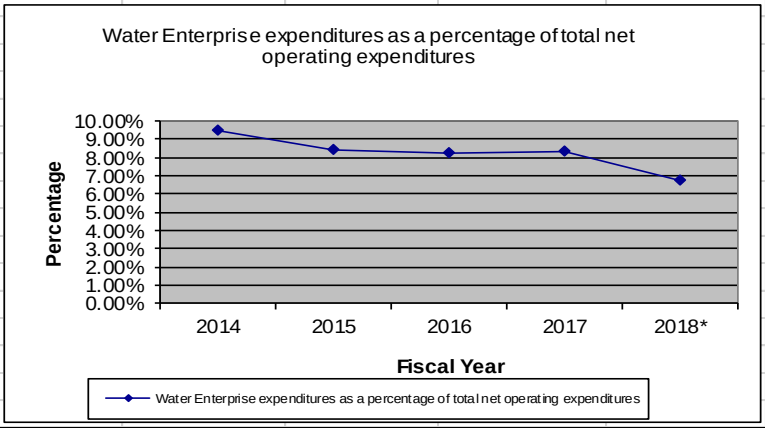
FORMULA

Operating expenditures for Water Enterprise

Total net operating expenditures

WARNING TREND

Increasing operating expenditures for one function as a percentage of total net operating expenditures



	Fiscal Year				
	2014	2015	2016	2017	2018*
Water Enterprise expenditures	$ 1,363,665	$ 1,245,907	$ 1,258,415	$ 1,299,539	$ 1,156,521
Total net operating expenditures	$ 14,437,914	$ 14,751,979	$15,318,031	$ 15,629,288	$ 17,140,080
Water Enterprise expenditures as a percentage of total net operating expenditures	9.45%	8.45%	8.22%	8.31%	6.75%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

• Is the increase in the function area caused by increased services or by an addition of new services? Are there increased revenues to pay for the increased services?

• If the increase cannot be explained by the addition of new services, is personnel productivity or service efficiency declining? Can changes in management practices or technology deal with this?

• Is the increase due to an increase in externally funded programs and will the funding be on a continuous basis?

• Is the increase due to mandated services? Is there alternate funding available?

• Are there alternatives available for reducing the expenditures without significantly reducing services?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY RECOMMENDATIONS

• Expenditure levels in constant dollars will be held level in the functional areas of _____, _____, and _____.

• Service level increases in the functional areas of _____, ____, and _____ may result in increases in expenditure levels in constant dollars.

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

This trend shows that the Water Enterprise Fund operates at a steady rate relative to the rest of the municipal budget.

TOWN OF HADLEY

WATER ENTERPRISE FUND REVENUE SHORTFALLS OR SURPLUSES

12/14/2018

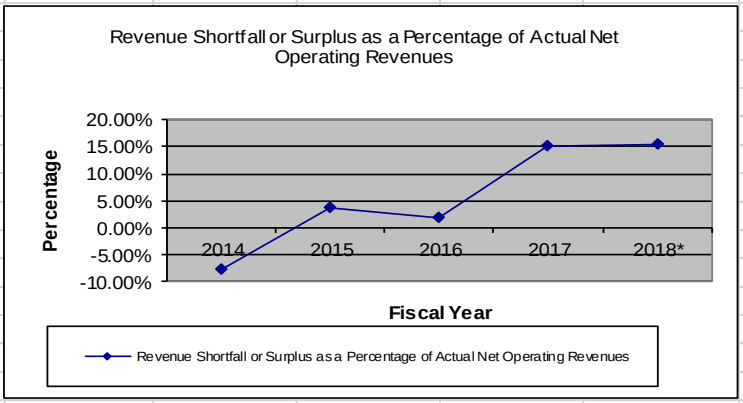
FORMULA

Revenue shortfalls or surpluses

Net operating revenues

WARNING TREND

Increase in revenue shortfalls as a percentage of actual net operating revenues



	Fiscal Year				
	2014	2015	2016	2017	2018*
Actual Net Operating Revenues	$ 1,153,461	$1,184,412	$1,206,182	$1,417,566	$ 1,533,339
Budgeted Net Operating Revenues	$ 1,241,730	$1,142,210	$1,182,690	$1,204,418	$ 1,298,810
Revenue Shortfall or Surplus	$ (88,269)	$ 42,202	$ 23,492	$ 213,148	$ 234,529
Revenue Shortfall or Surplus as a Percentage of Actual Net Operating Revenues	-7.65%	3.56%	1.95%	15.04%	15.30%

* = Unaudited

SUGGESTIONS FOR ANALYSIS

- Is this trend caused by a deteriorating revenue base?
- Is the trend due to regional, state. or federal problems?
- Is the trend due to ineffective estimating procedures?
- Are revenue estimates made optimistically high in order to balance the budget, or overcautiously low?
- Are collection and accounts receivable procedures adequate?

STATUS

Warning trend observed

Conditions warrant further review

√ Indications are stable/positive

POLICY (ADOPTED 4/9/08)

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

This trend shows that revenues currently exceed expenditures, but the water reserve fund is declining as a percentage of the net operating revenues. The Select Board is currently reviewing water rates and other water-related charges.