



Public Hearing

for

Spencer Comprehensive Road Improvements Project

***McCourt Social Hall
Spencer Town Hall***

***Board of Selectmen and the
Financial Management Planning Committee***

January 20, 2016



Presentation Outline

➤ **Introduction to the FMPC**

**Adam Gaudette,
Town Administrator**

- ❑ *Charge: Long Range Planning*
- ❑ *2012 Survey + Other Key Dates*

➤ **Pavement Management Analysis**

Bill Scarpati, Stantec

- ❑ *PCI Index & Network Conditions*
- ❑ *Proposed Bond Segments & Budget*
- ❑ *Future PCI and Backlog Projections*

➤ **Road Improvements**

Steven J. Tyler, P.E., Spencer U&F

- ❑ *Updates: Rt. 31, Main Street, CDBG*

➤ **Financing**

**Adam Gaudette,
Town Administrator**

- ❑ *Chapter 90 Limitations*
- ❑ *Borrowing/Payment Schedule*

➤ **Budget Implications**

**Adam Gaudette,
Town Administrator**

- ❑ *Prop2 ½ - Process*
- ❑ *Capital Stabilization Fund*
- ❑ *Tax Rate/Bill Impacts*

➤ **Questions**



Financial Management Planning Committee

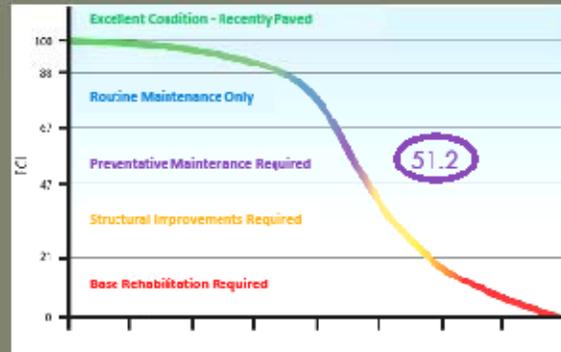
➤ *Introduction to the FMPC*

- ❑ *Charge: Adopted by the Board of Selectmen August 2010*
- ❑ *2 Members of the BoS, 2 Members of the Finance Com, 1 Capital Com Member*
- ❑ *Develop Long Term Financial and Capital Plans - Working Document 2011*
- ❑ *Conducted Town-wide Survey in 2012:*
 - *Road Improvements 42.5%*
 - *New David Prouty High School 26.5%*
 - *Municipal Building Repairs 11.0%*
 - *Municipal Equipment Purchases 7.5%*
 - *New Senior Center Building 7.0%*
 - *Bay Path School Renovations 6.0%*
- ❑ *Spencer East Brookfield Regional School District Budget Deficit 2012*
- ❑ *MA Dept. of Elementary & Secondary Education Decision 2013*
- ❑ *Failed Overrides 2013 (2 for SEBRSD) and 2014 (2 for General Government)*
- ❑ *Fall Special Town Meeting November 2015 – Began Process for Roads Project*



Nov. 19th
2015
Fall STM
Handout

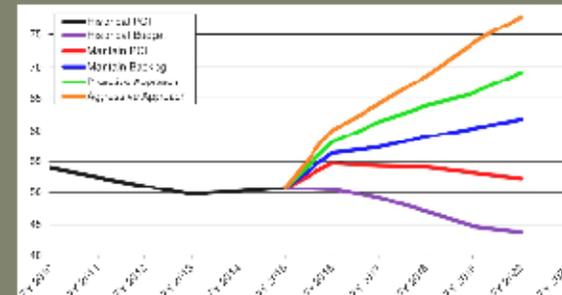
- The Town has a significant backlog of required road improvements (pavement, drainage, bridges, sidewalks) estimated at over \$30 Million.
- Our current funding of approximately \$500,000 per year from State Ch. 90 Funds is not enough to address the backlog or even maintain current condition levels known as PCI (Pavement Conditions Index).
- Our PCI level is ranked at 51.2 on a PCI scale of 1-100 and is extremely poor relative to other communities that have road program funding over and above Ch. 90 funds.



Email the Town Administrator:
agaudette@spencerma.gov

Visit the Town Website (www.spencerma.gov) or direct link at:
http://www.spencerma.gov/pages/spencerma_bcomm/FinancialManagement/index

- The Town is evaluating required funding levels and impacts to tax payers to improve our road conditions.
- If we rely solely on Ch. 90 funds, our road conditions will continue to deteriorate and so will our PCI .



November 19, 2015

Comprehensive Road Project Analysis & Funding

Board of Selectmen and the
Financial Management Planning Committee

January 20, 2016



January 2015 Town Clerk's Census Mailing



Town of Spencer Office of the Board of Selectmen & Town Administrator

Board of Selectmen:
Robert O. "Bo" Fritze, Jr.
Anthony D. Pepe
John F. Stevens
Chris L. Woodbury
Gary E. Woodbury

Town Administrator:
Adam D. Gaudette
agaudette@spencerma.gov

Information Regarding Spencer's Comprehensive Roads Project

Fall 2015

Dear Residents of Spencer,

I am writing to advise you of the efforts of the Town's Financial Management Planning Committee (FMPC) to improve the conditions of the roads in Spencer. The FMPC, which is a subcommittee of the Board of Selectmen, the Finance Committee, and the Capital Improvements Planning Committee, is working on your behalf to analyze the most efficient and cost effective method of improving the conditions of the Town's roadway network.

In 2012, the FMPC surveyed residents on which large scale projects they would consider their priority for the use of additional taxes as the funding source and the overwhelming top priority of the respondents was **Road Improvements** (42.5%), while also considering David Prouty High School renovations (26.5%), Municipal building repairs (11%), Municipal equipment purchases (7.5%), a new Senior Center building (7%), and Bay Path Vocational School renovations (6%).

Knowing that improving our roadway network is of the highest priority, the FMPC is working with our Utilities & Facilities Department (U&F) and a Pavement Management Consultant (FST) to evaluate the extent of the improvements that would be required to bring the conditions of our roads to an acceptable level. In addition to analyzing the improvements needed (road resurfacing and repairs, drainage repairs, bridge work, etc.), the FMPC, along with U&F and FST, are evaluating a cost method and infrastructure improvement approach such that any dollars put into this project, will give us the most "bang for our buck". We want to ensure that the improvements that will be proposed, estimated to be \$20-\$30 million, are on those parts of the roadway network that are of the utmost importance based on vehicle trips per day, commuter access and public safety.

The FMPC will be working diligently on this effort over the next 6 months with plans of providing the voters with an option for funding the suggested improvements. During this time there will be an informational announcement at the Fall Special Town Meeting on November 19, 2015, public hearings in January, February and March, and document uploads on our website www.spencerma.gov.

We look forward to providing this information to you and in return obtaining your feedback on how best to move forward with improving our roads making them safe and convenient for our residents. Please reference our website for further information or updates and if you would like to be put on our email list please send an email to me at agaudette@spencerma.gov requesting to be put on the "Spencer Roads Program email list".

Adam Gaudette
Town Administrator

**Board of Selectmen and the
Financial Management Planning Committee**

January 20, 2016



Pavement Management

*Bill Scarpati
Sr. Asset Management Specialist
Stantec*

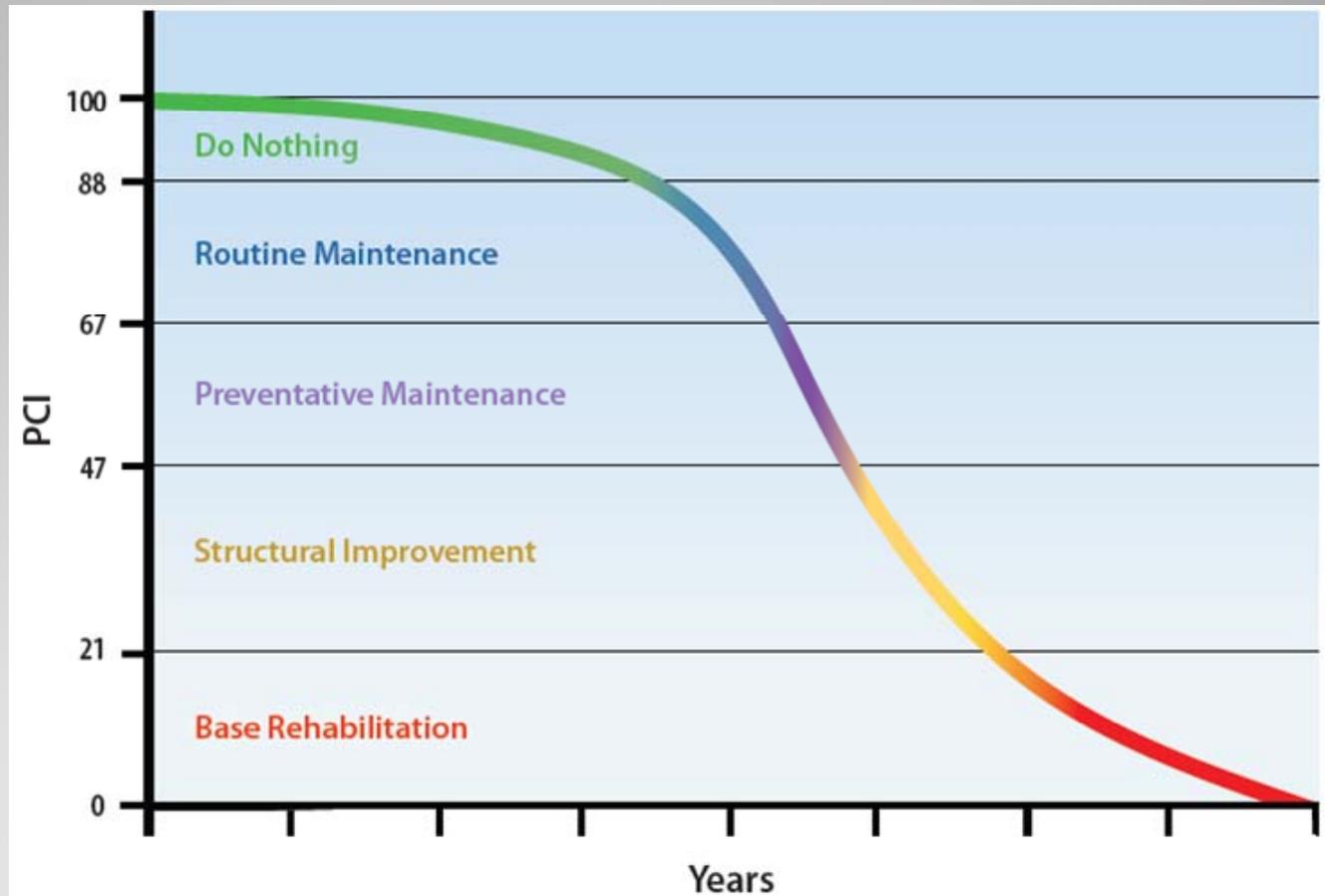
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Pavement Management

PCI Treatment Bands



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January 20, 2016



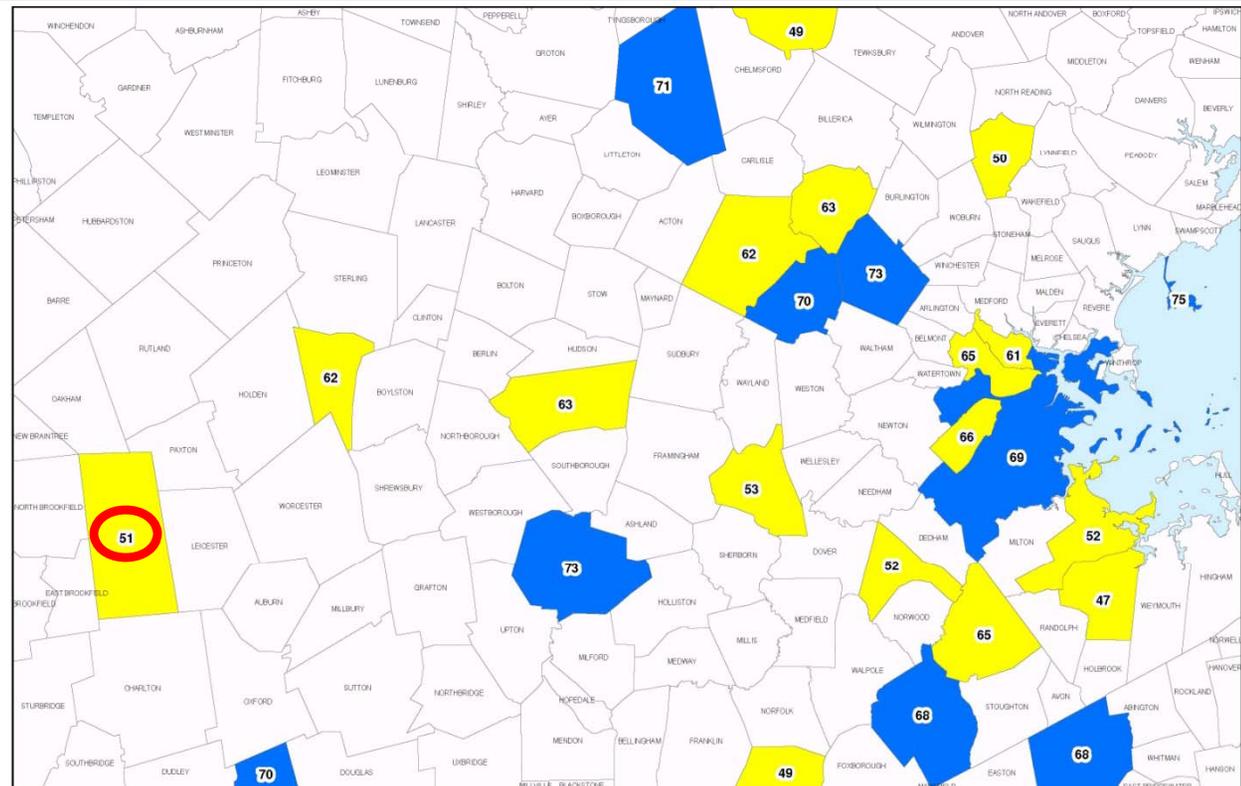
Good PCI : 68-87:

- 73 – Lexington
- 73 – Hopkinton
- 71 – Westford
- 70 – Lincoln
- 70 – **Webster**
- 69 – Boston
- 68 – Brockton
- 68 – Sharon
- 68 – **Uxbridge**

Fair PCI: 47-67:

- 66 – Brookline
- 65 – Cambridge
- 65 – Canton
- 64 – **Oxford**
- 63 – Bedford
- 63 – Marlborough
- 62 – Concord
- 62 – West Boylston
- 61 – Somerville
- 60 – **Northbridge**
- 60 – **Millbury**
- 53 – Natick
- 52 – Westwood
- 52 – Quincy
- 51 – **Spencer**
- 50 – Reading
- 49 – Wrentham
- 49 – Lowell
- 47 – Braintree

Pavement Management



PCI for Communities in Eastern Massachusetts

- | | |
|-------------------|------------------------|
| NO PCI | FAIR PCI [47-67] |
| FAILED PCI [0-20] | GOOD PCI [68-87] |
| POOR PCI [21-46] | EXCELLENT PCI [88-100] |

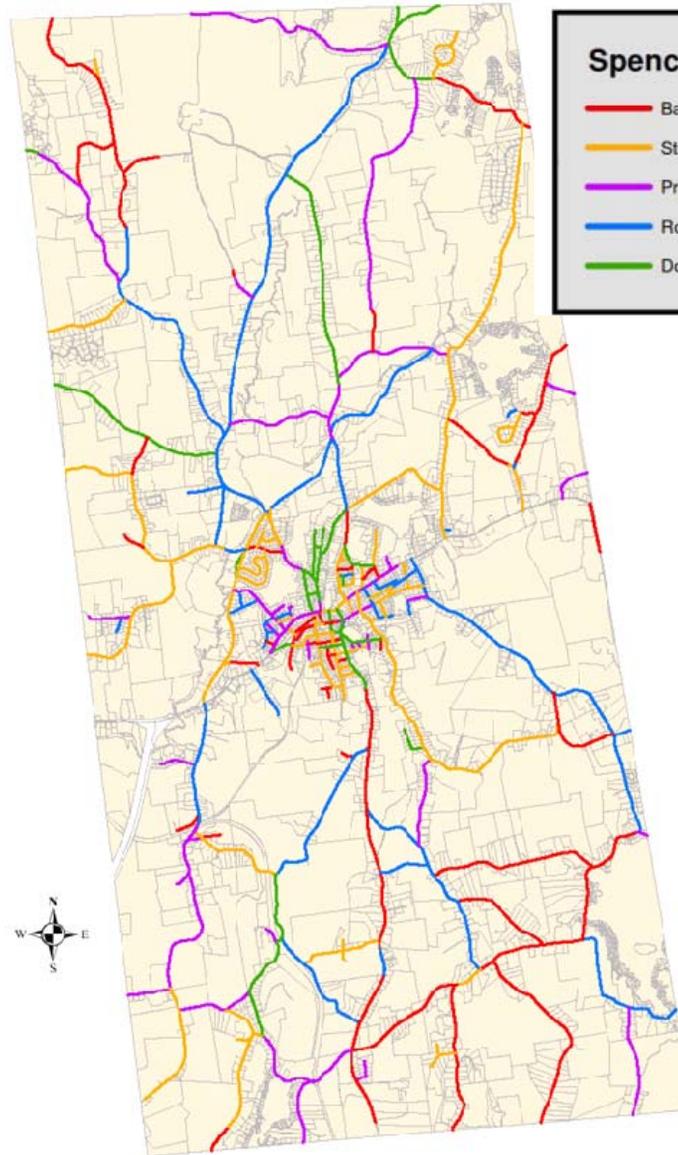


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Spencer Network Roadway Conditions



Spencer FY 2016 Treatment Band

- Base Rehabilitation [0-22]
- Structural Improvement [22-47]
- Preservation Maintenance [47-67]
- Routine Maintenance [67-88]
- Do Nothing [88-100]

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Financial Management Planning Committee*

January 20, 2016



Town of Spencer Proposed Roadway Restoration Bond Project

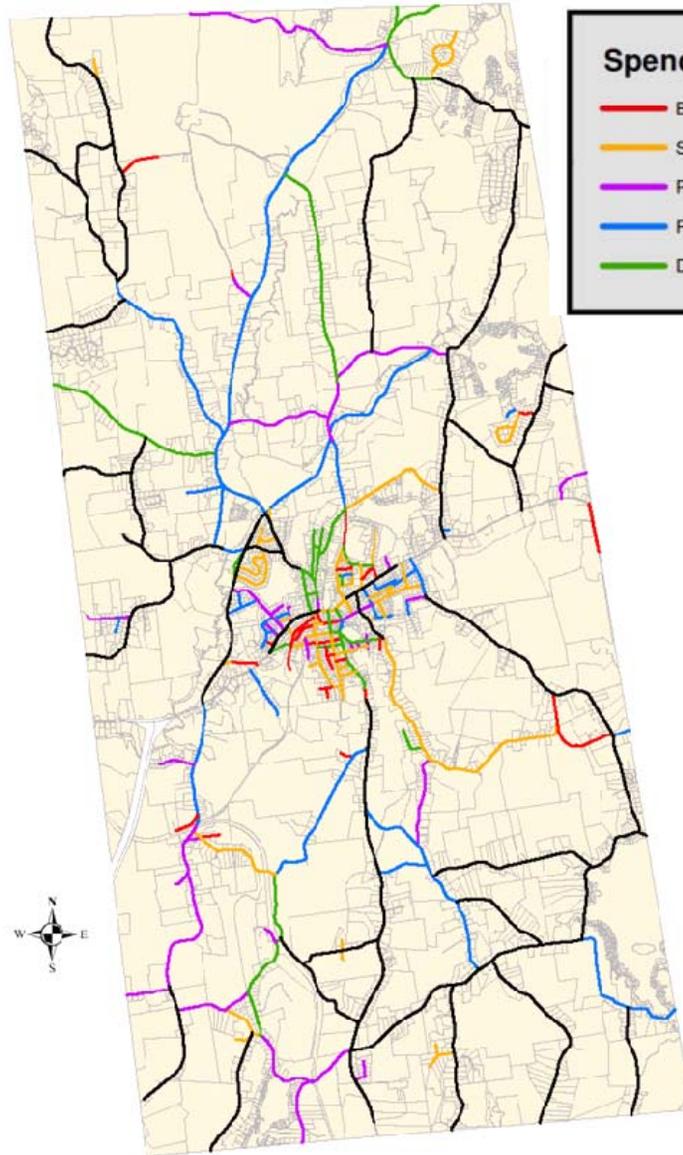
Street	From	To	Spencer Rating (1-5)	Length (ft)	Pavement Activity	Estimated Cost
ASH STREET	MAIN STREET	CLARK STREET	2	2265	Resurface	\$ 993,770
BACON HILL ROAD	CHARLTON ROAD	EAST CHARLTON ROAD	1	5047	Reclaim	\$ 643,650
BORKUM ROAD	CLARK ROAD	CHARLTON TOWN LINE	1	8306	Double Chip	\$ 711,770
BROOKS POND CROSS ROAD	BROOKS POND ROAD	NORTHWEST ROAD	1	3080	Reclaim	\$ 403,004
BROOKS POND ROAD	NORTHWEST ROAD	NORTH BROOKFIELD TOWN LINE	3	6994	Double Chip	\$ 487,766
BROWING POND ROAD	Bridge No. S-23-18	over SEVEN MILE RIVER	B2 / S1			\$ 170,500
BUTEAU ROAD	CLARK ROAD	CHARLTON TOWN LINE	3	4436	Double Chip	\$ 259,570
CHARLTON ROAD	MAPLE STREET	CHARLTON TOWN LINE	1	17624	Reclaim	\$ 3,900,120
CHICKERING ROAD	CLARK ROAD	LEICESTER TOWN LINE	1	5999	Reclaim	\$ 831,589
CLARK ROAD	EAST CHARLTON ROAD	CHICKERING ROAD	1	4410	Reclaim	\$ 576,973
COONEY ROAD	Bridge No. S-23-13	over SEVEN MILE RIVER	B3 / S1			\$ 59,500
DONNELLY CROSS ROAD	DONNELLY STREET	LEICESTER TOWN LINE	1	5475	Double Chip	\$ 342,245
DONNELLY CROSS ROAD	Bridge No. S-23-15	over Shaw Brook	B1 / S1			\$ 497,500
DONNELLY ROAD	MAIN STREET	PAXTON ROAD	1	5047	Resurface/Double Chip	\$ 322,423
EAST CHARLTON ROAD	100' N OF CLARK ROAD	CHARLTON TOWN LINE	1	7414	Double Chip	\$ 527,422
G HENRY WILSON ROAD	EAST CHARLTON ROAD	CHICKERING ROAD	1	6993	Reclaim	\$ 933,963
GAUTHIER ROAD	CHARLTON ROAD	CRANBERRY MEADOW ROAD	3	4896	Double Chip	\$ 301,192
GOLD NUGGET ROAD	Bridge No. S-23-06	over TURKEY HILL BROOK	B3 / S1			\$ 57,500
GREENVILLE STREET	SUNSET LANE	CHICKERING ROAD	3	15662	Resurface	\$ 1,469,430
HASTING ROAD	Bridge No. S-23-10	over TURKEY HILL BROOK & 2 Intersections	B1 / S1			\$ 496,350
HOWARD HURLEY ROAD	DONNELLY CROSS ROAD	LEICESTER TOWN LINE	2	1266	Double Chip	\$ 104,082
KITTREDGE ROAD	NORTHWEST ROAD	NORTH BROOKFIELD TOWN LINE	2	3578	Double Chip	\$ 202,334
MAIN STREET	SUMNER STREET	HIGH STREET	3	2420	Resurface	\$ 932,769
MAIN STREET	TOWN HALL	350' E OF PARK STREET	3	2750	Resurface	\$ 1,099,101
MAIN STREET (2016 TIP Project)	Downtown Supplement for	Construction, ROW & Streetscape Lighting	3	2750	Resurface	\$ 1,406,000
MARBLE ROAD	EAST CHARLTON ROAD		1	4168	Reclaim	\$ 790,442
MCCORMACK ROAD	GOLD NUGGET FARM ROAD	THOMPSON POND ROAD	2	12004	Double Chip	\$ 623,187
MEADOW ROAD (TIP Eligible)	WEST MAIN STREET	PLEASANT STREET	1	8210	Reclaim	\$ 3,345,000
NORCROSS ROAD	WOODSIDE ROAD	NORTH BROOKFIELD TOWN LINE	2	2924	Double Chip	\$ 220,097
NORTHWEST ROAD	BROOKS POND ROAD	OAKHAM TOWN LINE	1	12288	Double Chip	\$ 737,249
PAXTON ROAD	MAIN STREET	THOMPSON POND ROAD	1	17662	Reclaim	\$ 4,492,042
PLEASANT STREET	100' N OF HIGH STREET	MEADOW ROAD	2	1247	Resurface	\$ 573,186
NORTH SPENCER ROAD	Bridge No. S-23-12 (TIP Eligible)	over SEVEN MILE RIVER	B1 / S1			\$ 1,390,000
SMITHVILLE ROAD	PLEASANT STREET	EAST BROOKFIELD TOWN LINE	2	10107	Resurface	\$ 2,068,004
SOUTH SPENCER ROAD	TOM CASEY ROAD	EAST BROOKFIELD TOWN LINE	1	5329	Double Chip	\$ 376,210
SOUTH SPENCER ROAD	Bridge No. S-23-19	over CRANBERRY RIVER	B3 / S1			\$ 62,500
SUNDBERG ROAD	CHARLTON ROAD	GAUTHIER ROAD	1	3353	Double Chip	\$ 206,895
THOMPSON POND ROAD	SHERWOOD DR	PAXTON TOWNLINE	1	4556	Reclaim	\$ 651,778
THOMPSON POND ROAD	Bridge No. S-23-16	over Thompson Pond	B3 / S2			\$ 55,500
WILLIAM CASEY ROAD	JOLICOEUR ROAD	CHARLTON TOWN LINE	1	5206	Double Chip	\$ 308,878
WIRE VILLAGE RD BRIDGE	Bridge No. S-23-05	over TURKEY HILL BROOK	B3 / S1			\$ 71,900
WOODSIDE DRIVE	WOODSIDE ROAD	NORTH BROOKFIELD ROAD	2	7077	Double Chip	\$ 386,943
Total Miles & Estimated Cost:				39.9	miles	\$ 34,090,335

*Board of Selectmen and the
Financial Management Planning Committee*

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Spencer Proposed Bond Program



Spencer FY 2016 Treatment Band

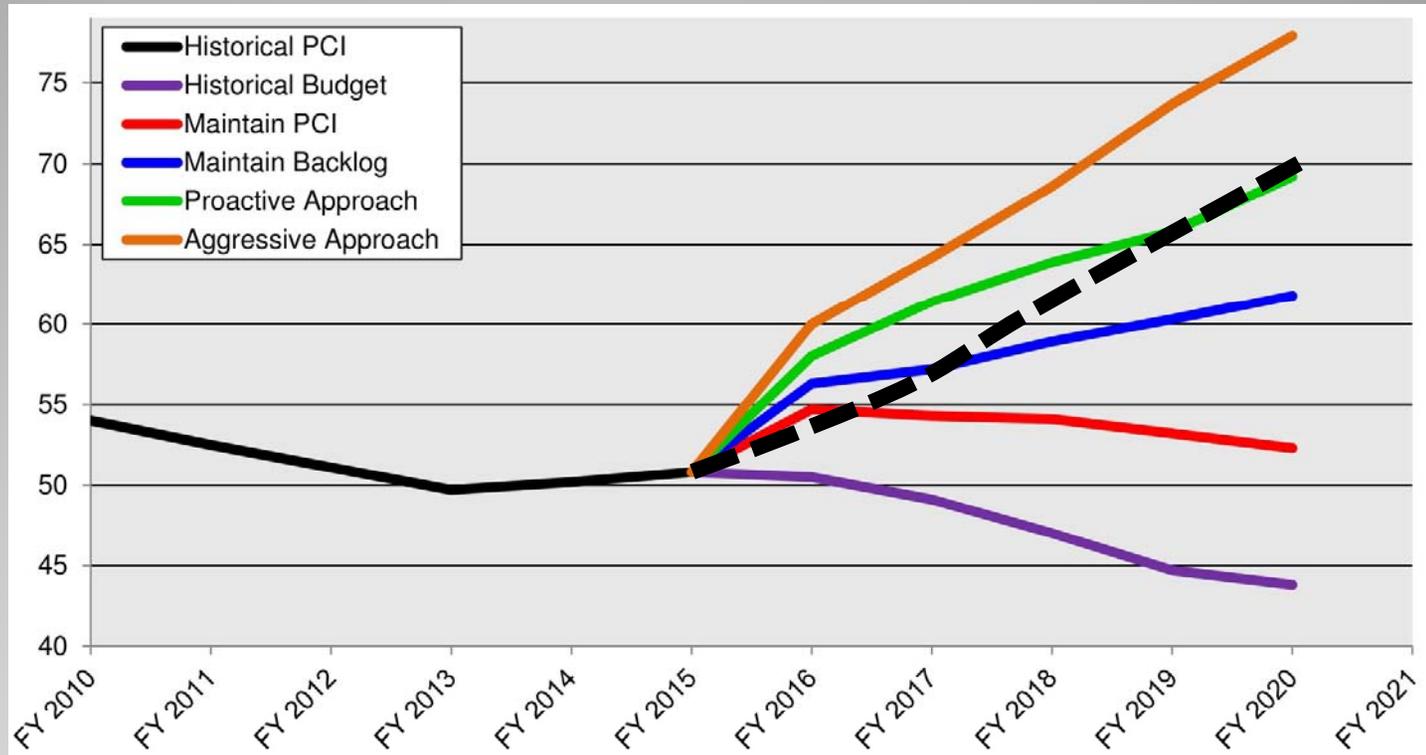
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Historical & Future PCI Projection



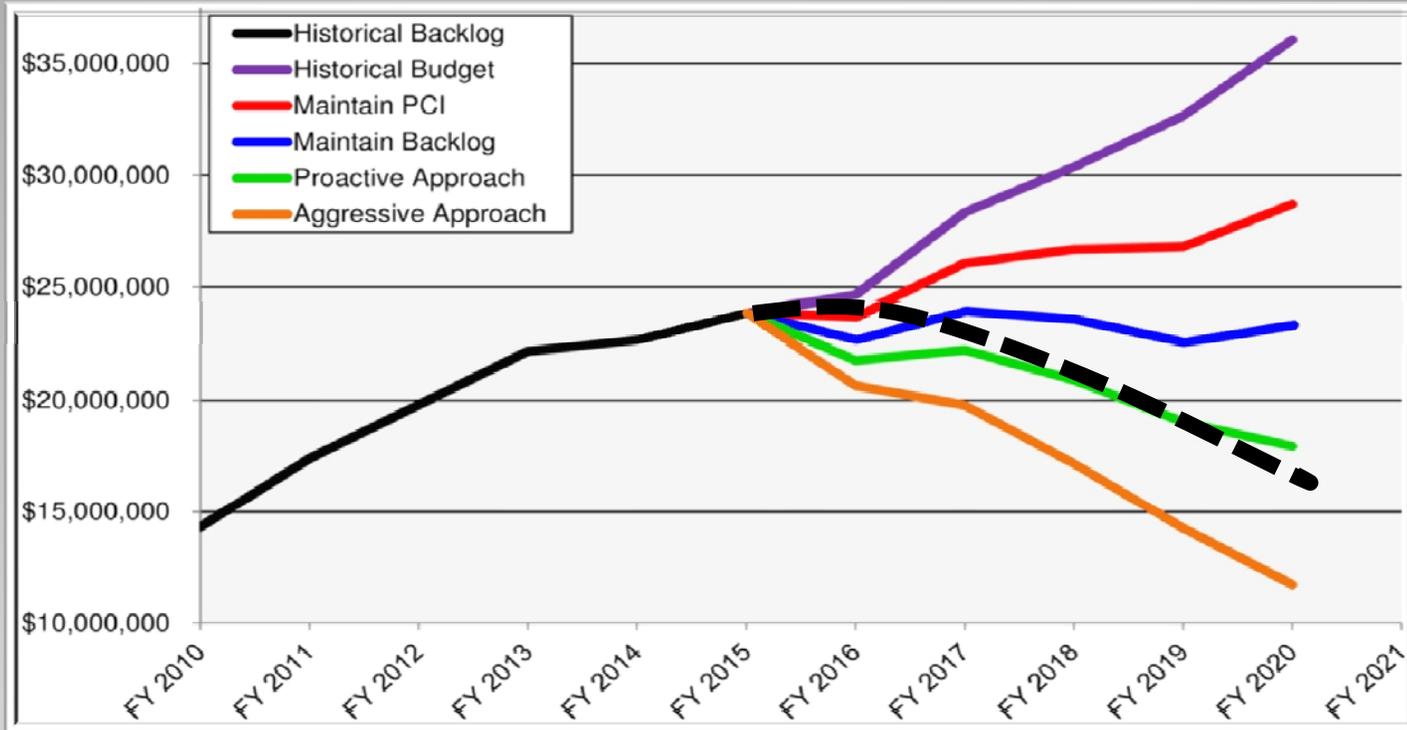
Required Budget	Approximate Historical	Maintain PCI	Maintain Backlog	Proactive Approach	Aggressive Approach
FY 2016	\$500,000	\$1,250,000	\$2,250,000	\$4,000,000	\$4,500,000
FY 2017	\$500,000	\$1,250,000	\$2,250,000	\$3,000,000	\$4,000,000
FY 2018	\$500,000	\$1,000,000	\$2,250,000	\$2,500,000	\$3,500,000
FY 2019	\$500,000	\$1,000,000	\$2,250,000	\$2,500,000	\$3,500,000
FY 2020	\$500,000	\$1,000,000	\$1,500,000	\$2,500,000	\$3,000,000
5 Year Total	\$2,500,000	\$5,500,000	\$10,500,000	\$14,500,000	\$18,500,000

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Historical & Future Backlog Projection



Required Budget	Approximate Historical	Maintain PCI	Maintain Backlog	Proactive Approach	Aggressive Approach
FY 2016	\$500,000	\$1,250,000	\$2,250,000	\$4,000,000	\$4,500,000
FY 2017	\$500,000	\$1,250,000	\$2,250,000	\$3,000,000	\$4,000,000
FY 2018	\$500,000	\$1,000,000	\$2,250,000	\$2,500,000	\$3,500,000
FY 2019	\$500,000	\$1,000,000	\$2,250,000	\$2,500,000	\$3,500,000
FY 2020	\$500,000	\$1,000,000	\$1,500,000	\$2,500,000	\$3,000,000
5 Year Total	\$2,500,000	\$5,500,000	\$10,500,000	\$14,500,000	\$18,500,000

*Board of Selectmen and the
Financial Management Planning Committee*

January 20, 2016



Road Improvements Update

*Steven J. Tyler, P.E.
Superintendent
Spencer Utilities & Facilities*

*Board of Selectmen and the
Financial Management Planning Committee*

January 20, 2016



Road Improvements Update

➤ *Current Projects Open*

- ❑ *Main Street Reconstruction (Federal Highway TIP Aid - \$3.5 million)*
- ❑ *Mechanic Street Reconstruction (FY2014 CDBG Funds - \$600,000)*
- ❑ *Chestnut Street Reconstruction (FY2016 CDBG Application - \$500,000)*
- ❑ *Charlton Rd Tree Removal / Culvert Replacement (FY16 Chapter 90 Funds - \$300,000)*
- ❑ *North Spencer Road/Rt 31 Drainage & Reclamation (Chapter 90 Funds)*
- ❑ *North Spencer Road Bridge Replacement (MADOT / CMMPO Funds)*



Financing & Budget Implications

***Adam Gaudette
Spencer Town Administrator***

***Board of Selectmen and the
Financial Management Planning Committee***

January 20, 2016



Chapter 90 Funding

➤ *State Chapter 90 Program – Administered by MADOT*

- ❑ *Enacted 1973 – State reimbursement of documented expenditures*
- ❑ *State funds provided from Transportation Bond Issues – requires legislation*
- ❑ *100% Reimbursable – towns front the expenditure – requires prior approval*
- ❑ *Surveying, Engineering, Construction, Preservation & Improvement projects, Machinery, or Equipment*
- ❑ *Formula = Road miles (58%) + Population (21%) + Employment (21%)*

Fiscal Year	Chapter 90 Apportionment
FY2016	\$497,619
FY2015	\$748,270 (*Governor Baker - Bond Bill)
FY2014	\$498,994
FY2013	\$493,359
FY2012	\$495,233
FY2011	\$388,441
FY2010	\$376,511



Chapter 90 Funding

- **State Chapter 90 Program – Funding Gap**
 - ❑ *December 2012 – MMA (Massachusetts Municipal Association) Issued Report*
 - ❑ *\$562 Million Annual Cost to Maintain Local Roads and Bridges*
 - ❑ *Typically State funds only \$200 Million; thus, \$362 Million Annual Gap*
 - ❑ *Construction Costs have “escalated sharply” – fossil fuel costs have driven up cost of asphalt and steel – Chapter 90 apportionments have not kept up*
 - ❑ *Towns restricted by Proposition 2 ½ - Unable to increase local funds to make up the gap – need voter approval at an election ballot*
 - ❑ *Town of Spencer has approximately a \$1.3 Million annual gap for maintenance*
 - *Chapter 90 Apportionment = say \$500,000*
 - *Annual Cost to Maintain = say \$1.8 Million*



Chapter 90 Funding

➤ *Spencer Chapter 90 Program Uses (Major Projects)*

- | | |
|---|--|
| <input type="checkbox"/> <i>Maple Street TIP Design/Repairs</i> | <i>\$379,000 from FY2006 – FY2009</i> |
| <input type="checkbox"/> <i>Wire Village Road Repairs</i> | <i>\$264,000 from FY2006 – FY2007</i> |
| <input type="checkbox"/> <i>Northwest Road Repairs</i> | <i>\$328,000 from FY2007 – FY2008</i> |
| <input type="checkbox"/> <i>North Brookfield Road Repairs</i> | <i>\$587,000 from FY2008 – FY2010</i> |
| <input type="checkbox"/> <i>Elm Street Bridge/Culvert Repairs</i> | <i>\$474,000 from FY2008 – FY2010</i> |
| <input type="checkbox"/> <i>Thompson Pond Road Repairs</i> | <i>\$325,000 from FY2011 – FY2014</i> |
| <input type="checkbox"/> <i>Pleasant St/Lincoln St Repairs</i> | <i>\$287,000 from FY2011 – FY2014</i> |
| <input type="checkbox"/> <i>Main Street (TIP) Design</i> | <i>\$185,000 from FY2012 – Ongoing</i> |
| <input type="checkbox"/> <i>Water Street Repairs</i> | <i>\$141,000 from FY2014 – FY2015</i> |
| <input type="checkbox"/> <i>Adams St and Clark Rd Repairs</i> | <i>\$349,000 from FY2014 – FY2015</i> |
| <input type="checkbox"/> <i>Craig St and Grant St Repairs</i> | <i>\$187,000 from FY2014 – FY2015</i> |



Chapter 90 Funding

➤ *Spencer Chapter 90 Program Uses (Miscellaneous Projects)*

- Pavement Management Program* \$91,000 from FY2009 – ongoing
- Crack Sealing Program* \$180,000 from FY2011 – ongoing
- Ashview Drive Repairs* \$90,000 during FY2011
- Charlton Road Survey Work* \$49,000 during FY2011
- Barclay Road Repairs* \$68,000 during FY2015
- Pothole Grant (FY2015 Storms)* \$75,000 during FY2015
- South Spencer Road Repairs* \$75,000 during FY2015
- Charlton Road Culverts* \$275,000 ongoing in FY2016
- Other Roads with miscellaneous improvements:*
 - *Greenville Street, Hastings Road, North Spencer Road, Chickering Road, GH Wilson Road, Meadow Road, and Bacon Hill Road*



Financing the Project

➤ **Funding a \$34,000,000
Roads Improvement Project**

- ❑ **MGL Chapter 44 §7(1)**
- ❑ **30-year borrowing**
- ❑ **Payment Schedule:**
- ❑ **Would Require Increase to the Tax Levy via a Proposition 2 ½ Override**

Date	Principal	Coupon	Interest	Total P+I
07/01/2016	-	-	-	-
07/01/2017	455,000.00	5.500%	1,870,000.00	2,325,000.00
07/01/2018	485,000.00	5.500%	1,844,975.00	2,329,975.00
07/01/2019	510,000.00	5.500%	1,818,300.00	2,328,300.00
07/01/2020	540,000.00	5.500%	1,790,250.00	2,330,250.00
07/01/2021	570,000.00	5.500%	1,760,550.00	2,330,550.00
07/01/2022	600,000.00	5.500%	1,729,200.00	2,329,200.00
07/01/2023	635,000.00	5.500%	1,696,200.00	2,331,200.00
07/01/2024	670,000.00	5.500%	1,661,275.00	2,331,275.00
07/01/2025	710,000.00	5.500%	1,624,425.00	2,334,425.00
07/01/2026	750,000.00	5.500%	1,585,375.00	2,335,375.00
07/01/2027	790,000.00	5.500%	1,544,125.00	2,334,125.00
07/01/2028	835,000.00	5.500%	1,500,675.00	2,335,675.00
07/01/2029	885,000.00	5.500%	1,454,750.00	2,339,750.00
07/01/2030	935,000.00	5.500%	1,406,075.00	2,341,075.00
07/01/2031	985,000.00	5.500%	1,354,650.00	2,339,650.00
07/01/2032	1,045,000.00	5.500%	1,300,475.00	2,345,475.00
07/01/2033	1,100,000.00	5.500%	1,243,000.00	2,343,000.00
07/01/2034	1,165,000.00	5.500%	1,182,500.00	2,347,500.00
07/01/2035	1,230,000.00	5.500%	1,118,425.00	2,348,425.00
07/01/2036	1,300,000.00	5.500%	1,050,775.00	2,350,775.00
07/01/2037	1,375,000.00	5.500%	979,275.00	2,354,275.00
07/01/2038	1,450,000.00	5.500%	903,650.00	2,353,650.00
07/01/2039	1,535,000.00	5.500%	823,900.00	2,358,900.00
07/01/2040	1,620,000.00	5.500%	739,475.00	2,359,475.00
07/01/2041	1,710,000.00	5.500%	650,375.00	2,360,375.00
07/01/2042	1,805,000.00	5.500%	556,325.00	2,361,325.00
07/01/2043	1,910,000.00	5.500%	457,050.00	2,367,050.00
07/01/2044	2,020,000.00	5.500%	352,000.00	2,372,000.00
07/01/2045	2,130,000.00	5.500%	240,900.00	2,370,900.00
07/01/2046	2,250,000.00	5.500%	123,750.00	2,373,750.00
Total	\$34,000,000.00	-	\$36,362,700.00	\$70,362,700.00

**Board of Selectmen and the
Financial Management Planning Committee**

January 20, 2016



Financing the Project

❑ **Proposition 2 ½** (Mass. General Laws Ch. 59 § 21C)

State statute which limits property tax increases by municipalities.

It was passed in 1980 and went into effect in 1982.

❑ **A municipality is subject to two property tax limits:**

1. **Levy Ceiling:** *The total annual property tax revenue raised by a municipality shall not exceed 2.5% of the assessed value of all taxable property contained in it.*
2. **Levy Limit:** *The annual increase of property tax cannot exceed 2.5%, plus the amount attributable to taxes that are from new real property.*

❑ **Proposition 2 ½ Overrides:**

An exception allows the citizens of each municipality to Override the 2½ restriction to address specific needs of the community thus giving the citizens direct control over their taxation.



Financing the Project

□ *There are three types of Proposition 2 ½ Overrides:*

1. **General Override** – *Levy limit is increased by the amount stated on the ballot question and earmarked for the stated purpose in the first year **only** [MGL Ch. 59, 21C(g)].*
2. **Stabilization Fund Override** - *Levy limit is increased by the amount stated on the ballot question and earmarked for the stated purpose in the first year **and** in subsequent fiscal years upon authorization [MGL Ch. 59, 21C(g)].*
3. **Debt Exclusions** – *Levy limit is increased to cover debt service for the stated purpose on the ballot question each fiscal year **until the debt is retired** [MGL Ch. 59, 21C(k)].*



Financing the Project

❑ *What is the Proposition 2 ½ Process?*

1. *The only way a ballot question for an Override can be put forth before the voters is by a majority vote of the Board of Selectmen.*
2. *Questions require a "Statement of Purpose" for how the monies from the additional tax assessment will be used.*
3. *Questions require the Specific Dollar Amount of additional taxing authority being requested and the fiscal year in which it will be used.*
4. *A question is approved if a majority of the people voting on that ballot question vote "yes."*
5. *Authorization results in a Permanent Increase to the Tax Levy Limit for a General Override and a Stabilization Override (if appropriated) and Temporary Increase to the Tax Levy Limit if a Debt Exclusion.*



Financing the Project

- ❑ **Capital Stabilization Override** [MGL Ch. 59, 21C(g)]
 1. *Creation of the Capital Stabilization Fund requires 2/3 vote at Town Meeting.*
 2. *Purposes of the Fund are specifically for the Capital Project/Program, cannot be used for General Government purposes as with General Overrides.*
 3. *Can't be changed to another purpose without amending the specified use via another election approval.*
 4. *Requires Town Meeting Authorization to Appropriate Funds in or out of the Stabilization Fund by 2/3 vote every year.*
 5. *Any amounts of the fund not appropriated may be invested and any interest earned stays with the fund.*



Financing the Project

Proposed May 10th Annual Election Ballot Question:

Shall the Town of Spencer be allowed to assess an additional Two Million, Three Hundred Thousand Dollars (**\$2,300,000**) in real estate and personal property taxes for the purposes of funding the **Road Improvements Capital Stabilization Fund** for the fiscal year beginning July first 2016?

Yes _____ No _____

*Board of Selectmen and the
Financial Management Planning Committee*

January 20, 2016



Financing the Project

Impact of an Override:

- ❑ *Override amount of \$2,300,000 for Road Improvements Stabilization Fund to support a \$34 Million Project borrowed over 30 years:*
- ❑ *Approval for the Override would add \$2.52 to the Tax Rate of \$14.29 resulting in an estimated Tax Rate of \$16.81 / \$1,000. Please note these figures are based on the Fiscal Year 2016 Tax Rate.*
- ❑ *The estimated INCREASE on various property assessments is as follows:*

Home Value	\$150,000	\$175,000	\$200,000	\$225,000	\$250,000
FY 2016 Tax Bills	\$ 2,143	\$ 2,501	\$ 2,858	\$ 3,215	\$ 3,573
Tax Bill w/Override	<u>\$ 2,522</u>	<u>\$ 2,942</u>	<u>\$ 3,362</u>	<u>\$ 3,782</u>	<u>\$ 4,202</u>
Tax Bill Increase	\$ 379	\$ 441	\$ 504	\$ 567	\$ 629



QUESTIONS

***Adam Gaudette
Town Administrator***

***Bill Scarpati, Stantec
Asset Management Specialist***

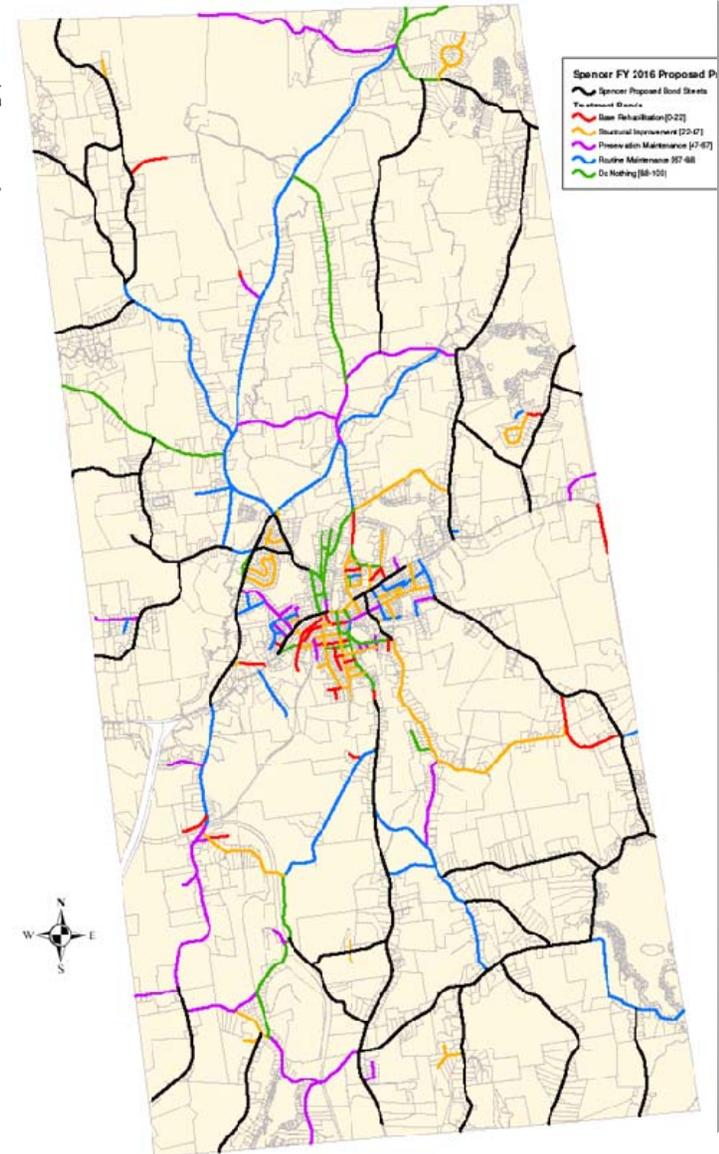
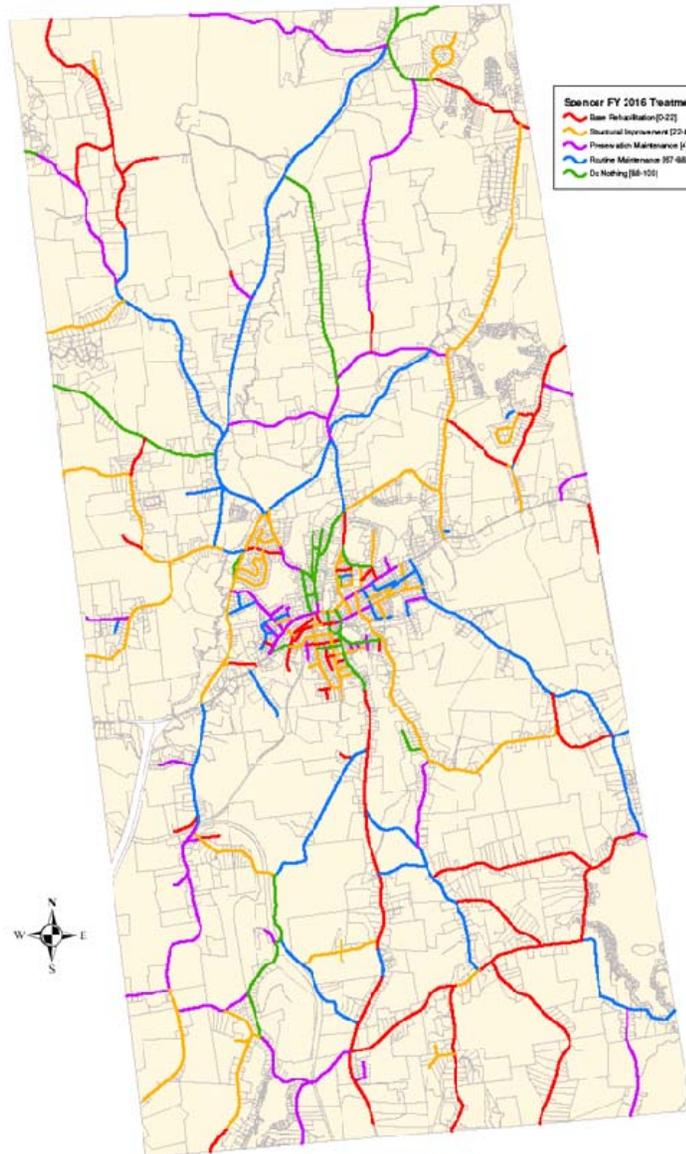
***Steven J. Tyler, P.E.,
Superintendent
Utilities & Facilities***

***Board of Selectmen and the
Financial Management Planning Committee***

January 20, 2016



Spencer Proposed Bond Program



*Board of Selectmen and the
Financial Management Planning Committee*

January 20, 2016



Financing the Project

Impact of an Override:

- ❑ *Override amount of \$1,300,000 for Road Improvements Stabilization Fund to support a \$19 Million Project borrowed over 30 years:*
- ❑ *Approval for the Override would add \$1.42 to the Tax Rate of \$14.29 resulting in an estimated Tax Rate of \$15.71 / \$1,000. Please note these figures are based on the Fiscal Year 2016 Tax Rate.*
- ❑ *The estimated INCREASE on various property assessments is as follows:*

Home Value	\$150,000	\$175,000	\$200,000	\$225,000	\$250,000
FY 2016 Tax Bills	\$ 2,143	\$ 2,501	\$ 2,858	\$ 3,215	\$ 3,573
Tax Bill w/Override	<u>\$ 2,357</u>	<u>\$ 2,749</u>	<u>\$ 3,142</u>	<u>\$ 3,535</u>	<u>\$ 3,928</u>
Tax Bill Increase	\$ 214	\$ 248	\$ 284	\$ 320	\$ 355