



# CAPITAL IMPROVEMENT PLAN (FY2018 – FY2022)



## Town of Ashland



Draft for Submission March 1, 2017



DRAFT

*Draft prepared for the Town of Ashland by the  
Edward J. Collins, Jr. Center for Public Management  
at the University of Massachusetts, Boston  
March 2017*

## Table of Contents

Introduction .....	1
CIP Overview .....	2
About the Town of Ashland .....	5
Town Facilities .....	5
Information Technology .....	6
Parks and Open Space .....	7
Roadways and Sidewalks .....	9
School Facilities .....	10
Sewer Infrastructure .....	10
Stormwater Collection .....	11
Vehicles and Equipment .....	11
Water Infrastructure .....	12
Possible Funding Sources .....	15
Local Resources .....	15
Federal, State, and Private Grants and Loans .....	16
Capital Planning Process (FY2018-FY2022) .....	19
Project Requests .....	19
Requests by Department .....	19
Requests Funding Source .....	20
Requests by Asset Type .....	21
Capital Planning Evaluation Criteria .....	21
Resources Available .....	22
General Fund Debt and Pay-as-You-Go .....	22
General Fund Exempt Debt Service .....	26
Water and Sewer Enterprise Fund Debt and Pay-as-You-Go .....	26
FY2018-FY2022 CIP Project Listing .....	29
Projects by Funding Source (FY2018 - FY2022) .....	31
Project Funding Detail .....	<b>Error! Bookmark not defined.</b>
Projects by Department .....	35
Appendices .....	41
Appendix 1: Ashland at a Glance .....	41
Appendix 2: New Growth History .....	41

Appendix 3: Free Cash & Stabilization Fund History .....	41
Appendix 4: Tax Levy History .....	41
Appendix 5: CIP Spending Plan.....	41
Appendix 6: Select Glossary .....	41

DRAFT



## INTRODUCTION

The Town of Ashland's \$56.5million five-year capital improvement plan (CIP) for FY2018-FY2022 will make much needed investments in Ashland's infrastructure, including Town and school facilities parks and open space, roadways and sidewalks, information technology, vehicles and equipment, and water and sewer infrastructure. The majority of the capital plan will be funded from sources other than the Town's general fund, including \$6 million (10.5%) from the Water/Sewer Enterprise Funds, \$2.3 million (4.1%) funded by Chapter 90 funds,<sup>1</sup> and \$10.9 million from other sources such as MSBA funding (19.3%),<sup>2</sup> leaving a total of \$7.7 million (13.6%) to be supported by the Town's General Fund, and \$29.7 million (52.5%) for consideration for local taxpayer supported debt exclusion.

Some of the more significant projects that are expected to have long-term impacts on the Town include a new Public Safety Building, Downtown improvements to include complete streets and landscaping, a new elementary school, replacement of all residential and commercial water meters, as well as significant work to town and school facilities. The new Public Safety Building will house the Fire and Police Departments in one facility, freeing up land Fire Department's current location for new uses awhile also elimination the annual lease for the Police Headquarters. Downtown revitalization efforts will include a comprehensive redesign of Main Street implemented over four phases, including a new shared-use (e.g., pedestrian and bicycle) path along the Sudbury River, undergrounding of utilities, and streetscape improvements. Collectively, these will increase the area's attractiveness as a destination for shopping, dining, and conducting business.

By looking forward across multiple years in this capital improvement plan, Town officials will be able to advance projects in an orderly manner, capturing the declines in debt service and using those same dollars to fund new investments. At the same time, department directors will be able to plan for upgrades of their equipment and infrastructure so as to reduce emergency repairs and purchases, which inevitably drive up costs. Departments will also be able to plan for multi-year projects and share information with other departments and the public, such as the design and construction of a major roadway project or a new building, all the while being kept on task as to milestones as depicted in the CIP.

This rolling five-year plan takes into account the best information currently available. However, should more funding become available than currently anticipated, projects could be moved forward in time and/or additional projects could be added. Likewise, should finances be more constrained than currently anticipated, projects could be moved back in time or taken off the list. Further, other projects not yet conceived of can be added if they advance the Town's goals better than those included in the current version of the plan. This reassessment is intended to occur annually, continually projecting the most important projects the Town should consider with its available capital funds.

### **What is a capital budget? What is a capital project?**

A capital budget is distinct from an operating budget in that the items included in a capital budget are typically large or infrequent expenses, such as construction of a new building or acquisition of a new dump truck,

---

<sup>1</sup> <http://www.massdot.state.ma.us/highway/DoingBusinessWithUs/LocalAidPrograms/Chapter90Program.aspx>

<sup>2</sup> <http://www.massschoolbuildings.org/building>

whereas an operating budget includes recurring expenses or are modest in magnitude, such as supplies or vehicle maintenance. A capital budget identifies the array of resources to be used to fund a series of capital projects. In many instances, municipalities establish minimum dollar thresholds for projects to be included in a CIP. In the case of Ashland, projects authorized in the FY2018-FY2022 plan range from \$10,000 to \$25 million, across all funding sources.

The Massachusetts Association of Town Finance Committees defines capital projects as “major, non-recurring expenditures, for one of the following purposes:

- acquisition of land for a public purpose;
- construction of a new facility or external expansion or major rehabilitation of an existing one. Examples of such town facilities include public buildings, water and sewer lines, roads and playing fields;
- purchase of vehicles or major equipment items;
- planning, feasibility, engineering or design study related to a capital project or to a capital improvement program consisting of individual projects.
- equipment for public improvements when they are first constructed such as furniture, office equipment, or playground equipment;
- [or] major equipment which is expensive and has a relatively long life such as a fire apparatus, garbage trucks, and construction equipment.”

### **What is a capital plan? Why prepare one?**

According to the Massachusetts Department of Revenue (DOR), a capital plan is a blueprint for planning a community’s capital expenditure and “one of most important responsibilities of local government officials.” Putting together multiple years of capital spending into a plan, instead of looking at each year in isolation, has multiple benefits including:

- impacts on the operating budget can be minimized through thoughtful debt management;
- high-cost repairs and emergency acquisitions can be reduced by implementing regular vehicle and equipment replacement schedules, and by undertaking major facilities improvements, such as replacing roofs, before a problem becomes chronic and damage occurs;
- large scale, ambitious public improvements can be phased over multiple years;
- critical parcels of land can be purchased before costs increase;
- costly mistakes created by lack of coordination - such as paving a street one year and then cutting into it the next year to install a sewer line – can be avoided; and,
- methodical progress can be made toward meeting community goals.

### **CIP Overview**

In the FY2018-FY2022 Capital Improvement Plan, the Town of Ashland will expend approximately \$56.5 million in funds for 69 capital projects ranging in size from \$10,000 to upgrade lighting controls at the athletic fields, to \$25 million to construct a new Public Safety Building.

Funding for the CIP will be provided from an array of sources, including, but not limited to:

- \$32.6 million in general fund debt funded projects (including \$29.7 million supported by local taxpayers);

- \$4.8 million in Pay-As-You-Go projects funded by the general fund;
- \$6.0 million in projects funded by water and sewer revenues; and,
- School projects eligible for \$1.3 million in support from the Massachusetts School Building Authority (MSBA).

DRAFT

THIS PAGE IS INTENTIONALLY BLANK

DRAFT



## ABOUT THE TOWN OF ASHLAND

Within the Town of Ashland's 12.9 square miles of land area can be found many significant infrastructure systems that must be maintained each year, including town and school facilities, information technology (IT) systems, parks and open space, roadways and sidewalks, the sewer system, storm drainage system, and the water system. In addition, the many vehicles and pieces of equipment used by Town and School staff to perform their duties must also be maintained and replaced over time.

The maintenance of the Town's infrastructure systems is critically important to the health and safety of Ashland's approximately 16,593 residents (U.S. Census, 2010) and the vitality of the 386 businesses in town (County Business Patterns, 2014). Town officials face a significant challenge as they strive to keep these systems and equipment in good working condition while using the public resources available to them wisely and with the greatest impact.

Infrastructure components for which the Town is responsible include:

### ***Town Facilities***

The Town manages a series of buildings that serve a multitude of purposes from Town Hall and the Ashland Public Library to the Police Station and DPW facility. Each of these facilities must be maintained on a regular basis to ensure the safety and effectiveness of the working environment, while new initiatives such as land acquisitions or building replacements may also be necessary or advantageous.

ASHLAND TOWN FACILITIES	
FACILITY	LOCATION
Animal Control	Ponderosa Road
Community Center	162 West Union Street
Department of Public Works	20 Ponderosa Road
Fire Station - Administration	70 Cedar St
Fire Station - Main	151 Main Street
Library	66 Front Street
Police Station (leased facility)	137 Main Street
Town Hall	101 Main Street
Water Treatment Facility	229 Howe Street
Warren Woods	22 Eliot Street
Water Pump Station	Russett Hill Booster
Sewer Pump Station	Chestnut Street
Sewer Pump Station	Brackett Road
Sewer Pump Station	Ledgemere
Sewer Pump Station	Lucy French Way
Sewer Pump Station	Baldwin Circle
Sewer Pump Station	Prospect Street

Altogether, the Town's insurance provider has placed a replacement value on the buildings (including public schools) and the equipment within them at \$116.5 million (July 2016). <sup>3</sup>

### **Information Technology**

The Town's information technology infrastructure supports the Town, School, Public Works, Police, Fire and Library departments, using a wide-area network that connects all Town-owned buildings. Software applications used town wide include the MUNIS financial system and Google Apps for Business.

<b>IT HARDWARE SUMMARY</b>	
Internet	Internet Connectivity is provided to the town by Verizon via their FiOS service. There are three (3) points of internet connectivity throughout the infrastructure: the High School for School system use at 500mbps synchronous; Town Hall for Town Administrative use at 300mbps synchronous; and, the Police Department for Public Safety use at 150 mbps Synchronous. These locations each provide internet access to their smaller related sites. Each of these main sites are secured using Dell SonicWALL Network Security Appliances. The High School has a high-availability NSA5600 firewall, and the Town Hall and Police Station each have 1 NSA2600.
VMware Infrastructure	In the High School Datacenter, there is a HP BladeCenter chassis populated with 4 server blades. The 4 hosts are running ESXi version 6.0 in a VMWare VCenter server management environment. This centralized server setup hosts 34 virtual servers for the town and schools combined.
Storage Infrastructure	The core of the Town's storage resides in the High School Datacenter as well. There are 3 pairs of redundant Storage Area Network (SAN) devices providing storage to our 4 server blades via iSCSI. In addition to these faster storage devices, we also have 2 Synology DiskStation units serving as iSCSI storage for less repeatedly accessed Virtual Machines, one with five (5) hard-drives, and another with eight (8) hard-drives. All of our iSCSI storage is set up using RAID to protect against data loss due to hard-drive failure.
Server and File Backup	A virtual server running Symantec Backup Exec is currently serving the majority of our mission-critical servers in the datacenter, and Nakivo Backup and Replication software is currently serving our two standalone ESX hosts at the Town Hall and Police Station, as well as their redundant replica hosts. All Backup Exec backup jobs copy their files to an eight (8) hard-drive Synology DiskStation which is located off-site at the Ashland Middle School.
Network Switching	The Town Hall and High School Datacenter both have an HP 5412zl core switch, with the Police station utilizing an HP 2920 core switch with IP routing enabled and configured to handle traffic between sites over a 10GbE fiber-optic connection. Every school site has an HP 5406zl with the exception of the Middle school, which has an HP 5412zl. Each town site also has an HP 2920. Each parent site has 2 1GbE fiber connections to each child site utilizing LACP to aggregate the two links.
Telephony	All throughout the Town Hall and the Police Department, as well as at the front door of every school building, we have implemented a door access control system that is centrally managed in our datacenter, and allows us to permit or deny access to staff members based on use of a individually unique key card that is given access to only the doors the individual should be able to enter. The cards that this system utilizes are also used to print Security ID badges for staff to have on their person at all times
Access Control	Stanley PAC Door Access Control has been implemented throughout Town Hall, Police Department, as well as at the front door of every school building. This door access control system is centrally managed in the datacenter allowing the Town to permit or deny access based on the use of a unique key card. The system only gives access to the doors the individual should be able to enter. The cards that this system utilizes are also used to print Security ID badges for staff to have on their person at all times.

<sup>3</sup> Note that this figure includes water treatment facilities and related structures such as wells, and structural features in Town parks and schools, such as the bath house at Horn Pond and High School football stadium.

IT SOFTWARE SUMMARY	
Financial Management	Tyler Technologies' Municipal financial package, MUNIS, is the townwide financial management software. This software is used for management of all financial facets of the government; General Ledger, Accounts Receivable, Tax Calculation and Collection, Purchasing, Requisitions, Municipal Liens, Utility Billing, Human Resources, Payroll, and Fixed Assets.
Email and Productivity	The Town uses Google Apps as its email provider and productivity suite, in tandem with Backupify by Datto to keep archived records of public employee's files and correspondence.
Permitting	The Building Department uses PeopleGIS as its platform for all types of permit requests; Building, Electrical, and Plumbing. This software replaced an aging and inferior system for permits in 2015.
Geographic Information System	Both the Community Development Department and the Department of Public works use ESRI's ArcGIS for all of the town's GIS data and applications.
Assessing	The Assessing Department uses the Massachusetts State computer-assisted mass appraisal (CAMA) system. A CAMA is an automated system for maintaining property data, valuing property, notifying owners, and ensuring tax equity through uniform valuations. Such systems were made possible by computers and have grown rapidly in functionality and price performance with improvements in computer hardware and software. The Tax Assessor uses this software to determine Real estate values for use in calculating Real Estate Tax.
Cloud Storage	The Town Clerk utilizes SystemWorks IT's Municipal cloud server to house all of the town's electronic historical records, such as birth and death certificates, as well as marriage documents and certificates.

### ***Parks and Open Space***

Across Ashland's nearly 13 square miles, Town residents and visitors have access to recreational areas including parks, playgrounds, ponds and woods, fields, passive recreation areas, as well as a number of hiking trails throughout the Town Forest, Warren Woods and the two state parks. In fact, nearly 25% percent of Ashland's land area is permanently-protected conservation land.<sup>4</sup>

Recently-completed initiatives to preserve and enhance open space in Ashland include the recent purchase of 0.69 acres of land at 22 Eliot Street. In 2012, the Town purchased 120-acre Warren Woods with the help of \$500,000 state grant (Local Acquisitions for Natural Diversity, aka LAND).<sup>5</sup> The site includes five fields and five walking or nature trails, and is used for open space conservation and passive recreation only. Warren Woods also contains a Conservation Restriction over it held by the Massachusetts Audubon Society. The Conservation Commission is the entity that owns and maintains 22 Eliot Street and Warren Woods and is also responsible for roughly 10 Conservation Restrictions.

Ashland completely encloses or contains portions a number of surface water bodies and waterways, including:

- Several perennial streams
  - Indian Brook 1.7 miles
  - Cold Spring Brook (0.32 Miles in Ashland, then it flows into Hopkinton)
  - Jar Brook (0.37 Miles in Ashland then it flows into Holliston)
  - Beaver Dam Brook (0.76 Miles in Ashland, then it flows into Framingham)
  - Cowassock Brook (0.30 Miles in Ashland then it flows into Framingham);
- the Sudbury River (6.3 miles);
- three reservoirs (Ashland, 167.96 acres; Hopkinton, 86.69 acres; Framingham, 28.79 acres; Brackett);

<sup>4</sup> Ashland Open Space and Recreation Plan. (February 2010)

<sup>5</sup> Baseline Documentation Report and Land Management Plan, LAND Grant Program. (July 2, 2012)

- two named ponds (Waushakum, 12.35 acres; Mill, 12.9 acres);
- and several smaller, unnamed ponds, wetlands, and streams.<sup>6</sup>

The list below contains examples of Town-owned or managed open space:

<b>EXAMPLES OF LOCALLY OWNED/MANAGED OPEN SPACE FACILITIES IN ASHLAND</b>				
<b>Town Facility</b>	<b>Location</b>	<b>Size</b>	<b>Map /Pcl</b>	<b>Description</b>
Abandoned Pump Station		4.5 acres	16/60	
Altavesta	Altavesta School	3.1 acres		Soccer field, lacrosse field, playground equipment
Anessi Property	Off Heritage	9.9 acres		Conservation Easement
Ashland DPW	20 Ponderosa	22.8 acres	13/35	
Ashland Middle School		24.3 acres	19/60-61	Athletic fields
Colonial Drive OS	Colonial Drive	25 acres		Open space, wetlands, wildlife habitat
Bell Property	Off Myrtle Street	53.2 acres	09/274	Open Space, wetlands, wildlife habitat
Birch Hill	Birch Hill Road	11 acres	8/173	Open space, wildlife habitat
Cedar Street Fire Station	Cedar Street	21.9 acres	21/188	Fire Station
Community/Senior Ctr	162 W Union St	9.5 acres	23/135	Community center, athletic fields
Cookingham Consv Land		7.4 acres	18/123	Open Space, wetlands, wildlife habitat
Crawford Park		3.3 acres	12/201	
Eliot Street Farmhouse	22 Eliot Street	0.69 Acres		Field and wet meadow adj to farm hse. More to be donated in future.
Girl Scout Property	Rear Olive Street	19 acres	27/89	Cabins/trail adj to Ashland State Park
Gryncel Park	11 High Street	9.6 acres	13/21	Baseball fields
High School		52 acres	15/83	Athletic fields
Marathon Park	0 Pleasant Street	0.33 acres	13/49	Scenic overlook/ small park
Mill Pond Canoe Launch	Pine Hill Road	0.8 acres	14/4	Canoe launch
Mindess Elementary School fields		28.9 acres	14/285	Fields
Montenegro Square		1.56 acres	14/301	Town Center Park. Farmers markets in summer and early fall.
Spring Street Well Site		7.2 acres	27/95-96	Trails
Stone Park	Cherry Street	10.5 acres	14/56	Athletic fields, playground, park
Sudbury River Park		5 acres	13/39	Future Riverwalk Trail
Raymond Marchetti OS		3.6 acres	14/91	
Town Forest – Clark Property	Oak Street	28.6 acres	7/243	Forest land with trails
Town Forest		33.3 acres	8/74	Forest land with trails
Town Forest		502.6 acres	4/1	Forest land with trails
Warren Elem School fields		13.2 acres	25/215	
Warren Woods		116.8 acres	28/70,72	Fields, walking and nature trails
Weston Nurseries (former)	West Union	20.4 acres	27/69	Purchased in 2007 for recreation conservation and affordable housing
Wildwood Cemetery	76 Chestnut St	27.1 acres	14/477	Historical/cultural cemetery

<sup>6</sup> Ashland Open Space and Recreation Plan. (February 2010)

## ***Roadways and Sidewalks***

Ashland is served by three major arterial roadways: Interstate 90 (the Massachusetts Turnpike, aka I-90), which cuts through the northwest corner of town. The two state roads, Route 135 (crossing northeast to the southwest) and Route 126 (running north to south parallel Ashland's eastern border). Roads are typically classified into three categories:

- Local streets provide direct access to residential properties and serve the transportation needs within a particular neighborhood. Winter Street is an example of a local street.
- Collector streets primarily collect traffic off of local streets and lead such traffic to and from arterial roadways. Prospect Street is an example of a collector street.
- Arterial roadways are typically numbered and serve regional as well as local automobile and truck traffic. Route 135 is an example of an arterial roadway. These roadways are generally owned and maintained by the state, and function as part of the regional highway system.

Of the 82.2 centerline miles of roadway in Ashland, the Town has accepted and maintains 76.1 miles of local and collector streets. A total of 2.3 miles of roads are private and have not been accepted by the Town, and just over 3.8 miles of roadway are maintained by MassDOT.<sup>7</sup> In addition, while Route 135 is owned by the Commonwealth, it is maintained by the Town, and although Route 126 is currently owned and maintained by the State, after its reconstruction, the Town will take over ownership.

As of 2017, Ashland owns 9 traffic signals and 2 flashing beacons, while another 5 traffic signals are State-owned.

In FY2016, a total of \$924,707 was appropriated for road construction (\$800,000 from Chapter 90 funds) and \$20,000 for highway maintenance. In FY2017, \$461,558 has programmed to be spent from Chapter 90 funds<sup>8</sup> on several projects, some of which have already been completed, including the following.

### Roadway Resurfacing (completed 2015 – 2016)

- Acton Road
- Tilton Ave.
- Section of Concord Street
- Lower Cedar Street
- Thomas Road (from Cordaville to Diane Lane)

### Sidewalk Construction

- Section of Route 135 near Frankland Road
- Section of Oak Street near Heritage Avenue

The MBTA Access Road is scheduled to be milled and resurfaced in FY2018.

Future road work projects that are currently under consideration for resurfacing in FY2018 are:

- Upper Chestnut Street
- Olive Street

---

<sup>7</sup> 2015 Massachusetts Road Inventory Year End Report, MassDOT. (August 2016)

<sup>8</sup> Chapter 90 Appointment Letter, MassDOT. (March 31, 2016)

- Howe Street sidewalk project; requires additional engineering design

In addition, the State Transportation Improvement Plan (TIP) has allocated resources to the reconstruction of Pond Street (Route 126) in FY2020, at an estimated construction cost of \$13.5 million.

### ***School Facilities***

The Ashland Public School District (APS) operates five school facilities including three elementary schools (PK-5), a middle schools and a high school, serving 2,701 students during the 2016-17 school year.<sup>9</sup> School administration is located at 87 West Union Street. Each school facility has associated play equipment and/or fields, including the Town's Multi-Purpose Turf Field and Track which is located at the high school.

<b>ASHLAND PUBLIC SCHOOL FACILITIES</b>	
<b>School Facility</b>	<b>Location</b>
High School	65 East Union Street
Ashland Middle School	87 West Union Street
Mindess Elementary School	90 Concord St.
Pittaway Preschool School	5 Central Street
Warren Elementary School	73 Fruit Street

Ashland Public Schools (APS) has a number of capital projects underway or planned for the future. Using Community Preservation funds, APS has made several outdoor improvements in recent years, including a basketball court at the Middle School. This year the funds will be used to improve baseball fields at Mindess School and at Stone Park. In 2016, the Town received a Green Communities Grant of \$224,100 to fund installation of new energy efficient boilers at Mindess School. A related project will provide a new hot water generation system at Mindess School. Both projects will be completed in spring 2017. Solar installations at the Middle School and High School were constructed over the winter. APS is installing an electric vehicle charging station at the Middle School this spring and is exploring options to develop on a School Facilities Masterplan.

### ***Sewer Infrastructure***

Ashland has a separate sanitary sewer and storm water system. The Town has approximately 66 miles of common sewer main excluding building service connections. Sewage is collected through an underground piping network, moved through the Town's eight pump stations, and is transferred and disposed of through the MWRA sewage treatment and disposal service. Currently, over 76% of the town has a municipal system connection, which covers 12,743 residents (4,724 total connections).<sup>10</sup> The remaining 24% of the town has a private septic systems or cesspool, which covers over 4,000 residents

Ashland has an inflow and infiltration (referred to as "I/I") program in place. The I/I program identifies the amount and location(s) of stormwater, groundwater, and other non-sewage sources entering the sewer system. These additional sources of flow in the sewers can dramatically increase the costs to transport and

<sup>9</sup> DESE District Profiles: <http://profiles.doe.mass.edu/>

<sup>10</sup> MWRA Annual I/I Questionnaire (2016).



treat the sewage prior to discharge, so communities across the U.S. are working to reduce the amount entering sanitary sewer systems. The most recent investigation and identification of I/I in Ashland was completed in 2014. The Town was able to reduce I/I by 23% over the previous three years, falling 0.43 MGD in 2013 to 0.33 MGD in 2015. As the spring of 2017 approaches, the I/I program will move into the investigation phase in order to locate leaks for the next round of repairs.

### ***Stormwater Collection***

Stormwater management is a major concern for all municipalities, especially a town like Ashland with a large number of water bodies, many of which are used for recreational purposes. Generally, rainfall flows over driveways, lawns, streets, and sidewalks and as it goes, picks up pollutants such as debris and chemicals. Should this flow enter directly into a lake, stream, river, or wetland untreated, it can be extremely detrimental to recreational uses such as swimming and fishing as the additional nutrient load supports the growth of algae, some of which can be toxic to humans and other aquatic life.

The Town of Ashland is part of the Charles River watershed and the SuAsCo watershed. The Town maintains stormwater infrastructure which consists of 143,730 feet (27 miles) of drainage lines which tie into one of the 2,498 catch basins and discharge through one of the 606 outfalls. Outfalls range in type and size between 8" and 42". Many outfalls are located at designated detention basins, retention basins or in natural features like wetlands and streams. In addition, some streams and drainage flows through culverts. The exact number of culverts is unknown and efforts are currently underway to determine the amount and location of these culverts. The Department of Public Works and Conservation Commission engage in field exploration twice a year to locate these as time permits.

In 2003, the Town finalized its National Pollutant Discharge Elimination System (NPDES)<sup>11</sup> General Permit for stormwater discharges from its small Municipal Separate Storm Sewer System (MS4) under the department's Phase II program. The NPDES MS4 ensures that all urbanized areas create a regulatory mechanism to control non-point source discharges into the nation's waterways, requiring annual reporting of compliance measures and periodic permit renewal.

In 2007, Ashland created the Stormwater Committee and passed its Stormwater Management Bylaw at Annual Town Meeting as part of its commitment to protect the environment through the control of stormwater discharges. The Town uses a number of measures to minimize impacts, such as: run-off control; illicit discharge detection and elimination; house-to-house inspections and private inflow source removal; post-construction stormwater management in new development and redevelopment; and public education and outreach.<sup>12</sup>

### ***Vehicles and Equipment***

Many town departments, such as the DPW, Fire Department, Police Department, School District and Parks and Recreation Department, and others use small and large vehicles and equipment on a daily basis. Town-wide, the fleet includes 96 vehicles, trailers, and motorized pieces of equipment (e.g., mowers, trailers chippers, etc.)

---

<sup>11</sup> Part of the Environmental Protection Agency's (EPA) Clean Water Act.

<sup>12</sup> Ashland NPDES PII Small MS4 General Permit Annual Report

with about half of them (40 pieces) operated over the road (e.g., dump trucks, box trucks, pickups, backhoes, etc.), trailers and compressors.

As can be seen below, the average age of vehicles across all Town is 11.3 years, a figure that is above manufacturers recommended lifetime for many vehicles. Of particular note are bucket truck (20 years), chipper (25 years) and the two backhoes that have a combined average age of 16.5 years. The average age of Ashland's fleet overall is 15.7 years. DPW staff also use countless small handheld pieces of equipment (e.g., asphalt compactors, shovels, and other grounds maintenance tools as well as hand tools) which typically have much shorter lifespans.

<b>Ashland Vehicle Inventory (2017)</b>								
<b><u>Vehicle Type</u></b>	<b>DPW</b>	<b>Police</b>	<b>Fire</b>	<b>Animal Control</b>	<b>COA</b>	<b>Schools</b>	<b>Total by type</b>	<b>Ave age</b>
Backhoe	2						2	16.5
Box Trk –Emergency	1						1	5
Bucket Truck	1						1	20
Chipper	1						1	25
Dump Truck, 10 Whl	1						1	7.6
Dump Truck, 6 Whl	8					1	9	11.25
Leaf Vacuum	1						1	6
Loader	3						3	12
Pickup Truck	4		1			3	8	5.5
Roller	1						1	7
Sander Truck, Hvy	3						3	13
Sweeper	1						1	13
Trackless	3						3	14.3
Tractor	1						1	8
Trailer	11		2			2	15	12
Utility Truck	8						8	9.25
Vactor Truck	1						1	12
Police Cruiser		7					7	2.7
Sedan		6				4	10	3
Van		1		1		1	3	7
Ambulance			2				2	3.5
Boat			2				2	5
Brush Truck			1				1	33
Bus (>9 pax)			1		1		2	12
Ladder Truck			2				2	11
Pumper Truck			3				3	19
SUVs			3		1		4	5.3
<b>TOTAL/AVERAGE</b>	<b>51</b>	<b>14</b>	<b>17</b>	<b>1</b>	<b>2</b>	<b>11</b>	<b>96</b>	<b>15.7</b>

### **Water Infrastructure**

Ashland's water supply system provides all of the potable water needed by the Town's residents and businesses, for a total of 6,755 service connections. The system is entirely ground water (aquifer), with five wells drawing water sourced by the Ashland and Hopkinton Reservoirs. The system contains 83 miles of water mains fed by two water storage tanks with a combined storage capacity of 6.9 MG and a pumping capacity of

the system is 4,000 gallons per minute. The Town has also initiated the Southborough Water Interconnection project, which will provide the town an emergency interconnection between Ashland and the Massachusetts Water Resources Authority (MWRA) system adding up to one million gallons per day (MGD) of extra capacity.

Ashland's water is treated at the Howe Street Regional Treatment Plant located along the Hopkinton Reservoir. The facility annually treats and distributes over 737 million gallons of drinking water for nearly 16,000 customers in the towns of Ashland and Hopkinton.<sup>13</sup>

DRAFT

---

<sup>13</sup> DEP (2015).

THIS PAGE IS INTENTIONALLY BLANK

DRAFT

## POSSIBLE FUNDING SOURCES

There are a number of ways to finance municipal capital improvement projects. Some of the most common methods are:

### Local Resources

- **Municipal Indebtedness:** The most commonly used method of financing large capital projects is general obligation bonds (aka, “GO Bonds”). They are issued for a period of time ranging from 5 to 30 years, during which time principal and interest payments are made. Making payments over time has the advantage of allowing the capital expenditures to be amortized over the life of the project. Funding sources used to pay back the debt can include:
  - **Bonds funded within the tax limits of Proposition 2 ½:** Debt service for these bonds must be paid within the tax levy limitations of proposition 2 ½. Funds used for this debt must be carefully planned in order to not impact the annual operating budget.
  - **Bonds funded outside the tax limits of Proposition 2 ½ :** Debt service for these bonds is paid by increasing local property taxes in an amount needed to pay the annual debt service. Known as a Debt Exclusion or Exempt Debt, this type of funding requires approval by 2/3 vote of the local appropriating authority (e.g., City council or Town meeting) and approval of majority of voters participating in a ballot vote. Prior to the vote, the impact on the tax rate must be determined so voters can understand the financial implications.<sup>14</sup>
  - **Bonds funded with Enterprise Funds:** Debt service for these bonds is typically paid by user fees, such as water and sewer revenue. Depending upon the type of project, interest costs may be subsidized by the Commonwealth and at times partial grant funds may be available (see below). Enterprise funds do not affect the general operating budget unless general funds are needed to subsidize revenues from the enterprise. Prior to the issuance of debt, the projects must be analyzed for their impact on rates.
- **Capital Outlay / Pay As You Go:** Pay as You Go capital projects are funded with current revenues and the entire cost is paid off within one year so no borrowing takes place. Projects funded with current revenues are customarily lower in cost than those funded by general obligation bonds because there are no interest costs. However, funds to be used for this purpose must be carefully planned in order to not impact the annual operating budget. For this reason, Pay as You Go capital projects are typically lower in value than projects funded by borrowing.
- **Capital Outlay / Expenditure Exclusion:** Expenditure Exclusion projects are similar to Pay as You Go, above, except taxes are raised outside the limits of Proposition 2 ½ and are added to the tax levy only during the year in which the project is being funded. As with a Debt Exclusion, Expenditure Exclusion funding requires approval by 2/3 vote of the local appropriating authority (City Council or Town Meeting) and approval of majority of voters participating in a ballot vote. Prior to the vote, the impact on the tax rate must be determined so voters can understand the financial implications. Capital outlay expenditures

<sup>14</sup> A debt exclusion is different from a property tax override in that a debt exclusion is only in place until the incurred debt has been paid off. An override becomes a permanent part of the levy limit base.

may be authorized for any municipal purpose for which the city or town would be authorized to borrow money.

- **Capital Stabilization Fund:** Local officials can set aside money in a stabilization fund—outside of the general fund—to pay for all or a portion of future capital projects. A 2/3 vote of Town council is required to appropriate money into and out of this fund.
- **Sale of Surplus Real Property:** Pursuant to Massachusetts General Laws, when real estate is sold, the proceeds must first be used to pay any debt incurred in the purchase of the property. If no debt is outstanding, the funds “may be used for any purpose or purposes for which the city, town or district is authorized to incur debt for a period of five years or more...except that the proceeds of a sale in excess of five hundred dollars of any park land by a city, town, or district shall be used only by said city, town, or district for acquisition of land for park purposes or for capital improvements to park land” (MGL Chapter 44, Sec. 63).
- **Enterprise Retained Earnings / Stabilization Fund:** Enterprise operations, such as water and sewer, are able to maintain an operating surplus that can be utilized for future enterprise fund costs. These funds can be used to stabilize the user rates, apply to annual budget needs, and/or invest in capital replacement and expansion.
- **Free Cash:** Free Cash is the difference between annual revenues and expenditures and is certified by the Commonwealth each year. After certification, free cash is available for appropriation for any municipal purpose, including capital projects.
- **Special Purpose Funds:** Communities also have established numerous “Special Purpose Accounts” for which the use is restricted for a specific purpose, some of which may be investment in department facilities and equipment. There are numerous state statutes that govern the establishment and use of these separate accounts. Examples include the sale of cemetery lots and off-street parking fees accounts.

### **Federal, State, and Private Grants and Loans**

Special revenue sources include grants or loans from federal, state, or private sources. Examples include:

- **Federal Community Development Block Grant (CDBG):** The U.S. Department of Housing & Urban Development (HUD) “provides communities with resources to address a wide range of unique community development needs.”<sup>15</sup> Funds are granted directly to “entitlement” communities which are cities with a population of at least 50,000 or counties with a population of at least 200,000. To secure entitlement funds, each City must prepare a Consolidated Plan every five years outlining the City’s goals for use of the funds, and an annual plan must be prepared each year. Funding for smaller communities flows through State administered CDBG programs. As it relates to capital projects, HUD funds can be used for: acquisition of real property; relocation and demolition of housing; rehabilitation of residential and non-residential structures; construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes; activities relating to

---

<sup>15</sup> U.S. Department of Housing and Urban Development (HUD), “Community Development Block Grant (CDBG) Program”, retrieved December 3, 2015 from [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/communitydevelopment/programs](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs).



energy conservation and renewable energy resources.

- **Massachusetts Chapter 90 Roadway Funds:** Each year, the Massachusetts Department of Transportation (MassDOT) allocates funds to cities and towns for roadway construction, maintenance, or improvement. Funds may also be used for other work incidental to roadway work, such as the construction of a garage to house related vehicles, or the purchase of related vehicles, equipment, and tools. Chapter 90 is a 100% reimbursable program. Funding is accomplished through the issuance of transportation bonds and apportioned to municipalities based on three factors: 1) accepted road miles, 2) population, and 3) total employment within the municipal borders. Road miles is the most heavily weighted factor at 58.33%; the others are each weighted at 20.83%. A total of \$200 million is available in FY2016.
- **Massachusetts Department of Environmental Protection's State Revolving Loan Funds (SRF):** The Clean Water State Revolving Loan Fund (CWSRF) provides financing for sewer and drainage projects intended to reduce sewer overflows and the Drinking Water State Revolving Loan Fund (DWSRF) provides financing to improve the quality of the drinking water system. The CWSRF and DWSRF programs typically offer a mix of low interest (2%) loans and grant funds. Repayment does not begin until two years after the monies have been borrowed.
- **Massachusetts School Building Authority (MSBA)** – The MSBA provides funding for school feasibility, design, and construction. Projects must be accepted into the process in response to the submission of a Statement of Interest which identifies a facility problem to be solved. Subsequently, the community must appropriate funding for schematic design and later for construction before the MSBA will commit to its share of the project. If accepted, the MSBA determines the amount of reimbursement it will offer based upon community need, with a minimum base rate of 31%. The percent of reimbursement can then be increased based upon three factors: community income factor, community property wealth factor, and community poverty factor.

Many state departments also offer annual grant opportunities that are available to municipalities typically through a competitive application process. State grant programs including, but not limited to: Green Community grants (project to improve sustainability), Parkland Acquisitions and Renovations for Communities grants (PARC), and the MassWorks Infrastructure Program.

For additional definitions, please refer to Glossary in appendices.

THIS PAGE IS INTENTIONALLY BLANK

DRAFT

## **CAPITAL PLANNING PROCESS (FY2018-FY2022)**

The Town of Ashland hired the Edward J. Collins, Jr. Center for Public Management at the University of Massachusetts Boston to facilitate preparation of the Town's five-year Capital Improvement Plan (CIP) for FY2018 to FY2022. The project team met with leadership of all Town departments to explain the process to be followed and discuss types of projects that would be eligible for funding in the capital plan. Departments were provided with a Capital Improvement Project Request Form asking them to describe their proposed project(s), the justification for why each project was needed, the priority level placed on the project by the department, and the fiscal year or years in which the funds were needed. In addition, departments were asked to indicate if outside funds might be available to support the project and to anticipate the impact of the project on the Town's operating budget. In particular, departments were asked if any savings could be realized, for example, if the purchase of new equipment could reduce the cost of annual repairs. Department directors were encouraged to contemplate needs over multiple years and to be ambitious with their proposals. Particular attention was paid to equipment needs with a goal of developing a regular replacement schedule that would reduce, if not eliminate, emergency replacement and costly repairs.

The project team also met with the Treasurer/Collector and Town Accountant to get an understanding of the Town's current debt service profile and the revenues available that could be used for capital projects. Information gathered included official financial statements, bond rating agency reports, the debt schedule for existing debt, and present and proposed borrowings, among other sources.

### **Project Requests**

Overall, 80 project requests were submitted, totaling just under \$72.9 million across all funds and all five years of the plan. Project requests ranged in size from \$10,000 for upgraded lighting controls at the Ashland Middle School fields, to \$25 million to construct a new Public Safety Building.

Requests exceeding \$1 million included:

- Design and construction of Public Safety Building (\$25 million);
- Design and construction of a new DPW Building (\$15 million);
- Downtown culvert system upgrades (\$7.1 million);
- Downtown revitalization and streetscape enhancements (4 phases) (\$5.65 million);
- Preparation of feasibility and design of elementary school (\$3.7 million);
- Road reconstruction (\$3.3 million);
- Repainting of Cedar Water Tank (\$1.5 million);
- Cherry Street Quiet Zone (\$1.2 million); and,
- Design and construction of Human Services Building (\$1 million).

### ***Requests by Department***

Departments with the highest total dollar value of requests included Police Department (together with Fire for the public safety building) (\$25.6 million), Highway (\$19.2 million), Sewer (\$7.4 million), and Town Manager

(\$7.4 million). The year with greatest dollar value of project requests is FY2019 which includes the construction of a new public safety building and implementation of the Cherry Street Quiet Zone. Requests were also significant in FY2022 which includes design work for a new elementary school (construction is scheduled outside of the five years) and a request for a new DPW building.

<b>CAPITAL REQUESTS BY DEPARTMENT BY YEAR (ALL FUNDS)</b>							
<b>Department</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>Total</b>	<b>% of Total</b>
CD & Health	42,195	260,000	250,000	-	-	552,195	0.76%
Cem, Parks, Trees	30,000					30,000	0.04%
Fire	216,000	256,000	194,000	141,000	231,000	1,038,000	1.42%
Highway	1,121,558	711,558	746,558	876,558	15,746,558	19,202,790	26.35%
Info Tech	175,000	75,000	75,000	-	75,000	400,000	0.55%
Library	50,000					50,000	0.07%
Police	365,600	24,865,600	115,600	136,600	106,600	25,590,000	35.12%
Schools	655,000	1,100,000	460,000	810,000	3,595,000	6,620,000	9.09%
Sewer	140,000	100,000	2,550,000	2,550,000	2,050,000	7,390,000	10.14%
Town Manager	1,370,000	1,320,000	2,700,000	2,000,000	-	7,390,000	10.14%
Water	1,490,000	725,000	395,000	1,680,000	285,000	4,575,000	6.28%
YFS		25,000				25,000	0.03%
<b>Total</b>	<b>5,655,353</b>	<b>29,438,158</b>	<b>7,486,158</b>	<b>8,194,158</b>	<b>22,089,158</b>	<b>72,862,985</b>	<b>100.00%</b>

### ***Requests Funding Source***

Funding sources outside of the general fund were identified for approximately \$19.7 million (27.1%) of project requests. Sources include water and sewer enterprise funds, Chapter 90 highway funds, other State or Federal programs, the MSBA<sup>16</sup>, and “other” funds, such as fund raising. This left a balance of approximately \$53.1 million for consideration from general fund sources, whether this be from general fund debt or pay as you go capital. The cost of a new public safety building (\$25 million est.) is the highest of all projects under consideration as part of the FY2018-FY2022 CIP, with a new DPW building as second highest (\$15 million est.). All other general-fund eligible projects total \$13.1 million combined, of which nearly \$5.6 million was identified as potentially being funded from Pay as You Go capital funds which are paid for in the year the cost is incurred.

It should be noted that some projects may be funded by more than one source, most commonly when a grant-funded project also requires a local match.

<sup>16</sup> The figures for potential MSBA reimbursement were estimated by the Collins Center. However, should the Town pursue the construction of a new elementary school, the total cost and amount reimbursement would be based upon the project’s unique design.

CAPITAL REQUESTS BY DEPARTMENT BY FUND (ALL YEARS)							
Department	General Fund		Water / Sewer Enterprise	Chapter 90	MSBA	Grants / Other	Total
	Debt- Funded	Pay as You Go					
CD & Health	250,000	102,195				200,000	552,195
Cem, Parks, Trees		30,000					30,000
Fire	0	1,038,000					1,038,000
Highway	15,360,000	1,475,000	60,000	2,307,790			19,202,790
Info Tech	0	400,000					400,000
Library		50,000					50,000
Police	25,000,000	590,000					25,590,000
Schools	3,560,000	1,765,000			1,295,000		6,620,000
Sewer			390,000			7,000,000	7,390,000
Town Manager	3,380,000	100,000	1,000,000	500,000		2,410,000	7,390,000
Water			4,575,000				4,575,000
YFS		25,000					25,000
<b>Total</b>	<b>47,550,000</b>	<b>5,575,195</b>	<b>6,025,000</b>	<b>2,807,790</b>	<b>1,295,000</b>	<b>9,610,000</b>	<b>72,862,985</b>
<b>% of Total</b>	65.3%	7.7%	8.3%	3.9%	1.8%	13.2%	100.0%

### Requests by Asset Type

By type of asset, the greatest value of requests was for Town facilities (42.1%), as this included the new public safety building. Following, the next greatest requests were for roads/sidewalks (13.6%), storm water collection system improvements (9.7%) which includes significant work to the downtown culvert system, and school facilities (8.8%).

CAPITAL REQUESTS BY ASSET TYPE BY YEAR (ALL FUNDS)							
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total	% of Total
Facilities	460,000	25,115,000	1,255,000	270,000	15,060,000	42,160,000	57.9%
Info Tech	225,795	6,600	6,600	106,600	106,600	452,195	0.6%
Parks & OS	0	220,000	0	450,000	0	670,000	0.9%
Roads/Sidewalks	2,161,558	2,011,558	1,746,558	3,146,558	746,558	9,812,790	13.5%
Schools	640,000	985,000	735,000	460,000	3,595,000	6,415,000	8.8%
Sewer	80,000		50,000	50,000	50,000	230,000	0.3%
Storm Water		100,000	2,500,000	2,500,000	2,000,000	7,100,000	9.7%
Vehicles/Equip	1,258,000	1,000,000	401,000	303,000	331,000	3,293,000	4.5%
Water	830,000	0	1,500,000	200,000	200,000	2,730,000	3.7%
<b>Total</b>	<b>5,655,353</b>	<b>29,438,158</b>	<b>8,194,158</b>	<b>7,486,158</b>	<b>22,089,158</b>	<b>72,862,985</b>	100.0%

### Capital Planning Evaluation Criteria

After reviewing each project request to determine if it was complete and CIP-eligible, the project team then evaluated the proposed projects based upon a series of criteria. The categories included:

- Preserve or enhance Town assets – Does the proposed project maintain or improve an existing facility? What is the anticipated useful life of the investment? Does the proposed project replace a piece of equipment needed to provide public services? Is the vehicle beyond its reasonable life? Is the acquisition part of a scheduled replacement plan that will keep vehicles operational and preclude major repair costs?
- Increase efficiency and effectiveness of government – Does the project reduce operating costs (e.g., eliminate costly repairs) or increase the effectiveness of government? Does the project reduce potential legal liability (e.g. repair of a broken sidewalk) or threats to operations (e.g., replacement of a needed street sweeper before it breaks down completely)? Does it improve customer service or provide a new, needed service?
- Be a good steward of public resources – Does the project increase revenues? Are outside grant funds available to cover a portion or all of the cost?
- Specific impacts on operating budget – What types of ongoing savings might be realized from the project? Does the project increase operating costs?

In addition, each project was evaluated to see how it would influence a series of key policy areas. These included:

- Aesthetics / Historic Preservation
- Cultural and Recreational Opportunities
- Economic Growth
- Education
- Environmental Sustainability
- Public Health
- Public Safety

While these criteria were used to differentiate between the merits of the 87 projects, it should be noted that they were not used rigidly in developing the FY2018-FY2022 CIP. At times, projects that received modest scores, predominantly because they did not contribute to the policy areas, but were critically needed – such as purchasing a camera and vehicle that can look inside Town sewers - were elevated for consideration in the plan based upon need and resource availability.

### **Resources Available**

The local funding sources will predominantly be used by the Town of Ashland to fund the *FY2018-FY2022 Capital Improvement Plan*. Each of these will be discussed in detail below:

- General fund debt and pay-as-you-go
- General fund debt exclusion
- Water/Sewer enterprise fund debt and pay-as-you go

### ***General Fund Debt and Pay-as-You-Go***

Ashland is well-positioned to significantly increase its annual investment in capital improvements. This is

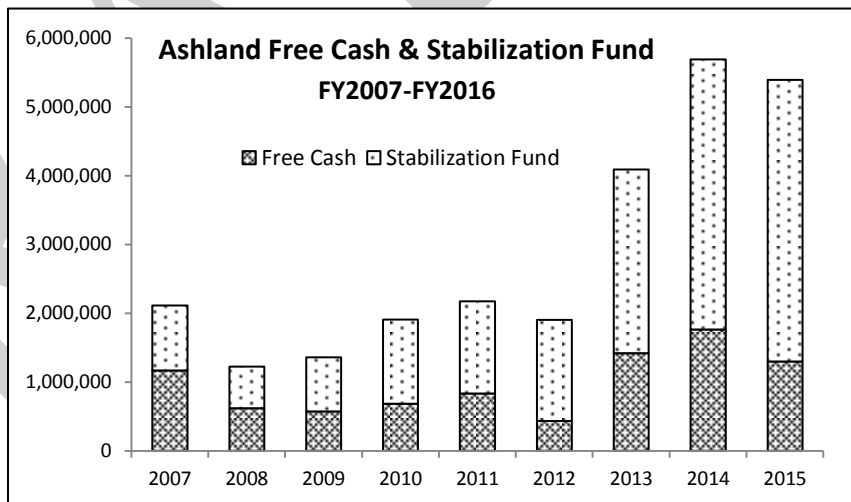


possible as a result of healthy growth in revenues in recent years, coupled with the Town's careful management of the resources available to it. By using new revenues cautiously over an extended period of time, the Town has been able to increase its stabilization fund reserves and is now prepared to invest in tangible capital improvements that will be of benefit to community members across town.

NEW GROWTH HISTORY			
Year	Residential	Comm Ind Personal Prop	Total
2007	664,339	87,662	752,001
2008	580,495	70,798	651,293
2009	352,671	98,467	451,138
2010	171,408	81,117	252,525
2011	181,606	84,691	266,297
2012	136,513	122,865	259,378
2013	198,871	85,612	284,483
2014	209,024	147,867	356,891
2015	356,181	177,724	533,905
2016	405,900	353,089	758,989
Average	325,701	130,989	456,690

Although the impacts of the Great Recession were felt in Ashland, as seen by the rates of new growth (e.g., "additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year"<sup>17</sup>) from FY2010 to FY2013, rapid increases have occurred since then. Altogether, new growth has averaged approximately \$450,000 over the past 10 years even while taking into account the negative impacts of the recession. Importantly, not only had new growth in 2016 reached the level experienced in 2007 prior to the great recession, but the more recent growth is more evenly balanced between commercial and residential property investment. The commercial growth not only increases property tax revenue, but can also increase hotel and meals tax revenues as workers go out to lunch locally and business travelers stay nearby.

As revenues have grown, instead of increasing spending in the operating budget equivalent to revenue growth, Ashland has added significantly to its reserve funds (e.g., Free Cash and Stabilization). In fact, the combined total of these funds increased 156% from about \$2.11 million in FY2007 to just under \$5.4 million in FY2015. This was led by the increase in the stabilization fund, with a new Joint Financial Reserve Policy adopted in 2013 to bring the fund up to 10% of budgeted revenues with a minimum of 5%.<sup>18</sup> Since FY2013, the Town has added over \$1.425 million to the stabilization fund (+65%) and free cash has remained over \$1 million.



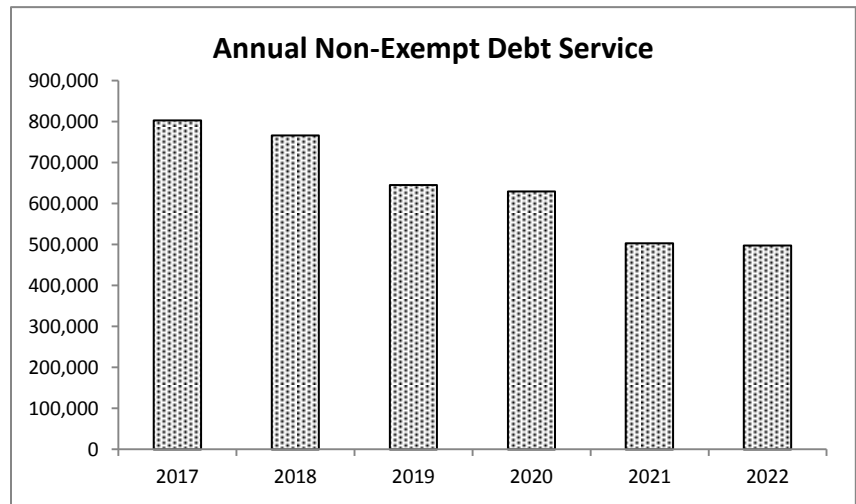
In addition, the Town has also been very cautious in issuing debt for capital projects and has issued no new general-fund non-exempt debt since 2015, and no authorized, unissued debt exists. As a result, annual debt service will be declining consistently beginning in FY2018. A best practice is to recapture decreases in debt service and redeploy them toward current and future capital investments as doing so will not have any impact on the operating budget. As can be seen, existing non-exempt debt service will be falling from just over

<sup>17</sup> Massachusetts Department of Revenue, Division of Local Services, Municipal Finance Glossary. (May 2008; Appendix 6)

<sup>18</sup> "Joint Financial Reserve Policy," Town of Ashland Joint Operational Policies and Procedures. (December 2013)

\$800,000 in FY2017 to just under \$500,000 in FY2022.

In recognition that the Town will be accommodating increases in debt service payments beginning in FY2018, the *FY2018-FY2022 Capital Improvement Plan* focuses on pay-as-you-go capital projects (\$4.8 million over five years) and only incorporates a limited number of projects to be funded by borrowing (\$4.2 million). (Debt service for the single largest general fund project --construction of a new public safety building in FY2019 would be the subject of a potential debt exclusion and would be paid by local taxpayers, if approved.)



As can be seen below, over the next five years, Ashland will make two changes in how it funds capital projects. First, over the course of the *FY2018-FY2022 Capital Improvement Plan*, the Town will be gradually increasing its general fund capital investment from 3.0 % of its general fund operating budget as was budgeted in FY2017 to 4.5% of the annual budget by FY2022.<sup>19</sup> ("Capital investment" includes pay-as-you go capital projects which are paid for in the year incurred and debt service for bonded projects. Each year needs may change, so no fixed ratio is being between the two types of projects.) Once the 4.5% target is reached, as the Town's revenues continue to grow in the future, its dollar investment in capital improvements will grow as well in order to maintain the percent target. In addition, by establishing a policy based upon the percent of budget to be made available for capital investment, in future years, as debt service declines the Town will be able to redeploy those savings on other needed capital projects and the dollar amount dedicated to capital will increase at the same pace that revenues do. The potential exists for the Town to reach 5.0% of annual budget by FY2024, which will be the subject of discussion by the Board of Aldermen and Finance Committee over the next few years as new requests are received in the future and the five year plan is updated for a different 5-year period.

Second, the Town will decrease the amount of free cash used annually for capital by \$25,000 per year until no free cash is planned for in the CIP by FY2022. This will allow free cash to be available for unanticipated events, such as snow conditions. Should a given year's free cash be greater than projected, it would be possible to use those funds to accelerate projects included in the CIP or undertake other projects that were not included in the plan.

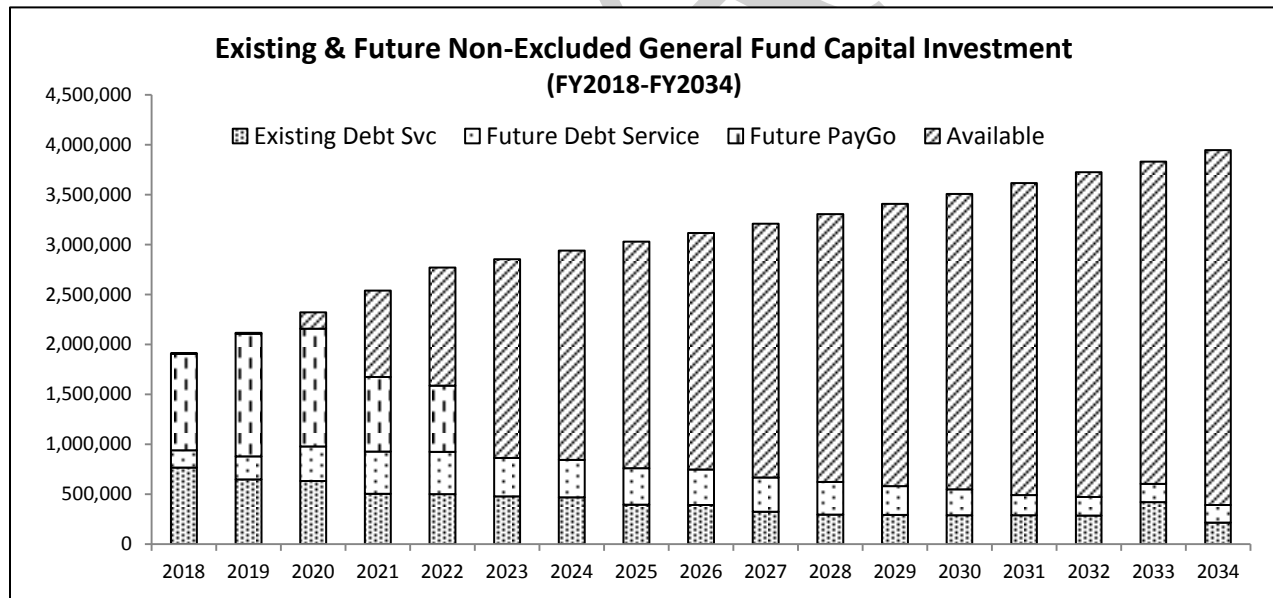
EXISTING & PROJECTED FUTURE DEBT AS PERCENT OF GENERAL FUND OPERATING BUDGET						
Fiscal Year	Existing General Fund Debt Service	FY2018-FY2022 CIP Capital Investment		TOTAL	Est. 3%/yr incr. in net GF budget	\$ Incr from Prior Yr
		Annual Budget	Free Cash			
2016	667,100	750,000	125,000	1,542,100	51,442,539	3.00%
2017	803,531	750,000	125,000	1,678,531	53,079,647	3.16%

<sup>19</sup> For the purpose of this calculation, general fund operating budget is the annual budget less enterprise costs.

EXISTING & PROJECTED FUTURE DEBT AS PERCENT OF GENERAL FUND OPERATING BUDGET							
Fiscal Year	Existing General Fund	FY2018-FY2022 CIP Capital Investment		TOTAL	Est. 3%/yr incr. in net GF	Capital Inv as % of GF	\$ Incr from
2018	766,878	1,044,344	100,000	1,911,222	54,672,036	3.50%	232,691
2019	645,418	1,393,288	75,000	2,113,705	56,312,198	3.75%	202,484
2020	630,175	1,638,591	50,000	2,318,766	58,001,563	4.00%	205,061
2021	503,469	2,010,689	25,000	2,539,158	59,741,610	4.25%	220,392
2022	498,169	2,269,909	0	2,768,078	61,533,859	4.50%	228,920
2023	478,468	2,530,000		2,374,909	63,379,874	4.50%	85,299
2024	468,978	2,793,000		2,469,909	65,281,271	4.50%	85,509
2025	393,974	2,968,000		2,634,909	67,239,709	4.50%	89,996

A graphic of existing and future general fund capital investment can be seen below. As can be seen, the *FY2018-FY2022 CIP* does not fully commit funds made available for capital projects in FY2020-FY2022, leaving the use(s) of those funds to be determined in future years. This uncommitted balance could be used to address unanticipated capital needs, such as the breakdown of a key piece of equipment, accelerate projects in the current plan, or help offset some of the debt service costs for the projects to be considered for debt exclusion (see below), among other capital uses.

In addition, as can be seen, a significant amount will be available for commitment beyond the current 5-year horizon under the 4.5% policy. It is important to recognize that this graphic depicts capital spending up to 17 years from now and, ample time exists to revise the funding policy should it be seen to be too ambitious or not ambitious enough.



### ***General Fund Exempt Debt Service***

The *FY2018-FY2022 CIP* includes three projects that are so substantial that they cannot be contained within annual general fund resources and are recommended for voter-approved debt exclusions. These include:

- Construction of new public safety building (estimated \$25 million);
- Construction of human services building (\$1 million); and,
- Feasibility and design of new elementary school (\$3.7 million, but eligible for an estimated \$1.3 million in reimbursement from the MSBA).

The actual cost of construction of the elementary school and the MSBA reimbursement rate would be determined during the feasibility and design phase, and construction is presently anticipated to take place after FY2022.

If approved by the voters in the schedule included in this CIP, an additional approximate \$2.07 million in excluded debt would be incurred during FY2018 (a BAN would likely be in the first year, so costs may be lower than presently estimated).

### ***Water and Sewer Enterprise Fund Debt and Pay-as-You-Go***

The Town of Ashland charges users fees that are designed to cover annual operating and capital costs needed to provide water and sanitary sewer services. These costs include debt service and pay as you capital. In FY2017, the Town is responsible for making \$2572,000 in debt service payments for a series of improvements to its water distribution system, including water lines and the treatment plant, and approximately \$1.1 million in debt service for improvements to the sewer system. Despite these significant figures, continued investments in the water and sewer system are needed, as evidenced by the approximately \$6 million in project requests.

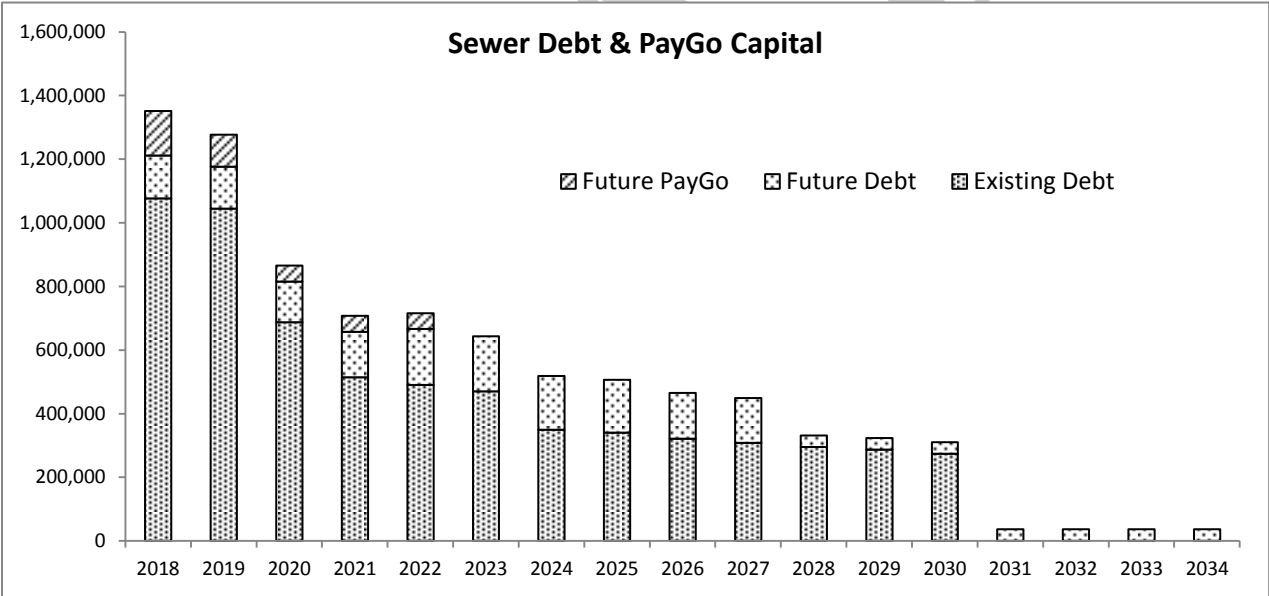
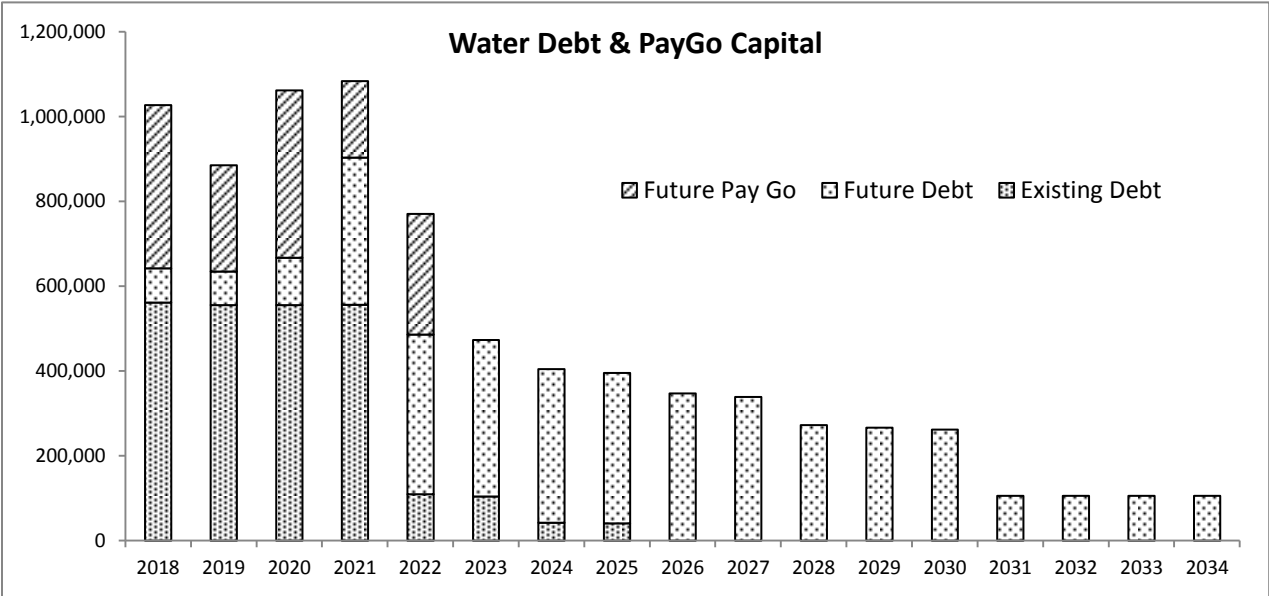
In this *FY2018-FY2022 Capital Improvement Plan*, the Town of Ashland is scheduled to over \$5.9 million in water and sewer system improvements, including continuing efforts to replace water lines and address storm water inflow and infiltration into the sewer system (known as "I/I"). This investment includes approximately \$4 million debt funded projects, supported predominantly by low or no interest State loans, and \$1.9 million in pay-as-you-go capital. The MWRA's I/I program in particular offers an exceptionally low 0% interest rate and a 10 year term (in FY2015-FY2016, the Town benefited from 75% loan forgiveness, but it has used up its allocation under this program. This capital plan projects full repayment over 10 years, as it is not known if MWRA may ever be able to expand its loan forgiveness program.). As noted above, even if repayment is required, rate payers will benefit from this investment by reducing the amount stormwater entering the sewer system - absent I/I efforts, these treatment costs would need to be paid in perpetuity.

The debt service and pay as you go investment schedule can be seen in the graphics below.<sup>20</sup> Specific projects can be seen in the Projects by Funding Source and Projects by Department tables below. As can be seen, the

---

<sup>20</sup> The projected debt service schedule assumes that the Town will take advantage of the State's Clean Water and Drinking Water revolving funds which offer interest rates of 2% over a 20 year term and the MWRA's no interest loan program with a 10 year term for I/I. Should the MWRA extend loan forgiveness, these figures could go down.

existing debt service for both enterprise funds will decline sharply in the near future – the Water Enterprise in FY2022 and the Sewer Enterprise starting in FY2020.<sup>21</sup>



<sup>21</sup> Graphics do not include authorized, yet unissued debt as the date of future issuance is not known.

THIS PAGE IS INTENTIONALLY BLANK

DRAFT

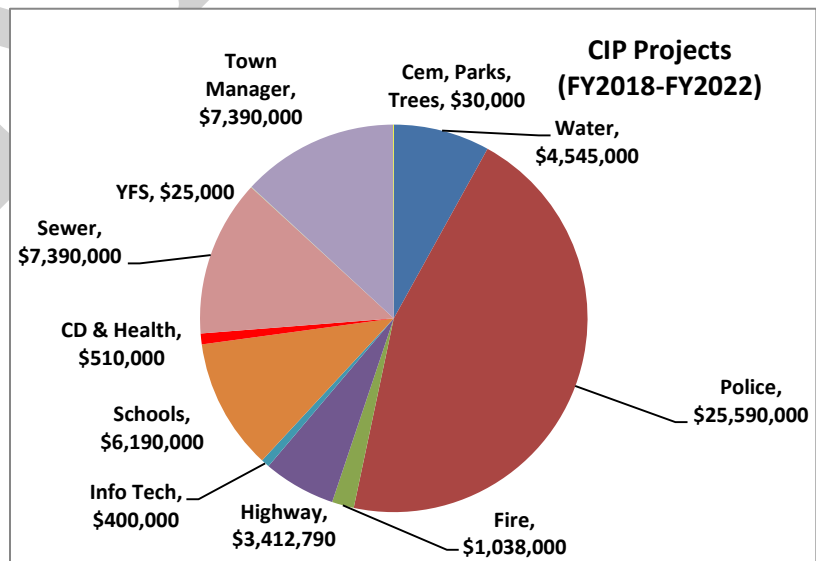


## FY2018-FY2022 CIP PROJECT LISTING

Despite healthy general fund resources available to the Town of Ashland, difficult choices still needed to be made in the development of the *FY2018-FY2022 Capital Improvement Plan*. Many project requests that had merit could not be included, and others had to be reduced to align with funding availability. Overall, the CIP allocates funds to 69 projects, totaling just over \$56.5 million across all five years of the plan and all funds. This represents 78% of the total value of the original project requests.

<b>FUNDED VS. REQUESTED BY DEPARTMENT (FY2018-FY2022 )</b>				
	<b>Total Requested</b>	<b>Total Funded</b>	<b>% of Requested</b>	<b>Number Funded</b>
CD & Health	552,195	510,000	92%	3
Cem, Parks, Trees	30,000	30,000	100%	1
Fire	1,038,000	1,038,000	100%	8
Highway	19,202,790	3,412,790	18%	4
Info Tech	400,000	400,000	100%	3
Library	50,000		0% <sup>22</sup>	
Police	25,590,000	25,590,000	100%	6
Schools	6,620,000	6,190,000	94%	22
Sewer	7,390,000	7,390,000	100%	4
Town Manager	7,390,000	7,390,000	100%	7
Water	4,575,000	4,545,000	99%	9
YFS	25,000	25,000	100%	1
<b>TOTAL</b>	<b>72,862,985</b>	<b>56,520,790</b>	<b>78%</b>	

These capital investments will have a direct impact on the lives of Ashland residents, students, businesses, and visitors. The plan prioritizes public safety and public health, and many projects will have significant impacts in these areas. Projects will ensure reliable water/sewer infrastructure that is in compliance with health and environmental requirements, improve teacher effectiveness and student learning, increase recreational opportunities for residents, and upgrade and maintain public safety facilities, improve the safety of staff and the residents they serve.



<sup>22</sup> The two library projects would best be addressed in the Town operating budget.

Across all asset types, the most significant spending is on police, driven by the construction of a \$25 million public safety building that will house the police and fire departments. Following this are sewer-related projects and projects identified by the Town Manager, including significant improvements to Main Street.

As described above, the projects included in the CIP will be funded through a mix of funding sources, including general fund debt and pay-as-you-go, water and sewer enterprise funds, state grants, etc. A total of 57.7% of projects will be paid for through the Town's general fund, whether this be as a result of borrowing or as a pay as you go project and 10.5% of projects will be funded by the Town's water/sewer enterprise fund. The balance of projects (23.4% of total) will be funded from non-local sources. This means that state, federal, and other sources will contribute \$13.2 million of funding for projects in the capital plan. The Cherry Street Quiet Zone, for example, will move forward when grant funds in the amount of \$1.22 million are secured.

<b>PROJECT VALUE BY FUNDING SOURCE (FY2018-FY2022)</b>		
<b>Funding Type</b>	<b>Amount Funded</b>	<b>% of Total</b>
Gen Fund (debt)	32,590,000	57.7%
GF (Pay as You Go)	4,783,000	8.5%
Water / Sewer Enterprise	5,935,000	10.5%
Chapter 90	2,307,790	4.1%
MSBA eligible	1,295,000	2.3%
State / Federal Program	1,520,000	2.7%
Other	8,090,000	14.3%
<b>Total</b>	<b>56,520,790</b>	<b>100.0%</b>

The table below shows the projects to be funded by the general fund through borrowing and pay-as-you-go funding for each of the five years of the plan. As can be seen from the table below, the greatest amount of borrowing is expected in FY2021 where the \$12.1 million represents the construction cost for the new fire station (\$400,000 in design work is budgeted in FY2018). Other than this, the amount to be borrowed is relatively modest. Instead, a large number of projects will be funded through pay as you go capital, thereby saving taxpayer dollars by not incurring interest expenses.

Projected annual debt service from the new projects is expected to be relatively low, ranging from an estimated \$171,000 in FY2018 to \$425,000 in FY2022 (see Appendix 5). Depending on when the Town authorizes the borrowing and the type of financial vehicle used, actual payments can be lower than presently estimated.

<b>GENERAL FUND PROJECTS (FY2018-FY2022)</b>				
	<b>PayGo</b>	<b>Debt Funded</b>	<b>Available Resources</b>	<b>Balance Uncommitted</b>
FY2018	966,600	171,750	1,144,344	5,994
FY2019	1,226,600	232,010	1,468,288	9,678
FY2020	1,179,600	346,385	1,688,591	162,606
FY2021	747,600	422,815	2,035,689	865,274
FY2022	662,600	425,275	2,269,909	1,182,034
<b>5 Year Total</b>	<b>4,783,000</b>	<b>1,598,235</b>	<b>8,606,820</b>	<b>2,225,585</b>

## CIP PROJECT LISTING

### PROJECTS BY FUNDING SOURCE (FY2018 - FY2022)

GENERAL FUND DEBT FUNDED PROJECTS								
Proj #	Project Name	FY2018	FY2019	FY2020	FY2021	FY2022	Total	Notes
DPW4	All-around utility vehicle	150,000					150,000	
SCH13	Tile abatement at the Mindess School		0	95,000	95,000	95,000	285,000	
SCH14	Tile abatement at the Middle School	0	100,000	100,000	100,000		300,000	
SCH16	Bathroom renovations at the Mindess School		90,000				90,000	
SCH17	Bathroom remodel at the Middle School		100,000				100,000	
SCH20	Replace Boilers at Warren				300,000		300,000	
SCH8	Replacement of HVAC RTU at Middle School	80,000					80,000	
PLN4	Misc Park Improvements	0	0	250,000	0	0	250,000	
TM2A	Downtown Phase I: Riverwalk	280,000					280,000	See also Grant-funded projects
TM2B	Downtown Phase II: Conceptual Design		200,000				200,000	
TM2C	Downtown Phase III: Utilities upgrade			1,400,000			1,400,000	See also water/sewer projects
TM2D	Downtown Phase IV: Streetscape improvements				750,000		750,000	See also Chapter 90 Projects
	<b>Sub-Total</b>	<b>510,000</b>	<b>490,000</b>	<b>1,845,000</b>	<b>1,245,000</b>	<b>95,000</b>	<b>4,185,000</b>	

GENERAL FUND DEBT-EXCLUSION FUNDED PROJECTS								
Proj #	Project Name	FY2018	FY2019	FY2020	FY2021	FY2022	Total	Notes
PD5	Construction of a Human Services Building	0	0	0	1,000,000	0	1,000,000	
SCH15	Feasibility and design of elementary school	0	0	0	200,000	3,500,000	3,700,000	
TM1	Design and build joint Fire/Police Public Safety Building	250,000	24,750,000	0	0	0	25,000,000	
	<b>Sub-Total</b>	<b>250,000</b>	<b>24,750,000</b>	<b>0</b>	<b>1,200,000</b>	<b>3,500,000</b>	<b>29,700,000</b>	

## CIP PROJECT LISTING

GENERAL FUND PAY AS YOU GO PROJECTS								
Proj #	Project Name	FY2018	FY2019	FY2020	FY2021	FY2022	Total	Notes
DPW1	Road Reconstruction	100,000	150,000	225,000	250,000	250,000	975,000	
DPW5	Purchase of a flail mower				130,000		130,000	
DPW6	Paving of cemetery road	30,000					30,000	
DPW7	Repair of Cordaville Rd Bridge	100,000					100,000	
FIRE1	Ambulance Lease	55,000	55,000	55,000			165,000	
FIRE2	Replacement of 20 year old Pumper Truck	86,000	86,000	86,000	86,000	86,000	430,000	
FIRE3	Replacement of Firefighting Gear	75,000					75,000	
FIRE4	Pickup Truck and Plow		65,000				65,000	
FIRE5	Command Vehicle replacement		50,000				50,000	
FIRE6	Pumper Truck 2					90,000	90,000	
FIRE7	Command Vehicle			53,000			53,000	
FIRE8	Ambulance 2				55,000	55,000	110,000	
IT1	Computer Replacement in Town Departments	70,000	30,000				100,000	
PD2	Police Cruiser replacement	100,000	100,000	100,000	100,000	100,000	500,000	
PD2	Laptop Computers for Police Cruisers	6,600	6,600	6,600	6,600	6,600	33,000	
PD3	TASERS				15,000		15,000	
PD4	Thermal Imager				15,000		15,000	
PD6	Police Radios for Cruisers	9,000	9,000	9,000			27,000	
PLN2	New Vertical Filing/Storage Units		0	60,000			60,000	
SCH1	Electrical upgrade study and implementation at Mindess and Middle Schools	15,000	100,000	100,000			215,000	
SCH10	Replacement of HVAC RTU at Warren Elementary School.		50,000				50,000	
SCH11	Installation of Sports Complex security cameras at the High School			20,000			20,000	
SCH12	Alarm system at the Mindess School		25,000				25,000	
SCH18A	Install modulars at the Warren School	150,000	150,000	150,000	50,000		500,000	
SCH18B	Repair roof at Mindess School		15,000				15,000	
SCH19	Replace Delivery Truck		0	50,000			50,000	
SCH2	Update the PA system in the Mindess School.	85,000					85,000	
SCH21	Upgrade bathrooms at Warren Elementary			50,000			50,000	

## CIP PROJECT LISTING

GENERAL FUND PAY AS YOU GO PROJECTS								
Proj #	Project Name	FY2018	FY2019	FY2020	FY2021	FY2022	Total	Notes
SCH22	Upgrade lighting controls for the Athletic Fields at MS	10,000					10,000	
SCH23	Generator replacement in various schools.		40,000	40,000	40,000		120,000	
SCH3	Technology Upgrades across the Ashland Public Schools	75,000		75,000		75,000	225,000	
SCH4	Purchase Security Cameras		75,000				75,000	
SCH5	Replacement of gymnasium bleachers at the Middle School		85,000				85,000	
SCH6	Roof exhaust replacement at the Middle School		20,000				20,000	
SCH7	Addition of Storage at the High School	0	50,000				50,000	
SCH9	Replacement of HVAC RTU at Mindess Elementary School.		40,000				40,000	
TM4	Construction of a Human Services Building			100,000	0		100,000	
YFS1	Food Transport Van		25,000				25,000	
	<b>Sub-Total</b>	<b>966,600</b>	<b>1,226,600</b>	<b>1,179,600</b>	<b>747,600</b>	<b>662,600</b>		

SEWER ENTERPRISE FUNDED PROJECTS								
Proj #	Project Name	FY2018	FY2019	FY2020	FY2021	FY2022	Total	Notes
DPW2	Downtown Culvert System		100,000	0	0	0	100,000	
SEW2	Purchase a Water/Sewer service truck	60,000					60,000	
SEW3	Feasibility Study for a new regional Wastewater Treatment Facility (WTF).					50,000	50,000	
SEW4	Upgrades to Sewer Pump Station	80,000		50,000	50,000		180,000	
TM2C	Downtown Phase III: Utilities upgrade			500,000			500,000	See also Water Enterprise

WATER ENTERPRISE FUNDED PROJECTS								
Proj #	Project Name	FY2018	FY2019	FY2020	FY2021	FY2022	Total	Notes
TM2C	Downtown Phase III: Utilities upgrade			500,000			500,000	See also Sewer Enterprise
WAT1	Replacement of Water Treatment Plant Filters	115,000	115,000	120,000	125,000		475,000	

## CIP PROJECT LISTING

WATER ENTERPRISE FUNDED PROJECTS								
Proj #	Project Name	FY2018	FY2019	FY2020	FY2021	FY2022	Total	Notes
WAT2	Replacement of asbestos concrete (AC) water mains	200,000		200,000		200,000	600,000	
WAT3	Replacement of all Town water meters	475,000	475,000				950,000	
WAT4	SCADA Upgrades in water treatment plant	20,000		25,000		25,000	70,000	
WAT5	Repaint Woodridge Water Tank	600,000					600,000	
WAT6	Repaint Cedar Water Tank				1,500,000		1,500,000	
WAT7	Replacement of Backhoe		85,000				85,000	
WAT8	Water Plant Modernization	50,000	50,000	50,000	55,000	60,000	265,000	
	<b>Sub-Total</b>	<b>1,600,000</b>	<b>825,000</b>	<b>1,445,000</b>	<b>1,730,000</b>	<b>335,000</b>	<b>5,935,000</b>	

GRANT- AND OTHER-FUNDED PROJECTS								
Proj #	Project Name	FY2018	FY2019	FY2020	FY2021	FY2022	Total	Notes
DPW2	Downtown Culvert System		0	2,500,000	2,500,000	2,000,000	7,000,000	
PLN1	Cadillac Paint & Varnish Co. Remediation and Conversion to a Park.		200,000				200,000	
TM2A	Downtown Phase I: Riverwalk	970,000					970,000	
TM3	22 Eliot Street		20,000	200,000			220,000	
TM5	Cherry Street Quiet Zone	120,000	1,100,000				1,220,000	

	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>GRAND TOTAL</b>	<b>4,878,158</b>	<b>29,073,158</b>	<b>7,631,158</b>	<b>7,884,158</b>	<b>7,054,158</b>	<b>56,520,790</b>

## CIP PROJECT LISTING

### Projects by Department

Project #	Project Title	Project Description	Total Project Cost
<b>Department of Public Works</b>			
DPW1	Road Reconstruction	This project funds road reconstruction throughout town to include surface renewal or a complete rebuild of a roadway depending on the road condition assessment. All town roads are prioritized based on safety, amount of traffic, and quality of ride, and currently the State funding of Chapter 90 funds is inadequate to maintain town roads in a state of good repair	2,057,790
DPW2	Downtown Culvert System	This project will provide funding for the engineering design and construction of upgrades for five existing culverts located downtown. Maintenance of these culverts are critical to the future sustainability of the downtown business development. Remedy include reinforcement of existing culverts or replacement. It is anticipated to leverage future permitting and development funds to pay for construction costs while initial engineering costs would be from the sewer account.	7,000,000
DPW4	All-around utility vehicle	This project replaces a 1997 singular-use vehicle with a model that can accept additional attachments to accomplish a greater diversity of tasks such as flail mower, snowblower, plow, sweeper, water pod, or sander. This equipment will increase the versatility and efficiency of the department by adding greater capability than standard equipment while reducing the size of the fleet.	150,000
DPW5	Purchase of a flail mower	This is new piece of equipment to increase the efficiency of the department to conduct a necessary task. The flail mower is used to cut heavier brush and vegetation roadside, which if not done annually compromises town aesthetics and creates safety hazards for drivers as sightlines are hindered. Currently this is done by hand, whereas this equipment would save significant manhours.	130,000
DPW6	Paving of cemetery road	While not a main thoroughfare, this road services the cemetery, and has a 500 foot stretch that is riddled with potholes creating safety hazards as well as not conducive to the solemn atmosphere that supports the cemetery. Visited by a large numbers of visitors annually, this road is over 20 yrs old and requires significant work to rebuild sections of the roadway	30,000
DPW7	Repair of Cordaville Rd Bridge	This project is necessary to design the necessary repairs to the bridge, to correct deficiencies identified in the most recent inspection by the State DOT. Currently the condition of the bridge is rated as "Poor Condition" and as such, immediate capital improvements are required to maintain the bridge in a safe and reliable condition.	100,000
FIRE1	Ambulance Lease	The costs in this project are to purchase a Town Ambulance through a continuation of a lease-to-purchase contract. The contract was initiated in 2016 for 5 years.	165,000
FIRE2	Replacement of 20 year old Pumper Truck	The costs in this project are to purchase a Pumper Truck through a continuation of a lease-to-purchase contract. The contract was initiated in 2016 for 7 years.	430,000
FIRE3	Replacement of Firefighting Gear	This project replaces 25 sets of firefighting turnout gear that will be out of compliance per National Fire Protection Association (NFPA) after this year. This new gear would replace that which was manufactured in 2007 and has a 10 year expiration date and important to protect the firefighters who must respond to emergency response calls.	75,000
FIRE4	Pickup Truck and Plow	This purchase would be replacing a 2004 Pick-up that has severe body and frame corrosion that is beyond repair. This vehicle is used for plowing during emergency calls and forest fires response.	65,000
FIRE5	Command Vehicle replacement	This purchase will replace a 2010 Command Vehicle that has over 96,000 miles. With this new vehicle, the command and control on emergencies will improve as it has compatibility with the Command Center. It will be equipped with an Accountability Board and new radio while reducing the current costly mechanical repairs.	50,000
FIRE6	Pumper Truck 2	This project will replace a 2000 Pumper as it will be 20 years old. The high maintenance costs and outdated equipment warrant replacement. The annual costs indicate a 7 year lease-to-purchase contract.	90,000
FIRE7	Replace Command Vehicle	This purchase will replace a 2013 Command Vehicle that is projected to have over 85,000 miles at the time of replacement.	53,000

### CIP PROJECT LISTING

Project #	Project Title	Project Description	Total Project Cost
		With this new vehicle, the command and control on emergencies will improve as it has compatibility with the Command Center. It will be equipped with an Accountability Board and new radio while reducing the current costly mechanical repairs.	
FIRE8	Replace Ambulance 2	This purchase would replace an existing 10 year old ambulance that has reached its life expectancy. The costs are for a 5 yr lease-to-purchase starting in FY21.	110,000
IT1	Computer Replacement in Town Departments	This project replaces the PCs in all town offices to ensure continued IT support and compatibility. Currently there are several different types of systems with very little consistency in hardware, compromising the efficiency and effectiveness of staff. Increasingly the management of electronic software is creating challenges in deployment and troubleshooting.	100,000
PD2	Police Cruiser replacement	Police cruisers are currently acquired annually on overlapping 4-yr lease-to-purchase contracts and this project continues to cycle 3 cruisers for replacement every year, due to high mileage and great wear-and-tear. As front-line public safety vehicles, it is imperative that timely replacement occurs to prevent higher maintenance expenses or risk failure of the mission of the department.	500,000
PD2	Laptop Computers for Police Cruisers	This project replaces 3 laptop computers to be mounted in police cruisers. Digital information is critical for the officers' safety who depend on information to make timely assessments and decisions regarding hazardous locations and individuals they encounter.	33,000
PD3	TASERs	This project replaces 5 of the department's Electronic Control Weapons (TASER) which have a lifespan of approximately 5 years. The first of these weapons were purchased in FY 16.	15,000
PD4	Thermal Imager	This project replaces a very powerful search and rescue tool used to find somebody in a thickly vegetated area. By detection of thermal properties of a person, it helps to locate a missing person or suspect at nighttime.	15,000
PD5	Design and construction of a Public Safety Building	This project is crucial to provide infrastructure needed to sustain the provision of critical safety services. Currently the Police Department is operating out of leased space in a commercial mall which challenges the operational efficiency and effectiveness of the department and costs approximately \$24k/year. Prior to construction, there are several requirements to include the purchase of land, facility design, and voter approval.	1,000,000
PD6	Police Radios for Cruisers	This project creates a replacement cycle for mobile radio's that would ensure a new radio in each cruiser by FY20. Communications are critical to ensure the effective operations and safety of public safety personnel and some of the current radios are more than 10 years old.	27,000
PLN2	New Vertical Filing/Storage Units	This project supports the acquisition of new filing units for the Community Development Office to properly care for historical documents. The lacks sufficient, accessible filing system has hampered operations and the efficiency of document retrieval costing employee time. Without increasing floor space, vertical filing units would be an effective solution using desk to ceiling space.	60,000
PLN4	Misc Park Improvements	This project invests in basic improvements to several parks throughout the Town to enhance visitation, safety, and utilization. Several parks lack basic amenities such as benches, bathroom facilities, and foot paths which would attract many additional people from the community. With this investment, opportunities exists for the addition of an exercise course through corporate funding/donations.	250,000
SCH1	Electrical upgrade study and implementation at Mindess and Middle Schools	Current electrical provisions in the classrooms are out of date such as daisy chained circuits found in both schools and can pose a fire hazard. This in combination with the pervasive increase in technology usage, warrants an electrical upgrade which starts with a study to determine the needs, followed by a construction phase to implement the design.	215,000
SCH10	Replacement of HVAC RTU at Warren Elementary School.	This project would replace the Heating/Cooling Control Units that service core offices to include Admin offices, Library, Computer Lab, and Copy room. The rooftop units are over 20 yrs old and nearing the end of their useful life and the refrigerant used is mandated for replacement by EPA regulation.	50,000
SCH11	Installation of Sports Complex security cameras at the High	This project provides for the Installation of security cameras up at the high school sports complex. The cameras would provide monitoring of the fields to deter or identify criminal activity to provide a safer area and reduce vandalism. These	20,000



### CIP PROJECT LISTING

Project #	Project Title	Project Description	Total Project Cost
	School	facilities are rented out for parties and would benefit from monitoring to better respond to situations that may develop.	
SCH12	Alarm system at the Mindess School	As the current alarm is beyond repair, this project will ensure the school has a dependable alarm system which is critical for the safety of all occupants.	25,000
SCH13	Tile abatement at the Mindess School	This project implements the Phase 2 of 4 of the school's management plan to the Asbestos Hazard Emergency Response Act (AHERA) where abatement is required. Phase I was completed in FY15. In various locations, asbestos tile is being dislodged and pose a danger if uncorrected. The funds for this project will address asbestos abatement in multiple rooms and hallways by replacing tiles with Vinyl Composition Tile (VCT).	285,000
SCH14	Tile abatement at the Middle School	This project implements the Phase 2 of 4 of the school's management plan to the Asbestos Hazard Emergency Response Act (AHERA) where abatement is required. Phase I was completed in FY15. In various locations, asbestos tile is being dislodged and pose a danger if uncorrected. The funds for this project will address asbestos abatement in multiple rooms and hallways by replacing tiles with Vinyl Composition Tile (VCT).	300,000
SCH15	Feasibility and design of elementary school	In preparation for a response to the Statement of Interest (SOI) submitted to the MSBA, this project would conduct the feasibility study and prepare construction design documents. Following the space needs study, there exists significant space needs and combined with condition assessment, warrant the construction of a new school to replace two of the older schools. It is about a 5 year process through the MSBA with reimbursement for the project estimated at a rate of 35% (of an estimated \$35M total cost).	3,700,000
SCH16	Bathroom renovations at the Mindess School	This project involves full renovation of 3 boys and 3 girls bathrooms. These bathrooms are antiquated, do not meet ADA code, and require complete tear down and replacement. This condition adversely impacts the morale of the children as they use the facilities daily.	90,000
SCH17	Bathroom remodel at the Middle School	This project involves full renovation of the bathroom facilities in the Middle School. These bathrooms are original to the building, do not meet ADA code, and require complete tear down and replacement. This condition adversely impacts the morale of the students as they use the facilities daily.	100,000
SCH18A	Install modulars at the Warren School	This project pays the terms of a 5-yr lease contract for 4 modular classrooms installed in the rear of the building. These additional classrooms are required to correct the major space shortage that currently exists in the school district which is expected to be addressed by the construction of a new school in the next 10 yrs. These modulars can be purchased at the end of the lease.	500,000
SCH18B	Repair roof at Mindess School	This project is to repair a leak in the roof over library and computer rooms. Water damage is particularly problematic for a technology department and one with an abundance of paper products.	15,000
SCH19	Replace Delivery Truck	This project would replace an 18 year old vehicle that is uniquely designed for transport and delivery across the School District. This vehicle is used throughout the District on a daily basis and currently has significant maintenance concerns with increasing repair costs.	50,000
SCH2	Update the PA system in the Mindess School.	This project replaces the electrical hardware and wiring throughout the public address system. Having an effective and dependable PA system ensures not only that daily operations are better coordinated, but enhances occupant safety through announcements in emergency situations.	85,000
SCH20	Replace Boilers at Warren	This project replaces three boilers in the school. The current boilers were installed in 1996 and catastrophic failure is becoming more likely which will require the closing of school until a new boiler is emplaced, a process which could take several days and cost significantly more under emergency conditions.	300,000
SCH21	Upgrade bathrooms at Warren	Bathrooms are original to the building and in desperate need of renovation. The plumbing and electrical fixtures are old and malfunctioning, broken tiles, rusted hardware and damaged stalls. They do not meet ADA specifications. The bathrooms require full interior renovation	50,000
SCH22	Upgrade lighting controls for the	This project provide lighting controls tied into the electronic monitoring system for the Middle School fields which are used	10,000

### CIP PROJECT LISTING

Project #	Project Title	Project Description	Total Project Cost
	Athletic Fields at MS	heavily for school and public events. Currently the lights are controlled manually by a town employee requiring extensive anhours which could be alleviated through remote control and improve energy conservation.	
SCH23	Generator replacement in various schools.	This project replaces the back-up generators in 3 schools which are over 20 years old and require significant repairs. The generators ensure adequate lighting when needing to exit a building at times of power loss as well as maintain the utility through any outage. The generators come on automatically to continue utility service until electricity is restored.	120,000
SCH3	Technology Upgrades across the Ashland Public Schools	Phased over a five year period, this project will upgrade both staff and student technology which have exceeded their useful life and are outdated for the current demands. The 1200 computers are an average of 9 years old. The investment would purchase network equipment, desktop computers for staff and chrome books for students.	225,000
SCH4	Installation of Security Cameras at Warren and Pittaway Schools	This project adds cameras at Warren and Pittaway Schools which are currently unmonitored. The cameras would be added to the APD system which is monitored by police dispatchers. This would be particularly helpful in the cases of vandalism during non-business hours.	75,000
SCH5	Replacement of gymnasium bleachers at the Middle School	This project replaces the bleachers in both large and small gyms at the Middle School which are damaged beyond repair and are a liability due to safety. The bleachers are over 30 years old and used many times a week.	85,000
SCH6	Roof exhaust replacement at the Middle School	This project replaces multiple roof-mounted exhaust units which are badly damaged and are allowing water to infiltrate into the duct work. Not only does it compromise the air flow out of the building, but the water infiltration can cause serious damage and health issues if it goes unaddressed.	20,000
SCH7	Addition of Storage at the High School	This project would create additional storage space that is badly needed at the High School by building a storage room behind the gym in the courtyard of the High School. As the new fitness center has taken over a major portion of the original storage, space is increasingly scare, creating a problem for cafeteria food storage for the District.	50,000
SCH8	Replacement of HVAC Roof top unit at Middle School	This project would replace the Heating/Cooling Control Units that service core offices to include Admin offices, Library, Computer Lab and Copy Room. The rooftop units are over 20 yrs old and nearing the end of their useful life and the refrigerant used is mandated for replacement by EPA regulation.	80,000
SCH9	Replacement of HVAC RTU at Mindess Elementary School.	This project would replace the Heating/Cooling Control Units that service core offices to include Admin offices, Library, Computer Lab. The rooftop units are over 20 yrs old and nearing the end of their useful life and the refrigerant used is mandated for replacement by EPA regulation.	40,000
SEW2	Purchase a Water/Sewer service truck	This project replaces a 2006 emergency service truck. This vehicle is critical to the main line repairs as it carries specialized tools and provides back-up to all emergencies. Replacing the vehicle at this time will reduce the annual maintenance and repair costs which are steadily climbing. The cost is to be split between WAT and SEW enterprise accounts.	60,000
SEW3	Feasibility Study for a new regional Wastewater Treatment Facility (WTF).	This project is looking forward at the interests of the Town as sewage treatment costs continue to escalate through the MWRA. It is possible that by regionalizing the collection and treatment of wastewater, it will distribute capital costs to participating communities and lower costs. The design would incorporate flows from Ashland's 3,500 customers and potentially from neighboring communities such as Southborough and/or Holliston. Currently the Town's sewer cost are over 3x that of water, and higher than many other municipalities and only projected to increase in order to meet regulatory requirements on treatment and discharge.	50,000
SEW4	Upgrades to Sewer Pump Station	This project provides necessary upgrades for the Sewer Pump Station in a timely manner to preclude potential health and safety concerns. Failures of the pump infrastructure result in service interruptions. Upgrades to the cooling system, wet well, and exterior infrastructure to include a stonewall and paving.	180,000
TM2A	Downtown Phase I: Riverwalk	This project begins a larger initiative that has been sought for many years: a downtown revitalization project. In Phase 1 of 4, the focus is on the development of a pedestrian pathway along the Sudbury River connecting to existing pathways along Mill Pond and the downtown area for direct access to restaurants and shops. Creation of pedestrian friendly and visually appealing streetscape and connection to the Riverwalk on a multimodal path with observation deck along the Sudbury River.	1,250,000

## CIP PROJECT LISTING

Project #	Project Title	Project Description	Total Project Cost
		In addition, with the move of the Police and Fire Departments under a separate capital project, it would allow the repurposing of this key property with the Town revitalization in mind. Proposed Funding: CPA \$300k, DCR \$300k, Economic Development Bond Bill \$370k, Gen Fund \$280k.	
TM2B	Downtown Phase II: Conceptual Design	In this project, a fully phased Concept Development for Downtown Revitalization is to be developed with ideas on the repurposing of the Fire & Police HQs and the design and cost estimates for phase III and IV of the project. This visionary project will set Ashland on a path to optimize both the natural and economic resources of the downtown area making it appealing for residents and visitors alike. As costs have been cursory to this point, a more in-depth cost analysis will dictate the investments needed in Phase 3 and 4. Additionally, the infrastructure needs will highlight the key issues during the heavy construction, and dictate the pace at which the project proceeds.	200,000
TM2C	Downtown Phase III: Utilities upgrade	This phase envisions the undergrounding of overhead electrical wires while upgrading the Town-owned utilities such as the water, sewer, and stormwater piping systems that will support the final development plan. Coordination with the natural gas company for simultaneous upgrade will preclude the need to open the roadway in future years. In order to maximize the ambience of the downtown, overhead obstructions such as wires (to include cable, telephone, fire, and electric utilities), Town-owned water, sewer, stormwater pipes upgraded. As this is very construction-intensive phase of the project, any restoration work will be accomplished in the final phase.	2,400,000
TM2D	Downtown Phase IV: Streetscape improvements	This is the final phase of the larger project: streetscape improvements. In this phase, final improvements to the project include softscape, paths and benches, and linkage to pedestrian accessibility zones on Front St, Riverwalk, and Main Street. Final roadway curbing, paving and striping, safety devices, and installation of signage and kiosks, will enhance the area providing a great destination and focus to the downtown.	1,000,000
TM4	Construction of a Human Services Building	This project proposes the initial feasibility study and design of a new facility to house the Human Services Department. The Department is currently housed in the Community Services Building which for years hasn't supported their mission in an effective manner. A new facility will directly support residents, and add the sense of community in the Town.	1,000,000
WAT1	Replacement of Water Treatment Plant Filters	This project replaces 4 Granulated Active Carborn (GAC) Filters to the Town's primary drinking water system. As the first filter is showing signs of failure, the new filters will ensure good quality drinking water is maintained while reducing energy use and increasing efficiency, as less water will need to be reprocessed.	475,000
WAT2	Replacement of asbestos concrete (AC) water mains	This investment will upgrade the sections of AC pipe throughout the Town over a 15 year period. Antiquated and subject to increasing water main breaks and service interruptions, this pipe is not hazardous in situ, however once excavated, caution must be exercised with cutting and removal of the pipe, increasing cost. Total cost to phase this material out is about \$3 million.	600,000
WAT3	Replacement of all Town water meters	This project provides for the needed replacement of the 3,200 outdated water meter while upgrading to a drive-by data collection system. Through meter replacement, more accurate metering will reduce unaccounted water, raise revenues, and reduce manpower costs as automation will reduce the need for meter readers to go door-to-door. Meters should be replaced every 10-15 years.	950,000
WAT4	SCADA Upgrades in water treatment plant	This project provides needed upgrades to the Supervisory Control and Data Acquisition System (SCADA) at the water facilities. Equipped with alarm systems that monitor conditions such as pump high temperature operation, plugged pump-no flow, grinder fail pump, turbidity alarm, and power failure alarm, will notify responsible personnel to respond and minimize service interruptions.	70,000
WAT5	Repaint Woodridge Water Tank	This project provides for the painting of the main concrete water storage tank (23ft high) inside and out. In addition, while the tank is empty, minor repairs will be made to attached appurtenances and mitigate pitting inside the tank. This work is required to reduce ongoing corrosion and rust contamination of the distribution system as well as preventing damage to the tank walls. It was last sealed over 13 years ago.	600,000
WAT6	Repaint Cedar Water Tank	This project includes sandblasting the lead-based paint currently on the main steel standpipe (85ft high) and repainting.	1,500,000

## CIP PROJECT LISTING

Project #	Project Title	Project Description	Total Project Cost
		Minor repairs will be made to various appurtenances while the tank is empty to include addressing pitting on the walls inside the tank. This work is required to reduce corrosion and rust contamination of the distribution system and reduce tank deterioration. The tank is was last painted in 2003.	
WAT7	Replacement of Backhoe	This project replaces a 1998 backhoe for the Water Department. The backhoe is the workhorse in the department on projects that require excavation. As it continues to age, it requires greater levels of maintenance and increased down-time, while potentially increasing service interruptions.	85,000
WAT8	Water Plant Modernization	This project provides for plant upgrades in multiple areas: pump motor rewinding, flow control upgrade controls, LED lighting, and repair grates. This will service two water plants, a pump station and a substation, modernizing the plant to increase longevity, health/safety and security.	265,000
YFS1	Food Transport Van	This project purchases a van to support the food pantry which is continually hindered by inefficient handling of great quantities of food. As the program has grown, it is beneficial to the community to continue to enhance the services of this program.	25,000

THIS PAGE IS INTENTIONALLY BLANK

## **APPENDICES**

***Appendix 1: Ashland at a Glance***

***Appendix 2: New Growth History***

***Appendix 3: Free Cash & Stabilization Fund History***

***Appendix 4: Tax Levy History***

***Appendix 5: CIP Spending Plan***

***Appendix 6: Select Glossary***

THIS PAGE IS INTENTIONALLY BLANK

DRAFT

## DLS At A Glance Report for Ashland

Socioeconomic	
County	MIDDLESEX
School Structure	K-12
Form of Government	OPEN TOWN MEETING
2013 Population	17,150
2015 Labor Force	10,491
2015 Unemployment Rate	3.20
2012 DOR Income Per Capita	42,529
2009 Housing Units per Sq Mile	465.76
2013 Road Miles	81.38
EQV Per Capita (2014 EQV/2013 Population)	132,238
Number of Registered Vehicles (2012)	16,700
2012 Number of Registered Voters	10,735

Bond Ratings	
Moody's Bond Ratings as of December 2015*	Aa2
Standard and Poor's Bond Ratings as of December 2015*	AA+

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

Fiscal Year 2016 Estimated Cherry Sheet Aid	
Education Aid	5,876,496
General Government	1,430,180
Total Receipts	7,306,676
Total Assessments	1,285,979
Net State Aid	6,020,697

Fiscal Year 2017 Tax Classification			
Tax Classification	Assessed Values	Tax Levy	Tax Rate
Residential	2,258,966,961	37,724,748	16.70
Open Space	285,200	4,763	16.70
Commercial	142,471,796	2,379,279	16.70
Industrial	37,714,400	629,830	16.70
Personal Property	52,196,290	871,678	16.70
<b>Total</b>	<b>2,491,634,647</b>	<b>41,610,298</b>	

Fiscal Year 2017 Revenue by Source		
Revenue Source	Amount	% of Total
Tax Levy	41,610,299	60.43
State Aid	7,727,576	11.22
Local Receipts	17,354,529	25.20
Other Available	2,167,823	3.15
<b>Total</b>	<b>68,860,227</b>	

Fiscal Year 2017 Proposition 2 1/2 Levy Capacity	
New Growth	777,133
Override	
Debt Exclusion	1,669,280
Levy Limit	41,629,302
Excess Capacity	19,004
Ceiling	62,290,866
Override Capacity	22,330,844

Other Available Funds		
2017 Free Cash	FY2015 Stabilization Fund	FY2017 Overlay Reserve
1,955,331	4,093,353	215,000

Fiscal Year 2017 Average Single Family Tax Bill**	
Number of Single Family Parcels	3,776
Assessed Value of Single Family	419,948
Average Single Family Tax Bill	7,013
State Average Family Tax Bill	
Fiscal Year 2013	4,846
Fiscal Year 2014	5,020
Fiscal Year 2015	5,214

**Ashland issues tax bills on a Quarterly basis**

\*\*For the communities granting the residential exemptions, DLS does not collect enough information to calculate an average single family tax bill. In FY15, those communities are Barnstable, Boston, Brookline, Cambridge, Chelsea, Everett, Malden, Nantucket, Somerville, Somerset, Tisbury, Waltham and Watertown. Therefore, the average single family tax bill information in this report will be blank.

Fiscal Year 2015 Schedule A - Actual Revenues and Expenditures						
	General Fund	Special Revenue	Capital Projects	Enterprise Funds	Trust Revenue	Total All Funds
<b>Revenues</b>	49,720,968	7,600,175	1,498,072	8,854,861	453,528	68,127,604
<b>Expenditures</b>	50,700,313	6,704,849	4,479,748	8,559,749	400,730	70,845,389
<b>Police</b>	2,938,742	0	0	0	0	2,938,742
<b>Fire</b>	2,300,850	0	0	0	0	2,300,850
<b>Education</b>	27,323,483	5,024,719	2,794,355	0	0	35,142,557
<b>Public Works</b>	1,770,170	733,198	460,337	7,317,803	0	10,281,508
<b>Debt Service</b>	3,217,329					3,217,329
<b>Health Ins</b>	5,472,434				0	5,472,434
<b>Pension</b>	2,206,657				0	2,206,657
<b>All Other</b>	5,470,648	946,932	1,225,056	1,241,946	400,730	9,285,312

Total Revenues and Expenditures per Capita						
	General Fund	Special Revenue	Capital Projects	Enterprise Funds	Trust Revenue	Total All Funds
<b>Revenues</b>	2,899.2	443.2	87.4	516.3	26.4	3,972.5
<b>Expenditures</b>	2,956.3	391.0	261.2	499.1	23.4	4,130.9

This data only represents the revenues and expenditures occurring in these funds and does not reflect and transfers to or from other funds. Therefore, this data should not be used to calculate an ending fund balance.

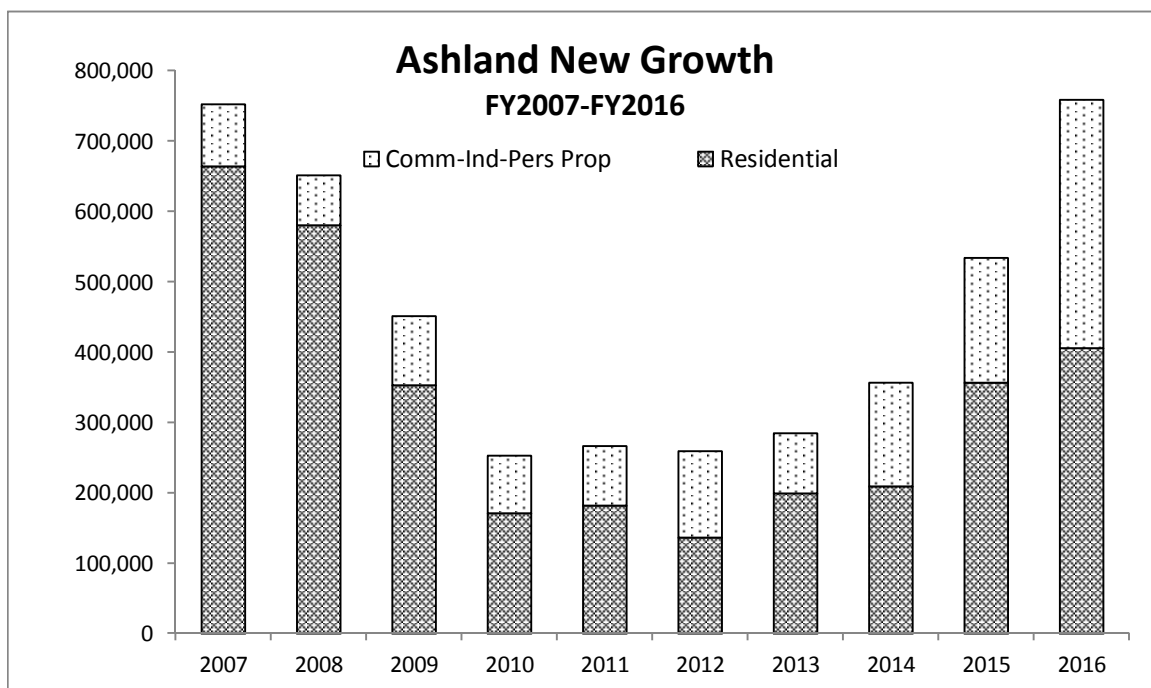
If you have questions regarding the data contained in this report, please contact the Municipal Databank/Local Aid Section at (617) 626-2384 or databank@dor.state.ma.us

[Click here to see if the Division of Local Services' Technical Assistance Section has conducted a financial management review or other analysis for Ashland](#)



## ASHLAND NEW GROWTH HISTORY

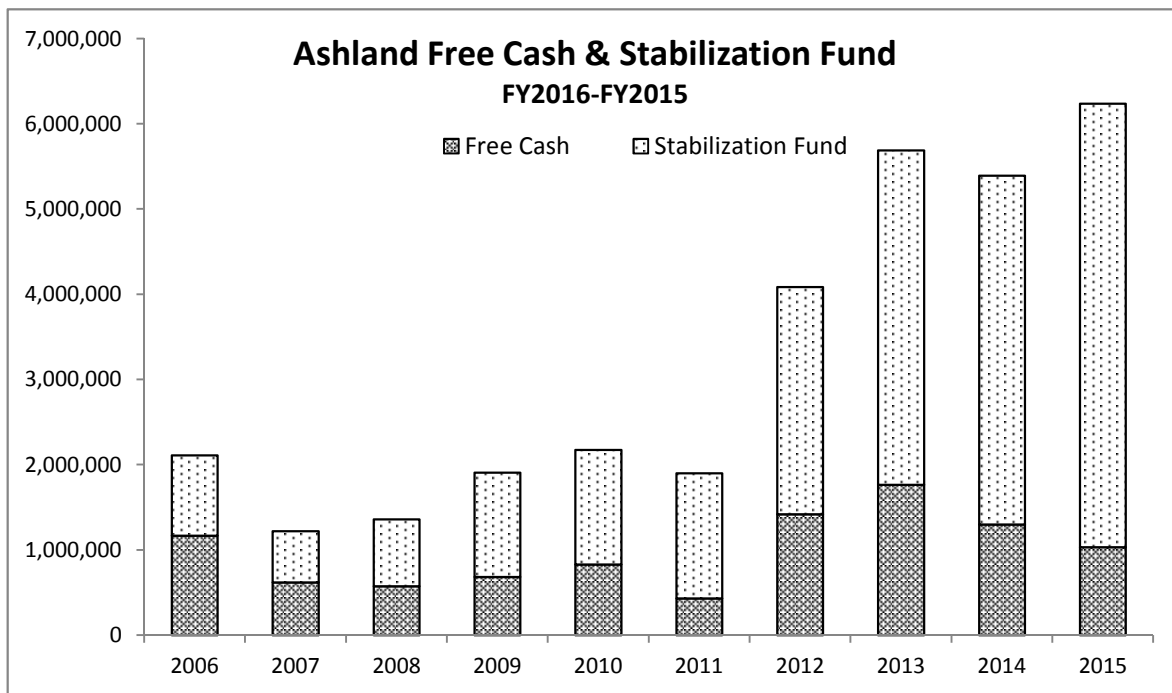
Year	Residential New Growth	Comm Ind Per Prop New Growth	Total New Growth Applied to the Levy Limit
2007	664,339	87,662	752,001
2008	580,495	70,798	651,293
2009	352,671	98,467	451,138
2010	171,408	81,117	252,525
2011	181,606	84,691	266,297
2012	136,513	122,865	259,378
2013	198,871	85,612	284,483
2014	209,024	147,867	356,891
2015	356,181	177,724	533,905
2016	405,900	353,089	758,989
<b>10-Year Avg</b>	<b>325,701</b>	<b>130,989</b>	<b>456,690</b>



Source: Division of Local Services, MA Department of Revenue, Municipal Databank

## ASHLAND FREE CASH & STABILIZATION FUND HISTORY

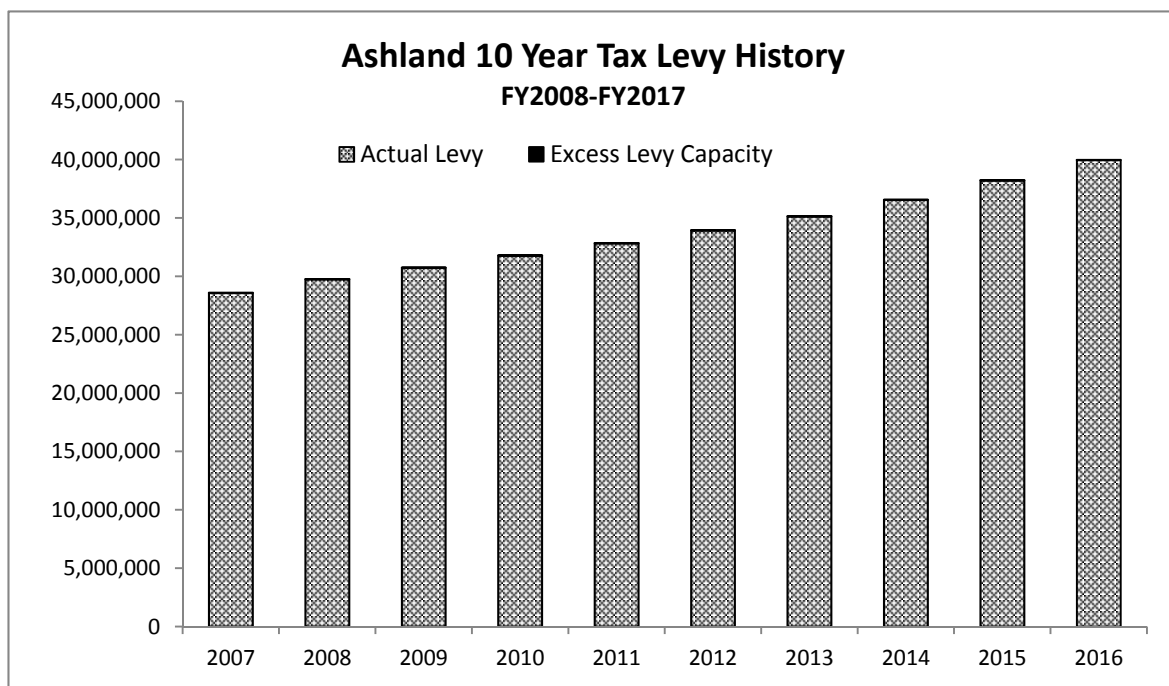
Year	Free Cash	Stabilization Fund	TOTAL
2007	1,166,817	942,729	2,109,546
2008	618,790	602,587	1,221,377
2009	572,473	786,461	1,358,934
2010	684,472	1,224,133	1,908,605
2011	830,686	1,343,027	2,173,713
2012	431,280	1,469,712	1,900,992
2013	1,419,174	2,667,072	4,086,246
2014	1,764,196	3,922,320	5,686,516
2015	1,297,941	4,093,353	5,391,294
2016	1,034,083	5,203,552	6,237,635



Source: Division of Local Services, MA Department of Revenue, Municipal Databank

## ASHLAND TAX LEVY HISTORY

Year	Actual Tax Levy (excluding any Debt Exclusion)	Excess Tax Levy Capacity	Total Tax Levy Limit (excluding Debt Exclusion)
2008	28,580,812	19,422	28,600,234
2009	29,746,470	6,149	29,752,619
2010	30,742,657	13,027	30,755,684
2011	31,777,520	1,902	31,779,422
2012	32,831,336	13,376	32,844,712
2013	33,936,602	18,236	33,954,838
2014	35,141,908	15,617	35,157,525
2015	36,554,361	17,466	36,571,827
2016	38,227,209	17,004	38,244,213
2017	39,960,022	19,004	39,979,026

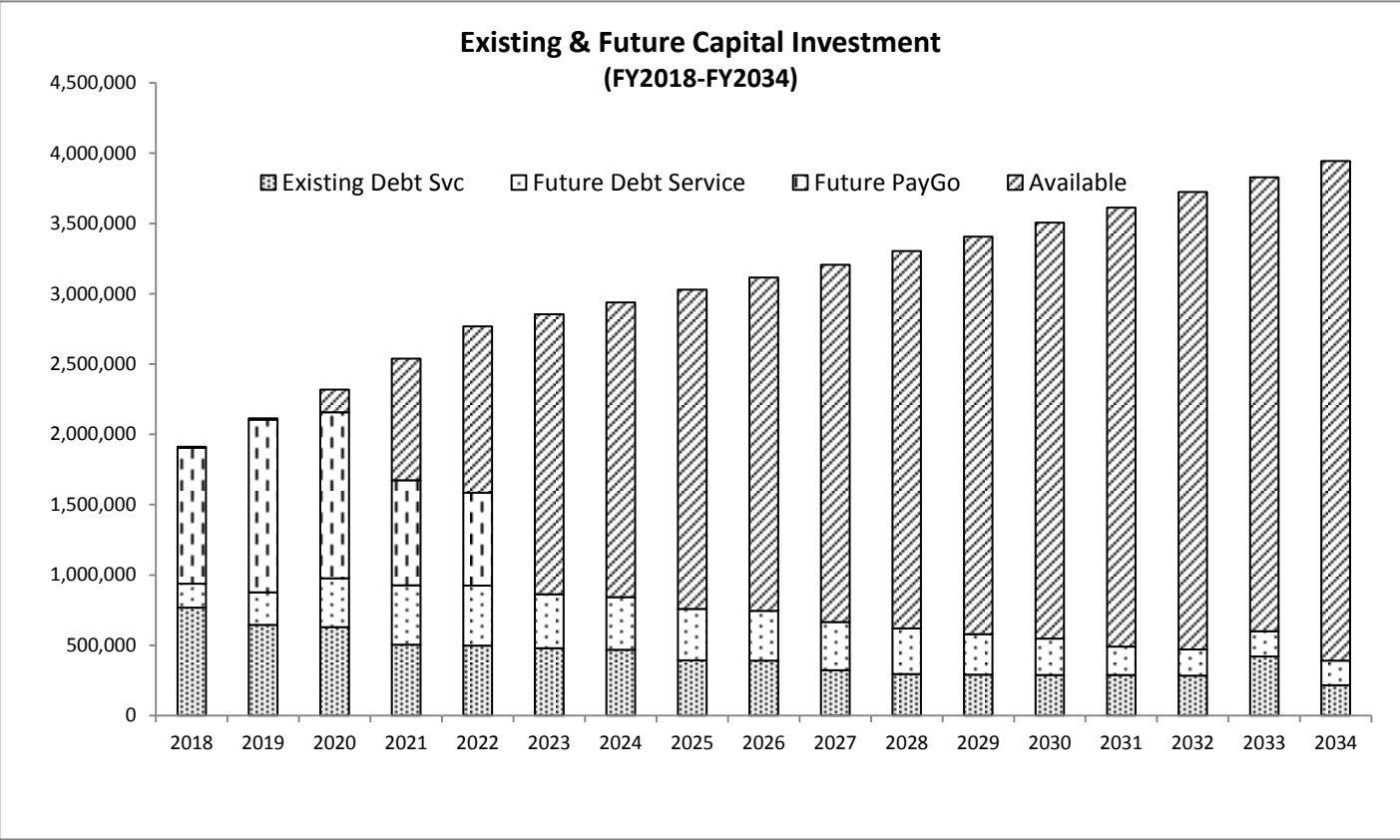


Source: Mass Dept of Revenue/Division of Local Services data bank

THIS PAGE IS INTENTIONALLY BLANK

ASHLAND GENERAL FUND NON- EXEMPT DEBT SERVICE - PHASE UP% FROM 3.0% to 4.5% SCENARIO

FISCAL YEAR	Existing General Fund Debt Service	Estimated Author/Unissued Debt Service	FY18-FY22 CIP Capital Investment			GRAND TOTAL	Est @ 3%/yr inc NET General Fund Budget	Capital Inv as % of GF Op Budget	\$ Increase from prior yr
			Debt Service	PayGo	Balance				
2016	667,100	NONE		875,000		1,542,100	51,442,539	3.00%	
2017	803,531	NONE		875,000	TBD	1,678,531	53,079,647	3.16%	136,431
2018	766,878	NONE	171,750	966,600	5,994	1,911,222	54,672,036	3.50%	232,691
2019	645,418	NONE	232,010	1,226,600	9,678	2,113,705	56,312,198	3.75%	202,484
2020	630,175	NONE	346,385	1,179,600	162,606	2,318,766	58,001,563	4.00%	205,061
2021	503,469	NONE	422,815	747,600	865,274	2,539,158	59,741,610	4.25%	220,392
2022	498,169	NONE	425,275	662,600	1,182,034	2,768,078	61,533,859	4.50%	228,920
2023	478,468	NONE	384,215		1,990,694	2,853,377	63,379,874	4.50%	85,299
2024	468,978	NONE	374,370		2,095,539	2,938,887	65,281,271	4.50%	85,509
2025	393,974	NONE	364,360		2,270,549	3,028,883	67,239,709	4.50%	89,996
2026	390,405	NONE	354,515		2,370,394	3,115,314	69,256,900	4.50%	86,431
2027	322,036	NONE	344,505		2,540,404	3,206,946	71,334,607	4.50%	91,631
2028	294,386	NONE	326,660		2,682,249	3,303,296	73,474,645	4.50%	96,350
2029	291,586	NONE	287,890		2,826,019	3,405,496	75,678,885	4.50%	102,200
2030	288,111	NONE	259,735		2,959,174	3,507,021	77,949,251	4.50%	101,525
2031	289,230	NONE	202,210		3,121,699	3,613,139	80,287,729	4.50%	106,119
2032	284,730	NONE	186,320		3,252,589	3,723,639	82,696,361	4.50%	110,500
2033	420,000	NONE	180,560		3,228,349	3,828,909	85,177,251	4.50%	105,270
2034	215,000	NONE	174,550		3,554,359	3,943,909	87,732,569	4.50%	115,000
TOTAL	8,651,643	0	5,038,125	6,533,000	35,117,606	55,340,375			



**SELECTED GLOSSARY OF TERMS ----- CAPITAL IMPROVEMENT PROGRAM**

**Available Funds** – Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other onetime costs. Examples of available funds include free cash, stabilization funds, overlay surplus, water surplus, and enterprise net assets unrestricted (formerly retained earnings).

**Betterments** (Special Assessments) – Whenever part of a community benefits from a public improvement, or betterment (e.g., water, sewer, sidewalks, etc.), special property taxes may be assessed to the property owners of that area to reimburse the governmental entity for all, or part, of the costs it incurred in completing the project. Each property parcel receiving the benefit is assessed a proportionate share of the cost which may be paid in full, or apportioned over a period of up to 20 years. In this case, one year's apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

**Block Grant** – A Block Grant is a Federal grant of money awarded by formula under very general guidelines that allow grantees broad latitude in spending activities. Recipients are normally state or local governments.

**Bond** – A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year.

**Bond and Interest Schedule Record** (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

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

**Bond Authorization** – The action of town meeting or a city council authorizing the executive branch to raise money through the sale of bonds in a specific amount and for a specific purpose. Once authorized, issuance is by the treasurer upon the signature of the mayor, or selectmen. (See Bond Issue)

**Bond Buyer** – A daily trade paper containing current and historical information of interest to the municipal bond business.

**Bond Counsel** – An attorney or law firm engaged to review and submit an opinion on the legal aspects of a municipal bond or note issue.

**Bond Issue** – The actual sale of the entire, or a portion of, the bond amount authorized by a town meeting or city council.

**Bond Rating** (Municipal) – A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

**Bonds Authorized and Unissued** – Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by town meeting or the city council to be removed from community's books.

**Capital Assets** – All tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Asset)

**Capital Budget** – An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Asset, Fixed Asset)

**Capital Improvements Program** – A blueprint for planning a community's capital expenditures that comprises an annual capital budget and a five-year capital program. It coordinates community planning, fiscal capacity and physical development. While all of the community's needs should be identified in the program, there is a set of criteria that prioritizes the expenditures.

**Capital Outlay** – The exchange of one asset (cash) for another (capital asset), with no ultimate effect on net assets. Also known as "pay as you go," it is the appropriation and use of available cash to fund a capital improvement, as opposed to incurring debt to cover the cost.

**Capital Outlay Expenditure Exclusion** – A temporary increase in the tax levy to fund a capital project or make a capital acquisition. Exclusions require two-thirds vote of the selectmen or city council (sometimes with the mayor's approval) and a majority vote in a community-wide referendum. The exclusion is added to the tax levy only during the year in which the project is being funded and may increase the tax levy above the levy ceiling

**Chapter 90 Highway Funds** – State funds derived from periodic transportation bond authorizations and apportioned to communities for highway projects based on a formula under the provisions of MGL Ch. 90 §34. The Chapter 90 formula comprises three variables: local road mileage (58.33 percent) as certified by the Massachusetts Highway Department (MHD), local employment level (20.83 percent) derived from the Department of Employment and Training (DET), and population estimates (20.83 percent) from the US Census Bureau. Local highway projects are approved in advance. Later, on the submission of certified expenditure reports to MHD, communities receive cost reimbursements to the limit of the grant.

**Contingent Appropriation** – An appropriation that authorizes spending for a particular purpose only if subsequently approved in a voter referendum. Under MGL Ch. 59 §21C (m), towns may make appropriations from the tax levy, available funds or borrowing, contingent upon the subsequent passage of a Proposition 2½ override or exclusion question for the same purpose. If initially approved at an annual town meeting, voter approval of the contingent appropriation must occur by September 15. Otherwise, the referendum vote must occur within 90 days after the town meeting dissolves. The question may be placed before the voters at more than one election, but if not approved by the applicable deadline, the appropriation is null and void. If contingent appropriations are funded through property taxes, DOR cannot approve the tax rate until the related override or exclusion question is resolved or the deadline passes, whichever occurs first.



**Debt Authorization** – Formal approval by a two-thirds vote of town meeting or city council to incur debt, in accordance with procedures stated in MGL Ch. 44 §§1, 2, 3, 4a, 6-15.

**Debt Burden** – The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

**Debt Exclusion** – An action taken by a community through a referendum vote to raise the funds necessary to pay debt service costs for a particular project from the property tax levy, but outside the limits under Proposition 2½. By approving a debt exclusion, a community calculates its annual levy limit under Proposition 2½, then adds the excluded debt service cost. The amount is added to the levy limit for the life of the debt only and may increase the levy above the levy ceiling.

**Debt Limit** – The maximum amount of debt that a municipality may authorize for qualified purposes under state law. Under MGL Ch. 44 §10, debt limits are set at 5 percent of EQV. By petition to the Municipal Finance Oversight Board, cities and towns can receive approval to increase their debt limit to 10 percent of EQV.

**Debt Policy** – Part of an overall capital financing policy that provides evidence of a commitment to meet infrastructure needs through a planned program of future financing. Debt policies should be submitted to elected officials for consideration and approval.

**Debt Service** – The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

**Enterprise Fund** – An enterprise fund, authorized by MGL Ch. 44 §53F½, is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It 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 that is subsidized by the tax levy, if any. 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 chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services. See DOR [IGR08-101](#)

**Free Cash** (Also Budgetary Fund Balance) – Remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant, or comptroller. Important: free cash is not available for appropriation until certified by the Director of Accounts.

**General Obligation Bonds** – Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

**Levy Limit** – A levy limit is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 2½). It states that the real and personal property taxes imposed by a city or town may only grow each year by 2½ percent of the prior year's levy limit, plus new growth and any overrides or

exclusions. The levy limit can exceed the levy ceiling only if the community passes a capital expenditure exclusion, debt exclusion, or special exclusion. (See Levy Ceiling)

### **Massachusetts School Building Authority**

(MSBA) – Administers the state program that reimburses cities, towns, and regional school districts varying percentages of their school construction costs depending on the wealth of the community or district and the category of reimbursement. Projects that received their first reimbursement payment prior to July 26, 2004 will continue to get annual state payments to offset the related annual debt service. Thereafter, cities, towns, and regional school districts will receive a lump sum amount representing the state's share of the eligible project costs.. (See DOR [IGR 06-101](#))

**New Growth** – The additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year. It does not include value increases caused by normal market forces or by revaluations. New growth is calculated by multiplying the assessed value associated with new construction, renovations and other increases by the prior year tax rate. The additional tax revenue is then incorporated into the calculation of the next year's levy limit. For example, new growth for FY07 is based on new construction, etc. that occurred between January and December 2005 (or July 2005 and June 2006 for accelerated new growth communities). In the fall of 2006, when new growth is being determined to set the FY07 levy limit, the FY06 tax rate is used in the calculation.

**Non-Recurring Revenue Source** – A one-time source of money available to a city or town. By its nature, a non-recurring revenue source cannot be relied upon in future years. Therefore, such funds should not be used for operating or other expenses that continue from year-to-year. (See Recurring Revenue Source)

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

**Receipts Reserved for Appropriation** – Proceeds that are earmarked by law and placed in separate accounts for appropriation for particular purposes. For example, parking meter proceeds may be appropriated to offset certain expenses for parking meters and the regulation of parking and other traffic activities.

**Sale of Cemetery Lots Fund** – A fund established to account for proceeds of the sale of cemetery lots. The proceeds may only be appropriated to pay for the cost of the land, its care and improvement or the enlargement of the cemetery under provisions of MGL Ch. 114 §15.

**Sale of Real Estate Fund** – A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure. MGL Ch. 44 §63 states that such proceeds shall be applied first to the retirement of debt on the property sold. In the absence of such debt, funds may generally be used for purposes for which the city or town is authorized to borrow for a period of five years or more

**Short-Term Debt** – Outstanding balance, at any given time, on amounts borrowed with a maturity date of 12 months or less.

**Special Exclusion** – For a few limited capital purposes, a community may exceed its levy limit or levy ceiling without voter approval. Presently, there are two special expenditure exclusions: 1) water and sewer project debt service costs which reduce the water and sewer rates by the same amount; and 2) a program to assist homeowners to repair or replace faulty septic systems, remove underground fuel storage tanks, or remove dangerous levels of lead paint to meet public health and safety code requirements. In the second special exclusion, homeowners repay the municipality for the cost plus interest apportioned over a period of time, not to exceed 20 years

**Special Revenue Fund** – Funds, established by statute only, containing revenues that are earmarked for and restricted to expenditures for specific purposes. Special revenue funds include receipts reserved for appropriation, revolving funds, grants from governmental entities, and gifts from private individuals or organizations.

**Stabilization Fund** – A fund designed to accumulate amounts for capital and other future spending purposes, although it may be

appropriated for any lawful purpose (MGL Ch. 40 §5B). Communities may establish one or more stabilization funds for different purposes and may appropriate into them in any year an amount not to exceed ten percent of the prior year's tax levy. The total of all stabilization fund balances shall not exceed ten percent of the community's equalized value, and any interest shall be added to and become a part of the funds. A two-thirds vote of town meeting or city council is required to establish, amend the purpose of, or appropriate money into or from the stabilization fund.