



CAPITAL IMPROVEMENT PLAN (FY2018 – FY2022)



Town of North Brookfield



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INTRODUCTION

The Town of North Brookfield's \$14.7 million five-year capital improvement plan (CIP) for FY2018-FY2022 will make major inroads into addressing significant infrastructure needs that exist in North Brookfield today and will start the Town on a path of making regular and sizeable investments in the maintenance and improvement of its capital assets. If the CIP is implemented as planned, across the community, residents and businesses will begin to feel the positive impact of the CIP through high visibility projects such as: sidewalk and pedestrian-level improvements in the Town center, a new fire station, and significant road reconstruction projects. Less visibly – but also with great impact – are projects such as replacing dump trucks and pickup trucks, upgrading information technology town wide, and making improvements to the stormwater system to ensure the comfort, health, and safety of residents and Town employees alike.

By looking out across multiple years, Town officials will be able to carefully schedule projects so that they capture declines in existing 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 so as 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 knowing that their efforts will be tracked as part of regular updates to the CIP.

In this rolling five-year plan, funding for the first year will be included in the Town's FY2018 budget or separately approved at Town Meeting, while years two to five will provide a plan for the future that takes into account the best information currently available. During the 2018 fiscal year, another plan — building upon this one— will be developed for the subsequent five years i.e., FY2019 - FY2023. Should more funding become available than is currently anticipated, projects could be moved forward in time and/or additional projects could be added. 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.

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 expenses that occur each year or are more modest in scope, such as salaries or the replacement of a couple of computers. 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.

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;

- any 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.”

The Association goes on to indicate that, “typically capital projects do not include:

- equipment such as furniture or police or public works vehicles which are replaced annually in approximately the same quantity;
- equipment with a useful life of five years or less.”

What is a capital plan?

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 North Brookfield will expend approximately \$14.7 million in funds for 40 capital projects ranging in size from \$8,000 for water main improvements to more than \$4 million for a new fire station.

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

- \$5.8 million in general fund debt, of which \$5.5 million will require voter approval via debt exclusion;
- \$587,000 in pay-as-you-go projects funded by the general fund;
- \$2.7 million funded through water and sewer enterprise fund debt and pay-as-you-go sources; and,
- Over \$1 million in state, federal, and other grants.

In addition to the figures above, the Town also anticipates receiving more than \$2.2 million in the annual Chapter 90 allocation for highway-related projects and \$2.4 million through the Massachusetts School Building Authority (MSBA) for school projects. While the figures known today are substantial, grant funding will certainly increase in upcoming years as new grant opportunities are identified and secured.

ABOUT THE TOWN OF NORTH BROOKFIELD

Within the Town of North Brookfield's 21.1 square miles of land area can be found many significant infrastructure systems that must be maintained each year, including town and school facilities, parks and open space, roadways and sidewalks, the sewer system, stormwater drainage system, and the water system. In addition, the many vehicles and pieces of equipment used by Town 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 North Brookfield's approximately 4,680¹ residents and the vitality of the approximately 46² businesses in town. Town officials face a significant challenge as they strive to keep these systems and equipment in good working condition while potentially expanding others, using the public resources available wisely and directing them to capital investments having the greatest impact.

Infrastructure components for which the Town of North Brookfield is responsible include:

Town Facilities (excluding school facilities)

The Town manages buildings that serve a multitude of purposes from the Police Station and the Haston Free Public Library to the Fire Station and Senior Center. Each of these facilities must be maintained on a regular basis to ensure the safety and comfort of community members and employees who use the buildings. Altogether, the Town's insurance provider has placed a replacement value on the buildings and the personal property within them at over \$13 million (including personal property within the leased Town office space on Main Street).

NORTH BROOKFIELD TOWN FACILITIES	
Town Facility	Location
Fire Station	56 School Street
Fire Training Facility	Adjacent to 59 East Brookfield Road
Haston Free Public Library	161 Main Street
Highway Garage	58 School Street
Police Station	55 School Street
Salt Shed	Donovan Road at East Brookfield Road
Senior Center	29 Forest Street
Town House	183 – 189 Main Street
Transfer Station/Recycling Center	East Brookfield Road



Over the past nearly fifteen years, the Town has been working to restore the Town House. The Town House was built in 1864 and has significant architectural value. In 2001, the building was listed on the National Register of Historic Places. Over the course of the twentieth century, the Town House served as a community meeting and event space, commercial space for local businesses, and office space for some Town offices. By 2002, an engineering assessment confirmed that the building

¹ 2010 Federal Census, Available online: https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml

² 2012 Economic Census of the U.S., Available online:
<https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

was structurally unstable, and it was immediately closed. Since that time, the Town and the Friends of the Town House group have been working toward restoration of the building using grant funds. The building has been shored up and secured against further damage, the bell tower has been restored, and environmental clean-up has occurred on the site.

Recreation Resources and Open Space

North Brookfield residents and visitors can enjoy many areas for active and passive recreation. North Brookfield owns just less than 410 acres of permanently protected land and 76 acres of limited protection land (i.e. municipal buildings and associated land). In addition, there are a total of 745 acres of permanently protected, State-owned land in North Brookfield. Some of this land is owned by the Department of Conservation and Recreation (DCR) and some by the Department of Wildlife and Fisheries. For example, land along Hines Bridge Road is owned by Massachusetts Department of Fisheries and Wildlife and provides access to Five Mile River. It is an important wildlife habitat. There are approximately 1,052 additional acres of privately-owned, permanently-protected land in Town. Further, there are 4,164 acres of privately-owned land under limited protection³.

Notable resources include:

- Horse and Doane Ponds (the Town's reservoirs): Passive recreation such as hiking and shore fishing are allowed in certain areas;
- Five Mile River: Recreational opportunities include fishing, canoeing, and wildlife viewing;
- Brooks Pond: With 104 acres, this pond is privately owned and managed;
- Lake Lashaway: Provides substantial recreational opportunities, including a State public boat launch and a Town Beach in North Brookfield which is co-owned with East Brookfield;
- Town Forest: 162 acres of forested land, of which a portion is being improved to serve as an active and interactive park (Town Forest Park); and,
- Recreation fields and courts are located at the junior/senior high school and a playground is located at the elementary school.

In addition, there is the original Town Common space, one active cemetery (Walnut Grove Cemetery), and the Town owns an old railroad bed.

Major privately-owned open space includes:

- Wendemuth Meadow Preserve: Owned by the East Quabbin Land Trust with a conservation restriction held by the Town, this 30-acre preserve "is a pastoral property featuring a diversity of habitats including hayfield, wet meadow, and stream surrounded by patchy woods and scrubland. The property is actively farmed and hay is harvested after Bobolinks and other important birds have completed their nesting cycle within the grasslands in early summer"⁴; and,
- Elm Hill Wildlife Sanctuary: A 1,090-acre sanctuary owned by the Massachusetts Audubon Society that is located in North Brookfield and Brookfield.



³ Master Plan, 2007, Available online: <http://www.northbrookfield.net/planning-board/pages/master-plan-%E2%80%9393-document>

⁴ East Quabbin Land Trust website, Available online: http://eqlt.org/?page_id=1898

Roadways and Sidewalks

A network of approximately 71 miles of roadway crisscrosses North Brookfield. This includes approximately 69 miles of Town roadway and 2 miles of unaccepted or private roadway⁵.

Roads are typically classified into three categories:

- Local streets comprise approximately 68% of the roads in North Brookfield. These roads provide access to residential properties and generally have lower speed limits.
- Collector streets make up about 14% of the Town's network. These roads primarily collect traffic from local streets and funnel to it arterial streets and vice versa. Examples of collector streets include Gilbert Street and School Street.
- Arterial roadways comprise around 18% of roads in the Town. These roads are designed for mobility, carrying traffic at greater speeds over longer distance than other roads. These streets are typically numbered; examples in North Brookfield include Routes 148 and 67. These roadways are maintained by the State and function as part of a regional highway system.

Sidewalks are found predominantly in the historic town center and not in outlying areas.

School Facilities

The North Brookfield Public School District served 559 students during the 2016-2017 school year in the North Brookfield Elementary School (329 students) and Junior/Senior High School (230 students). The buildings are located adjacent to each other on High School Drive, and each is 83,000 square feet. The elementary school opened in the early 1970s and the junior/senior high school is much newer, having opened in 2004. The schools' campus includes about 6 acres, which house a playground at the elementary school and recreational fields and courts at the junior/senior high school. Based upon 2016-2017 enrollment figures, the Massachusetts School Building Authority estimates that the District requires approximately 110,500 sf⁶ in gross facility space, resulting in approximately 55,500 sf in underutilized space.

Over the past several years, the School Department has focused on energy efficiency improvements at these two facilities. At the elementary school, these upgrades include replacing windows, the boiler plant, and the HVAC system, as well as upgrading much of the lighting. These expenses were paid for with grant monies from the State Department of Energy Resources (DOER) and Massachusetts School Building Authority (MSBA). Efforts to "green" the junior/senior high school are also underway. The Department has worked with National Grid to retrofit the lighting to achieve electricity savings.

Sewer System

The sewer system has 951 connections and serves approximately 60% of the population, mainly in the vicinity of the Town Center. Outlying buildings rely on on-site septic systems. Three pump stations are necessary to carry the septage to the treatment plant; they are located on Bigelow Road, Warren Street, and New Braintree Road.

⁵ "Road Inventory Year End Report 2014," Massachusetts Department of Transportation – Office of Transportation Planning

⁶ The MSBA does not have a gross square foot per student standard for high schools with fewer than 600 students and its regulations say "to be determined". North Brookfield calculations use 226 sf per high school/middle school student which is the standard for 600 to 619 students.

The wastewater treatment plant, located south of the center of Town, was built in 1971 and underwent a major upgrade in 1995. The plant was designed to handle 757,000 gallons per day. However, in 2014, an average of 357,000 gallons per day were treated, about 47% of capacity. That year, a total of 2,784,050 gallons of septage were treated⁷. Treated effluent is discharged to Forget-Me-Not Brook, a tributary of Dunn Brook, which flows to the Quaboag River.⁸ As of summer 2017, the Town awaits its new NPDES permit, which will likely include regulatory language regarding the effluent. It is expected that significant upgrades to the treatment facility will be required to meet these requirements.

Stormwater Collection

The stormwater collection system consists of a variety of drains, catch basins, pipes, and other components designed to collect and convey stormwater. The Town's storm water system is separate from its sewer system. Effective stormwater management is an important function for the protection of water quality and public health, since stagnant water creates breeding grounds for mosquitos. Periodic analysis and repair is needed to keep the system in working condition.

Vehicles and Equipment

Many Town departments, such as the Highway, Fire, and Police Departments, use small and large vehicles and equipment on a daily basis. All of the Town's vehicles and equipment need to be regularly maintained and periodically replaced so that operations are not negatively impacted.

NORTH BROOKFIELD VEHICLE INVENTORY (2017)								
<u>Vehicle/Equip Type</u>	BOH	Cem	Emg Mgmt	Fire	Hwy	PD	W/S	Total by type
Air Compressor					1			1
Backhoe					1			1
Dump Truck					6			6
Loader					2			2
Pickup Truck		1	1		2		4	8
Sidewalk Plow					1			1
Street Sweeper					1			1
SUVs				1		2		3
Tractor					1		1	2
Trailer	4		3	2	2	2	1	14
Police Cruiser						3		3
Fire Truck				7				7
Tanker Truck				2				2
TOTAL	4	1	4	12	17	7	6	51

In addition to the Town vehicles above, the School District has three vehicles including a dump truck, pickup truck, and a tractor.

⁷ 2014 Annual Town Report, Available online: <http://northbrookfield.net/wp-content/uploads/2015/05/2014-Town-Report.pdf>

⁸ Master Plan, 2007, Available online: <http://www.northbrookfield.net/planning-board/pages/master-plan-%E2%80%9393-document>

Water System

Approximately 85% of the population of North Brookfield is served by the municipal water system. In 2016, there were 1,286 service connections reaching approximately 3,900 residents. Meters were installed at all service locations in the early 2000s.

The Town's water is supplied by Horse Pond, a reservoir with a surface area of 63 acres and a storage capacity of 248 million gallons. In addition, the Town owns Doane Pond, a reservoir with a capacity of 43 million gallons that is held as an emergency water source. Approximately 200 homes in the vicinity of Lake Lashaway are interconnected with East Brookfield's water system, which can be used in the case of an emergency. North Brookfield owns approximately 145 acres of watershed land, most of which is adjacent to the reservoirs⁹.

The North Brookfield Water Department Treatment Facility was built in the year 2000. The loan for the facility will be paid off in 2020. The plant has the capacity to treat up to 2 million gallons per day. In 2016, on average, 260,000 gallons per day (13% of capacity) were pumped from Horse Pond. That year, a total of 95 million gallons in total were pumped from the reservoir.

Water flows by gravity to the pumping station located off Oakham Road. A coagulant is added to ensure particles in the water will stick together to form larger particles that can be filtered. It is then pumped up to the treatment plant. At the treatment plant the water goes through an up-flow adsorption clarifier and then a mixed media filter that removes particles that are in the water. The water is then disinfected using chlorine while traveling through a clear well. It is then pumped to the 1.5 million gallon storage tank that is located beside the treatment plant. From the storage tank the water flows by gravity to all parts of the town.

When the existing loan is paid off in 2020, the Water Department plans to begin replacing the distribution piping system.

⁹ Master Plan, 2007, Available online: <http://www.northbrookfield.net/planning-board/pages/master-plan-%E2%80%93document>

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., town council or town meeting) and approval of the 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.¹⁰
 - **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 (e.g., town council or town meeting) and approval of the 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

¹⁰ 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.

outlay expenditures may be authorized for any municipal purpose for which the town 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 the Board of Selectmen 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, such as 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 ambulance receipts 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.”¹¹ 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 entitle funds, each community must prepare a Consolidated Plan every five years outlining the community’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; the conversion of

¹¹ 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.

school buildings for eligible purposes; and activities relating to 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%.
- **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 repair and construction via a series of programs. In the School Building Program, 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. Through the Accelerated Repair Program, the MSBA will fund roof, window, and boiler projects with an expected 18-month completion date. Funding can be provided for multiple projects in a single district in a year. The Major Repair Program includes not only roofs, windows, and boilers, but can also include other significant building renovations. Districts are limited to one project per year under the Major Repair Program, but work can be more substantial than the Accelerated Repair Program.

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

For additional definitions, please refer to the Glossary in the appendices.

NORTH BROOKFIELD CAPITAL PLANNING PROCESS (FY2018-FY2022)

The Town of North Brookfield 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 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 their 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. 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 Town's financial staff and contacted the Town's financial advisor and bond counsel to gain an understanding of the current debt 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. During the process of developing the five-year financial forecast for the Town, various capital funding alternatives were explored until one was selected, as will be discussed under the "Resources Available" section below.

Project Requests

Altogether, 46 project requests were submitted, totaling more than \$11.9 million across all five years of the plan and across all funds. Among the most significant requests were:

- Slightly more than \$4 million for a new fire station;
- \$2.5¹² million for a new roof on the elementary school; and,
- \$1.15 million for improvements to the wastewater treatment plant.

The greatest dollar amount of capital requests was from the Fire Department. In addition to \$4.03 million for a new station, the department requested \$100,000 for a new tanker and \$70,000 for various equipment and facility improvements. The School Department was the next highest department with initial requests totaling \$2.9 million.

When analyzing project requests by fund, it is clear that significant resources can be made available through funding sources other than the general fund. These sources include the water and sewer enterprise funds, the Town's annual allocation of roadway funds from the State (i.e., Chapter 90), and State

¹² The cost estimate for this project was subsequently increased to \$3.9 million.

or Federal loan or grant programs as shown in the following table. Altogether Town departments and the project team identified non-general fund resources that could potentially cover 51.5% of total project requests.

DEPARTMENT REQUESTS BY FUND (ALL YEARS)								
Department	GF Debt	GF PayGo	Water / Sewer	Chp 90	MSBA	Fed / State	Other	Total
Board of Health		10,000						10,000
Board of Selectmen		43,700				750,000	70,000	863,700
Council on Aging/Senior Center		71,500					3,000	74,500
Fire Department	4,030,000	34,000					136,000	4,200,000
Forest Park Committee		15,000						15,000
Highway Department		90,000		964,787			10,000	1,064,787
Library		5,000					5,000	10,000
Police Department		120,000						120,000
School Department ¹³	1,125,000	259,000			1,518,000			2,902,000
Sewer Department			1,675,000					1,675,000
Water Department			1,027,000					1,027,000
Total	5,155,000	648,200	2,702,000	964,787	1,518,000	750,000	224,000	11,961,987
% of Total	43.1%	5.4%	22.6%	8.1%	12.7%	6.3%	1.9%	100.0%

Resources Available

The funding available to the Town of North Brookfield has been broken down into four broad categories, each of which will be discussed below:

- General fund debt and pay-as-you-go
- General fund debt exclusions
- Water/sewer debt and pay-as-you go
- Other Funds

General Fund Debt and Pay-as-You-Go (Non-Excluded)

General Fund History and Outlook

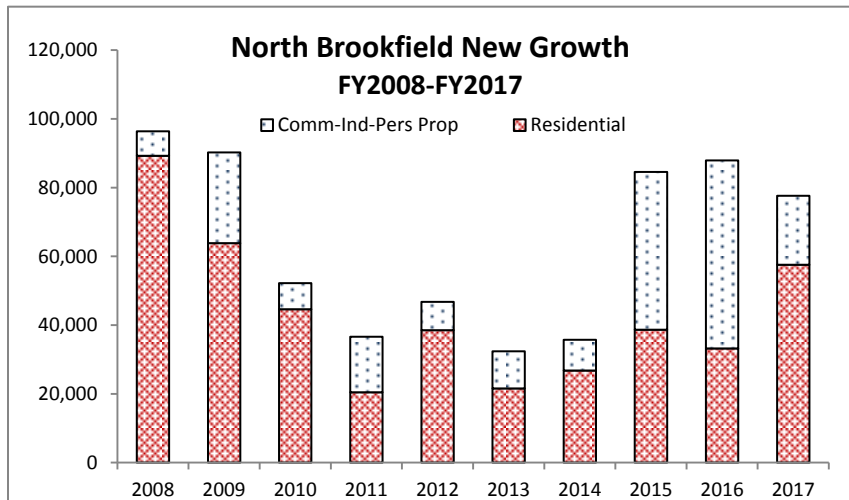
In the fall of 2016, the Collins Center prepared a five-year financial forecast for the Town of North Brookfield. The intent of a forecast is to provide local policymakers with the information they need to make informed decisions around the Town's financial strategies and policies, long-term financial and capital planning, and long-term contracts or obligations. A comprehensive forecast will take into account prior year revenues and expenditures, and make a series of detailed projections that - taken as a whole- paint a

¹³ The amount originally requested for the elementary school roof project (\$2.5 million) was increased in the project plan to reflect the updated cost estimate (\$3.9 million)

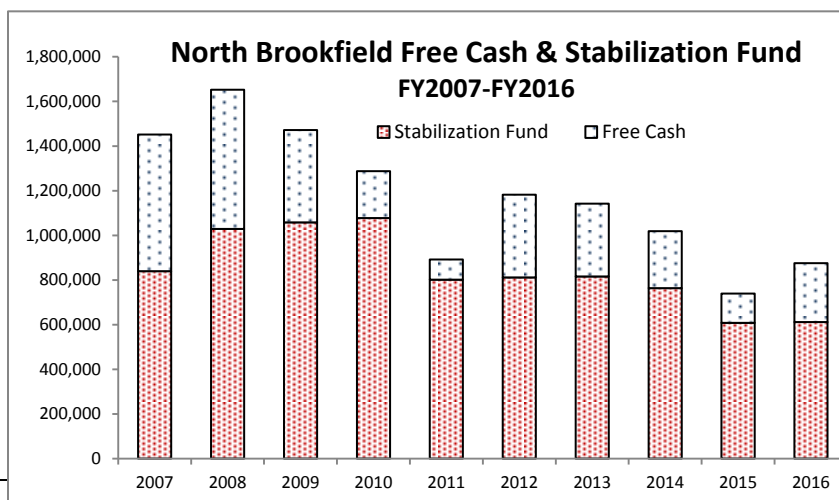
picture of the financial future of the municipality. As a part of the effort for North Brookfield, a five-year capital investment schedule was also developed.

A close review of North Brookfield’s revenue history revealed that revenue growth has been constrained in recent years. Increases in the tax levy authorized under Proposition 2 ½ are anticipated to range from \$135,000 in FY2018 to just over \$154,000 in FY2022.

In addition, “new growth” (i.e., increases in property value and associated tax levy generated by improvements made to property including new construction, renovation, and installation of personal property), which is a key source of revenue in any local tax base, has been modest in recent years. As can be seen in the graphic at the right, new growth fell significantly between FY2010 and FY2014 – years after the Great Recession of 2007-08. In fact, residential new growth peaked in FY2006 in the amount of \$119,072. It subsequently fell to a low of \$20,436 in FY2011. Residential new growth was somewhat healthier in FY2016 (\$33,211) and FY2017 (\$57,555). Commercial and industrial new growth has been even more modest and was \$0 in FY2012, FY2013, and FY2015. The ten-year average for commercial and industrial new growth is approximately \$2,082. Indeed, personal property new growth was the only resource that allowed total new growth to rise as high as \$84,000 to \$87,000 in FY2015 and FY2017. Personal property includes equipment installed at a property such as boilers or solar panels. While a positive contributor to the tax levy, its impact wanes rapidly as the personal property depreciates. A new growth estimate of \$50,000 per year was used in the financial forecast. This figure was conservatively selected as it is lower than ten-year average of new growth (\$64,831).



The five-year forecast for other revenues, including State aid and local receipts, was also modest. In fact, revenue growth across all local sources was projected at a 1.2% increase per year. However, expenditures are projected to increase more rapidly at a rate of between 1.5% and 2.0% per year. Growth in the cost of employee health insurance alone is estimated to add \$73,400 to \$82,500 per year.



As is known, budget shortfalls in North Brookfield are typically addressed by using free cash to close the gap between revenues and expenditures, which is not considered to be a best practice in municipal finance. The Town has also used free cash in the year it was generated, meaning that after new free cash is certified in the fall, a portion or all of it is used to balance the current year budget.

This is risky in that if new free cash is lower than anticipated, budget reductions will be required in the fall even after the fiscal year has started. Over the past ten years, the amount of free cash available in any given fiscal year has ranged from a high of \$623,000 in FY2008 to a low of \$90,329 in FY2011. During this period, the stabilization fund has fallen from just over \$1 million in FY2010 to just over \$600,000 in FY2015 and FY2016.

In the forecast, the Collins Center offered a way to gradually reduce the Town's dependence upon free cash over the five-year period.

Capital Funding

Although funding capital expenses in a financially-constrained budget is challenging, failure to do so is often considerably more costly. If pieces of equipment fail, work on important projects can be halted and the cost to purchase an item in an emergency situation can be higher than planned replacements. Further, failure to maintain town and school property can dramatically increase the cost of the repair and could have implications for public and employee health and safety.

Existing capital spending in FY2017 totaled less than 0.3% of the total annual prior year revenue (i.e., \$33,413 in debt service paid on a USDA loan used to replace school windows within a nearly \$11.5 million annual budget). This is far lower than other Massachusetts communities and is less than the amount needed to maintain North Brookfield's infrastructure. Additional funding has been provided in recent years by local taxpayers in the form of debt exclusions, which are increases to the local property taxes for specific projects authorized by voters. Excluded debt service was just over \$904,000 in FY2017 for projects such as Horse Pond Dam, the police station, improvements to the public schools, and a fire truck, among other projects.

Despite the receptivity of local residents to debt exclusions, establishing a regular source of capital funding within the general fund budget is considered a best practice in the field. Debt exclusions can also be used – and will likely be needed in most communities for larger projects that cannot be absorbed in the general fund budget. With this in mind, the financial forecast identified a capital investment target that would increase capital spending to 2% of prior year revenues by FY2023. In support of this approach, the Town maintained a balance of \$100,000 in its capital stabilization fund as of FY2018.

PROJECTED GENERAL FUND CAPITAL RESOURCES (FY2018-FY2022)						
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
EXISTING CAPITAL INVESTMENT						
Existing Debt Service	33,413	22,544	22,125	21,706	21,287	20,868
Prior Year Net Revenue	11,492,078	11,697,954	11,950,490	12,190,522	12,436,189	12,687,627
Capital Invest as % PY Rev	0.29%	0.19%	0.19%	0.18%	0.17%	0.16%
2% CAPITAL SCENARIO (0.5% increase per year)						
New Capital Investment		35,945	97,380	161,162	227,437	232,885
Capital Invest as % PY Rev		0.50%	1.00%	1.50%	2.00%	2.00%

The identified capital funds can be used either for pay-as-you-go projects, in which the project is paid for in the year undertaken and no debt is incurred, or for debt service for debt-funded projects.

The *Capital Improvement Plan (FY2018-FY2022)* calls for investment of \$588,000 in pay-as-you-go projects over the five-year period and \$158,700 in debt service payments over the same time period. A total of three debt-funded projects are included together with 17 pay-as-you-go projects. Among the debt-funded projects are a new Ford F450, replacing an existing one ton truck, and the replacement of a police cruiser authorized at Town Meeting in June 2017. The total investment over the five-year period will be \$832,568 in general fund projects. As a result of the two projects approved at Town Meeting, the amount of capital spending as a percent of prior year revenues will be somewhat higher than included in the financial forecast between FY2018 and FY2020, but will reach 2.0% in FY2021 as anticipated in the forecast.

GENERAL FUND SPENDING PLAN - NON-EXCLUDED (FY2018-FY2022)						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
GF Pay-as-you-Go	36,000	97,000	146,000	174,000	134,000	587,000
GF Debt Service (New)	30,142	30,142	43,142	42,892	12,375	158,693
GF Debt Service (Existing)	22,544	22,125	21,706	21,287	20,868	
Avail for Future Capital				10,545	86,510	
TOTAL	88,686	149,267	211,848	238,179	167,243	
Capital Invest as % PY Rev	0.76%	1.25%	1.74%	2.0%	2.0%	

General Fund Debt Exclusions

As noted above, North Brookfield taxpayers have willingly increased their tax allotments to fund several important capital projects. The total debt service on these projects will decline by approximately \$20,000 to \$22,000 per year over the next five years from \$882,758 in FY2018 to \$798,768 in FY2022. The *Capital Improvement Plan (FY2018-FY2022)* recommends the consideration of two debt-excluded projects over the next five years. One is an investment of \$4.03 million in the design and construction of a new fire station. The second is for the replacement of the roof on the elementary school; this project is anticipated to receive \$2.413 million in funding from the MSBA and require a local contribution of \$1.496 million.

Water and Sewer Debt and Pay-as-You-Go

The Water Enterprise and Sewer Enterprise funds are supported by fees that are designed to cover the cost of operations and capital expenditures. Investment of \$1.675 million is anticipated from the Water Enterprise and \$1.027 million from the Sewer Enterprise over the next five years.

Other Available Funds

There are other funding sources that can support capital investment. These include:

- **Chapter 90 Funds** – All municipalities in Massachusetts receive an annual allotment of funds from MassDOT for roadway construction, maintenance, or improvement. In the FY2017, the Town received \$311,000. The Town also has an unused balance of \$690,000 carried forward from prior years. The CIP uses the FY2017 figure as an estimate for Chapter 90 funds available in each year of the plan and additionally provides a multi-year approach to drawing down the unexpended prior

year carryforward. This is a conservative approach, but the Town may receive more or less money in future years.

CHAPTER 90 FUNDING AVAILABILITY (FY2018-FY2022)					
	FY2018	FY2019	FY2020	FY2021	FY2022
Annual Allocation	313,140	313,140	313,140	313,140	313,140
Prior Year Carryforward	690,000	443,601	183,815	35,433	9,047
TOTAL	1,003,140	756,741	496,955	348,573	322,187

- **MSBA Funds** – One project has been identified as eligible for MSBA funds.

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?
- 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 46 project requests, 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 are critically needed was elevated for consideration in the plan based upon need and resource availability.

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FY2018-FY2022 CAPITAL PLAN DETAIL

Projects by Department

The *FY2018-FY2022 CIP* funds the vast majority of project requests from department heads (approximately 87%). However, strategic decisions were made to align project costs with the Town's projected available resources across each year of the five-year plan, and the timing or scope of some projects was changed to accommodate the CIP's spending plan. In addition, the plan identifies seven projects that will be exclusively funded through federal, state, or other grant programs.

These capital investments will have a direct impact on the lives of North Brookfield residents, students, businesses, and visitors. The plan prioritizes public safety, economic growth, and infrastructure, and many projects will have significant impacts in these areas. Projects will ensure roadways and stormwater infrastructure are safe, improve the school environment for student learning, increase the safety and aesthetics of the Town Center to support economic growth, and upgrade public safety facilities and vehicles, while improving the safety of staff and the residents they serve. As shown in the table below, significant investments will be made via the highway, fire, police, school, and parks and recreation departments. More modest investments will be made in other departments as well.

INVESTMENT BY DEPARTMENT All Projects, All Funding Sources (FY2018-FY2022)		
Department	Project Count	Amount
Board of Selectmen	3	870,000
Board of Health	1	10,000
Council on Aging	2	51,000
Fire Department	5	4,186,000
Highway Department	10	2,414,317
Library	1	10,000
Police Department	2	212,764
School Department	10	4,276,508
Sewer Department	3	1,675,000
Water Department	3	1,027,000
Total	40	14,732,589

Projects by Asset Type

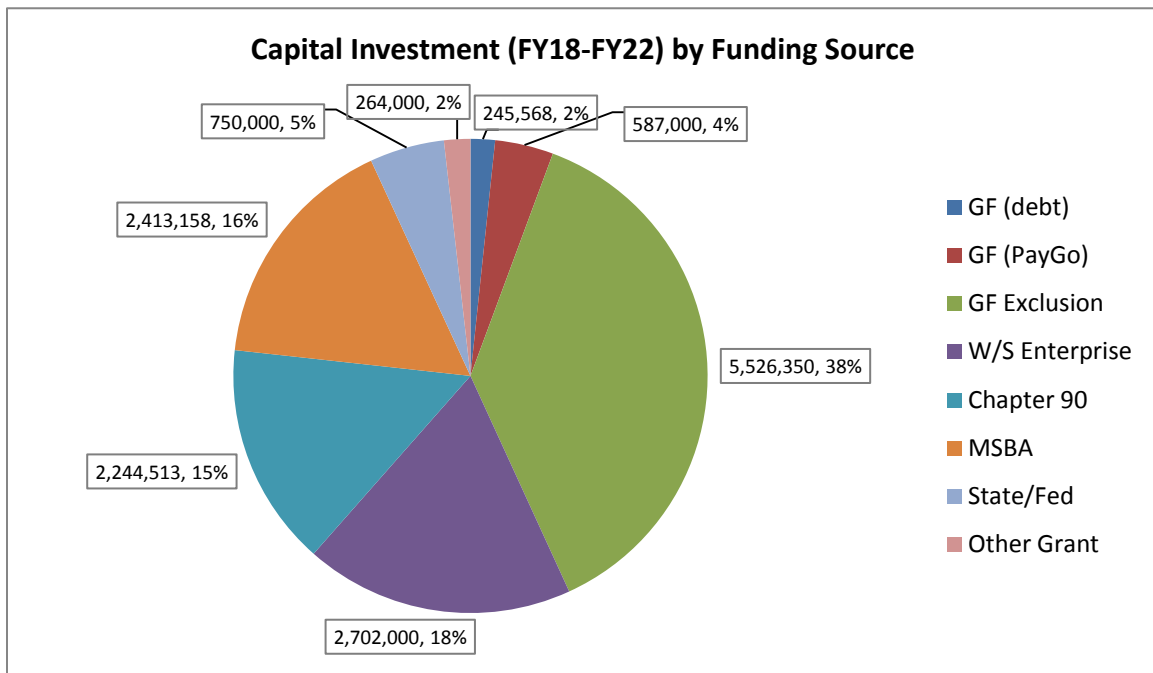
As shown in the table below, across all asset types the most significant capital investment is in facilities projects (more than \$9.5 million) which constitute about 65% of the total expenditure over five years. More than 80% of this amount is earmarked for a new fire station and to replace the elementary school roof. Investments in roads and sidewalks represent the second most significant asset category at nearly \$2.6

million, or about 18% of the total. Sewer and Water infrastructure projects represent approximately 10.6% of the total investment.

INVESTMENT BY ASSET TYPE (FY2018-FY2022)		
Asset Type	Total Investment	% of Total
Facilities	9,509,508	64.5%
Information Technology	80,000	0.5%
Roads/Sidewalks	2,606,513	17.7%
Sewer Infrastructure	525,000	3.6%
Stormwater Infrastructure	75,000	0.5%
Vehicles/Equipment	909,568	6.2%
Water Infrastructure	1,027,000	7.0%
Total	14,732,589	100.0%

Projects by Funding Sources

The projects included in the CIP will be funded through a combination of funding sources, including general fund debt and pay-as-you-go, enterprise fund monies, and state grants. A total of 36% of projects will be paid for through the Town's general fund, either as a result of borrowing or as a pay as you go project, and 6% of projects will be funded by the water/sewer enterprise fund. The balance of projects (58% of total) will be funded from non-local sources including state, federal, and other sources amounting to nearly \$5 million over five years.



Impact on Annual Debt

Projected annual debt service from the new projects is expected to be relatively low, as only three projects are recommended to be funded directly by the tax levy through debt. The first two projects – a Ford F450 and a Police Cruiser were approved by Town Meeting in June 2017. The estimated total non-excluded general fund debt service for these two projects will be \$30,142 from FY2018 to FY2022. The third debt-funded project is for improvements to the elementary school auditorium (\$125,000), which will take place in FY2020. This will result in a high of \$43,142 in debt service in FY2020, but this will fall to \$12,375 in FY2022 as the two vehicles are paid off.

As planned, two projects will require debt exclusions approved by local voters. These include the construction of a new fire station at a total cost of just over \$4 million and replacement of the elementary school roof. Nearly 63% of the \$3.9 million school roof project is anticipated to be funded by the MSBA (\$2.413 million), leaving a local match of approximately \$1.5 million to be paid by local taxpayers.

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PROJECT DESCRIPTION AND COST BY DEPARTMENT

Project #	Project Title	Project Description	Total Cost
Board of Health			
BOH1	Corrective actions at capped landfill	The project is to cut back trees, brush, and vegetation around the landfill as well as clear debris from the swales in order to comply with prescriptive actions prescribed by the Mass. Department of Environmental Protection.	10,000
Board of Selectmen			
BOS1	Infrastructure Improvement in East Side Neighborhood	The project is the next phase of work to improve the infrastructure of the East Side Neighborhood. In the FY2013 grant cycle, the Town joined with the Town of Spencer and, working with the Pioneer Valley Planning Commission, applied for CDBG monies. Part of the grant funded a study of infrastructure improvements needed in the East Side Neighborhood. Then, in the FY2015 cycle, CDBG monies were received for engineering design for infrastructure improvements on North Common Street, which is part of the East Side Neighborhood. The project will be construction of the designed improvements.	750,000
BOS2	Information Technology town wide	The project is the ongoing replacement of outdated IT hardware, such as computers, printers, and servers, in municipal offices.	50,000
BOS3	Improvements to the Town Center	The project is to make improvements to the Town Center, including sidewalk rehabilitation and installation and other pedestrian-level pavement improvements, accessibility measures, signage, and beautification efforts such as seating and plantings. The project may include public art installation, improvements to the pocket park at North Main and School Streets, and/or changes to improve parking.	70,000
Council on Aging			
COA1	Investigation of roof leaks and associated repairs to the exterior of the Senior Center	The project is the investigation of leaks in the roof and the roof's expected remaining life. \$40,000 has been included for replacement of all or part of the Senior Center roof and replacement of siding that was damaged due to leaks from the roof. Damage behind the walls where the leaks occur should be investigated and corrected if found.	40,000
COA2	Purchase new commercial dishwasher, commercial stove, and dishes, bowls, and glassware	The project is the purchase of a commercial dishwasher, commercial stove, and dishes, bowls, and glassware to serve breakfast and lunch at the Senior Center.	11,000
Fire Department			
FD1	Build new fire station	The project is to design and build a new fire station. The existing fire station is inadequate in many ways. The most significant inadequacies are space to park apparatus, store equipment and supplies, house staff offices, and to provide adequate sleeping quarters (esp. bunk rooms). Currently, the department's ladder truck is stored in the highway garage and there are trailers and a boat stored outside. During the winter, the boat has to be located at a school facility to	4,030,000

PROJECT DESCRIPTION AND COST BY DEPARTMENT

Project #	Project Title	Project Description	Total Cost
		protect it from the weather.	
FD3	Replace 1975 tanker with used unit	The project is to purchase a surplus vehicle and outfit it with a skid unit. A skid unit is self-contained firefighting equipment that can slide onto a truck. It is used for fighting fires that are relatively inaccessible because of road conditions or lack of roads, for example: brush fires, forest fires, land accessed by dirt roads, etc. Currently the tanker truck has a tank capacity of 1,200 gallons. A new skid unit would increase the capacity to 2,000 gallons, making the fire fighters more effective on-scene.	100,000
FD4	Purchase new NFPA-compliant washer and dryer	The project is to purchase a washer and dryer that are compliant with NFPA standard 1851, which sets standards for cleaning and decontaminating personal protective equipment. Properly cleaned gear protects the health of firefighters and their families by reducing exposure to contaminants and ensures that gear functions properly during a fire.	20,000
FD5	Pave the driveway at training facility	The project is to pave the driveway at the training facility.	20,000
FD6	Purchase skid unit for forestry truck to expand tank capacity	The project is to purchase a new skid unit for the 1953 forestry truck. A skid unit is self-contained firefighting equipment that can slide onto a truck. It is used for fighting fires that are relatively inaccessible because of road conditions or lack of roads, for example: brush fires, forest fires, land accessed by dirt roads, etc. Currently the forestry truck has a tank capacity of 125 gallons. A new skid unit would increase the capacity to 300 gallons, making the fire fighters more effective on-scene.	16,000
Highway Department			
HWY1	Annual stormwater improvement projects	The project is funding for an annual stormwater management improvement project with the goal of reducing flooding experienced in certain areas of Town, including residential areas.	75,000
HWY2	Replace one-ton dump truck with a Ford F450	The project is the replacement of a one-ton dump truck with a Ford F350 truck. The existing truck is a 2001 with 121,717 miles on it. It is used every day for patching potholes and other daily work and for plowing in the winter. (This project was approved at Town Meeting in June 2017. Project cost includes debt service.)	69,804
HWY3	Replace existing 1997 street sweeper	The project is the replacement of the 1997 street sweeper with a new street sweeper. The entire town is swept annually and then downtown area is swept more often. The existing sweeper lacks proper dust control systems, which has a negative impact on public health and air quality. Also, repair costs have been significant and are projected to increase. (This project was approved at Town Meeting in June 2017. Project cost includes debt service.)	225,371
HWY4	Rebuild concrete abutment at Sucker Brook Bridge	The project is the rebuilding of the concrete abutment at the bridge, which was damaged when it was hit by a truck.	10,000
HWY5	Reconstruct East Brookfield Road	The project is the reconstruction of East Brookfield Road, which is in significant disrepair. The project will cover 26,516 square yards and require 4,508 tons of asphalt.	368,326
HWY6	Reconstruct North Main Street	The project is the reconstruction of North Main Street, which is in significant disrepair and sustains heavy traffic. The project will cover 9,974 square yards/1250 linear feet and require	248,539

PROJECT DESCRIPTION AND COST BY DEPARTMENT

Project #	Project Title	Project Description	Total Cost
		1,696 tons of asphalt for the roadway. In addition, the sidewalks will be reconstructed.	
HWY7	Reconstruct Gilbert Street	The project is the reconstruction of Gilbert Street, which is in significant disrepair. The project will cover 4,458 square yards and require 758 tons of asphalt for the roadway. In addition, the sidewalks will be reconstructed.	91,922
HWY8	Relocate bathroom out of breakroom	The project is the reconfiguration of the breakroom and kitchen area so that the bathroom will be separate from the breakroom.	15,000
HWY9	Annual road improvements	The project is improvements to various roads using annual Chapter 90 funding.	1,067,726
HWY10	Replace large 10-wheel dump truck	The project is to replace an existing large dump truck. (This project was approved at Town Meeting in June 2017. Project cost includes debt service.)	242,629
Library			
LIB1	Identify and correct leaks in Library Tower slate roof	The project is to identify and correct leak(s) in the Library Tower slate roof. Also, repairs should be made to damaged areas of interior walls and ceiling after leak(s) have been corrected.	10,000
Police Department			
PD1	Replacement of police cruisers	The project is to establish a 5-year replacement cycle for police cruisers. The first cruiser to be replaced is a 2009 Ford Crown Victoria cruiser that already has more than 150,000 miles. The next vehicle anticipated to be replaced will be a 2015 Ford Interceptor cruiser in FY2020. Cyclical replacement ensures that maintenance and repair costs remain relatively low and stable from year to year. (Replacement of one vehicle at a cost of \$50,674 was approved at Town Meeting in June 2017. Project cost includes debt service. The cost of the remaining three does not include debt service.)	182,764
PD2	Purchase new inkless digital fingerprint scanning system	The project is the purchase of an inkless, digital fingerprint scanning system. Electronic fingerprint scanning is fast becoming the industry norm, and may be mandated in the future. This type of system has many advantages over the traditional ink-based system. First, images of fingerprints are higher quality, reducing the number of prints that get rejected. Second, the system can automatically transmit fingerprints to the Massachusetts State ID Section and FBI, allowing for a quick response on the subject's criminal history while the subject is still in custody. The FBI's Integrated Automated Fingerprint Identification System (IAFIS) provides automated search capability, latent search capability, electronic image storage, electronic exchange, and 24/7/365 response. In addition, questionable identities can be confirmed or denied and active warrants can be confirmed.	30,000
School Department			
SCH1	Replace roof at elementary school	The project is the replacement of the elementary school roof, opened in 1974 and re-coated in 1990. Issues include: a few leaks in roof, gutters damaged, snow slides in winter are hazardous. Solar installers will not consider site until roof is updated.	3,909,508
SCH2	Make additional improvements to elementary school auditorium	The project is the renovation of elementary school auditorium, opened in 1974, to include new chairs.	125,000
SCH3	Repave driveway and replace	The project is the repaving of driveway and replacement of curbs.	50,000

PROJECT DESCRIPTION AND COST BY DEPARTMENT

Project #	Project Title	Project Description	Total Cost
	curbs around playground		
SCH4	Replace flooring in elementary school	The project is the renovation of damaged elementary school flooring in hallways, several classrooms and office spaces.	30,000
SCH5	Replace elementary school plumbing fixtures	The project is the replacement of all plumbing fixtures in elementary school.	45,000
SCH6	Replace or repair burners in elementary school boilers	The project is the replacement of the elementary school burners	30,000
SCH7	Replace two entry doors in elementary school	The project is the replacement of two entrance doors at the elementary school in the K-2 hallway.	25,000
SCH8	Replace freezer and oven in elementary school kitchen	The project is the replacement of the freezer and oven in the elementary school kitchen.	25,000
SCH9	Remove abandoned elementary school oil tank and replace	The project is the removal of abandoned oil tank at elementary school and replacement with oil recovery safety tank	20,000
SCH11	Replace equipment for elementary custodial services	The project is the purchase one mower capable of mowing large areas at a time.	17,000
Sewer Department			
SEW1	Engineering design and future upgrade for wastewater treatment plant	The project is for engineering in FY17 and later construction of various upgrades to the wastewater treatment plant, including: Install Oxygen and pH auto control, upgrade septage receiving, upgrades aeration process, upgrade Influent Flow Meter, and install SCADA system. The project cost includes engineering for all of the above work.	1,150,000
SEW3	Clean and line sections of sewer mains in various locations	The project is to jet sewer mains and remove debris that has accumulated and cause for blockages. Document through TV scoping areas that require repair to eliminate inflow and infiltration.	150,000
SEW4	Replacement of Ultra Violet light disinfection system	The project is the replacement of entire UV light disinfection system to include mercury arc lamps, the reactor and ballasts as well as the electrical system to support the plant.	375,000
Water Department			
WAT1	Replace Asbestos Concrete (AC) Pipe in various locations	The project is to replace up to 1 mile sections of AC pipe annually starting with areas where the highest number of water main breaks have occurred.	1,000,000
WAT2	Replace Distribution Gate Valves in various locations	The project is to replace up to 10 gate valves per year at various locations starting with the downtown area.	19,000
WAT3	Loop sections of the water main in various locations.	The project is to eliminate dead end sections of the water distribution system at various locations typically requiring 1,000 linear feet of 6" or 8" piping.	8,000

PROJECT SCHEDULE BY FISCAL YEAR AND FUNDING SOURCE

Project #	Project Title	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total	Comments
	GENERAL FUND DEBT-EXCLUDED PROJECTS							
FD1	Build new fire station		30,000	2,000,000	2,000,000		4,030,000	
SCH1	Replace roof at elementary school			1,496,350			1,496,350	See also MSBA-eligible
	Sub-Total Debt Excluded Projects	0	30,000	3,496,350	2,000,000	0	5,526,350	
	GENERAL FUND DEBT-FUNDED PROJECTS							
HWY2	Replace one-ton dump truck with a Ford F450	17,451	17,451	17,451	17,451		69,804	
PD1	Replacement of police cruisers	12,691	12,691	12,691	12,691		50,764	
SCH2	Make additional improvements to elementary school auditorium			125,000			125,000	
	Sub-Total Debt Funded Projects	30,142	30,142	155,142	30,142	0	245,568	
	GENERAL FUND PAY AS YOU GO PROJECTS							
BOH1	Corrective actions at capped landfill	10,000					10,000	
BOS2	Information Technology Town-wide	10,000	10,000	10,000	10,000	10,000	50,000	
COA1	Investigation of roof leaks and associated repairs to the exterior of the Senior Center		40,000				40,000	
COA2	Purchase new commercial dishwasher, commercial stove, and dishes, bowls, and glassware			10,000			10,000	See also Grants/Other
FD5	Pave the driveway at training facility				20,000		20,000	
HWY1	Annual storm water improvement projects		15,000	15,000	30,000	15,000	75,000	
HWY8	Relocate bathroom out of breakroom		15,000				15,000	
LIB1	Identify and correct leaks in Library Tower slate roof	10,000					10,000	
PD1	Replacement of police cruisers			44,000	44,000	44,000	132,000	See also Debt-Funded
PD2	Purchase new inkless digital fingerprint scanning system					30,000	30,000	
SCH11	Replace equipment for elementary custodial services			17,000			17,000	
SCH3	Repave driveway and replace curbs around playground				15,000	35,000	50,000	
SCH4	Replace flooring in elementary school				30,000		30,000	
SCH6	Replace or repair burners in elementary school boilers			30,000			30,000	
SCH7	Replace two entry doors in elementary school	8,000	15,000				23,000	
SCH8	Replace freezer and oven in elementary school kitchen				25,000		25,000	
SCH9	Remove abandoned elementary oil tank and replace			20,000			20,000	
	Sub-Total Pay as You Go Projects	38,000	95,000	146,000	174,000	134,000	587,000	
	ENTERPRISE FUND PROJECTS							
SEW1	Engineering design and future upgrade for wastewater treatment plant	50,000		1,100,000			1,150,000	
SEW3	Clean and line sections of sewer mains in various locations	30,000	30,000	30,000	30,000	30,000	150,000	
SEW4	Replacement of Ultra Violet light disinfection system					375,000	375,000	
WAT1	Replace Asbestos Concrete (AC) Pipe in various locations	100,000	100,000	250,000	250,000	300,000	1,000,000	

PROJECT SCHEDULE BY FISCAL YEAR AND FUNDING SOURCE

Project #	Project Title	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total	Comments
WAT2	Replace Distribution Gate Valves in various locations	5,000	5,000	3,000	3,000	3,000	19,000	
WAT3	Loop sections of the water main in various locations.	2,000		3,000		3,000	8,000	
	Sub-total Enterprise Funded Projects	187,000	135,000	1,386,000	283,000	711,000	2,702,000	
	CHAPTER 90 FUNDED PROJECTS							
HWY3	Replace existing 1997 street sweeper	45,074	45,074	45,074	45,074	45,074	225,371	Debt-funded over 4 yrs
HWY5	Reconstruct East Brookfield Road		368,326				368,326	
HWY6	Reconstruct North Main Street	248,539					248,539	
HWY7	Reconstruct Gilbert Street			91,922			91,922	
HWY9	Annual road improvements	217,400	111,000	276,000	245,926	217,400	1,067,726	
HWY10	Replace 10-wheel dump truck	48,526	48,526	48,526	48,526	48,526	242,629	Debt-funded over 4 yrs
		559,539	572,926	461,522	339,526	311,000	2,244,513	
	MSBA-ELIGIBLE PROJECTS							
SCH1	Replace roof at elementary school			2,413,158			2,413,158	See also Debt-Excluded
	Sub-Total MSBA-Eligible Projects	0	0	2,413,158	0	0	2,413,158	
	GRANT/OTHER FUNDED PROJECTS							
BOS1	Infrastructure Improvement in East Side Neighborhood		750,000				750,000	Federal CDBG monies
BOS3	Improvements to the Town Center		50,000	20,000			70,000	Grants under consideration are: USDA Rural Development, MassWorks, Chapter 90, Cultural Council grants
COA2	Purchase new commercial dishwasher, commercial stove, and dishes, bowls, and glassware			1,000			1,000	Friends of the Senior Center
FD3	Replace 1975 tanker with used unit	100,000					100,000	Federal Assistance to Firefighters grant (AFG)
FD4	Purchase new NFPA-compliant washer and dryer	20,000					20,000	Federal Assistance to Firefighters grant (AFG)
FD6	Purchase skid unit for forestry truck to expand tank capacity	16,000					16,000	Federal Assistance to Firefighters grant (AFG)
HWY4	Rebuild concrete abutment at Sucker Brook Bridge		10,000				10,000	Small Bridge Repair Program
SCH5	Replace elementary school plumbing fixtures	45,000					45,000	Bay Path Vocational School
SCH7	Replace two entry doors in elementary school		2,000				2,000	School District
	Sub-Total Grant/Other Funded Projects	181,000	812,000	21,000	0	0	1,014,000	

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
GRAND TOTAL	995,681	1,675,068	8,079,172	2,826,668	1,156,000	14,732,589

APPENDICES

Appendix 1: North Brookfield at a Glance

Appendix 2: New Growth History

Appendix 3: Free Cash and Stabilization Fund History

Appendix 4: Tax Levy History

Appendix 5: Single Family Tax Bill History

Appendix 6: Select DLS Municipal Finance Glossary

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DLS At A Glance Report for North Brookfield

Appendix 1

Socioeconomic	
County	WORCESTER
School Structure	K-12
Form of Government	OPEN TOWN MEETING
2014 Population	4,749
2016 Labor Force	2,626
2016 Unemployment Rate	2.90
2014 DOR Income Per Capita	24,974
2009 Housing Units per Sq Mile	96.76
2013 Road Miles	70.83
EQV Per Capita (2016 EQV/2014 Population)	84,187
Number of Registered Vehicles (2014)	71,980
2012 Number of Registered Voters	3,290

Bond Ratings	
Moody's Bond Ratings as of December 2017*	
Standard and Poor's Bond Ratings as of December 2017*	AA-

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

Fiscal Year 2018 Estimated Cherry Sheet Aid	
Education Aid	4,689,831
General Government	882,559
Total Receipts	5,572,390
Total Assessments	710,959
Net State Aid	4,861,431

Fiscal Year 2017 Tax Classification			
Tax Classification	Assessed Values	Tax Levy	Tax Rate
Residential	347,525,294	5,744,593	16.53
Open Space	0	0	0
Commercial	13,974,155	230,993	16.53
Industrial	8,740,900	144,487	16.53
Personal Property	12,930,357	213,739	16.53
Total	383,170,706	6,333,812	

Fiscal Year 2017 Revenue by Source		
Revenue Source	Amount	% of Total
Tax Levy	6,333,812	41.74
State Aid	5,429,472	35.78
Local Receipts	2,663,985	17.56
Other Available	745,810	4.92
Total	15,173,079	

Fiscal Year 2017 Proposition 2 1/2 Levy Capacity	
New Growth	77,587
Override	
Debt Exclusion	904,337
Levy Limit	6,337,481
Excess Capacity	3,669
Ceiling	9,579,268
Override Capacity	4,146,124

Other Available Funds		
FY2018 Free Cash	FY2016 Stabilization Fund	FY2017 Overlay Reserve
478,285	611,256	56,331

Fiscal Year 2017 Average Single Family Tax Bill**	
Number of Single Family Parcels	1,314
Assessed Value of Single Family	201,511
Average Single Family Tax Bill	3,331
State Average Family Tax Bill	
Fiscal Year 2015	5,214
Fiscal Year 2016	5,418
Fiscal Year 2017	5,616

North Brookfield 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 FY2017, those communities are Barnstable, Boston, Brookline, Cambridge, Chelsea, Everett, Malden, Nantucket, Provincetown, Somerset, Somerville, 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	Special Revenue	Capital Projects	Enterprise Funds	Trust Revenue	Total All Funds
Revenues	12,205,661	2,895,489	21,516	1,787,256	52,939	16,962,861
Expenditures	12,250,260	2,803,946			18,304	15,072,510
Police	519,664	0	0	0	0	519,664
Fire	98,796	0	0	0	0	98,796
Education	6,130,960	1,251,214		0	0	7,382,174
Public Works	699,781	927,254			0	1,627,035
Debt Service	1,013,657					1,013,657
Health Ins	1,657,440				0	1,657,440
Pension	344,739				0	344,739
All Other	1,785,223	625,478	0	0	18,304	2,429,005

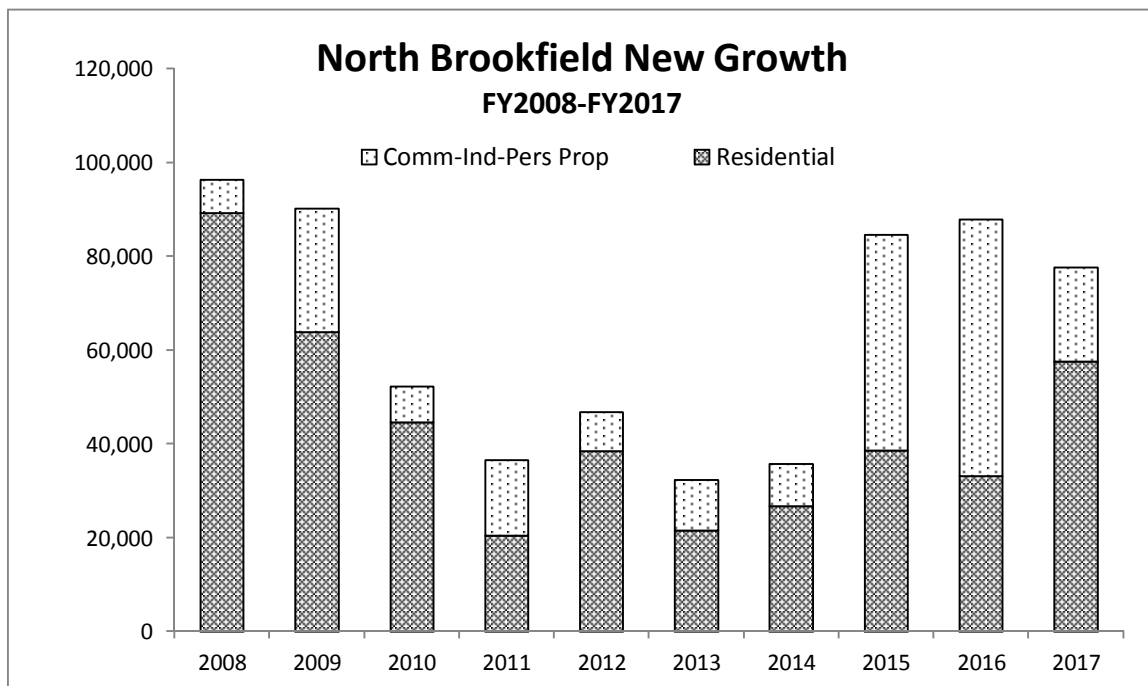
Total Revenues and Expenditures per Capita						
	General Fund	Special Revenue	Capital Projects	Enterprise Funds	Trust Revenue	Total All Funds
Revenues	2,570.2	609.7	4.5	376.3	11.1	3,571.9
Expenditures	2,579.5	590.4	0.0	0.0	3.9	3,173.8

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

NORTH BROOKFIELD NEW GROWTH HISTORY

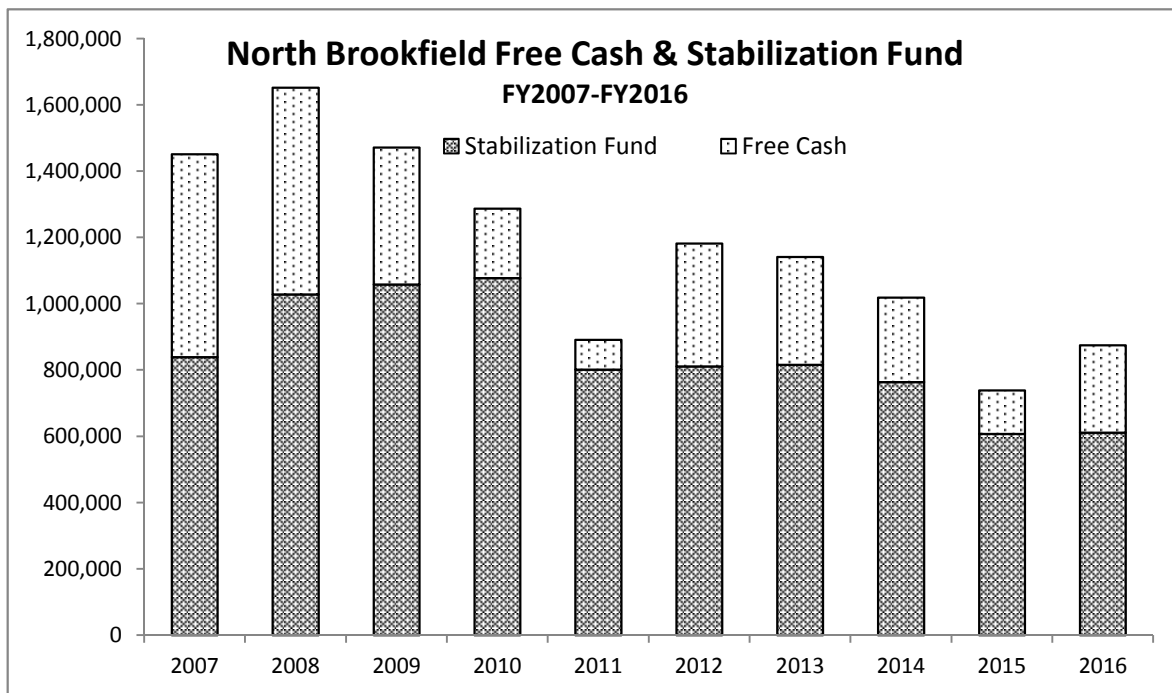
Year	Residential New Growth	Comm Ind Per Prop New Growth	Total New Growth Applied to the Levy Limit
2008	89,232	7,151	96,383
2009	63,818	26,406	90,224
2010	44,585	7,609	52,194
2011	20,436	16,176	36,612
2012	38,497	8,269	46,766
2013	21,576	10,785	32,361
2014	26,758	8,945	35,703
2015	38,638	45,896	84,534
2016	33,211	54,668	87,879
2017	57,555	20,032	77,587
10-Year Avg	43,431	20,594	64,024



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

NORTH BROOKFIELD FREE CASH & STABILIZATION FUND HISTORY

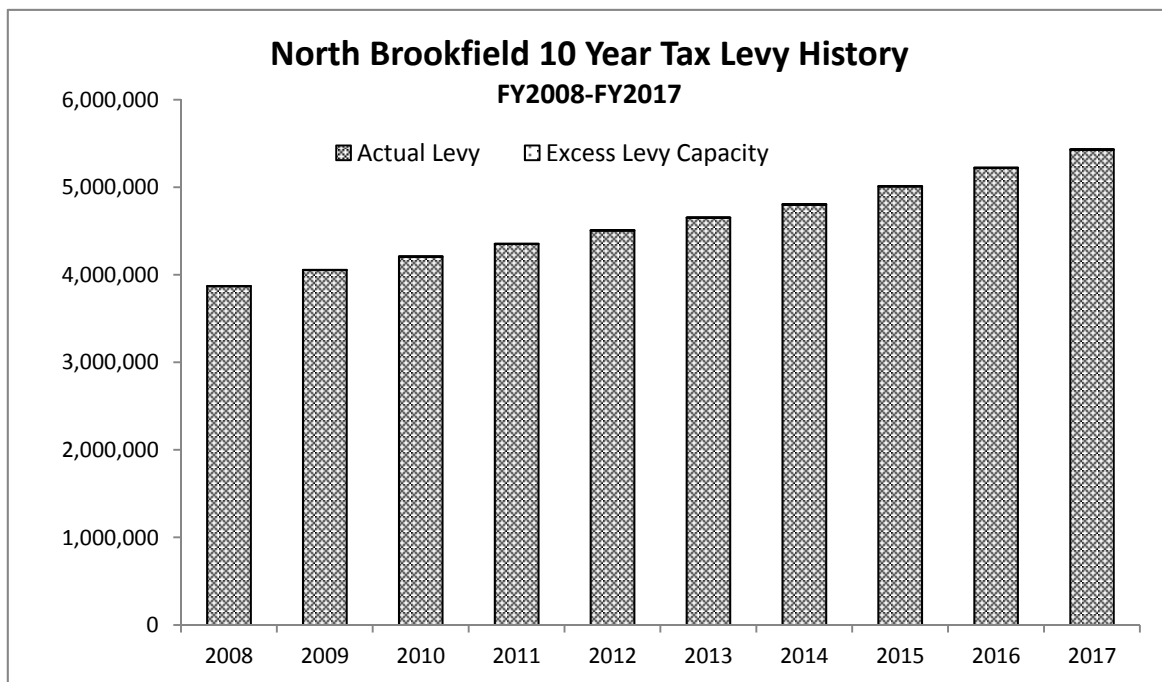
Year	Free Cash	Stabilization Fund	TOTAL
2007	612,338	839,216	1,451,554
2008	623,401	1,028,422	1,651,823
2009	413,217	1,057,871	1,471,088
2010	210,125	1,077,144	1,287,269
2011	90,329	801,264	891,593
2012	370,175	811,405	1,181,580
2013	325,945	815,534	1,141,479
2014	255,023	763,185	1,018,208
2015	131,230	607,617	738,847
2016	263,688	611,255	874,943



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

NORTH BROOKFIELD TAX LEVY HISTORY

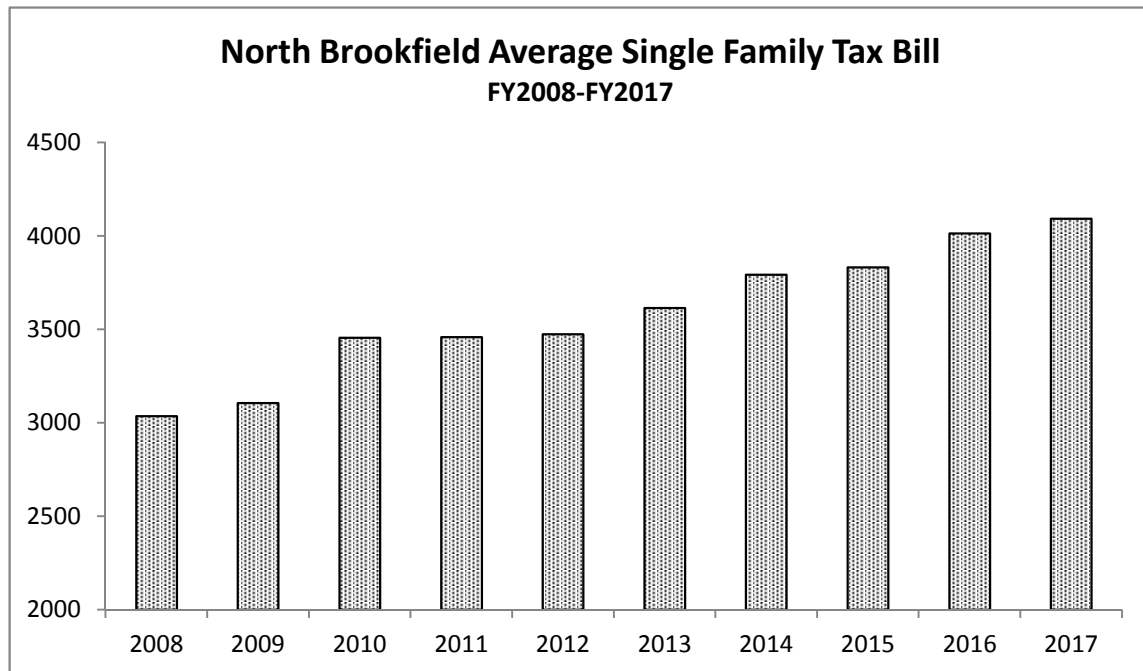
Year	Actual Tax Levy (excluding any Debt Exclusion)	Excess Tax Levy Capacity	Total Tax Levy Limit (excluding Debt Exclusion)	Total Levy (incl. exclusions)
2008	3,869,390	656	3,870,046	4,452,525
2009	4,055,196	1,825	4,057,021	4,764,408
2010	4,204,956	7,368	4,212,324	4,936,650
2011	4,352,991	1,253	4,354,244	5,343,332
2012	4,506,797	3,069	4,509,866	5,317,594
2013	4,653,207	1,767	4,654,974	5,594,485
2014	4,800,825	6,226	4,807,051	5,770,818
2015	5,009,921	1,840	5,011,761	5,955,246
2016	5,221,459	3,475	5,224,934	6,145,904
2017	5,429,475	3,669	5,433,144	6,333,812



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

NORTH BROOKFIELD **AVERAGE SINGLE FAMILY TAX BILL HISTORY**

Fiscal Year	Avg SF Tax Bill	Annual Change		State Rank
		Amount	Percent	
2008	2,481			295
2009	2,599	118	4.8%	291
2010	2,650	51	2.0%	298
2011	2,868	218	8.2%	277
2012	2,854	-14	-0.5%	294
2013	3,003	149	5.2%	280
2014	3,098	95	3.2%	284
2015	3,185	87	2.8%	285
2016	3,244	59	1.9%	292
2017	3,331	87	2.7%	n/a



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

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.