Public Hearing (3rd)

for

Spencer Comprehensive Road Improvements Project

Conference Room A
Spencer Town Hall

Board of Selectmen and the
Financial Management Planning Committee

March 21, 2016

Presentation Outline

- ***Introduction to the FMPC***

  Adam Gaudette,
  Town Administrator

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

- ***Current Road Funding Structure***

  Adam Gaudette,
  Town Administrator

  - *Chapter 90 Limitations*
  - *Excise Tax Limitations*

- ***Road Improvements Update***

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

  - *Charlton Road/Rt. 31, Main Street, CDBG, other*

- ***Pavement Management Analysis***

  Bill Scarpati, Stantec

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

- ***Budget Implications***

  Adam Gaudette,
  Town Administrator

  - *Borrowing/Payment Schedules*
  - *Prop2 ½ - Process*
  - *Capital Stabilization Fund*
  - *Tax Rate/Bill Impacts*
  - *Timeline*

- ***Questions***

Financial Management Planning Committee

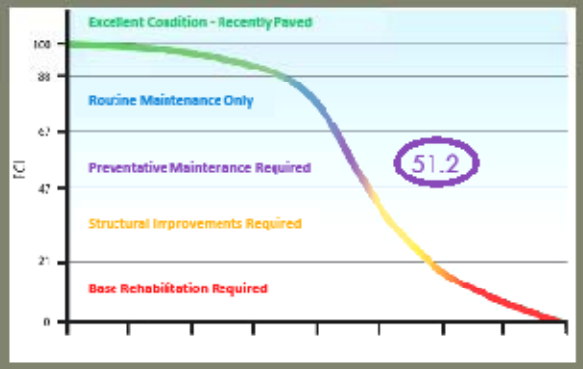
- **Introduction to the FMPC**
  - Charge: Adopted by the Board of Selectmen August 2010
  - 2 Members of the BoS, 2 Members of the Finance Com, 1 Capital Com Member
  - Develop Long Term Financial and Capital Plans - Working Document 2011
  - Conducted <u>Town-wide Survey in 2012</u>:

Road Improvements	42.5%	Municipal Equipment Purchases	7.5%
New David Prouty High School	26.5%	New Senior Center Building	7.0%
Municipal Building Repairs	11.0%	Bay Path School Renovations	6.0%

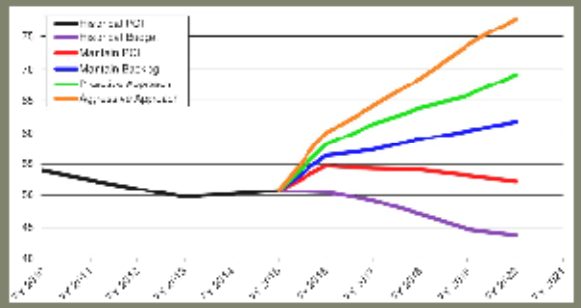
  - Spencer East Brookfield Regional School District Budget Deficit 2012
  - MA Dept. of Elementary & Secondary Education Decision 2013
  - Failed Overrides 2013 (2 for SEBRSD) and 2014 (2 for General Government)
  - Fall Special Town Meeting November 2015 – Began Process for Roads Project

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.



- 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 .



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/ndex

November 19, 2015

Comprehensive Road Project Analysis & Funding

Board of Selectmen and the Financial Management Planning Committee

March 21, 2016

January 2015 Town Clerk's Census Mailing

- ✓ January 20, 2016 Public Hearing #1
- ✓ February 29, 2016 Public Hearing #2
- ➢ March 21, 2016 Public Hearing #3

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

March 21, 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	
FY2017	$497,619	(*Governor Baker proposed)
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

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

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

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

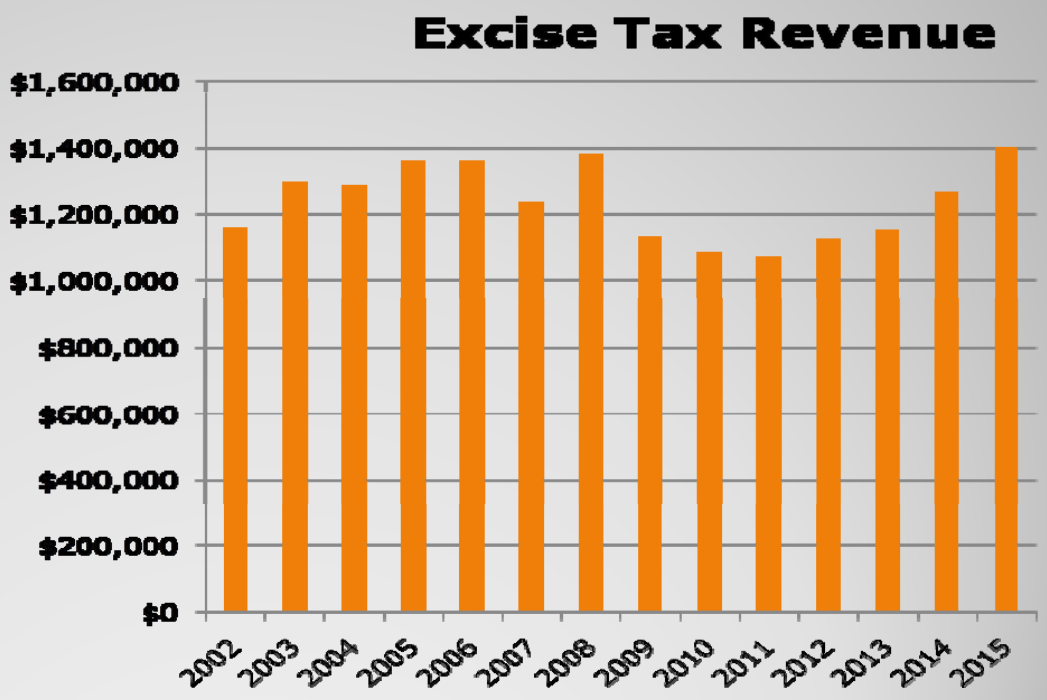
Chapter 90 Funding

- **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 had approximately a $1.3 Million annual gap for maintenance in the FY2012 MMA Report
    - Chapter 90 Apportionment = say $500,000
    - Annual Cost to Maintain = say $1.8 Million

Excise Tax Analysis

- ***Massachusetts General Laws Chapter 60A, §1***
  - ***Establishes Parameters for Assessment, Abatement, etc.***
  - ***No Statutory Connection to Funding for Roads***

	Excise Tax Revenue
2002	$1,159,219
2003	$1,298,517
2004	$1,285,516
2005	$1,360,966
2006	$1,360,619
2007	$1,237,089
2008	$1,381,304
2009	$1,131,159
2010	$1,083,650
2011	$1,073,036
2012	$1,125,924
2013	$1,151,358
2014	$1,265,906
2015	$1,398,715



Board of Selectmen and the
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March 21, 2016

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2011	$1,073,036
2012	$1,125,924
2013	$1,151,358
2014	$1,265,906
2015	**$1,398,715**

	FY2016 Highway/Roads Budget
Traffic Lights	$4,000
U&F Administration	$114,734
Highway Staff & Exp.	$938,157
Snow & Ice	$190,000
Street Lights	$86,000
Municipal Gasoline	$110,000
TOTAL	**$1,442,892**

Road Improvements Update

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

Board of Selectmen and the
Financial Management Planning Committee

March 21, 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)

Pavement Management

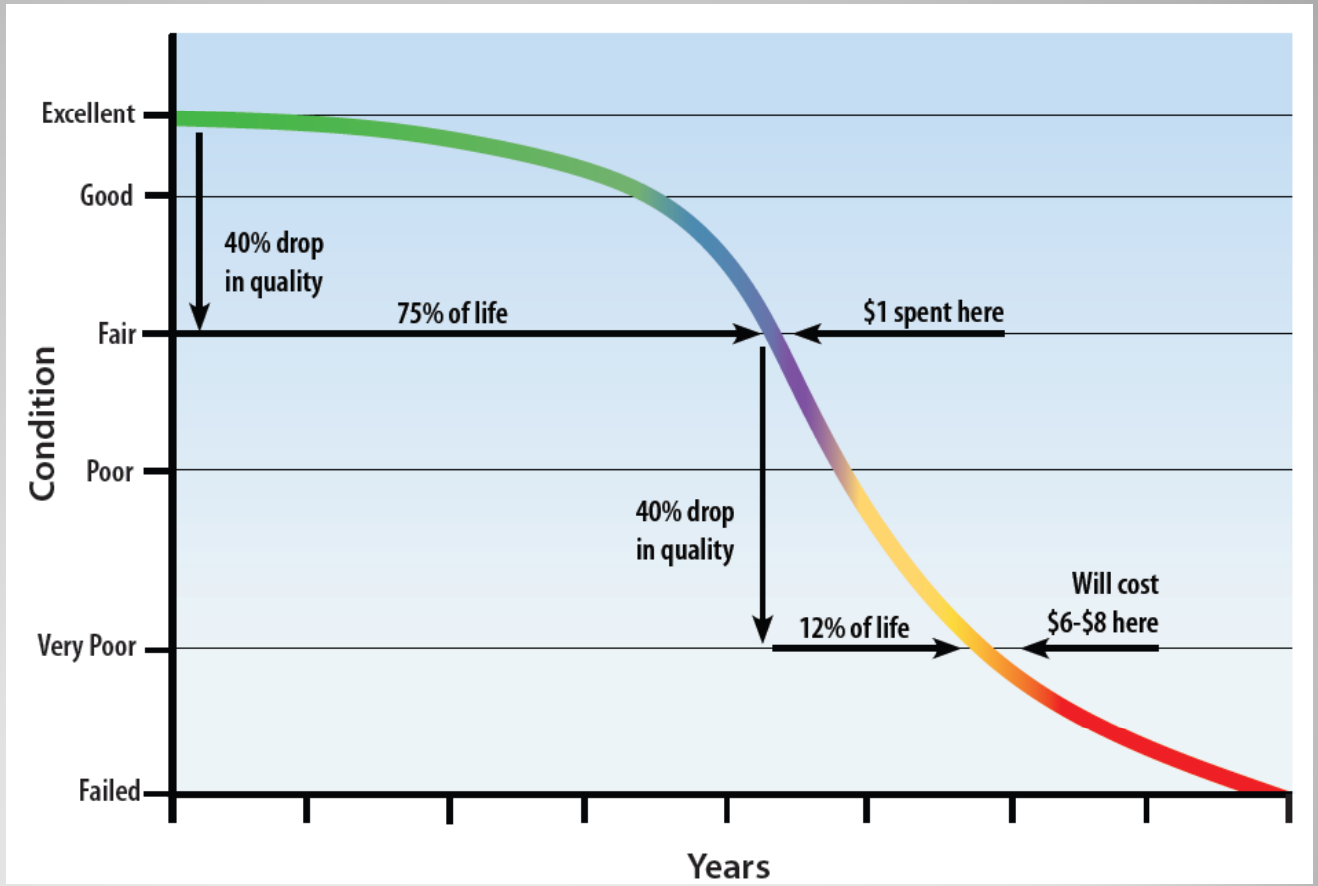
Bill Scarpati
Sr. Asset Management Specialist
Stantec

Board of Selectmen and the
Financial Management Planning Committee

March 21, 2016

Pavement Management

PCI Treatment Bands



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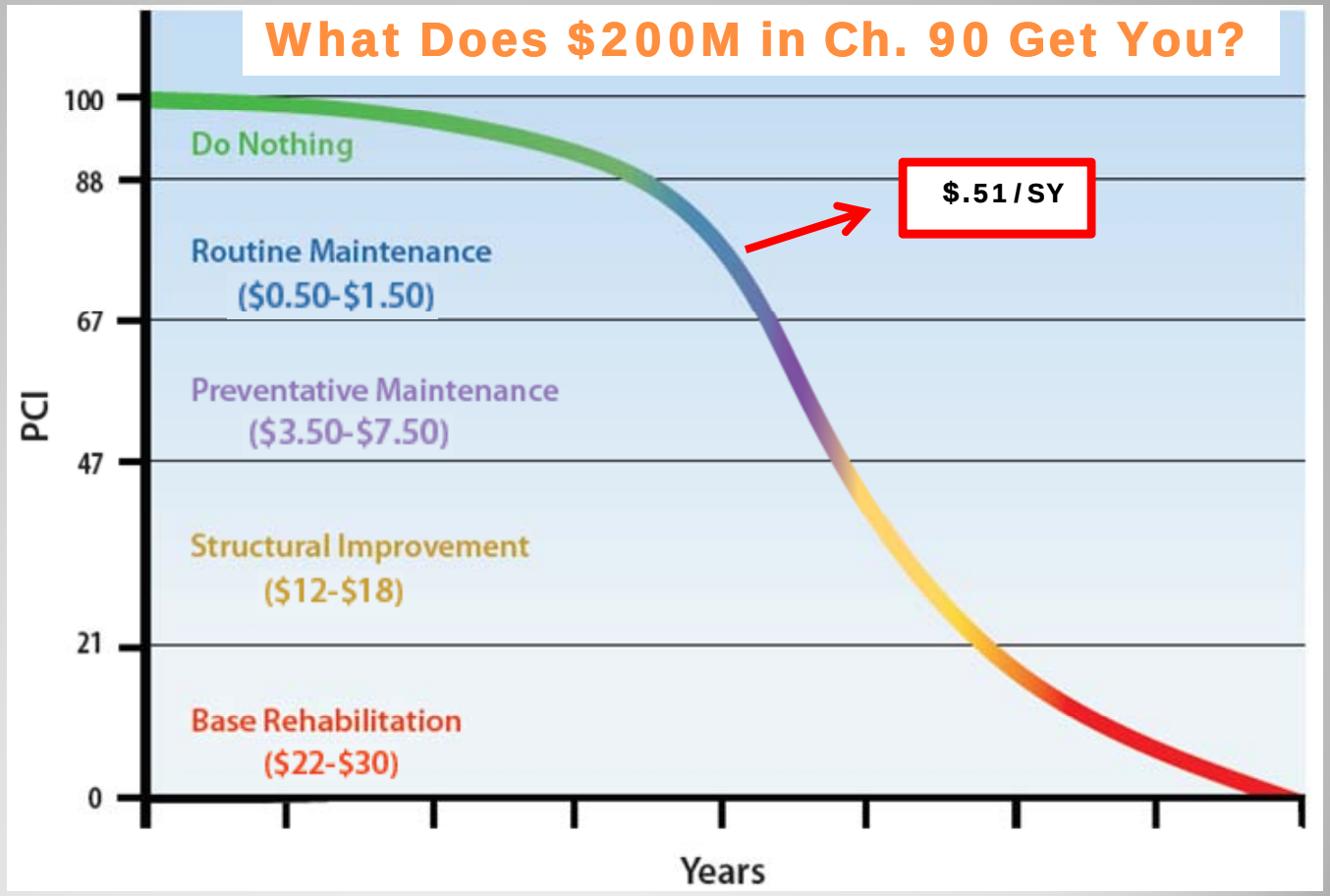
March 21, 2016

Pavement Management

PCI Treatment Bands



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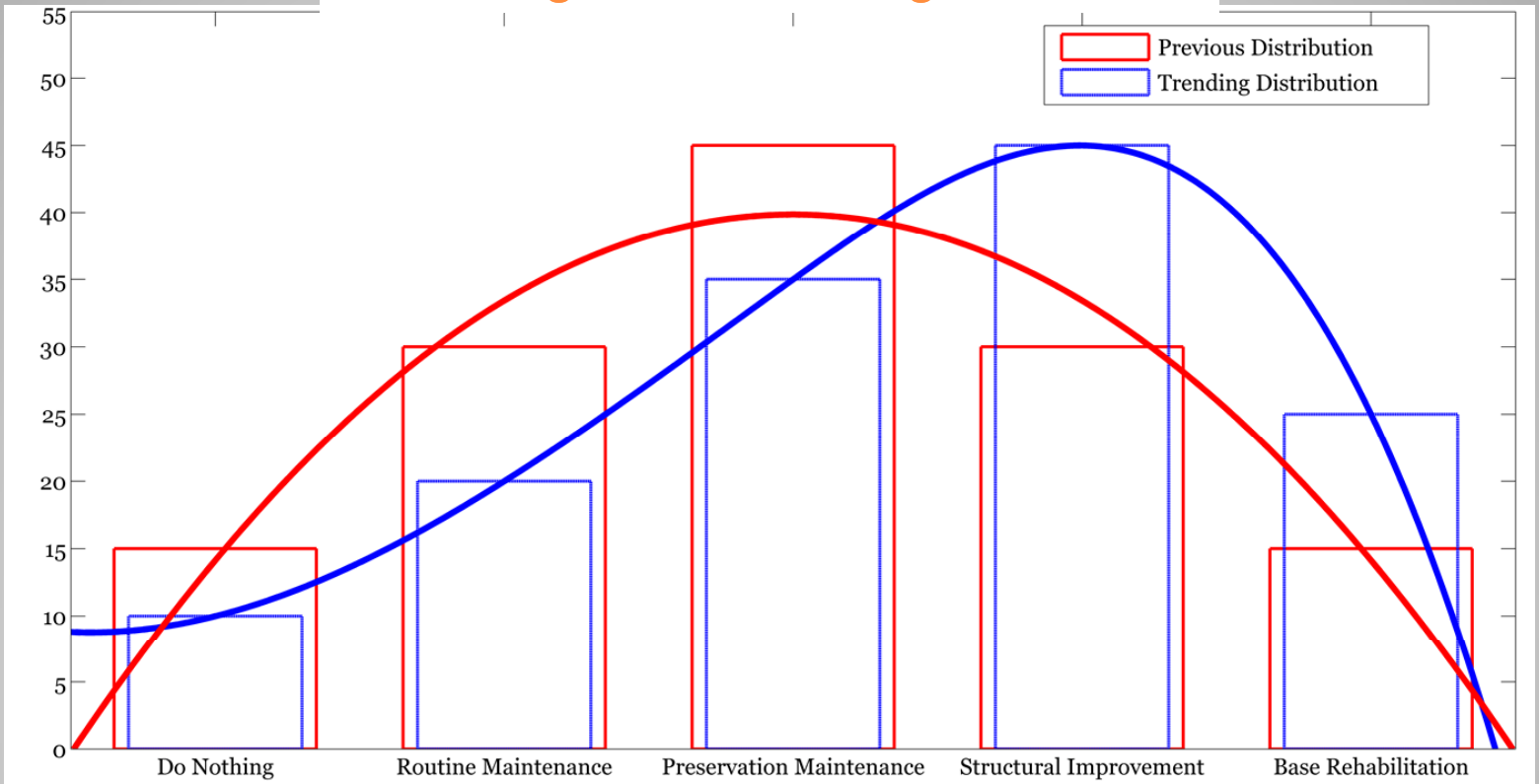
March 21, 2016

Pavement Management

Trending in the Wrong Direction



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March 21, 2016

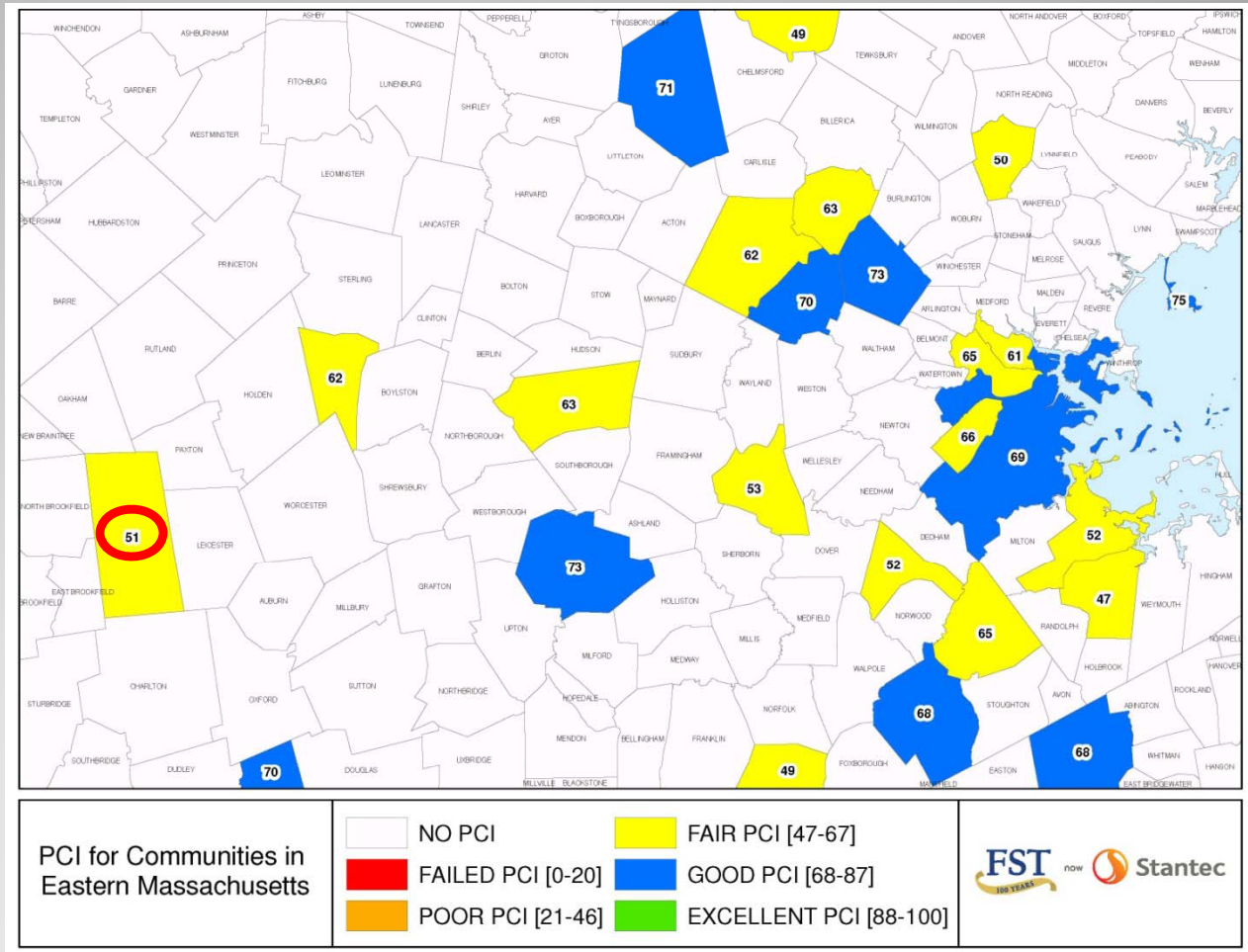
Pavement Management

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



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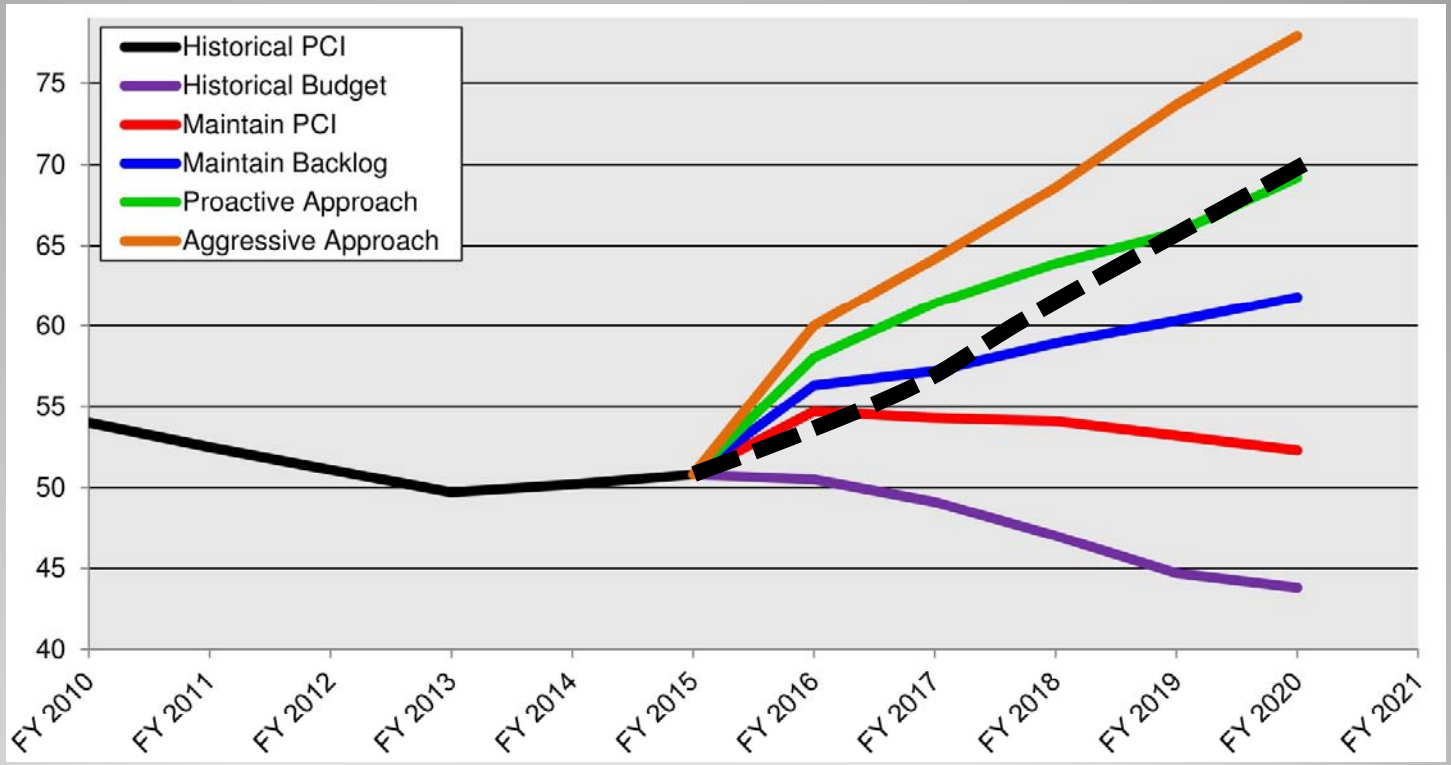
Historical & Future PCI Projection

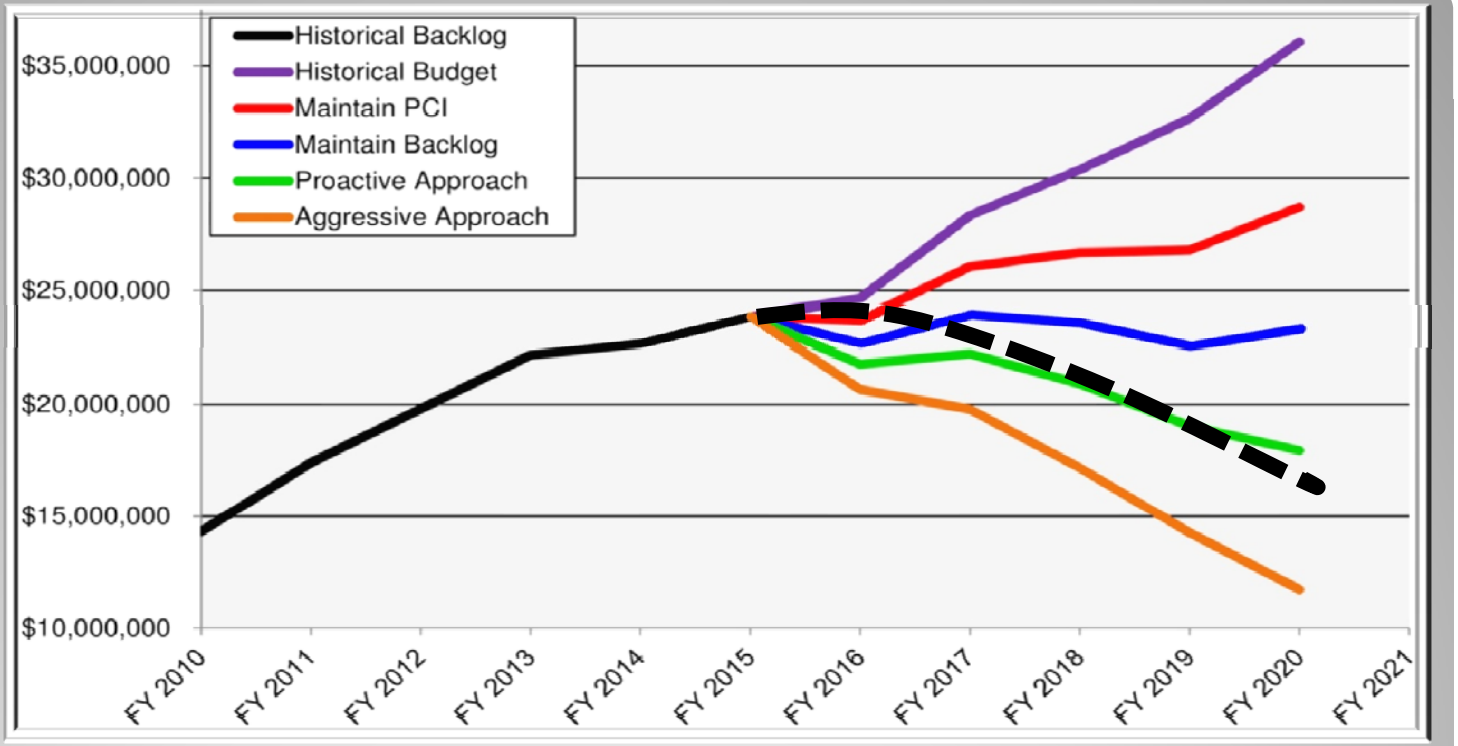


Required Budget	Approximate Historical	Maintain PCI	Maintain Backlog	Proactive Approach	Aggressive Approach
FY 2016	$500,000	$1,250,000	$2,250,000	$4,000,000	$4,500,000
FY 2017	$500,000	$1,250,000	$2,250,000	$3,000,000	$4,000,000
FY 2018	$500,000	$1,000,000	$2,250,000	$2,500,000	$3,500,000
FY 2019	$500,000	$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**

Board of Selectmen and the Financial Management Planning Committee

March 21, 2016

Historical & Future Backlog Projection

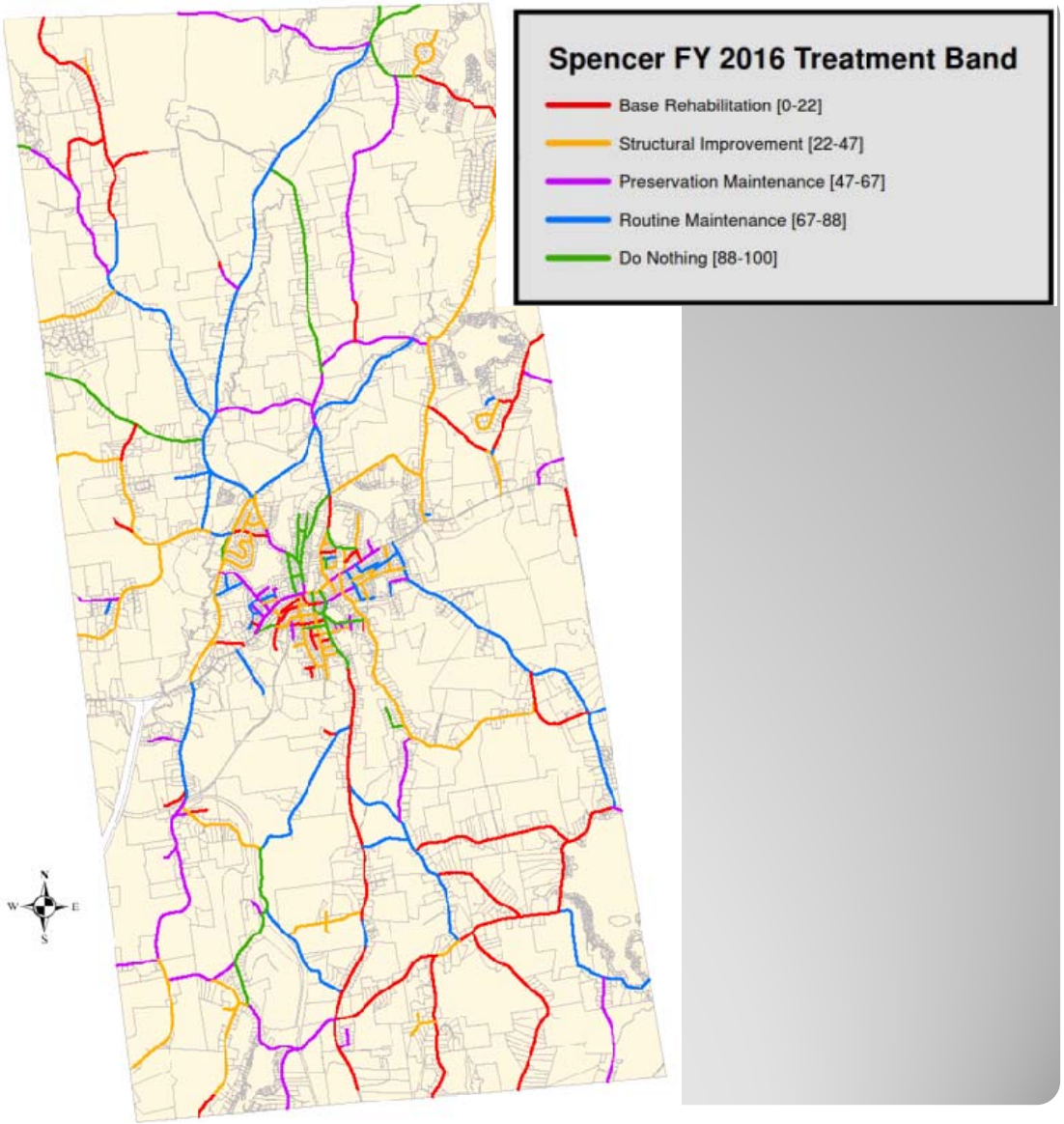


Required Budget	Approximate Historical	Maintain PCI	Maintain Backlog	Proactive Approach	Aggressive Approach
FY 2016	$500,000	$1,250,000	$2,250,000	$4,000,000	$4,500,000
FY 2017	$500,000	$1,250,000	$2,250,000	$3,000,000	$4,000,000
FY 2018	$500,000	$1,000,000	$2,250,000	$2,500,000	$3,500,000
FY 2019	$500,000	$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

March 21, 2016

Spencer Network Roadway Conditions



Board of Selectmen and the Financial Management Planning Committee

March 21, 2016

Spencer FMPC Roads Project - $34 Million Option

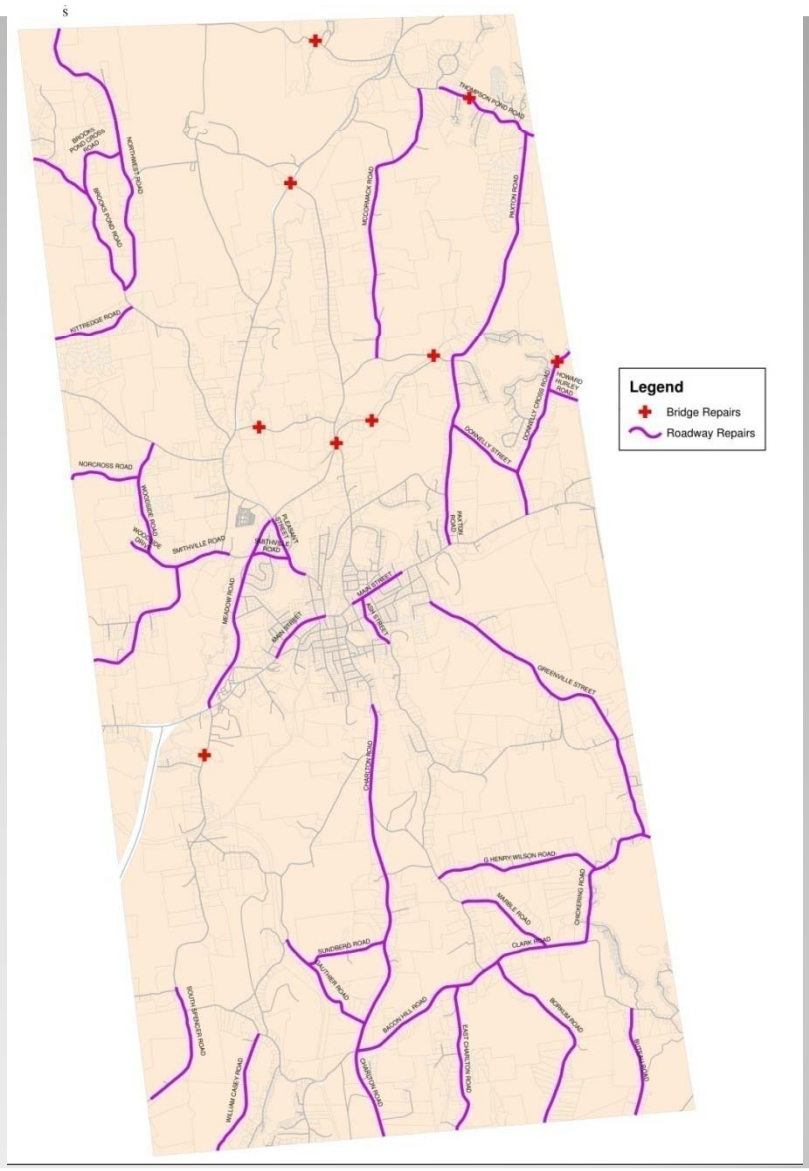
Street	From	To	Length	Activity	Cost
BACON HILL ROAD	CHARLTON ROAD	EAST CHARLTON ROAD	5047	Reclaim	$ 643,650
BORKUM ROAD	CLARK ROAD	CHARLTON TOWN LINE	8306	Double Chip	$ 711,770
BROOKS POND CROSS ROAD	BROOKS POND ROAD	NORTHWEST ROAD	3080	Reclaim	$ 403,004
CHARLTON ROAD	MAPLE STREET	CHARLTON TOWN LINE	17624	Reclaim	$ 3,900,120
CHICKERING ROAD	CLARK ROAD	LEICESTER TOWN LINE	5999	Reclaim	$ 831,589
CLARK ROAD	EAST CHARLTON ROAD	CHICKERING ROAD	4410	Reclaim	$ 576,973
DONNELLY CROSS ROAD	DONNELLY STREET	LEICESTER TOWN LINE	5475	Double Chip	$ 342,245
DONNELLY ROAD	MAIN STREET	PAXTON ROAD	5047	Resurface/Double Chip	$ 322,423
EAST CHARLTON ROAD	100' N OF CLARK ROAD	CHARLTON TOWN LINE	7414	Double Chip	$ 527,422
G HENRY WILSON ROAD	EAST CHARLTON ROAD	CHICKERING ROAD	6993	Reclaim	$ 933,963
MARBLE ROAD	EAST CHARLTON ROAD		4168	Reclaim	$ 790,442
NORTHWEST ROAD	BROOKS POND ROAD	OAKHAM TOWN LINE	12288	Double Chip	$ 737,249
PAXTON ROAD	MAIN STREET	THOMPSON POND ROAD	17662	Reclaim	$ 4,492,042
SOUTH SPENCER ROAD	TOM CASEY ROAD	EAST BROOKFIELD TOWN LINE	5329	Double Chip	$ 376,210
SUNDBERG ROAD	CHARLTON ROAD	GAUTHIER ROAD	3353	Double Chip	$ 206,895
THOMPSON POND ROAD	SHERWOOD DR	PAXTON TOWNLINE	4556	Reclaim	$ 651,778
WILLIAM CASEY ROAD	JOLICOEUR ROAD	CHARLTON TOWN LINE	5206	Double Chip	$ 308,943
ASH STREET	MAIN STREET	CLARK STREET	2265	Resurface	$ 993,770
HOWARD HURLEY ROAD	DONNELLY CROSS ROAD	LEICESTER TOWN LINE	1266	Double Chip	$ 104,082
KITTREDGE ROAD	NORTHWEST ROAD	NORTH BROOKFIELD TOWN LINE	3578	Double Chip	$ 202,334
MCCORMACK ROAD	GOLD NUGGET FARM ROAD	THOMPSON POND ROAD	12004	Double Chip	$ 623,187
NORCROSS ROAD	WOODSIDE ROAD	NORTH BROOKFIELD TOWN LINE	2924	Double Chip	$ 220,097
PLEASANT STREET	100' N OF HIGH STREET	MEADOW ROAD	1247	Resurface	$ 573,186
SMITHVILLE ROAD	PLEASANT STREET	EAST BROOKFIELD TOWN LINE	10107	Resurface	$ 2,068,004
WOODSIDE DRIVE	WOODSIDE ROAD	NORTH BROOKFIELD ROAD	7077	Double Chip	$ 386,943
BROOKS POND ROAD	NORTHWEST ROAD	NORTH BROOKFIELD TOWN LINE	6994	Double Chip	$ 487,766
BUTEAU ROAD	CLARK ROAD	CHARLTON TOWN LINE	4436	Double Chip	$ 259,570
GAUTHIER ROAD	CHARLTON ROAD	CRANBERRY MEADOW ROAD	4896	Double Chip	$ 301,192
GREENVILLE STREET	SUNSET LANE	CHICKERING ROAD	15662	Resurface	$ 1,469,430
MAIN STREET	SUMNER STREET	HIGH STREET	2420	Resurface	$ 932,769
MAIN STREET	TOWN HALL	350' E OF PARK STREET	2750	Resurface	$ 1,099,101
MEADOW ROAD (TIP Elligable)	WEST MAIN STREET	PLEASANT STREET	8210	Reclaim	$ 3,345,000
MAIN STREET (2016 TIP Project)	Downtown Supplement for Construction -ROW & Streetscape Lighting		2750	Resurface	$ 1,406,000
NORTH SPENCER ROAD	Bridge No. S-23-12 (TIP Elligable)	over SEVEN MILE RIVER			$ 1,390,000
DONNELLY CROSS ROAD	Bridge No. S-23-15	over Shaw Brook			$ 497,500
HASTING ROAD	Bridge No. S-23-10	over TURKEY HILL BROOK & 2 Intersections			$ 496,350
BROWING POND ROAD	Bridge No. S-23-18	over SEVEN MILE RIVER			$ 170,500
COONEY ROAD	Bridge No. S-23-13	over SEVEN MILE RIVER			$ 59,500
GOLD NUGGET ROAD	Bridge No. S-23-06	over TURKEY HILL BROOK			$ 57,500
SOUTH SPENCER ROAD	Bridge No. S-23-19	over CRANBERRY RIVER			$ 62,500
WIRE VILLAGE RD	BRIDGE Bridge No. S-23-05	over TURKEY HILL BROOK			$ 71,900
THOMPSON POND ROAD	Bridge No. S-23-16	over Thompson Pond			$ 55,500
			39.9 miles		$ 34,090,399

Board of Selectmen and the
Financial Management Planning Committee

March 21, 2016

Spencer Proposed Bond Program

Activity	Quantity	Unit
Pavement- Reclaim	14.7	miles
Pavement- Resurface	7.5	miles
Pavement- Double Chip	17.1	miles
Bridges Repaired	9	
Sidewalks Repaired	1.6	miles
New Sidewalks Constructed	3.3	miles
Culvert Crossings Repaired	77	
Country Drainage Created/Improved	31.5	miles
Closed Drainage Created/Improved	7.9	miles
ROW Streetscape-Lighting	0.5	miles



Board of Selectmen and the Financial Management Planning Committee

March 21, 2016

Spencer FMPC Roads Project - $19 Million Option

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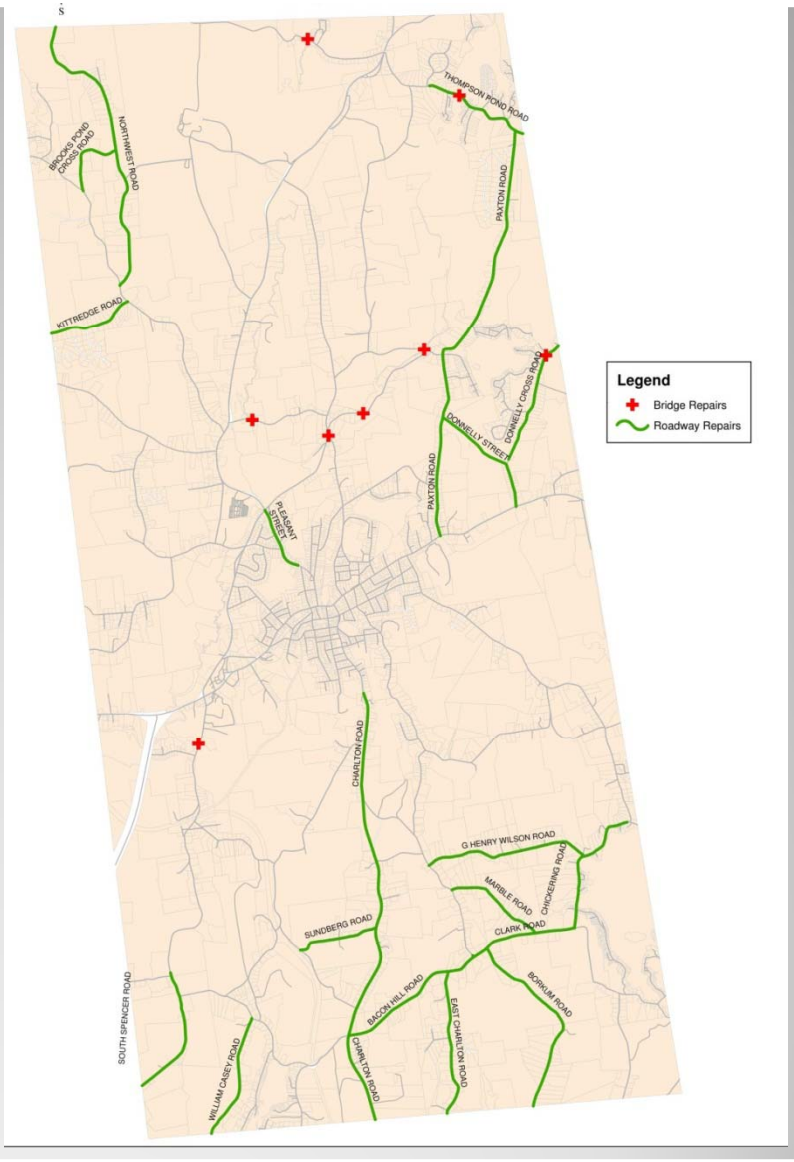
HASTING ROAD	Bridge No. S-23-10	over TURKEY HILL BROOK & 2 Intersections			$ 496,350
BROWING POND ROAD	Bridge No. S-23-18	over SEVEN MILE RIVER			$ 170,500
COONEY ROAD	Bridge No. S-23-13	over SEVEN MILE RIVER			$ 59,500
GOLD NUGGET ROAD	Bridge No. S-23-06	over TURKEY HILL BROOK			$ 57,500
SOUTH SPENCER ROAD	Bridge No. S-23-19	over CRANBERRY RIVER			$ 62,500
WIRE VILLAGE RD	BRIDGE Bridge No. S-23-05	over TURKEY HILL BROOK			$ 71,900
THOMPSON POND ROAD	Bridge No. S-23-16	over Thompson Pond			$ 55,500
			24.0 miles		**$ 19,003,488**

Board of Selectmen and the Financial Management Planning Committee

March 21, 2016

Spencer Proposed Bond Program

Activity	Quantity	Unit
Pavement- Reclaim	13.2	miles
Pavement- Resurface	1	miles
Pavement- Double Chip	9.8	miles
Bridges Repaired	8	
Sidewalks Repaired	0.5	miles
New Sidewalks Constructed	1.4	miles
Culvert Crossings Repaired	41	
Country Drainage Created/Improved	22.1	miles
Closed Drainage Created/Improved	1.9	miles
ROW Streetscape-Lighting	0	miles



Board of Selectmen and the Financial Management Planning Committee

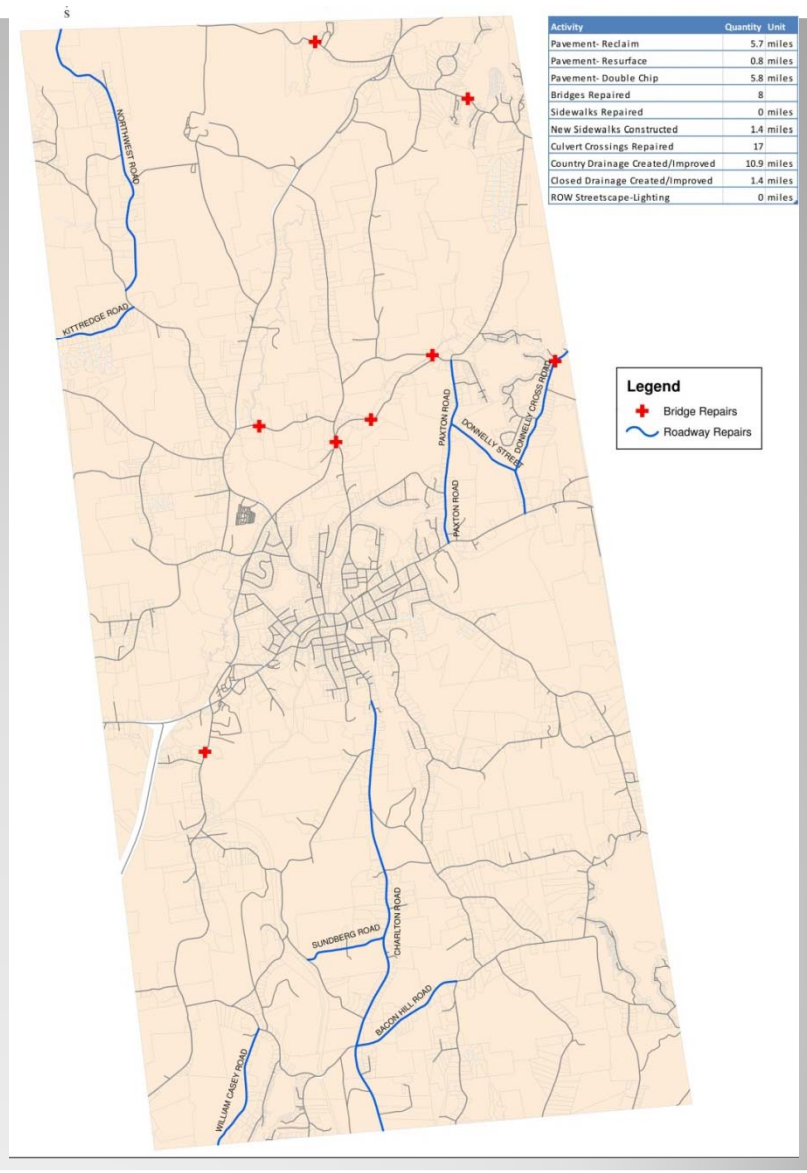
March 21, 2016

Spencer FMPC Roads Project - $10 Million Option

Street	From	To	Length	Activity	Cost
BACON HILL ROAD	CHARLTON ROAD	EAST CHARLTON ROAD	5047	Reclaim	$ 643,650
CHARLTON ROAD	MAPLE STREET	CHARLTON TOWN LINE	17624	Reclaim	$ 3,900,120
DONNELLY CROSS ROAD	DONNELLY STREET	LEICESTER TOWN LINE	5475	Double Chip	$ 342,245
DONNELLY ROAD	MAIN STREET	PAXTON ROAD	5047	Resurface/Double Chip	$ 322,423
NORTHWEST ROAD	BROOKS POND ROAD	OAKHAM TOWN LINE	12288	Double Chip	$ 737,249
PAXTON ROAD	MAIN STREET	GOLD NUGGET FARM ROAD	7474	Reclaim	$ 1,900,210
SUNDBERG ROAD	CHARLTON ROAD	GAUTHIER ROAD	3353	Double Chip	$ 206,895
WILLIAM CASEY ROAD	JOLICOEUR ROAD	CHARLTON TOWN LINE	5206	Double Chip	$ 308,943
KITTREDGE ROAD	NORTHWEST ROAD	NORTH BROOKFIELD TOWN LINE	3578	Double Chip	$ 202,334
DONNELLY CROSS ROAD	Bridge No. S-23-15	over Shaw Brook			$ 497,500
HASTING ROAD	Bridge No. S-23-10	over TURKEY HILL BROOK & 2 Intersections			$ 496,350
BROWING POND ROAD	Bridge No. S-23-18	over SEVEN MILE RIVER			$ 170,500
COONEY ROAD	Bridge No. S-23-13	over SEVEN MILE RIVER			$ 59,500
GOLD NUGGET ROAD	Bridge No. S-23-06	over TURKEY HILL BROOK			$ 57,500
SOUTH SPENCER ROAD	Bridge No. S-23-19	over CRANBERRY RIVER			$ 62,500
WIRE VILLAGE RD	BRIDGE Bridge No. S-23-05	over TURKEY HILL BROOK			$ 71,900
THOMPSON POND ROAD	Bridge No. S-23-16	over Thompson Pond			$ 55,500
			12.3 miles		$ 10,035,319

Spencer Proposed Bond Program

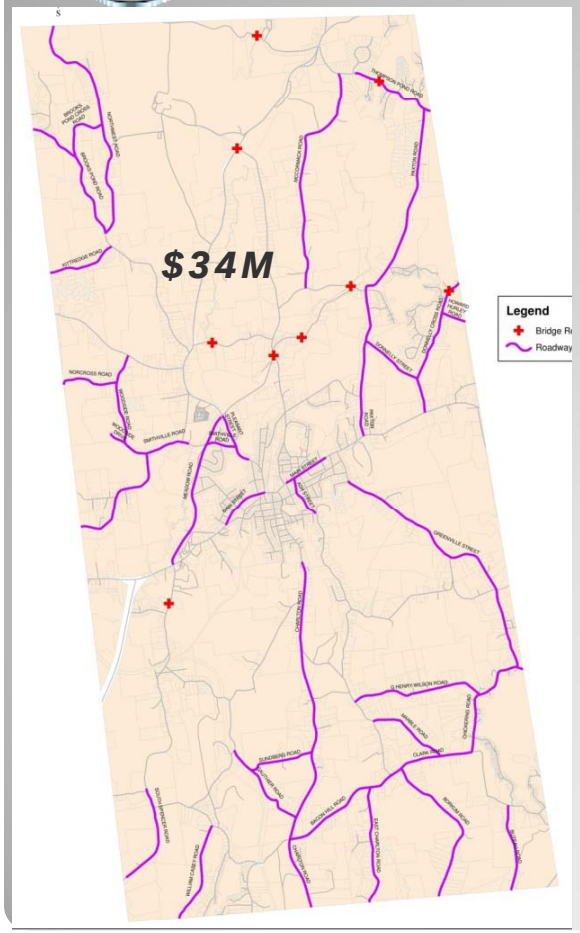
Activity	Quantity	Unit
Pavement- Reclaim	5.7	miles
Pavement- Resurface	0.8	miles
Pavement- Double Chip	5.8	miles
Bridges Repaired	8	
Sidewalks Repaired	0	miles
New Sidewalks Constructed	1.4	miles
Culvert Crossings Repaired	17	
Country Drainage Created/Improved	10.9	miles
Closed Drainage Created/Improved	1.4	miles
ROW Streetscape-Lighting	0	miles

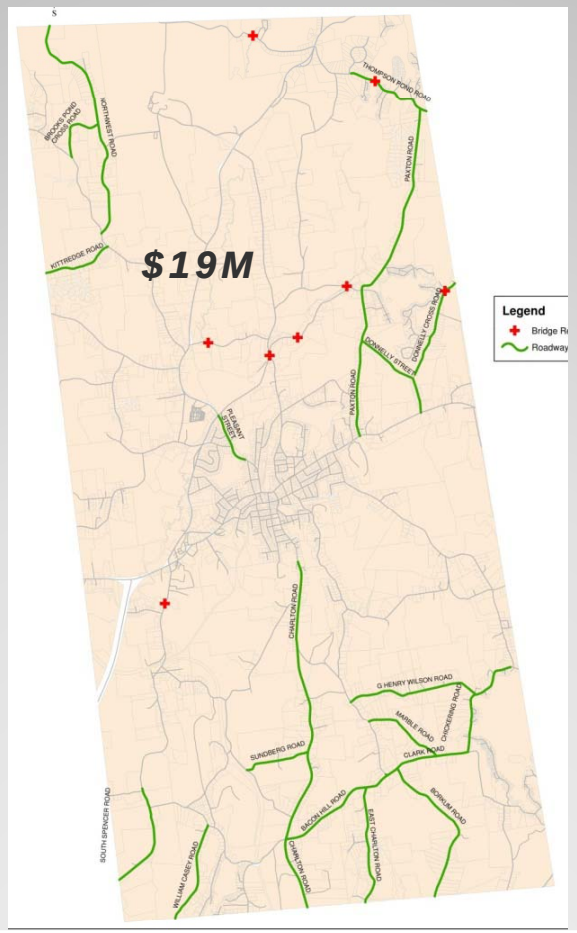


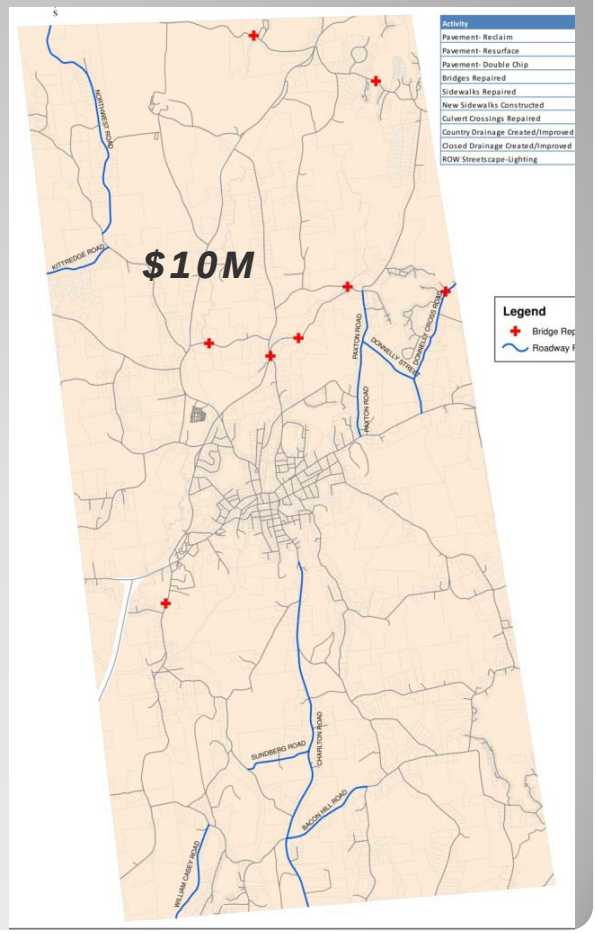
Board of Selectmen and the Financial Management Planning Committee

March 21, 2016

Spencer Proposed Bond Program Options







Board of Selectmen and the
Financial Management Planning Committee

March 21, 2016

Financing
&
Budget Implications

Adam Gaudette
Spencer Town Administrator

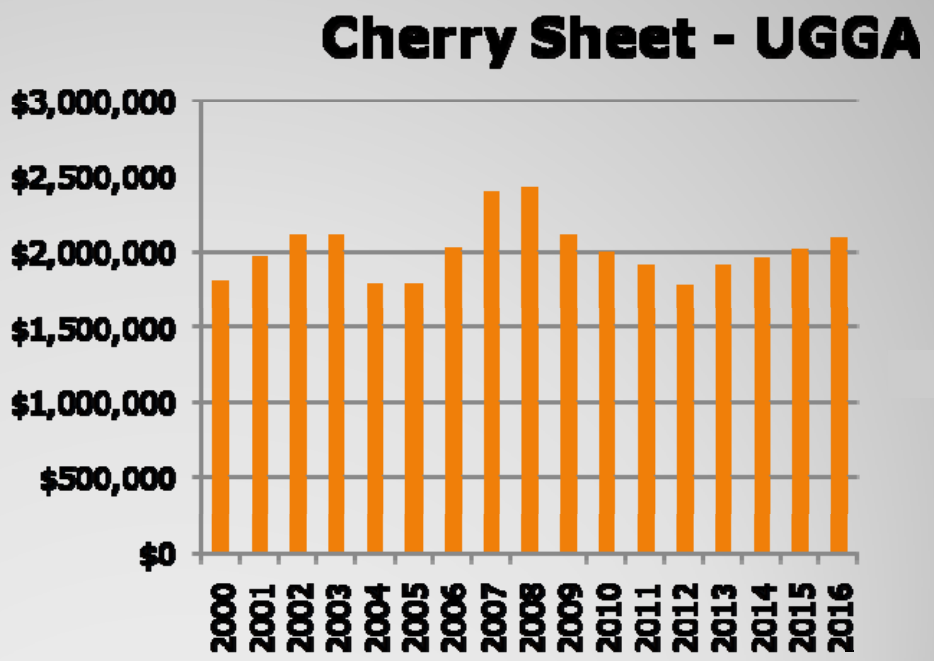
Board of Selectmen and the
Financial Management Planning Committee

March 21, 2016

Financing the Project

- ***State to Local Aid – Cherry Sheet***
- ***UGGA – Unrestricted General Government Aid***

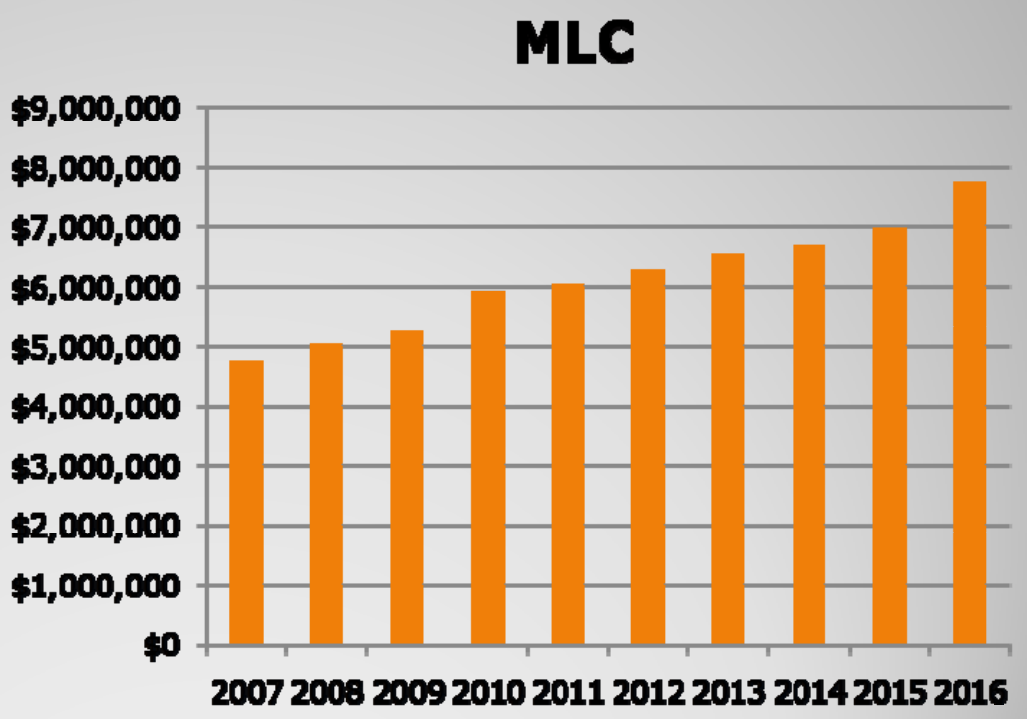
	Cherry Sheet - UGGA
2000	$1,806,781
2001	$1,969,537
2002	$2,105,128
2003	$2,105,128
2004	$1,789,359
2005	$1,789,359
2006	$2,023,061
2007	$2,397,238
2008	$2,423,600
2009	$2,109,599
2010	$1,992,823
2011	$1,913,110
2012	$1,774,784
2013	$1,913,110
2014	$1,958,332
2015	$2,012,640
2016	$2,085,095



Financing the Project

- *Education Assessments*
- *MLC - Minimum Local Contribution*

	MLC
2007	$4,757,111
2008	$5,038,864
2009	$5,259,510
2010	$5,909,466
2011	$6,026,675
2012	$6,269,918
2013	$6,527,063
2014	$6,679,987
2015	$6,981,057
2016	$7,757,029



FY2016 MLC - $357,492 or 5.54%

FY2016 2 ½ - $296,614 or 2.5%

Financing the Project

Personnel Reductions

- **Eliminated** the P/T Board of Health Clerk in FY2009
- **Eliminated** the P/T Building Inspector in FY2009
- **Eliminated** the P/T Parks & Recreation Director in FY2009
- **Reduced** the F/T Town Planner to P/T in FY2011 (regionalized with Leicester)
- **Reduced** the F/T Building Inspector to P/T in FY2013
- **Reduced** the F/T Town Accountant to P/T in FY2013
- **Eliminated** the P/T Benefits Coordinator in FY2013 (privatized)
- **Eliminated** the P/T Assessors Junior Clerk in FY2014
- **Eliminated** the P/T Information Technology Coordinator in FY2014 (privatized)
- **Eliminated** 7 positions at the Library in FY2015
- **Eliminated** 1 FT Highway Position in FY2015

Financing the Project

Personnel Wage Adjustments

- FY2010 – All Contracted Department Heads took a **Wage Freeze**.
- FY2010 – The Police Association Unit took a **Wage Deferment** until FY2011 when it then became a **Wage Freeze** resulting in 0% increase for FY2010.
- FY2010 The Utilities & Facilities Unit took a **Week Furlough Unpaid**.
- FY2010 – The Police Dispatchers Unit took a **Wage Freeze**.
- FY2010 – The Town Hall Clerks Unit took a **Wage Freeze**.
- FY2011 – The Town Personnel Bylaw Employees took a **Wage Freeze**.
- FY2011 – The Utilities & Facilities Unit took a **Wage Freeze**.
- FY2012 – The Police Association Unit took a **Wage Freeze**.
- FY2012 – The Town Hall Clerks Unit took a **Wage Freeze**.
- FY2012 – The Utilities & Facilities Unit took a **Wage Freeze**.
- FY2013 – The Board of Selectmen **eliminated their Salary Stipends**.

Financing the Project

Health Insurance Cost Control

- **Retiree Premium Contribution Rates**: In FY2006, the Board of Selectmen adopted a policy to increase retiree insurance contribution rates to reduce the Town's burden by increasing the retiree rate by 1% per year until the rate reaches 40%. The starting rate was 15% and the current rate in Fiscal Year 2016 is 26%.

- **Plan Allocation**: In FY2011, the Town negotiated with its employees to change from offering 2 health insurance plans to 1 plan, reducing monthly premiums and also began purchasing the new plan through a joint purchase group (MIIA), which helped the Town avoid a 20% increase in premiums that year.

- **Plan Design**: In FY2013, the Town Employees agreed to pay higher copays helping the Town avoid a 3.5% increase in premiums that year. Town Employees have again agreed to restructure copays for next year, FY2015, such that a 3.75% premium increase will be avoided.

- **Active Employee Premium Contribution Rates**: The Town negotiated or adopted Personnel bylaw Changes such that the burden of health insurance cost premiums would be shifted from the Town to Active Employees. Starting in FY2014, all Town Employees pay 40% of the cost of health insurance premiums.

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 <u>Proposition 2 ½ Overrides</u>:***

1. ***<u>Debt Exclusions</u>*** ***–*** *Levy limit is increased to cover debt service for the stated purpose on the ballot question each fiscal year* ***<u>until the debt is retired</u>*** *[MGL Ch. 59, 21C(k)].*

2. ***<u>General Override</u>*** ***–*** *Levy limit is increased by the amount stated on the ballot question and earmarked for the stated purpose in the first year* ***<u>only</u>*** *[MGL Ch. 59, 21C(g)].*

3. ***<u>Stabilization Fund Override</u>*** ***-*** *Levy limit is increased by the amount stated on the ballot question and earmarked for the stated purpose in the first year* ***<u>and</u>*** *in subsequent fiscal years upon authorization [MGL Ch. 59, 21C(g)].*

Financing the Project

- ***What is the <u>Proposition 2 ½ Process</u>?***

  1. *The only way a ballot question for an Override can be put forth before the voters is by a **<u>majority vote of the Board of Selectmen</u>**.*

  2. *Questions require a "**<u>Statement of Purpose</u>**" for how the monies from the additional tax assessment will be used.*

  3. *Questions require the **<u>Specific Dollar Amount</u>** of additional taxing authority being requested and the fiscal year in which it will be used.*

  4. *A question is approved if a **<u>majority of the people voting</u>** on that ballot question vote "yes."*

  5. *Authorization results in a **<u>Permanent Increase</u>** to the Tax Levy Limit for a General Override and a Stabilization Override (if appropriated) and **<u>Temporary Increase</u>** 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

March 21, 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	$ 2,522	$ 2,942	$ 3,362	$ 3,782	$ 4,202
Tax Bill Increase	$ 379	$ 441	$ 504	$ 567	$ 629

Board of Selectmen and the
Financial Management Planning Committee

March 21, 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	$ 2,357	$ 2,749	$ 3,142	$ 3,535	$ 3,928
Tax Bill Increase	$ 214	$ 248	$ 284	$ 320	$ 355

Financing the Project

Impact of an Override:

- Override amount of $650,000 for Road Improvements Stabilization Fund to support a $19 Million Project borrowed over 30 years:
- Approval for the Override would add $0.71 to the Tax Rate of $14.29 resulting in an estimated Tax Rate of $15.00 / $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	$ 2,250	$ 2,625	$ 3,000	$ 3,375	$ 3,750
Tax Bill Increase	$ 107	$ 124	$ 142	$ 160	$ 177

Financing the Project

Impact of an Override:

- *Note: If we wait one year to borrow in FY2018, $300,000 will come off the Tax Levy as the Sibley Farm ($145,000) and the Fire Ladder Truck ($155,000) Debt Exclusions will expire.*

- *Thus, a $2,300,000 Override would have the impact of $2,000,000; a $1,300,000 Override will have the impact of $1,000,000; and a $650,000 will have the impact of $350,000.*

- *Thus, the tax rate impacts would only be $2.19 instead if $2.52 ($2,000,000).*
- *Thus, the tax rate impacts would only be $1.01 instead if $1.42 ($1,000,000).*
- *Thus, the tax rate impacts would only be $0.38 instead if $0.71 ($350,000).*

- *The estimated INCREASE on the average property assessment is as follows:*

Home Value	$200,000 ($2M)	$200,000 ($1M)	$200,000 ($350K)
FY 2016 Tax Bills	$ 2,858	$ 2,858	$ 2,858
Tax Bill w/Override	$ 3,296	$ 3,060	$ 2,934
Tax Bill Increase	$ 438	$ 202	$ 76

Board of Selectmen and the
Financial Management Planning Committee

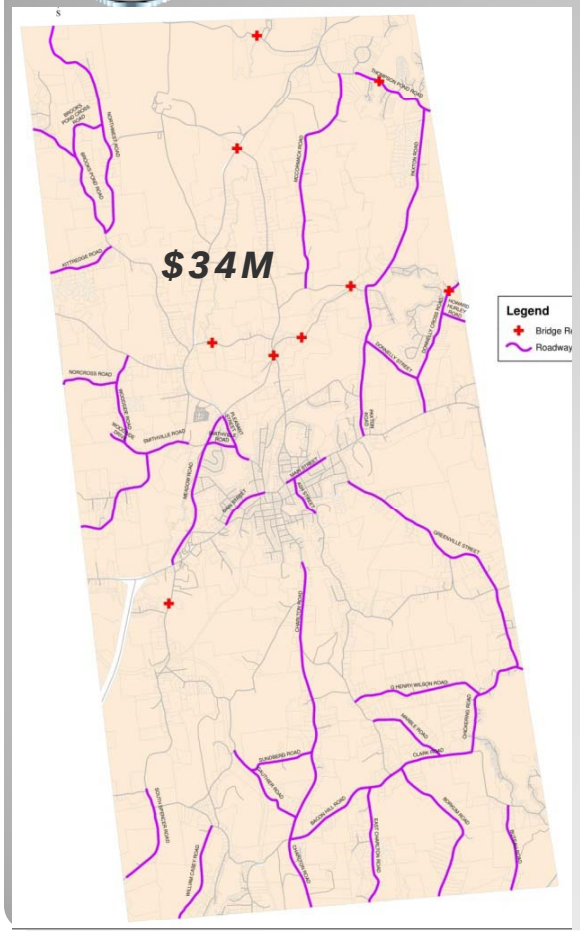
March 21, 2016

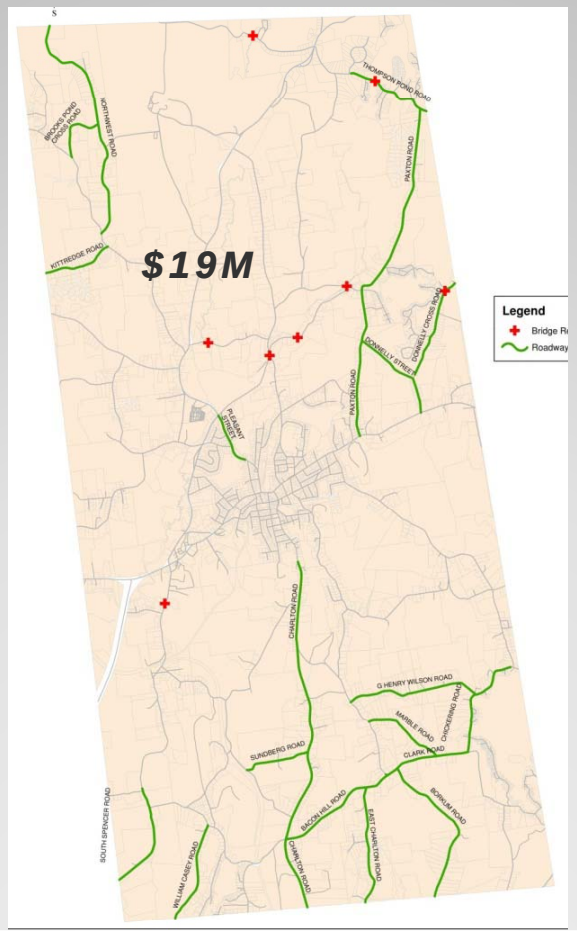
Financing the Project

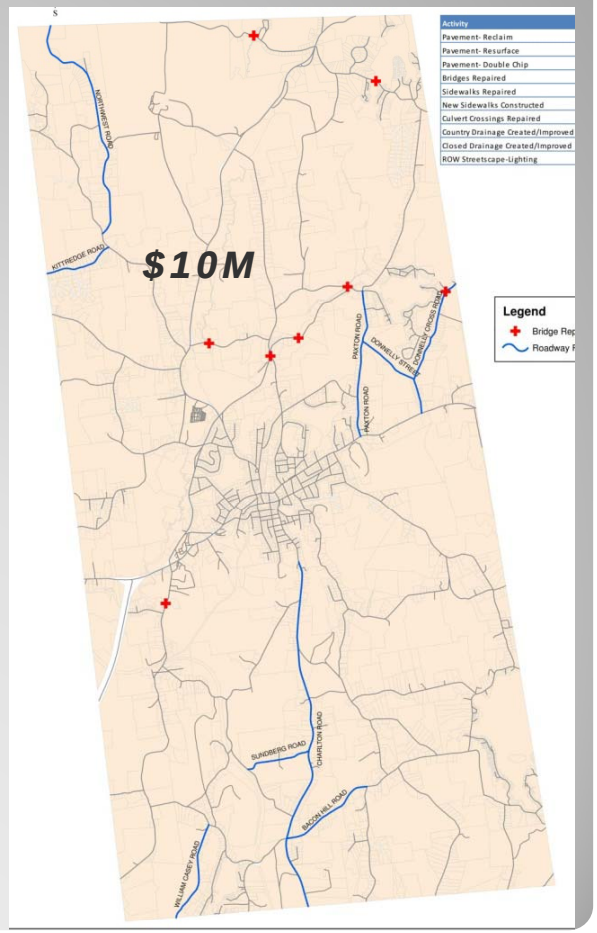
Proposed Timeline

- March 28, 2016 – Board of Selectmen: vote to place Override question on ballot
- May 5, 2016 – Annual Town Meeting: vote for Special Legislation (30-years)
- May 10, 2016 – Annual Town Election: vote to authorize levy increase (Override)
- June 2016 – June 2017: Legislature passes Special Legislation Bill
- June 2016 – December 2016: Survey, Engineering for Phase I Projects
- January 2017 – March 2017: Advertise/Bid Phase I Projects
- May 4, 2017: Annual Town Meeting: Vote authorization to borrow and budget Phase I projects in FY2018 Budget (July 1, 2017 – June 30, 2018)
- June 2017: Borrow for Phase I with payment due in FY2018
- July 2017: Phase I Construction Starts
- August 1, November 1, February 1, May 1 – FY2018 Tax Bills first impact

Spencer Proposed Bond Program Options







Board of Selectmen and the
Financial Management Planning Committee

March 21, 2016

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

March 21, 2016