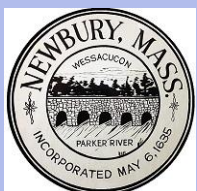




# CAPITAL IMPROVEMENT PLAN (FY2018 – FY2022)



## Town of Newbury



Submitted June 27 2017

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*Prepared for the Town of Newbury by the  
Edward J. Collins, Jr. Center for Public Management  
at the University of Massachusetts, Boston  
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## INTRODUCTION

The Town of Newbury's nearly \$12.2 million all funds five-year capital improvement plan (CIP) for FY2018-FY2022 will make much needed investments in infrastructure, including town and school facilities, parks and open space, roadways and sidewalks, vehicles, and equipment. The capital plan will be funded from several sources, including \$1.3 million funded by Chapter 90 funds, \$653,000 from the Massachusetts School Building Authority (MSBA) funding and other grants, \$2.9 million from the Town's General Fund, and \$6.5 million in debt exclusion for the Police Station/Town Hall project approved by local taxpayers in January 2017, and an additional \$770,000 to be considered by taxpayers over the course of the five year plan. Some of the more significant projects that will have long-term impacts on the Town include construction of a new Police Headquarters, renovation of Town Hall and the Morgan Avenue Fire Station, improvements to the Manter Field House, Main Street Bridge repairs, and the replacement of a ladder and pumper truck.

By looking forward across multiple years in this capital improvement plan, town officials will be able to carefully schedule projects to capture the declines in debt service and use those same dollars to fund new investments. At the same time, department directors will be able to plan in advance for upgrades of equipment and infrastructure in order to reduce emergency repairs and purchases, which inevitably drive up costs. Departments will also be able to plan for multi-year projects such as the design and construction of a major roadway project or a new building, while being kept on task by being included in the CIP.

### **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, 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 Newbury, projects authorized in the FY2018-FY2022 plan range from \$7,750 to \$6.5M, 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;
- 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 Newbury plans to expend approximately \$12.1 million for 31 capital projects ranging in size from \$7,750 to \$6.5 million.

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

- \$360,000 in general fund debt-funded projects;
- \$2.5 million in general fund Pay as You Go projects;
- \$273,000 in MSBA funding;
- \$1.7 million in Chapter 90 and other grant funds; and,
- \$6.5 million in projects authorized by local voters through a debt exclusion and \$770,000 for future consideration.

## ABOUT THE TOWN OF NEWBURY

Within the Town of Newbury's 26.3 square miles can be found many significant infrastructure systems that must be maintained each year, including town and school facilities, parks and open space, and roadways and sidewalks. In addition, the many vehicles and pieces of equipment used by the Town's staff to perform their duties must also be maintained and replaced over time.

The maintenance of Newbury's infrastructure systems is critically important to the health and safety of the town's approximately 6,666 residents (2015 US Census). 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.

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

Town residents and visitors have access to several recreational areas including town greens and playing fields. Parcels of open space range in size from approximately 0.2 to over 96 acres.

<b>Examples of Locally Owned/Managed Open Space Facilities in Newbury<sup>1</sup></b>		
<b>Property Name</b>	<b>Acres</b>	<b>Primary Purpose</b>
Austin Lane Open Space	0.3	Conservation
Central Street Fields	62.2	Recreation/ Conservation
Common Pasture	11.0	Conservation
Father Sears Park	0.2	Recreation
Gravel Pit	3.6	Conservation
Great Meadow	96.1	Recreation/ Conservation
High Road Salt Marsh	52.7	NA
Island North of Bridge	1.7	Conservation
Kent Way Land	6.0	Recreation
Library & Ballfield	3.8	Recreation
Little River Frontage	0.9	NA
Little River Marsh	3.8	NA
Lower Green	3.4	Recreation
Martin Burns Inholding	3.4	Recreation
Middle Rd.	0.9	NA
Newbury Beach	27.8	Recreation
Newbury Elementary School	23.3	Recreation
Newbury Grange	0.2	Historic/Cultural
Old Landfill	1.9	NA
Pearson Drive Playground	1.9	Recreation
Plum Island Beach	4.8	Recreation
Plum Island River Island	2.0	Conservation
Town Forest	9.3	Conservation
Town Green	3.5	Recreation/ Conservation
Town Landing	4.5	Recreation

<sup>1</sup> Adapted from *Town of Newbury: Open Spaces and Recreation Plan* (December 2009). Table 5-4, p. 54.

Examples of Locally Owned/Managed Open Space Facilities in Newbury <sup>1</sup>		
Property Name	Acres	Primary Purpose
Wayside Avenue	3.0	NA
Woolen Mill	2.1	Historic/Cultural
<b>Total</b>	<b>510.3</b>	

### ***Roadways and Sidewalks***

The Town of Newbury is responsible for nearly 54 miles of roadway. Roads are typically classified into three categories:

- *Local streets* provide direct access to residential properties and serve the transportation needs within a particular neighborhood. Nashua 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. Salem Street is an example of a collector street.
- *Arterial roadways* are typically numbered and serve regional as well as local automobile and truck traffic. These roadways are often owned and maintained by the state, and function as part of regional highway system.

In FY2016, Newbury received \$272,323 in Chapter 90 transportation grants. The *FY2018-FY2022 Capital Plan* will supplement the Chapter 90 funding with local funding to make improvements to Central Street, Main Street, Lunt Street, Oak Street, Grove Street, Green Tree Road, and Long Brook Road.

### ***School Facilities***

Newbury is one of the three towns that make up the Triton Regional School District; in addition to Newbury, the other two towns are Rowley and Salisbury. Newbury Elementary School is part of the Triton Regional School District and serves approximately 520 students in pre-Kindergarten through 6<sup>th</sup> grade. Newbury's middle school students in grades 7 and 8 attend the Triton Regional Middle School and high school students in grades 9 through 12 attend the Triton Regional High School. The high and middle schools are located in a single building in the Byfield Village area.

In 2012, the Town of Newbury commissioned a capital needs assessment for the Newbury Elementary School from the architectural firm DMS Design, LLC. In its report, DMS states, "The original, circular portion of the Newbury Elementary School was built in 1977, the straight portion on the western side was built sometime later, and the last portion, the East and South sides of the school was built in 1994. The existing portions of the school had their last complete renovation in 1994 as well. As such, any capital needs, will be cost-shared by the three towns proportionately once approved for expenditure through a process with the Regional District separate and distinct from the other capital needs in the Town."<sup>2</sup>

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<sup>2</sup> DMS Design, LLC. *Newbury Elementary School: Capital Needs Assessment and Replacement Reserve Analysis*. p.3. (November 2012)



### ***Town Facilities***

The Town manages a series of buildings and building complexes that serve a multitude of purposes from the 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 renovations may also be necessary or advantageous.

<b>Newbury Town Facilities</b>		
<b>Facility</b>	<b>Location</b>	<b>Year Built</b>
Elementary School	63 Hanover St, Newbury	1977
Fire Department	3 Morgan Ave, Newbury	1967
Grange Hall	Central Street, Byfield	1900
Library	0 Lunt Street, Byfield	2001
Police Department	25 High Road, Newbury	1999
Public Works Department	197 High Road, Newbury	1963

### ***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 62 vehicles, trailers, and motorized pieces of equipment (e.g., mowers, trailers chippers, etc.).

As can be seen below, the average age across all Town vehicles is 9.3 years, with particular note of a forklift (33 years old) and chipper (19 years old), which have exceeded the manufacturers expected life expectancy. The DPW staff also use countless small motorized and non-motorized 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 and due to the relatively low dollar value, are not considered in this plan.

Newbury Vehicle Inventory										
<u>Vehicle Type</u>	Animal Control	Bd of Health	Council on Aging	DPW	Fire	Harbor-master	Police	Town Mgr	Total	Avg Age (yrs)
All-Terrain Vehicle							1		1	8.8
Ambulance					1		1		2	11
Backhoe		1							1	15
Boat						2			2	18
Cement Mixer				1					1	19
Chipper				1					1	17
Compressor				1					1	5
Dump Truck, Med				2					2	8
Dump/Sander Truck				5					5	4
Excavator				1					1	33
Fork Lift				1					1	16
Front End Loader				2					2	3
Ladder Truck					1				1	8.6
Motorcycle							1		1	10
Mower				3					3	2
Pickup Truck				2	2		1		5	14
Police Cruiser							1		1	17
Pumper Truck					3				3	8
Sedan					1			1	2	5
SUVs							5		5	13.5
Sweeper				1					1	4
Tractor				1					1	3
Trailer		1		4	1	2	5		13	8
Utility Truck							1		1	2.4
Van	1		1		3				5	3
<b>TOTAL</b>	<b>25</b>	<b>16</b>	<b>12</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>62</b>	<b>9.3</b>

### ***Water and Sewer Services***

Residents of Newbury have split servicing for water delivery and sewage collection and treatment. Residents who reside on Plum Island and in portions of the Old Town section of Newbury have water and sewer services provided by the City of Newburyport. However, residents who reside in the Byfield Village area of Newbury receive water services by the Byfield Water District. This area of Town is not connected to sewer infrastructure and instead utilizes individual septic systems.

Capital improvements made to both of these systems are funded through fees paid by users directly to the two service providers and are not subject of this capital plan. As the Town of Newbury does not own any of the public water and sewer infrastructure, any capital investments will be limited to relatively minor service connections for individual town facilities, and not the more expensive distribution/collection mains.

## 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 (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, expanding the capacity of a municipality to invest in capital through a reduced commitment of funds on an annual basis. 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>3</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

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<sup>3</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 meeting 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>4</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 flow 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 energy conservation and renewable energy resources.

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<sup>4</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).

- **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 purchases 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 was available statewide in FY2016.
- **Massachusetts Department of Environmental Protection's Dam and Seawall Repair and Removal Program:** This program was created in 2013 to provide funding to municipalities to repair and remove dams, levees, seawalls, and other forms of flood control. The Dam and Seawall program offers loans at 2% interest on up to \$1 million per project, with a minimum 25% match to be provided by the municipality.
- **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 vote approval for funding schematic design and later, construction, before the MSBA will commit to cost-share 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.

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

The Town of Newbury 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, including a discussion of the 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 the proposed project(s), the justification for why each project was needed, the priority 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 (e.g. by reducing or increasing operational costs). 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 worked with the Town's staff to get an understanding of the 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.

### **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 services to the public? 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 – Will the project increase the efficiency or 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 – Does the project reduce operating costs (e.g., eliminate costly repairs)? And if so, what magnitude of ongoing savings might be realized from the project? Or will 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

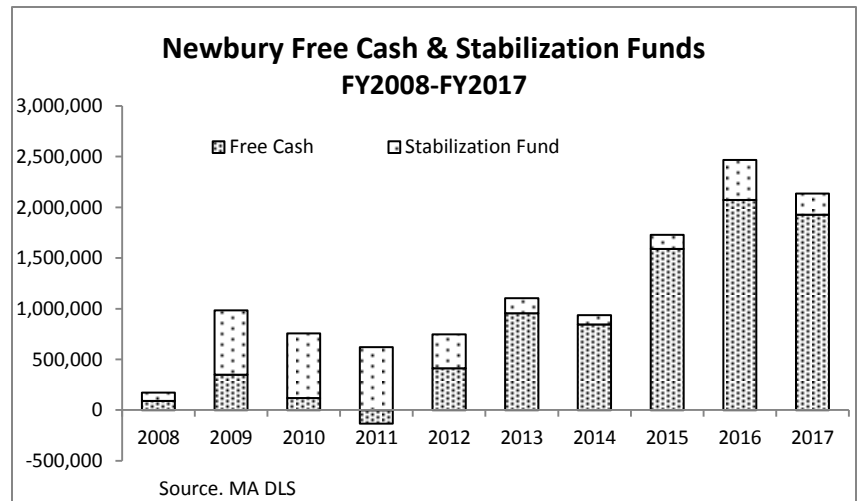
- Cultural and Recreational Opportunities
- Economic Growth
- Education
- Environmental Sustainability
- Public Health
- Public Safety

While these criteria were used to differentiate between the merits of the 31 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 so much contribute to the policy areas, but were important for investment – such as the purchase of sediment dredging’s in FY19 for the Conservation Commission - were elevated for consideration in the plan based upon need and resource availability.

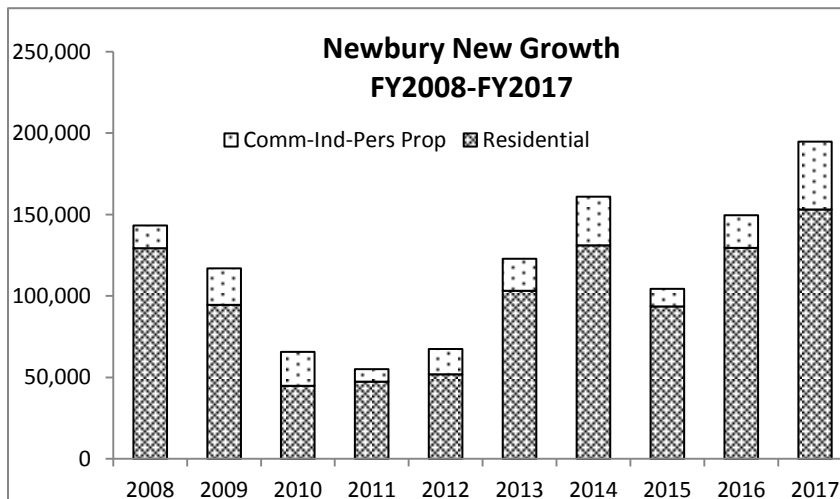
## **Resources Available**

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

In recent years, as a result of careful financial management, the Town of Newbury has successfully built up its financial reserves in the form of free cash and general stabilization fund. In fact, since FY2011, when the Town had negative free cash, the combined balance of both has increased by nearly \$1.65 million, from \$493,166 in FY2011 to \$2,137,109 in FY2017. This puts the Town in a good position from which it can make meaningful capital investments.



Over the past 10 years, the amount of new growth has averaged \$118,000 per year, ranging from approximately \$55,000 in FY2011 to \$195,000 in FY2017. The vast majority of growth has come from



improvements to residential property (either new construction or other improvements that require a building permit). However, in FY2017, a 10-year record of \$41,729 was achieved for new growth from investment in commercial, industrial, and personal property.

The increase in new growth and the healthy reserves put the Town in a good position to make key investments in capital improvements.



In the *FY2018-FY2022 Capital Improvement Plan*, the Town plans to invest in just over \$2.9 million in general fund funded capital projects. This figure includes \$2,543,734 in “pay-as-you-go funded projects”, or projects that are paid off in the year they occur so no debt service is incurred, and \$360,000 in debt-funded projects. As planned, debt service for the debt-funded projects will be incorporated into the Town’s budget, so no taxpayer vote will be required (see General Fund Voter Approved Debt Exclusion section below). At present, the Town has no general fund debt, so this will be an important change and a signal of the Town’s strengthened financial position. Debt service for the two projects that involve borrowing will start at a low of an estimated \$2,000 in FY2018 to \$47,200 in FY2021. The debt service calculations are made based upon a level principle payment, so the amount paid each year will decline as principle is paid and less interest is charged.

<b>Annual General Fund Capital Spending (FY2018-FY2022)</b>						
	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>Total</b>
Pay-as-You-Go Projects	\$843,734	\$382,500	\$462,500	\$507,500	\$347,500	\$2,543,734
Debt Service (est.)	\$2,000	\$27,000	\$28,000	\$47,200	\$46,040	\$150,240
<b>TOTAL</b>	<b>\$845,734</b>	<b>\$409,500</b>	<b>\$490,500</b>	<b>\$554,700</b>	<b>\$393,540</b>	<b>\$2,693,974</b>

#### ***General Fund Voter Approved Debt Exclusion***

Newbury taxpayers have voted to authorize Prop 2 ½ exempt debt for a number of projects including improvements to the library and playing fields, closure of the landfill, and construction of a trash transfer station at the landfill site. These projects are funded via an increase to local property tax bills that equal each year’s debt service. The annual payment for the majority Newbury’s existing exempt projects will be declining rapidly over the five year period of the capital plan, from \$514,105 in FY2018 to \$83,200 in FY2022. The only exception will be the debt service for improvements to the regional schools; debt service for these investments will be level at \$117,400 per year until FY2021 when the debt is paid off. This means that as of FY2023, the Town will have no exempt debt service payments owed.

The *FY2018-FY2022 Capital Improvement Plan* acknowledges \$6.5 million in funding for the Police Station/Town Hall Renovation Project that was voted in November 2016 and approved at Special Town Meeting in January 2017, but that will be used in FY2019. The plan also contemplates two additional capital projects that will be considered for debt exclusion in FY2019 including replacement of the roof at Newbury Elementary School (40% of which will be funded by the MSBA) and the purchase of sediment from the U.S. Army Corps of Engineers to help replenish the beach on Plum Island.

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## FY2018-FY2022 CIP PROJECT PLAN

### Plan Overview

Overall, the CIP allocates funds to 31 projects, totaling \$12.2 million across all five years of the plan and all funds.

These capital investments will have a direct impact on the lives of Newbury residents, students, businesses, and visitors. The plan prioritizes public safety, facilities, and road/sidewalk infrastructure. The funded projects will replace key firefighting equipment, complete the work at the Manter Field House, which will allow it to be used year round, make significant improvements to many local streets, make repairs to Town and school facilities, and build a new police headquarters while renovating Town Hall for municipal offices.

INVESTMENT BY DEPARTMENT ALL PROJECTS, ALL FUNDING SOURCES FY2018-FY2022			
Department	# of Projects	Amount	% of \$ Total
Conservation	3	\$535,000	4.4%
DPW	16	\$3,121,750	25.6%
Fire	7	\$1,750,984	14.4%
Library	2	\$40,000	0.3%
Police	1	\$39,000	0.3%
Recreation	1	\$200,000	1.6%
Town Administrator	1	\$6,500,000	53.3%
<b>Grand Total</b>	<b>31</b>	<b>\$12,186,734</b>	

The allocation of \$6.5 million for the construction of a new Police Station and Town Hall renovation is by far the largest project included in this project plan and makes up approximately 53% of total funds. This project has been identified as a Town Administrator project, but clearly supports the entire town. Department of Public Works projects make up \$3.1 million and just over one quarter of total funds (26%). Fire Department projects total \$1.75 million, making up approximately 14% of total funds.

### Projects by Asset Type

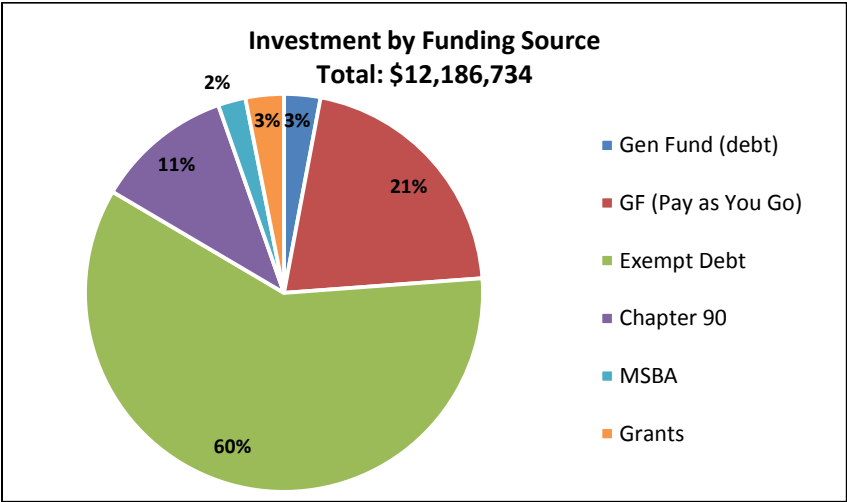
INVESTMENT BY ASSET TYPE FY2018 – FY2022		
Asset Type	Amount	% of \$ Total
Facilities	\$7,286,000	60%
Parks/Conservation	\$535,000	4%
Roads/Sidewalk	\$1,920,000	16%
Schools	\$683,000	6%
Vehicles/Equipment	\$1,762,734	14%
<b>Total</b>	<b>\$12,186,734</b>	<b>100%</b>

When considering capital investments by asset type, the single greatest category of requests is for Facilities (60%). Road and sidewalk projects account for 16% of total investments, the second largest category. Vehicles and equipment make up 14% of the projects, schools make up 6% and parks/recreation the final 3%.

### Projects by Funding Source

Approximately \$2.5 million of the plan's funds are provided directly from the General Fund (Pay as You Go), making up just over 20% of total investment. Another \$360,000 (3%) in projects are to be funded by General Fund debt while \$7.2 million will be funded via a debt exclusion vote., of which \$6.5 million has already been

approved for the Police Station/Town Hall project. Overall, exempt debt will make up 60% of total funding. This is due to the fact that the vast majority of the exempt debt funding will be in support of the new Public Safety Complex and Town Hall project. In addition, \$1.3 million in funds will come from Chapter 90 funding (11%) and \$653,000 (5%) will come from MSBA and other grants.



## CIP PROJECT SUMMARY

### PROJECT SUMMARY BY DEPARTMENT (FY2018-FY2022)

Project #	Project Title	Project Description	Total Project Cost
<b>CONSERVATION COMMITTEE</b>			
ConCom1	Remove Larkin Mill Dam	This project removes an obsolete dam in Byfield which is failing, restoring unimpeded flow of Parker River and eliminate potential safety issues for boaters, hikers, and fishermen.	\$100,000
ConCom2	Replace fish ladder at Larkin Mill Dam	This project replaces a failing 80 ft. long concrete fish ladder that is required for fish to bypass the existing dam. This project would not be necessary is the dam were removed.	\$75,000
ConCom3	Purchase sediment from U.S. Army Corps of Engineers	The purchase of sediment from dredging operations would be used to restore the beach on Plum Island which acts to protect homes against storms and tides.	\$360,000
<b>DEPARTMENT OF PUBLIC WORKS</b>			
DPW01	Replace lawn mower	This project replaces a 1995 mower which is unreliable and used to maintain all of the towns public spaces.	\$7,750
DPW02	Replace pick-up truck	This project replaces a 2009 pick-up truck that is needed for daily operations year-round.	\$36,000
DPW03	Purchase of 1-ton dump truck	This project replaces a 2012 utility pick-up truck with a small 1-ton dump truck. Used for every day operations, the dump would improve efficiencies while reducing potential injury.	\$50,000
DPW04	Replace 1-ton dump truck	This project replaces a 2011 1-ton dump truck, a front line truck used every day for mowing, repairing catch basins, and snow operations.	\$50,000
DPW05	Replace front-end loader	This replaces a 1993 front-end loader critical for snow operations (loading sanders and cleaning up street corners) and summer construction projects.	\$160,000
DPW06	Replace track mower	This project replaces two mowers which are over 10 years old and used heavily, mowing 95 percent of grass in town, to include the athletic fields. Operations cannot afford decreased reliability.	\$30,000
DPW07	Replace asphalt repair equipment	This project replaces a 1985 hot top asphalt paving machine which provides great versatility to the department making many smaller projects more economical.	\$20,000
DPW08	Replace fork-lift	This project replaces a 1984 fork lift that supports operations but is currently antiquated and not as effective as needed.	\$20,000
DPW09	Repair Main Street Bridge	This project makes needed repairs to the Main Street bridge to the railings and outer spans as reported by the MA DOT and paid for by a DOT grant.	\$280,000
DPW10	Repaving and road work	This project repaves several roads deemed to need repair based on the Town road program which assesses traffic volume and safety considerations.	\$1,640,000
DPW11	Replace Library roof	This project repairs roof damage critical to sustaining the integrity of the interior spaces and preventing more damaging water infiltration.	\$70,000
DPW12	Repair cedar shingles & cementitious siding	This project maintains the exterior building envelope of the library, repair/replace siding to improve aesthetics and prevent damage to internal spaces.	\$35,000

### CIP PROJECT SUMMARY

Project #	Project Title	Project Description	Total Project Cost
DPW16	Replace roof on Elementary School	This project replaces the roof on the elementary school as it has reached its life expectancy. Delay could result in unmanaged water infiltration, causing damage to internal structures and/or mold.	\$683,000
DPW18	Repair building envelope and replace siding/trim	This project maintains the exterior building envelope of the grange by the repair/replacement of siding to improve aesthetics and prevent damage to internal spaces.	\$15,000
DPW19	Replace exterior doors (4 total) & exterior lighting	This project replaces exterior doors and installs exterior lighting resulting in improved energy conservation and reduced liabilities in safety/security.	\$15,000
DPW20	Repoint foundation	This project repairs the masonry which maintains the structural integrity of the building, required to prevent further deterioration of the envelope and subsequent interior damage.	\$10,000
<b>FIRE DEPARTMENT</b>			
Fire1	Purchase thermal imaging cameras	This project will replace two thermal imaging cameras which are antiquated, and purchase an additional two to meet current needs, helping in heat source detection.	\$12,000
Fire2	Replace SCBA Equipment: Packs, Bottles & Masks	This project replaces expired packs and bottles by state regulations with pack frames showing deterioration.	\$400,000
Fire3	Replace 1 ladder truck and 1 pumper truck	This project replaces both a ladder and pumper truck that do not meet the Town's needs, currently requiring a 100 foot ladder reach. This shortcoming puts the firefighters at risk while hindering fighting a fire.	\$875,000
Fire4	Replacement of turn-out gear	This project replaces personal protective gear over a 5 year period which is currently is outdated and in disrepair, putting firefighters at risk.	\$32,500
Fire5	Purchase washer/dryer for turn-out gear	This project purchases two washing machines and industrial dryers to clean firefighting gear. Dirty gear wears out more quickly while increasing liability to the firefighters due to carcinogenic materials.	\$30,484
Fire6	Repair Fire Station Building envelope	This project replaces and preserves 3,146 sf of cedar shingles and 608 sf of vinyl siding that is over 25 years old. Failure to replace increases the potential for water infiltration and damage to internal spaces.	\$51,000
Fire7	Sewer Connection to HQs Bldg.	Installation of a sewer line is an essential fix the station's failing septic system that requires multiple pump outs yearly.	\$350,000
<b>LIBRARY</b>			
LIB2	Upgrade Library lighting	This project creates an additional electrical circuit to the Program Room which serves smaller groups thereby complimenting the Community Room, while conserving energy in the rest of the building. A professional cost estimate is needed before moving forward with this project.	\$10,000
LIB3	Increase storage space	This project increases badly needed storage space for equipment and supplies, increasing the efficiency of operations.	\$30,000
<b>POLICE DEPARTMENT</b>			
PD1	Replace Police Cruiser	This project replaces a 2014 police cruiser which typically has a useful life as a front line vehicle of	\$39,000

### CIP PROJECT SUMMARY

Project #	Project Title	Project Description	Total Project Cost
		4 years. Used every day of the year, these vehicles support the safety of both police and community.	
<b>RECREATION DEPARTMENT</b>			
REC1	Repair Manter Field House	This project completes the field house repairs to achieve a Certificate of Occupancy for year-round use, which will expand utilization for the public and generate revenue.	\$200,000
<b>TOWN ADMINISTRATOR</b>			
TWN1	Construct Police Station and Renovate Town Hall	This project includes design and construction of a new stand-alone Police Headquarters building and the renovation of Town Hall, both located on Morgan Avenue. Once complete, the Police Department will be able to relocate out of old Town Hall into a new building designed to meet its needs and Town offices will vacate the space that has been leased on Kent Way since 2016 and return to the renovated Town Hall. Continued annual lease costs (approximately \$154,000 in FY2017) will be averted while enhancing services to the community.	\$6,500,000

## **CIP PROJECT SUMMARY**

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**CIP PROJECT SUMMARY**

**PROJECTS BY FUNDING SOURCE AND FISCAL YEAR (FY2018-FY2022)**

Project #	Project Title	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total	Notes
<b>GENERAL FUND PAY AS YOU GO FUNDED PROJECTS</b>								
ConCom2	Replace fish ladder at Larkin Mill Dam.				\$75,000		\$75,000	
DPW01	Replace lawn mower	\$7,750					\$7,750	
DPW02	Replace pick-up truck	\$36,000					\$36,000	
DPW03	Purchase of 1-ton dump truck				\$50,000		\$50,000	
DPW04	Replace 1-ton dump truck				\$50,000		\$50,000	
DPW06	Replace track mower					\$30,000	\$30,000	
DPW07	Replace asphalt repair equipment		\$20,000				\$20,000	
DPW08	Replace fork-lift		\$20,000				\$20,000	
DPW10	Repaving and road work	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$280,000	See also Chpt 90
DPW11	Replace Library roof			\$70,000			\$70,000	
DPW12	Repair cedar shingles & cementitious siding			\$35,000			\$35,000	
DPW18	Repair building envelope and replace siding/trim		\$15,000				\$15,000	
DPW19	Replace exterior doors (4 total) & exterior lighting				\$15,000		\$15,000	
DPW20	Repoint foundation			\$10,000			\$10,000	
Fire1	Purchase thermal imaging cameras	\$12,000					\$12,000	
Fire2	Replace SCBA Equipment: Packs, Bottles & Masks	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$400,000	
Fire3	Replace 1 ladder truck and 1 pumper truck	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$875,000	
Fire4	Replacement of turn-out gear	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$32,500	
Fire5	Purchase washer/dryer for turn-out gear	\$30,484					\$30,484	
Fire6	Repair Fire Station Building envelope	\$51,000					\$51,000	
Fire7	Sewer Connection to HQs Building	\$350,000					\$350,000	
LIB2	Upgrade Library lighting		\$10,000				\$10,000	
LIB3	Increase storage space			\$30,000			\$30,000	
PD1	Replace Police Cruiser	\$39,000					\$39,000	
	<b>Sub-Total Pay-as-You-Go Projects</b>	<b>\$843,734</b>	<b>\$382,500</b>	<b>\$462,500</b>	<b>\$507,500</b>	<b>\$347,500</b>	<b>\$2,543,734</b>	
<b>GENERAL FUND (NON-EXEMPT) DEBT-FUNDED PROJECTS</b>								
DPW05	Replace front-end loader			\$160,000			\$160,000	
REC1	Repair Manter Field House	\$200,000					\$200,000	
	<b>Sub-Total Non-Exempt Debt Funded Projects</b>	<b>\$200,000</b>		<b>\$160,000</b>			<b>\$360,000</b>	

### CIP PROJECT SUMMARY

Project #	Project Title	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total	Notes
<b>GENERAL FUND (EXEMPT i.e., voter approved) DEBT FUNDED PROJECTS</b>								
ConCom3	Purchase sediment from U.S. Army Corps of Engineers.		\$360,000				\$360,000	
DPW16	Replace roof on Elementary School		\$410,000				\$683,000	See also MSBA
TWN1	Construct Police Station and Renovate Town Hall		\$6,500,000				\$6,500,000	
	<b>Sub-Total Exempt Debt Funded Projects</b>		<b>\$7,270,000</b>				<b>\$7,270,000</b>	
<b>CHAPTER 90 FUNDED PROJECTS</b>								
DPW10	Repaving and road work	\$272,000	\$272,000	\$272,000	\$272,000	\$272,000	\$1,640,000	See also PayGo
	<b>Sub-Total Chapter 90 Funded Projects</b>	<b>\$272,000</b>	<b>\$272,000</b>	<b>\$272,000</b>	<b>\$272,000</b>	<b>\$272,000</b>	<b>\$1,640,000</b>	
<b>MSBA FUNDED PROJECTS</b>								
DPW16	Replace roof on Elementary School		\$273,000				\$273,000	See also Exempt
	<b>Sub-Total MSBA Funded Projects</b>		<b>\$273,000</b>				<b>\$273,000</b>	
<b>OTHER GRANT FUNDED PROJECTS</b>								
ConCom1	Remove Larkin Mill Dam			\$100,000			\$100,000	
DPW09	Repair Main Street Bridge.	\$280,000					\$280,000	
	<b>Sub-Total Other Grant Funded Projects</b>	<b>\$280,000</b>		<b>\$100,000</b>			<b>\$280,000</b>	

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
<b>GRAND TOTAL</b>	<b>\$1,539,734</b>	<b>\$8,421,500</b>	<b>\$938,500</b>	<b>\$723,500</b>	<b>\$563,500</b>	<b>\$12,186,734</b>

## **APPENDICES**

Appendix 1 Newbury At A Glance

Appendix 2 New Growth History

Appendix 3 Free Cash and Stabilization Funds

Appendix 4 Tax Levy Limit and Excess Tax Levy Capacity

Appendix 5 General Fund – Authorized and Projected Debt

Appendix 6 General Fund Debt Service as % of General Fund Budget

Appendix 7 Water/Sewer Fund Debt Service

Appendix 8 Select Items from DLS Municipal Finance Glossary

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## ***DLS At A Glance Report for Newbury***

Socioeconomic	
County	ESSEX
School Structure	No data
Form of Government	OPEN TOWN MEETING
2013 Population	6,853
2015 Labor Force	3,674
2015 Unemployment Rate	4.0
2012 DOR Income Per Capita	50,852
2009 Housing Units per Sq Mile	116.12
2013 Road Miles	66.80
EQV Per Capita (2014 EQV/2013 Population)	187,160
Number of Registered Vehicles (2012)	7,992
2012 Number of Registered Voters	5,210

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

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

Fiscal Year 2017 Estimated Cherry Sheet Aid	
Education Aid	16,844
General Government	837,168
Total Receipts	854,012
Total Assessments	142,919
Net State Aid	711,093

Fiscal Year 2017 Tax Classification			
Tax Classification	Assessed Values	Tax Levy	Tax Rate
Residential	1,364,127,901	14,473,397	10.61
Open Space	0	0	0
Commerical	39,346,549	417,467	10.61
Industrial	3,092,100	32,807	10.61
Personal Property	18,812,296	199,598	10.61
<b>Total</b>	<b>1,425,378,846</b>	<b>15,123,269</b>	

Fiscal Year 2017 Revenue by Source		
Revenue Source	Amount	% of Total
Tax Levy	15,123,270	75.02
State Aid	854,012	4.24
Local Receipts	2,062,662	10.23
Other Available	2,119,706	10.51
<b>Total</b>	<b>20,159,649</b>	

Fiscal Year 2017 Proposition 2 1/2 Levy Capacity	
New Growth	194,795
Override	
Debt Exclusion	652,807
Levy Limit	15,519,336
Excess Capacity	396,067
Ceiling	35,634,471
Override Capacity	20,767,942

Other Available Funds		
2017 Free Cash	FY2016 Stabilization Fund	FY2017 Overlay Reserve
1,929,148	188,751	255,901

Fiscal Year 2017 Average Single Family Tax Bill**	
Number of Single Family Parcels	2,356
Assessed Value of Single Family	479,372
Average Single Family Tax Bill	5,086
State Average Family Tax Bill	
Fiscal Year 2013	5,020
Fiscal Year 2014	5,020
Fiscal Year 2015	5,419

*Newbury 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 FY16, 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 2016 Schedule A - Actual Revenues and Expenditures						
	General Fund	Revenue	Projects	Funds	Revenue	Total All Funds
Revenues	17,860,068	2,534,369	0	230,510	32,575	20,657,522
Expenditures	17,894,673	1,139,367	0	193,279	4,378	19,231,697
Police	1,357,205	0	0	0	0	1,357,205
Fire	760,896	0	0	0	0	760,896
Education	9,544,665	0	0	0	0	9,544,665
Public Works	1,039,360	707,228	0	0	0	1,746,588
Debt Service	1,210,982					1,210,982
Health Ins	676,688				0	676,688
Pension	541,397				0	541,397
All Other	2,763,480	432,139	0	193,279	4,378	3,393,276

Total Revenues and Expenditures per Capita						
	General Fund	Revenue	Projects	Funds	Revenue	Total All Funds
Revenues	2,606.2	369.8	0.0	33.6	4.8	3,014.4
Expenditures	2,611.2	166.3	0.0	28.2	0.6	2,806.3

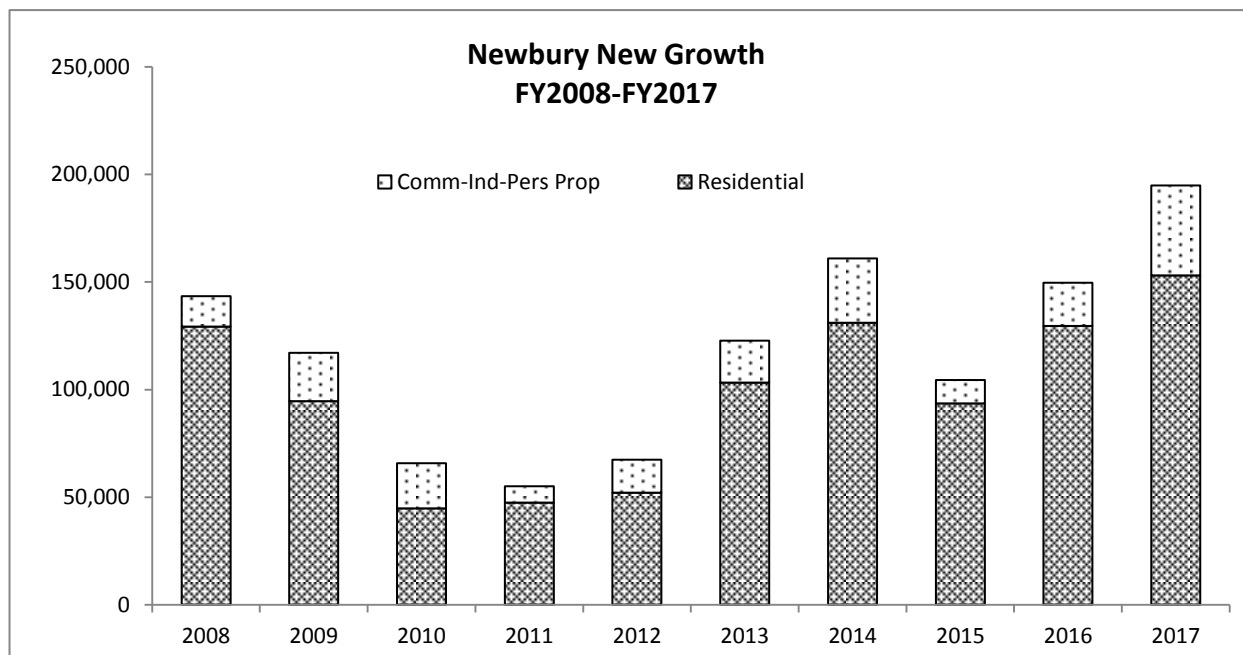
This data only represents the revenues and expenditures occurring in these funds and does not reflect and transfers to or from other funds. Therefore, this data should not be used to calculate an ending fund balance.

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 Newbury](#)

## NEWBURY NEW GROWTH HISTORY

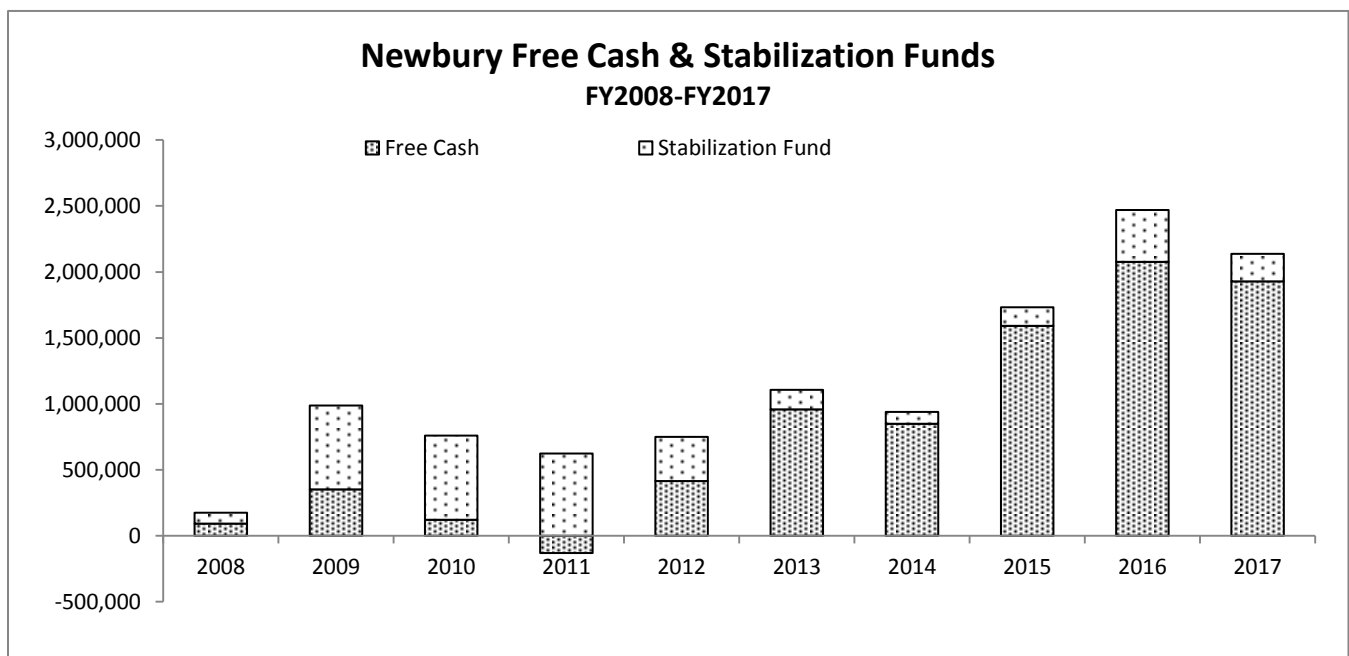
Year	Residential New Growth	Comm Ind Per Prop New Growth	Total New Growth Applied to the Levy Limit
2008	129,267	14,053	143,320
2009	94,535	22,463	116,998
2010	44,802	20,957	65,759
2011	47,492	7,586	55,078
2012	51,990	15,429	67,419
2013	103,188	19,561	122,749
2014	131,087	29,845	160,932
2015	93,519	10,873	104,392
2016	129,478	20,089	149,557
2017	153,066	41,729	194,795
<b>Average</b>	<b>97,842</b>	<b>20,259</b>	<b>118,100</b>



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

**NEWBURY**  
**FREE CASH & STABILIZATION FUND HISTORY**

Fiscal Year	Free Cash	Stabilization Fund	TOTAL
2008	92,844	81,988	174,832
2009	350,297	635,503	985,800
2010	119,813	639,272	759,085
2011	-130,659	623,825	493,166
2012	413,317	335,927	749,244
2013	959,003	147,582	1,106,585
2014	848,263	89,724	937,987
2015	1,591,092	141,121	1,732,213
2016	2,076,506	392,330	2,468,836
2017	1,929,148	207,961	2,137,109

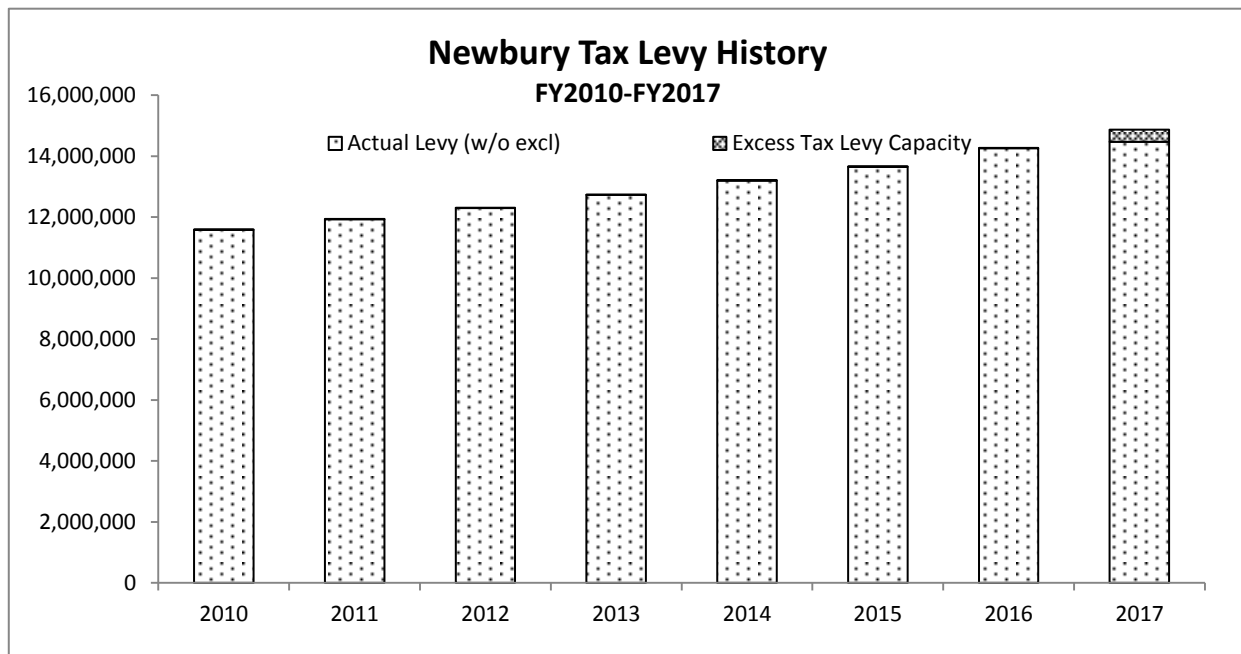


Source: Division of Local Services, MA Department of Revenue, Municipal Databank



**NEWBURY**  
**TAX LEVY HISTORY (excluding Prop 2/12 exclusion)**

Year	Actual Tax Levy (excluding any Debt Exclusion)	Excess Tax Levy Capacity	Total Tax Levy Limit (excluding Debt Exclusion)
2010	11,583,447	8,855	11,592,302
2011	11,924,105	13,081	11,937,186
2012	12,297,574	5,461	12,303,035
2013	12,731,952	1,408	12,733,360
2014	13,203,481	9,145	13,212,626
2015	13,645,583	10,018	13,655,601
2016	14,260,421	12,413	14,272,834
2017	14,470,462	396,067	14,866,529



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

## Newbury FY2018-FY2022 CIP Projected

The below charts lists the projected debt service for CIP projects.

### GENERAL FUND NON-EXEMPT DEBT

Fiscal Year	200,000 REC-1 Field House Imp	160,000 DPW-5 Replace Loader	TOTAL
2018	2,000		2,000
2019	27,000		27,000
2020	26,400	1,600	28,000
2021	25,600	21,600	47,200
2022	25,000	21,040	46,040
2023	24,200	20,480	44,680
2024	23,600	19,920	43,520
2025	22,800	19,360	42,160
2026	22,200	18,800	41,000
2027	21,400	18,240	39,640
2028	20,800	17,680	38,480
2029		17,120	17,120
2030		16,560	16,560
<b>TOTAL EST DEBT</b>	<b>241,000</b>	<b>192,400</b>	<b>433,400</b>

### GENERAL FUND EXEMPT DEBT

Amount Fiscal Year	AUTHORIZED TWN1 Police/Town Hall 6,500,000	FOR VOTER CONSIDERATION		TOTAL
		DPW16 Replace School Roof 410,000 (town share)	CC3 Sediment/Plum island 360,000	
2018	397,500			397,500
2019	397,775	4,100	3,600	405,475
2020	397,825	42,640	48,600	489,065
2021	397,650	41,820	47,520	486,990
2022	402,250	40,590	46,080	488,920
2023	401,400	39,770	45,000	486,170
2024	400,325	38,540	43,560	482,425
2025	399,025	37,720	42,480	479,225
2026	397,500	36,490	41,040	475,030
2027	400,750	35,670	39,960	476,380
2028	398,550	34,440	38,520	471,510
2029	401,125	33,620	37,440	472,185
2030	398,250	32,390		430,640
2031	400,150	31,570		431,720
2032	401,600	30,340		431,940
2033	397,600	29,520		427,120
2034	398,375	28,290		426,665
2035	398,700			398,700
2036	398,575			398,575
2037	398,000			398,000
2038	396,975			396,975
2039	400,500			400,500
2040	398,350			398,350
2041	400,750			400,750
2042	397,475			397,475
2043	398,750			398,750
2044	399,350			399,350
2045	399,275			399,275
2046	398,525			398,525
2047	397,100			397,100
<b>TOTAL EST DEBT</b>	<b>11,969,975</b>	<b>537,510</b>	<b>433,800</b>	<b>12,941,285</b>

**NEWBURY GENERAL FUND DEBT SERVICE as % of GENERAL FUND BUDGET**  
**(excluding Enterprise Budget)**

FY	Non-Exempt Debt Service			Exempt Debt Service (e.g., debt exclusion)				Non-Exempt & Exempt TOTAL PROJECTED DEBT SERVICE	Est @ 3%/yr inc General Fund Budget	Debt Service as % of General Fund Budget
	Existing	Est Auth Unissued	FY18-22 CIP Est	Existing Town	Existing Triton/Whittier	Police Town Hall	FY18-22 CIP Est			
2017	0	0	0	535,407	117,400	0	0	652,807	19,954,987	3.3%
2018	0	0	2,000	514,105	117,400	397,500	0	1,031,005	20,553,637	5.0%
2019	0	0	27,000	488,007	117,400	397,775	405,475	1,435,657	21,170,246	6.8%
2020	0	0	28,000	472,213	117,400	397,825	489,065	1,504,503	21,805,353	6.9%
2021	0	0	47,200	86,400	117,400	397,650	486,990	1,135,640	22,459,514	5.1%
2022	0	0	46,040	83,200		402,250	488,920	1,020,410	23,133,299	4.4%
2023	0	0	44,680			401,400	486,170	932,250	23,827,298	3.9%
2024	0	0	43,520			400,325	482,425	926,270	24,542,117	3.8%
2025	0	0	42,160			399,025	479,225	920,410	25,278,381	3.6%
2026	0	0	41,000			397,500	475,030	913,530	26,036,732	3.5%
2027	0	0	39,640			400,750	476,380	916,770	26,817,834	3.4%
2028	0	0	38,480			398,550	471,510	908,540	27,622,369	3.3%
2029	0	0	17,120			401,125	472,185	890,430	28,451,040	3.1%
2030	0	0	16,560			398,250	430,640	845,450	29,304,571	2.9%
2031	0	0	0			400,150	431,720	831,870	30,183,708	2.8%
2032	0	0	0			401,600	431,940	833,540	31,089,220	2.7%
2033	0	0	0			397,600	427,120	824,720	32,021,896	2.6%
2034	0	0	0			398,375	426,665	825,040	32,982,553	2.5%
2035	0	0	0			398,700	0	398,700	33,972,030	1.2%
2036	0	0	0			398,575	0	398,575	34,991,190	1.1%
2037	0	0	0			398,000	0	398,000	36,040,926	1.1%
2038	0	0	0			396,975	0	396,975	37,122,154	1.1%
2039	0	0	0			400,500	0	400,500	38,235,819	1.0%
2040	0	0	0			398,350	0	398,350	39,382,893	1.0%
2041	0	0	0			400,750	0	400,750	40,564,380	1.0%
2042	0	0	0			397,475	0	397,475	41,781,311	1.0%
2043	0	0	0			398,750	0	398,750	43,034,751	0.9%
2044	0	0	0			399,350	0	399,350	44,325,793	0.9%
2045	0	0	0			399,275	0	399,275	45,655,567	0.9%
2046	0	0	0			398,525	0	398,525	47,025,234	0.8%
2047	0	0	0			397,100	0	397,100	48,435,991	0.8%
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>433,400</b>	<b>2,179,332</b>	<b>587,000</b>	<b>11,969,975</b>	<b>7,361,460</b>	<b>22,531,167</b>		

**NEWBURY WATER/SEWER FUND DEBT SERVICE**

FY	Existing W/S Debt Service	Est Auth/Unissued W/S Debt Service	FY2018-22 CIP EST W/S Debt Service	PROJECTED W/S DEBT SERVICE
2017	609,607	0	0	609,607
2018	607,106	0	0	607,106
2019	600,176	0	0	600,176
2020	597,627	0	0	597,627
2021	574,466	0	0	574,466
2022	571,168	0	0	571,168
2023	442,704	0	0	442,704
2024	443,752	0	0	443,752
2025	443,982	0	0	443,982
2026	232,639	0	0	232,639
2027	237,291	0	0	237,291
2028	226,518	0	0	226,518
2029	236,544	0	0	236,544
2030	235,863	0	0	235,863
2031	235,023	0	0	235,023
2032	238,745	0	0	238,745
2033	237,332	0	0	237,332
2034	235,847	0	0	235,847
2035	238,032	0	0	238,032
2036	98,276	0	0	98,276
2037	98,275	0	0	98,275
<b>TOTAL</b>	<b>7,440,973</b>	<b>0</b>	<b>0</b>	<b>7,440,973</b>

**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.