



Town of Littleton, Massachusetts

MAY 2, 2011 ANNUAL & SPECIAL TOWN MEETINGS

Monday, May 2, 2011

7:00 PM Annual Town Meeting

7:30 PM Special Town Meeting

**Charles Forbes Kaye Gymnasium
Littleton Middle School
55 Russell Street, Littleton, MA 01460**

CONSENT CALENDAR PROCEDURE, *Page 2*

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Consent Calendar Procedure

As part of an effort to streamline Town Meeting and save time for discussion of key issues, we will be continuing the procedure, instituted in 2007, called the “Consent Calendar”.

Each year there are several warrant articles on which past experience suggests that action will be routine, predictable and non-controversial. The articles marked with an asterisk (*) and shown in **boldface** in the list below have been selected for inclusion in the Consent Calendar. As one of the first orders of business at the Annual Town Meeting there will be a motion to take all of these articles identified in the Consent Calendar and act upon them by means of a single, brief affirmative main motion which will be inclusive of the separate and specific motions listed here below for each article. The use of the Consent Calendar speeds up the passage of warrant articles which the Selectmen, Moderator and Town Counsel believe should generate no controversy and can be properly voted without debate.

At the call of the Consent Calendar, the Moderator will call out the numbers of the articles, one by one. Any voter who has doubts about passing any motion, or wishes an explanation of any article included in the Consent Calendar, should say the word “hold” in a loud voice when the article number is called by the Moderator. The Moderator will inquire as to whether the request is for a question or for debate. If the purpose of the request is merely a question then an attempt will be made to obtain a satisfactory answer. If the purpose is to hold the article for debate, the article will be dropped from the Consent Calendar and restored to its original place in the warrant to be brought up, debated and voted in the usual manner. It is hoped that voters will remove articles from the Consent Calendar only in cases of genuine concern. After calling the individual articles on the Consent Calendar, the Moderator will ask that all remaining articles be passed as a unit by unanimous vote after a brief affirmative motion is made inclusive of all articles, and the printed motions thereunder.

Please carefully review the articles and motions proposed for the Consent Calendar. Thank you for your cooperation in again implementing this procedure.

Timothy D. Goddard
Town Moderator

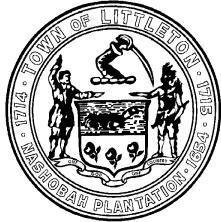
TOWN OF LITTLETON, MASSACHUSETTS
PROPOSED CONSENT CALENDAR ARTICLES
SHOWN IN BOLDFACE (*)

May 2, 2011 Special Town Meeting articles

1. Bills of Prior Years
2. FY 2011 Line Item Transfers
3. Rescind Ambulance/EMS Enterprise Fund
4. Capital Improvements #2 Well Production Facility - *Board of Water Commissioners*

May 2, 2011 Annual Town Meeting articles

1. **Town Officers***
2. Annual Report
3. **Borrowing Authorization***
4. FY 2012 Operating Budget
5. **Electric Light Operating Budget* - *Board of Electric Light Commissioners***
6. FY 2012 Water Enterprise Fund Operating Budget - *Board of Water Commissioners*
7. FY 2012 Emergency Medical Services Enterprise Fund
8. FY 2012 Capital Items from Available Funds
9. FY 2012 Community Preservation Act appropriations - *Community Preservation Committee*
10. Clean Lakes Committee Transfer of Land
11. **M.H. Kimball Trust School Grant Funds***
12. **Personnel By-law Amendments***
13. **FY 2012 Revolving Funds***
14. **Compensating Balance Agreement***
15. **Senior Work Program***
16. **Use of Chapter 90 MassHighway Funds***
17. By-law Amendment: By-law Amendment: Department of Land Use, Planning, and Permitting
18. Zoning Amendment: Farmland Protection - *Planning Board*
19. Zoning Amendment: Open Space Development - *Planning Board*
20. Zoning Amendment: Commercial Solar - *Board of Electric Light Commissioners*
21. Zoning Amendment: Allowing Use of Solar Energy System Installations - *Voter Petition*
22. Zoning Amendment: Amend Self-Storage Facility in Aquifer Protection and Water Resource District - *Voter Petition*
23. **Road Acceptance: Richard Way***
24. **Road Acceptance: Mary Shepherd Road***



May 2, 2011 Special Town Meeting

7:30 p.m. Charles Forbes Kaye Gymnasium
Littleton Middle School

ARTICLE 1 Board of Selectmen Bills of Prior Years

To see if the Town will vote to transfer a sum or sums of money from available funds to pay unpaid bills from prior fiscal years, or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to transfer the sum of \$406.34 from Line 720 Short Term Debt of the FY 2011 Operating Budget as adopted under Article 4 of the May 3, 2010 Annual Town Meeting to pay for unpaid bills from previous fiscal years, as listed below

<u>Vendor</u>	<u>Dept.</u>	<u>Amount</u>	<u>Fiscal Year</u>
Littleton Lumber	Cemetery	44.05	FY2010
Shattuck Oil	Public Buildings	136.40	FY2010
Staples	Police	225.89	FY2010

Finance Committee and Board of Selectmen support Article 1.

ARTICLE 2 Board of Selectmen FY 2011 Line Item Transfers

To see if the Town will vote to amend the FY 2011 Operating Budget, as adopted under Article 4 of the May 3, 2010 Annual Town Meeting, by adjusting budget line items, or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to amend the FY 2011 Operating Budget, as adopted under Article 4 of the May 3, 2010 Annual Town Meeting and amended by the November 8, 2010 Special Town Meeting, by adjusting budget line items as follows:

<u>Budget</u>	<u>Line Item</u>	<u>FY11 Budget</u>	<u>Adjustment</u>	<u>FY11 Budget</u>
Legal	151	100,000.00	60,000.00	160,000.00
Short Term Debt	720	265,680.00	(31,094.00)	234,586.00
Employee/Retiree Benefits	194	4,445,492.00	(28,906.00)	4,416,586.00
Total Budget Appropriated		31,702,435.00	0.00	31,702,435.00

Finance Committee and Board of Selectmen support Article 2.

ARTICLE 3
Board of Selectmen
Rescind Ambulance/EMS Enterprise Fund

To see if the Town will vote to rescind its vote under Article 4 of the November 14, 2006 Special Town Meeting which established an Ambulance Enterprise Fund pursuant to Chapter 44, Section 53F $\frac{1}{2}$ of the General Laws, or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to rescind its vote under Article 4 of the November 14, 2006 Special Town Meeting which established an Ambulance Enterprise Fund pursuant to Chapter 44, Section 53F $\frac{1}{2}$ of the General Laws, effective fiscal year 2012.

Finance Committee and Board of Selectmen support Article 3.

ARTICLE 4
Board of Water Commissioners
Capital Improvements #2 Well Production Facility

To see if the Town will vote to raise and appropriate, transfer from available funds and/or borrow a sum or sums of money for the purpose of funding capital improvements to the # 2 Well Production Facility of the Town of Littleton Water Department, to improve well capacity and meet new MADEP drinking water regulations, or to take any other action relative thereto.

Motion: Moved and seconded by the Board of Water Commissioners that the Town vote to appropriate the sum of \$125,000 for the purpose of funding capital improvements to the # 2 Well Production Facility of the Town of Littleton Water Department, to improve well capacity and meet new MADEP drinking water regulations, and that to meet this appropriation, the Treasurer, with the approval of the Board of Selectmen, is hereby authorized to borrow said sum under and pursuant to Chapter 44, Section 8(5), of the General Laws, or pursuant to and any other enabling authority, and to issue bonds or notes of the Town therefor, and further, that although the borrowing authorized by this vote must constitute a general obligation of the Town pursuant to Chapter 44 of the General Laws, it is the intention of the Town that the repayment of any borrowing authorized hereunder shall, in the first instance, be made from water system revenues.

Board of Water Commissioners supports Article 4. Finance Committee and Board of Selectmen recommendations forthcoming.



May 2, 2011 Annual Town Meeting

7:00 p.m. Charles Forbes Kaye Gymnasium
Littleton Middle School

ARTICLE 1 Board of Selectmen Town Officers

To choose all Town Officers and Committees necessary to be chosen at the Annual Town Meeting.

Motion: Moved and seconded by the Board of Selectmen that the following Officers be chosen for the year 2011: Fence Viewers: William Farnsworth, Timothy Harrison Whitcomb, Joseph Knox; Field Drivers: Raymond C. O'Neil; Surveyor of Timber & Measurer of Wood Bark: Henry Parlee; Measurers and Weighers of Grain, Hay, Coal and Livestock: Tom Wood, Ronald Pollack, Brian Pollack, Michelle Roche, and Jesse Wetteland.

Board of Selectmen supports Article 1.

ARTICLE 2 Board of Selectmen Annual Report

To hear and act upon the reports of the Town Officers and Committees.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to accept all printed reports of Town Officers and Committees as published in the 2010 Annual Town Report.

Board of Selectmen supports Article 2.

ARTICLE 3 Board of Selectmen Borrowing Authorization

To see if the Town will vote to authorize the Town Treasurer, with the approval of the Board of Selectmen, to borrow money from time to time in anticipation of the revenue for the fiscal year beginning July 1, 2011, in accordance with the provisions of Chapter 44, Section 4 of the General Laws, and to issue a note or notes as may be given for a period of less than one (1) year, in accordance with Chapter 44, Section 17 of the General Laws, or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to authorize the Town Treasurer, with the approval of the Board of Selectmen to borrow money and issue notes for the purposes itemized and described in Article 3 as printed in the warrant.

Finance Committee and Board of Selectmen support Article 3.

ARTICLE 4
Finance Committee/Board of Selectmen
FY 2012 Operating Budget

To see if the Town will vote to raise and appropriate, transfer from available funds in the treasury or transfer from the Enterprise and Trust Funds, such sums of money to defray the expenses of the various departments of the Town and to fix the salary and compensation of all elected officials for the Fiscal Year beginning July 1, 2011, or to take any other action in relation thereto.

Motion: Moved and seconded by the Finance Committee that the Town vote to raise and appropriate the sum of \$33,021,021 and transfer from the funds specified herein the sum of \$531,068 for a total of \$33,552,089 to defray the expenses of the various departments of the Town as specified herein and to fix the salary and compensation of all elected officials for the Fiscal Year beginning July 1, 2011.

Finance Committee, Board of Selectmen, and School Committee support Article 4.

	<i>Department</i>	FY2010 Actual	FY2011 Budget	FY2012 Recommend
114 MODERATOR				
Personal Services		\$0	\$0	\$0
Expenses		0	100	100
	Total 114	0	100	100
122 SELECTMEN / TOWN ADMINISTRATOR				
Personal Services		154,431	158,868	159,015
Expenses		11,098	11,870	11,870
MAGIC Assessment		1,600	1,600	1,628
	Total 122	167,129	172,338	172,513
131 FINANCE COMMITTEE				
Personal Services		-	-	-
Expenses		364	500	500
	Total 131	364	500	500
132 RESERVE FUND				
Expenses		92,265	150,000	150,000
	Total 132	92,265	150,000	150,000
135 FINANCE AND BUDGET				
Personal Services		483,611	494,089	507,577
Expenses		33,460	35,010	35,010
Audit		27,000	27,000	34,500
	Total 135	544,071	556,099	577,087
151 LEGAL				
Expenses		205,965	100,000	100,000
	Total 151	205,965	100,000	100,000

TOWN OF LITTLETON, MASSACHUSETTS

	<i>Department</i>	FY2010 Actual	FY2011 Budget	FY2012 Recommend
155	INFORMATION SYSTEMS			
	Personal Services	55,181	57,641	60,727
	Expenses	<u>79,586</u>	<u>65,459</u>	<u>69,944</u>
		Total 155	134,767	123,100
				130,671
161	TOWN CLERK			
	Elected Salaries	45,707	47,283	49,126
	Personal Services	15,068	16,164	16,695
	Expenses	1,281	1,500	1,500
	Transfer In – Dog Tax Fund	0	(2,200)	(2,200)
		Total 161	62,056	62,747
				65,121
162	ELECTIONS & REGISTRATIONS			
	Personal Services	-	-	-
	Expenses	<u>8,850</u>	<u>8,700</u>	<u>8,700</u>
		Total 162	8,850	8,700
				8,700
171	CONSERVATION COMMISSION			
	Personal Services	18,830	19,723	20,730
	Expenses	955	1,000	1,000
	Transfer In - Wetland Fund	(3,165)	(5,050)	(5,050)
		Total 171	16,620	15,673
				16,680
175	PLANNING BOARD			
	Personal Services	39,802	46,130	48,505
	Expenses	<u>1,062</u>	<u>1,175</u>	<u>1,175</u>
		Total 175	40,864	47,305
				49,680
176	APPEALS BOARD			
	Personal Services	4,002	4,879	5,285
	Expenses	<u>1,111</u>	<u>1,200</u>	<u>1,200</u>
		Total 176	5,113	6,079
				6,485
191	BUILDING MAINTENANCE			
	Personal Services	42,134	42,982	48,420
	Expenses	<u>317,330</u>	<u>311,556</u>	<u>311,556</u>
		Total 191	359,464	354,538
				359,976
193	GENERAL INSURANCE			
	Expense	<u>264,866</u>	<u>300,000</u>	<u>300,000</u>
		Total 193	264,866	300,000
				300,000
194	EMPLOYEE/RETIREE BENEFITS			
	Expenses	3,581,318	3,628,588	5,048,243
	Other Post Employment Benefits Liability Fund	0	900,000	500,000
	Transfer In - EMS Enterprise	(63,718)	(68,703)	0
	Transfer In - Recreation Revolving	(14,393)	(14,416)	(14,416)
		Total 194	3,503,207	4,445,469
				5,533,827

TOWN OF LITTLETON, MASSACHUSETTS

	<i>Department</i>	FY2010 Actual	FY2011 Budget	FY2012 Recommend
196	Town Report / Town Meeting			
	Expenses	5,000	5,000	5,000
		Total 196	5,000	5,000
210	POLICE / DISPATCH			
	Personal Services	1,393,939	1,442,915	1,463,079
	Expenses	99,868	100,061	100,571
		TOTAL 210	1,493,807	1,542,976
220	FIRE/EMS DEPARTMENT			
	Personal Services	563,712	639,125	652,004
	Expenses	104,841	108,523	95,523
		Total 220	668,553	747,648
241	BUILDING DEPARTMENT			
	Personal Services	92,980	93,734	99,059
	Expenses	2,772	5,430	5,430
	Transfer In - Inspectional Revolving	(2,730)	(3,000)	(3,000)
		Total 241	93,022	96,164
300	SCHOOL DEPARTMENT			
	Budget	14,428,673	14,977,076	14,977,076
	Transfer In - LH Zappy Trust	(200)	(700)	(200)
	Transfer In - Hildreth Trust	(1,500)	(6,000)	(6,000)
	Transfer In - Goldsmith Trust	(100)	(500)	(500)
	Transfer In - Johnson Trust	(200)	(750)	(750)
		Total 300	14,426,673	14,969,126
301	NASHOBA TECH ASSESSMENT			
	Expenses	488,712	597,906	620,422
		Total 301	488,712	597,906
420	HIGHWAY DEPARTMENT			
	Personal Services	668,206	684,489	689,660
	Expenses	468,787	461,701	466,034
	Streetlights	33,077	33,077	30,829
	Park Maintenance	0	6,800	6,800
	Wastewater	67,000	50,000	50,000
	B&M Crossing	2,806	2,806	2,806
	Gasoline	88,860	100,000	100,000
		Total 420	1,328,736	1,338,243
422	ROADWAY REPAIRS			
	Expenses	464,800	469,448	474,142
		Total 422	464,800	469,448

TOWN OF LITTLETON, MASSACHUSETTS

	<i>Department</i>	FY2010 Actual	FY2011 Budget	FY2012 Recommend
423	SNOW & ICE			
	Personal Services	65,006	68,000	68,000
	Expenses	<u>204,498</u>	<u>84,000</u>	<u>132,000</u>
		Total 423	269,504	152,000
				200,000
491	CEMETERY DEPARTMENT			
	Personal Services	75,435	77,325	77,778
	Expenses	19,690	17,800	17,800
	Transfer In: Sale of Cemetery Lots	(12,000)	(12,000)	(12,000)
	Transfer In - Graves	<u>(20,000)</u>	<u>(18,897)</u>	<u>(18,897)</u>
		Total 491	63,125	64,228
				64,681
510	HEALTH DEPARTMENT			
	Personal Services	23,925	26,279	26,977
	Expenses	225	1,235	1,235
	Assessment - Nashoba BOH	21,027	21,027	21,650
	Assessment - Nashoba Nursing	8,182	8,182	8,250
	Assessment - Eliot Clinic	3,780	3,780	3,780
	Animal Inspector	1,300	1,300	1,300
	Transfer In - B.Sampson Animal Fund	<u>(500)</u>	<u>(2,500)</u>	<u>(2,500)</u>
		Total 510	57,939	59,303
				60,692
541	COUNCIL ON AGING			
	Personal Services	56,728	56,522	63,210
	Expenses	<u>12,008</u>	<u>12,462</u>	<u>13,416</u>
		Total 541	68,736	68,984
				76,626
543	VETERANS SERVICES			
	Personal Services	5,000	5,000	5,000
	Expenses	305	750	750
	Veteran Benefits	<u>18,266</u>	<u>12,000</u>	<u>12,000</u>
		Total 543	23,571	17,750
				17,750
610	REUBEN HOAR LIBRARY			
	Personal Services	354,500	354,427	359,971
	Expenses	62,695	67,400	65,900
	Merrimack Valley Assessment	30,489	31,714	31,714
	Transfer In - Library Trust Funds	<u>(15,000)</u>	<u>(17,500)</u>	<u>(13,000)</u>
		Total 610	432,684	436,041
				444,585
630	PARK AND RECREATION DEPARTMENT			
	Personal Services	139,980	142,001	151,638
	Expenses	0	-	-
	Transfer In - Revolving Wages	<u>(60,980)</u>	<u>(60,550)</u>	<u>(87,162)</u>
		Total 630	79,000	81,451
				64,476

TOWN OF LITTLETON, MASSACHUSETTS

	<i>Department</i>	FY2010 Actual	FY2011 Budget	FY2012 Recommend
690	Other CULTURE & RECREATION			
	Historical	692	700	700
	Memorial Day	500	500	500
	Patriot's Day	50	50	50
	Total 690	1,242	1,250	1,250
710	LONG TERM DEBT	4,178,104	4,611,119	5,007,028
720	SHORT TERM DEBT	186,033	265,680	150,000
	Transfer In - Cemetery Trust	(25,000)	(13,000)	(13,000)
	Transfer In - Self Help Grant	(18,000)	(18,000)	(17,000)
	Transfer In - Wastewater Settlement	(17,274)	(17,274)	(17,274)
	Transfer In - Oak Hill Cell Tower	(40,000)	(40,000)	(40,000)
	Transfer In - Newtown Hill Cell Tower	(57,204)	(49,929)	(47,754)
	Transfer In - Clean Lakes	(30,310)	(28,770)	0
	Transfer In - Bond premium	-	-	(17,058)
	Transfer In - Community Preservation	-	(36,250)	(29,998)
	Transfer In - Light Dept	<u>(196,014)</u>	<u>(189,705)</u>	<u>(183,309)</u>
	Total Debt Service	3,980,335	4,483,871	4,791,635
<u>FUNDING SUMMARY</u>				
	TOTAL Net Budgets	29,929,328	32,079,731	33,552,089
	Total Transfers In	<u>578,288</u>	<u>605,694</u>	<u>531,068</u>
	TOTAL Appropriated Budgets	29,351,040	31,474,037	33,021,021

ARTICLE 5
Board of Electric Light Commissioners
Electric Light Operating Budget

To see if the Town will vote to raise and appropriate, and/or transfer from available funds, a sum or sums of money, for electricity to be used for street lighting, and that the sum and income from the sale of electricity to private consumer and/or the electricity supplied to municipal buildings and from sales of appliances and jobbings during the current fiscal year, be appropriated for the Municipal Light Plant, the whole to be expended by the Manager of the Municipal Light Plant under the direction and control of the Electric Light Board for expenses of the plant for the fiscal year, as defined in Chapter 164, Section 57, of the General Laws, including out-of-state travel, and if said sum and said income shall exceed as the Electric Light Board may determine, it shall be transferred to the Construction Fund or other so designated account of said plant and appropriated for such additions thereto as may be authorized by the Electric Light Board and the balance of said excess shall be returned to the Town Treasurer, or take any other action relative thereto.

TOWN OF LITTLETON, MASSACHUSETTS

Motion: Moved and seconded by the Board of Electric Light Commissioners that the Town vote that the income from the sale of electricity to private consumers and/or the electricity supplied to municipal buildings and from sales of appliances and jobbings during the current fiscal year, be appropriated for the Municipal Light Plant, the whole to be expended by the Manager of the Municipal Light Plant under the direction and control of the Electric Light Board for expenses of the plant for the fiscal year, as defined in Chapter 164, Section 57 of the General Laws, including out-of-state travel, and if said sum and said income shall exceed such expenses of the plant as the Electric Light Board may determine, it shall be transferred to the Construction Fund or other so designated account of said plant and may be expended without further appropriation for such additions to such plant as may be authorized by the Electric Light Board and any unexpended balance of said excess shall be returned to the Town Treasurer.

Finance Committee, Board of Electric Light Commissioners, and Board of Selectmen support Article 5.

ARTICLE 6
Board of Water Commissioners
FY 2012 Water Enterprise Fund Operating Budget

To see if the Town will vote to appropriate \$2,015,500 or any other sum or sums of money from the Water Enterprise Fund to finance the operation of the Water Department for the fiscal year beginning July 1, 2011 (*detail below*), or to take any other action in relation thereto.

I. Water Enterprise Revenues		FY 2012
User Charges		\$2,002,000
Enterprise Available Funds		13,500
Investment Income		
Total Revenues		\$2,015,500
II. Costs Appropriated for the Enterprise Fund		
Salaries and Wages		\$640,000
Expenses		888,500
Capital Outlay – Equipment		0
Capital Outlay – Improvements		0
Reserve Fund		100,000
Debt Principal and Interest		387,000
Budgeted Surplus		0
Total Costs Appropriated for Enterprise Fund		\$2,015,500
III. Costs Appropriated for General Fund to be Charged to the Enterprise Fund		
Indirect Costs		\$0
Benefits		0
Pension Costs		0
Total Costs Appropriated for the General Fund.		\$0
Total Costs		\$2,015,500

Motion: Moved and seconded by the Board of Water Commissioners that the Town vote to appropriate \$2,015,500 from the Water Enterprise Fund to fund the operation of the Water Department for the fiscal year beginning July 1, 2011.

Finance Committee, Board of Water Commissioners, and Board of Selectmen support Article 6.

ARTICLE 7
Board of Selectmen
FY 2012 Emergency Medical Services Enterprise Fund

To see if the Town will vote to appropriate \$573,225, or any other sum or sums of money, from the Emergency Medical Services (EMS) Enterprise Fund to finance the operation of the EMS Department for the fiscal year beginning July 1, 2011 (*detail below*), or to take any other action in relation thereto.

I. EMS Enterprise Revenues	FY2012
User Charges	\$320,000
Enterprise Available Funds	186,725
Transfer In	61,500
Investment Income	5,000
Total Revenues	\$573,225
II. Costs Appropriated in the Enterprise Fund	
Salaries and Wages	223,037
Expenses	73,575
Capital Outlay – Equipment	186,725
Capital Outlay – Improvements	
Reserve Fund	15,000
Debt Principal and Interest	
Budgeted Surplus	
Total Costs Appropriated in E.F.	\$498,337
III. Costs Appropriated in General Fund to be Charged to the Enterprise Fund	
Indirect Costs	14,413
Benefits	24,665
Pension Costs	35,810
Total Costs Appropriated in G.F.	\$74,888
Total Costs	\$573,225

Motion: Moved and seconded by the Board of Selectmen that the Town vote to appropriate \$573,225 from the Emergency Medical Services (EMS) Enterprise Fund to fund the operation of the EMS Department for the fiscal year beginning July 1, 2011.

Board of Selectmen proposes, and Finance Committee supports, no action on Article 7 if STM Article 3 passes.

ARTICLE 8
Board of Selectmen/Finance Committee
FY 2012 Capital Items from Available Funds

To see if the Town will vote to raise and appropriate, and/or transfer from available funds, a sum or sums of money, to be expended by the respective Departments or Officers indicated, for the capital projects and purchases itemized and described, or to take any other action in relation thereto.

- A. Police Cruiser leases - \$47,000 to be expended by the Police Department for 1st year payment on 3 cruisers @ \$14,000 each and 1st year payment on 1 unmarked @ \$5,000;
- B. Fire Command Vehicle lease -\$6,000 to be expended by the Fire Department to lease a vehicle for Fire Department. Said payment will cover the 5th year's payment (final) of a five-year lease;
- C. Fire Major Equipment Repair -\$15,000 to be expended by the Fire Department for the purpose of major equipment repairs and upkeep;
- D. Highway Major Equipment Repair - \$15,000 to be expended by the Highway Department for the purpose of major equipment repairs and upkeep;
- E. Shaker Lane Univents - \$30,000 to be expended by the School Committee for the purpose of replacing univent HVAC units at the Shaker Lane School;
- F. School Technology - \$25,000 to be expended by the School Committee for the purpose of purchasing new and replacement computer systems with printers and accessories for various school departments;
- G. Town Hall Building Repair/Maintenance - \$10,000 to be expended by the Board of Selectmen for the purpose of major systems repairs and upkeep of the Shattuck St building;
- H. Highway – Two (2) 1992 Mack dump/sander/plow refurbishments - \$100,000 (\$50,000 each truck) to be expended by the Highway Department for the purpose of refurbishing the two vehicles, including frame work;
- I. Highway Pickup truck - \$44,000 to be expended by the Highway Department for the purpose of purchasing a new pick-up truck with plow as a replacement for an existing 2001 vehicle with mileage in excess of 100,000;
- J. Municipal Facilities Study – \$30,000 to be expended by the Board of Selectmen in order to complete a joint municipal-school facility assessment study;
- K. Cemetery Land Development - \$92,000 to be expended by the Cemetery Commissioners in order to fund the development and expansion of the existing Cemetery property;
- L. Highway Pole Storage Barn - \$40,000 to be expended by the Board of Selectmen/Highway Department to install a storage facility at the Highway Department for off-season equipment storage;

TOWN OF LITTLETON, MASSACHUSETTS

- M. Library - Matching for Funds Planning Study – \$20,000 to be expended by the Library Trustees for a planning and design study regarding library expansion or new construction;
- N. Engine 1 replacement - \$430,500 to be expended by the Fire Department for the replacement of a 1996 Spartan/3D Pumper.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to raise and appropriate \$354,500 and transfer from the Undesignated Fund Balance the sum of \$550,000 for a total of \$904,500 for capital projects and purchases itemized and described in Article 8 as printed in the warrant.

Finance Committee and Board of Selectmen support Article 8.

ARTICLE 9
Community Preservation Committee
FY 2012 Community Preservation Budget

To see if the Town will vote to hear and act on the report of the Community Preservation Committee on the Fiscal Year 2012 Community Preservation Budget, to appropriate or reserve from FY 2012 Community Preservation Fund annual revenues and reserves the following amounts, as recommended by the Community Preservation Committee, with each item considered a separate appropriation:

Appropriations

Administration	\$5,000
Debt service – from FY 2012 open space	14,255
Debt service – from FY 2012 historic resources	15,393
Debt service – from historic resources reserve	350
Debt service – from FY 2012 Undesignated	30,009
Mill Pond Public Access Site – from FY 2012 Undesignated	30,000
Baptist Church Clock Tower – from FY 2012 Undesignated	<u>25,700</u>
<i>Sub-total</i>	<u>\$120,707</u>

Reserves

Open Space (to Reserve)	\$1,138
Community Housing (to Reserve)	15,393
Budgeted Reserve (to Reserve)	<u>17,043</u>
<i>Sub-total</i>	<u>33,574</u>
TOTAL	\$154,281

Motion: Moved and seconded by the Community Preservation Committee to approve the appropriations and reserves itemized and described in Article 9 as printed in the warrant.

Community Preservation Committee, Finance Committee, and Board of Selectmen support Article 9.

ARTICLE 10
Board of Selectmen
Clean Lakes Committee Transfer of Land

To see if the Town will vote to transfer the care, custody, management and control of the real property located along Lake Warren Drive in the Town of Littleton shown on Assessor's Map U39 as Lot 13, from the Board of Selectmen to the Clean Lakes Committee for the purpose of constructing and maintaining a public access boat launch for Mill Pond, or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to transfer the care, custody, management and control of the real property located along Lake Warren Drive in the Town of Littleton shown on Assessor's Map U39 as Lot 13, from the Board of Selectmen to the Clean Lakes Committee for the purpose of constructing and maintaining a public access boat launch for Mill Pond.

Board of Selectmen, Clean Lakes Committee, and Conservation Commission support Article 10.

ARTICLE 11
Board of Selectmen/School Committee/Trust Fund Commissioners
M.H. Kimball Trust School Grant Funds

To see if the Town will vote to transfer \$10,000 from a grant from the M.H. Kimball Trust to the Littleton School Department for the purpose of procuring computers to upgrade the multimedia lab at Littleton High School and costs related thereto, or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to transfer \$10,000 from a grant from the M.H. Kimball Trust to the Littleton School Department for the purpose of procuring computers to upgrade the multimedia lab at Littleton High School and costs related thereto.

Finance Committee, Board of Selectmen, School Committee, and Trust Fund Commissioners support Article 11.

ARTICLE 12
Board of Selectmen/Personnel Board
Personnel By-law Amendments

To see if the Town will vote to amend Chapter 33 of the Town Code, Personnel, as follows:

(1) Amend §33-2 relative to Personnel Board membership by deleting the first sentence of the third paragraph of §33-2 and replacing it with the following: "The Town department head and employee at large shall be ~~elected~~*nominated* by their peers and the Personnel Board shall appoint those nominated for a term of two years so arranged that the term of one shall expire each year."

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(2) Amend §33-7, Definitions, by amending (b) to read as follows: “Benefit Eligible Employee: Any employee who is employed at least 20 hours per week, 52 weeks per year, *whose position is listed on Schedule A or Schedule B of the Classification and Compensation Plan.*”

(3) Amend §33-13, Step Raises, to read as follows: “Step increases will be awarded on an annual basis *on July 1st at the employee’s anniversary* providing the employee has completed at least one (1) year of satisfactory employment. When an employee reaches the top step of the grade they will no longer be eligible for a step increase.”

(4) Amend §33-22, Personal Days, to read as follows: “All benefit eligible employees shall receive three (3) paid personal days on July 1st to use during that fiscal year. *A new employee hired after July 1st shall in that year receive paid personal days as follows: three personal days if hired prior to October 1st, two personal days if hired prior to January 1st, one personal day if hired prior to April 1st. Personal days They will be taken in half-day increments and cannot be carried over or paid out.*”

(5) Amend Schedule A, Permanent Full and Part-time Employees, of the Classification and Compensation Plan to read as follows:

SCHEDULE A, Permanent Full and Part-time Employees, FY 2012 +1.0%

GRADE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
1 <i>hourly annual</i>	\$8.94 \$18,666.72	\$9.25 \$19,314.00	\$9.57 \$19,982.16	\$9.90 \$20,671.20	\$10.25 \$21,402.00	\$10.61 \$22,153.68	\$10.98 \$22,926.24
2 <i>hourly annual</i>	11.09 23,155.92	11.48 23,970.24	11.88 24,805.44	12.30 25,682.40	12.73 26,580.24	13.18 27,519.84	13.64 28,480.32
3 <i>hourly annual</i>	13.97 29,169.36	14.46 30,192.48	14.97 31,257.36	15.49 32,343.12	16.03 33,470.64	16.59 34,639.92	17.17 35,850.96
4 <i>hourly annual</i>	16.07 33,554.16	16.63 34,723.44	17.21 35,934.48	17.81 37,187.28	18.43 38,481.84	19.08 39,839.04	19.75 41,238.00
5 <i>hourly annual</i>	16.87 35,224.56	17.46 36,456.48	18.07 37,730.16	18.70 39,045.60	19.35 40,402.80	20.03 41,822.64	20.73 43,284.24
6 <i>hourly annual</i>	17.71 36,978.48	18.33 38,273.04	18.97 39,609.36	19.63 40,987.44	20.32 42,428.16	21.03 43,910.64	21.77 45,455.76
7 <i>hourly annual</i>	18.60 38,836.80	19.25 40,194.00	19.92 41,592.96	20.62 43,054.56	21.34 44,557.92	22.09 46,123.92	22.86 47,731.68
8 <i>hourly annual</i>	19.53 40,778.64	20.21 42,198.48	20.92 43,680.96	21.65 45,205.20	22.41 46,792.08	23.19 48,420.72	24.00 50,112.00
9 <i>hourly annual</i>	20.51 42,824.88	21.23 44,328.24	21.97 45,873.36	22.74 47,481.12	23.54 49,151.52	24.36 50,863.68	25.21 52,638.48
10 <i>hourly annual</i>	21.54 44,975.52	22.29 46,541.52	23.07 48,170.16	23.88 49,861.44	24.72 51,615.36	25.59 53,431.92	26.49 55,311.12
11 <i>hourly annual</i>	26.93 56,229.84	27.87 58,192.56	28.85 60,238.80	29.86 62,347.68	30.91 64,540.08	31.99 66,795.12	33.11 69,133.68
12 <i>hourly annual</i>	33.66 70,282.08	34.84 72,745.92	36.06 75,293.28	37.32 77,924.16	38.63 80,659.44	39.98 83,478.24	41.38 86,401.44
13 <i>hourly annual</i>	38.71 80,826.48	40.06 83,645.28	41.46 86,568.48	42.91 89,596.08	44.41 92,728.08	45.96 95,964.48	47.57 99,326.16

GRADE 1

Library Assistant

GRADE 2

No positions assigned

GRADE 3

Cemetery Laborer

Crossing Guard

Library Technician

GRADE 4

Building Custodian

Finance Technician

Department Clerk

GRADE 5

Administrative Clerk

Assessment Clerk

Cemetery Groundskeeper

PRCE Program Coordinator

Senior Library Technician

GRADE 6

Administrative Assistant

Communications Officer (part-time)

Program Coordinator/Social Day Program

GRADE 7

Assessment Analyst

Assistant Accountant

Reserve Police Officer

Coordinator for Outreach and Respite Care

(6) Amend Schedule B of the Classification and Compensation Plan by adding “Driver Education Coordinator: \$25.00 per hour.”

(7) Amend Schedule C of the Classification and Compensation Plan to read as follows:

SCHEDEULE C: Temporary/Seasonal Park & Recreation Department positions, 2011 Season

GRADE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
1 hourly	\$8.75	\$8.93	\$9.19	\$9.47	\$9.75
2 hourly	\$9.50	\$9.69	\$9.98	\$10.28	\$10.59
3 hourly	\$10.00	\$10.20	\$10.51	\$10.82	\$11.15
4 hourly	\$10.25	\$10.46	\$10.77	\$11.09	\$11.42
5 hourly	\$12.00	\$12.24	\$12.61	\$12.99	\$13.37
6 hourly	\$13.50	\$13.77	\$14.18	\$14.61	\$15.05
7 hourly	\$14.50	\$14.79	\$15.23	\$15.69	\$16.16
8 hourly	\$15.25	\$15.56	\$16.02	\$16.50	\$17.00
9 hourly	\$18.00	\$18.36	\$18.91	\$19.48	\$20.06
10 hourly	\$22.00	\$22.44	\$23.11	\$23.81	\$24.52

GRADE 1

Boat Rental Attendant
 Junior Counselor -Tahattawan
 Snack Hut Attendant
 Special Activities

GRADE 2

Intern
 Senior Counselor – Tahattawan

GRADE 3

Counselor - Prouty
 Lead Counselor - Tahattawan
 Lifeguard
 Snack Hut Manager

GRADE 4

Sailing Instructor
 Water Safety Instructor

GRADE 5

Camp Specialist-Art
 Camp Specialist-Sports
 Summer Program Coordinator

GRADE 6

Assistant Director/CIT Director - Tahattawan
 Camp Specialist-Music
 Head Guard

GRADE 7

Assistant Director - Prouty
 Camp Specialist-Science and Nature
 Sailing Coordinator

GRADE 8

Aquatics Director
 Special Programs Instructor

GRADE 9

Driver's Education Instructor 1
 Golf Instructor
 Special Programs Instructor
 Tennis Instructor

GRADE 10

Camp Director - Prouty
 Camp Director – Tahattawan
 Driver's Education Instructor 2
 Preschool Teacher

(8) Amend Schedule D of the Classification and Compensation Plan to read as follows:

SCHEDULE D: Fire Department On-Call, FY 2012, +1.0%

GRADE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
1 hourly	\$8.25					
2 hourly	\$11.88	\$12.13	\$12.38	\$12.64	\$12.89	\$13.14
3 hourly	\$12.12	\$12.37	\$12.63	\$12.88	\$13.13	\$13.38
4 hourly	\$14.03	\$14.28	\$14.53	\$14.79	\$15.04	\$15.29
5 hourly	\$14.81	\$15.06	\$15.31	\$15.56	\$15.82	\$16.07
6 hourly	\$15.02	\$15.27	\$15.52	\$15.78	\$16.03	\$16.28

GRADE 1

Probation Fire Fighter or
 Emergency Medical Technician

GRADE 2

On Call Fire Fighter
 On Call Emergency Medical Technician

GRADE 3

On Call Fire Fighter/EMT

GRADE 4

On Call Lieutenant

GRADE 5

On Call Captain

GRADE 6

On Call Deputy Chief

Step increases on Schedule D will be awarded on the basis of performance as determined by the Fire Chief;
 or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to amend Chapter 33 of the Town Code precisely as set forth in Article 12 as printed in the warrant.

Finance Committee, Personnel Board, Board of Selectmen, and Park & Recreation Commission support Article 12.

ARTICLE 13
Board of Selectmen
FY 2012 Revolving Funds

To see if the Town will vote to authorize the following Fiscal Year 2012 Revolving Funds, in accordance with Chapter 44, section 53E½ of the General Laws, or to take any other action in relation thereto.

- (1) Wiring/Plumbing/Gas Inspections: to allow receipts from wiring and plumbing fees to be segregated into a special account; and with funds therefrom, up to a limit of \$75,000 annually, to be expended to compensate the Wiring, Plumbing and Gas Inspectors, under the direction of the Building Commissioner, with the prior year's fund balance to be available for expenditure;
- (2) Dog By-law Enforcement: to allow receipts from dog license fees and fines to be segregated into a special account; and with funds therefrom, up to a limit of \$5,000 annually, to be expended for costs associated with by-law enforcement, under the direction of the Town Clerk, with the prior year's fund balance to be available for expenditure;
- (3) Alarm Box Repairs: to allow receipts from alarm box fees to be segregated into a special account; and with funds therefrom, up to a limit of \$5,000 annually, to be expended for repairs to alarm boxes, under the direction of the Fire Department, with the prior year's fund balance to be available for expenditure;
- (4) CPR Courses: to allow receipts from CPR course fees to be segregated into a special account; and with funds therefrom, up to a limit of \$2,000 annually, to be expended for CPR course costs, under the direction of the Fire Department, with the prior year's fund balance to be available for expenditure;
- (5) Sealer of Weights and Measures: to allow receipts from sealer fees to be segregated into a special account; and with funds therefrom, up to a limit of \$3,000 annually, to be expended to compensate the Sealer, under the direction of the Board of Selectmen, with the prior year's fund balance to be available for expenditure;
- (6) Fire Safety Act Compliance: to allow receipts from Fire Safety Act fees and fines to be segregated into a special account; and with funds therefrom, up to a limit of \$3,000 annually, to be expended for associated administrative costs, under the direction of the Board of Selectmen, with the prior year's fund balance to be available for expenditure;
- (7) M.A.R.T.: to allow receipts from reimbursement from M.A.R.T. bus fees to be segregated into a special account; and with funds therefrom, up to a limit of \$68,000 annually, to be expended for wages and expenses for senior van operation, under the direction of the Council on Aging, with the prior year's fund balance to be available for expenditure;
- (8) Pet Cemetery: to allow receipts from pet cemetery fees to be segregated into a special account; and with funds therefrom, up to a limit of \$20,000 annually, to be expended for associated administrative costs, under the direction of the Cemetery Commission, with the prior year's fund balance to be available for expenditure;
- (9) Community Education: to allow receipts from community education fees to be segregated into a special account; and with funds therefrom, up to a limit of \$80,000 annually, to be

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expended for wages and associated administrative costs, under the direction of the Park & Recreation Commission, with the prior year's fund balance to be available for expenditure; (10) Spectacle Pond Cell Tower: to allow receipts from the Spectacle Pond Cell Tower rent to be segregated into a special account; and with funds therefrom, up to a limit of \$40,000 annually, to be expended for debt service for the Clean Lakes program, under the direction of the Board of Selectmen, with the prior year's fund balance to be available for expenditure; and

(11) Legal Advertisements: to allow receipts paid by applicants for advertising costs to be segregated into a special account; and with funds therefrom, up to a limit of \$5,000 annually, to be expended for legal advertising costs, under the direction of the Board of Appeals, with the prior year's fund balance to be available for expenditure.

(12) Cemetery Revolving: to allow a portion of receipts received from sales of lots to be segregated into a special account: and with funds therefrom, up to a limit of \$10,000 annually, to be expended for expenses associated with maintenance of such under the direction of the Cemetery Commissioners, with the prior year's fund balance to be available for expenditure.

(13) Permitting Software: to allow a portion of receipts received from land use permit fees to be segregated into a special account: and with funds therefrom, up to a limit of \$15,000 annually, to be expended for expenses associated with maintenance of permitting software under the direction of the Board of Selectmen, with the prior year's fund balance to be available for expenditure.

(14) Police Cruisers sale proceeds: to allow the proceeds resulting from the sale/disposal of retired police vehicles to be segregated into a special account: and with funds therefrom, up to a limit of \$25,000 annually, to be expended for expenses associated with purchasing Police replacement vehicles authorized under the Capital Plan under the direction of the Board of Selectmen, with the prior year's fund balance to be available for expenditure.

Motion: Moved and seconded by the Board of Selectmen that the Town vote, in accordance with Chapter 44, section 53E½ of the General Laws, to authorize Fiscal Year 2012 Revolving Funds precisely as set forth in Article 13 as printed in the warrant.

Finance Committee and Board of Selectmen support Article 13.

ARTICLE 14
Board of Selectmen
Compensating Balance Agreement

To see if the Town will vote to authorize the Treasurer to enter into a Compensating Balance Agreement(s) for FY 2012, pursuant to Chapter 44, Section 53F of the General Laws, or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to authorize the Treasurer to enter into a Compensating Balance Agreement(s) for FY 2012, pursuant to Chapter 44, Section 53F of the General Laws.

Finance Committee and Board of Selectmen support Article 14.

ARTICLE 15
Board of Selectmen
Senior Work Program

To see if the Town will vote to request the Board of Assessors to commit \$50,000, or any other sum or sums of money, from the FY 2012 Overlay Account for Abatements to fund the Senior Citizen Tax Work-off Abatement Program, or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to request the Board of Assessors to commit \$50,000 from the FY 2012 Overlay Account for Abatements to fund the Senior Citizen Tax Work-off Abatement Program.

Finance Committee, Board of Selectmen, and Council on Aging support Article 15.

ARTICLE 16
Board of Selectmen
Use of Chapter 90 MassHighway Funds

To see if the Town will vote to transfer from available funds or authorize the Treasurer to borrow in anticipation of reimbursements, a sum of money for authorized road improvements and other projects provided for under Chapter 90 of the General Laws; or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to appropriate funds available from the Massachusetts Highway Department in the amount of \$368,267 for authorized road improvements and other projects provided for under Chapter 90 of the General Laws.

Finance Committee and Board of Selectmen support Article 16.

ARTICLE 17
Board of Selectmen
By-law Amendment: Department of Land Use, Planning, and Permitting

To see if the Town will vote, pursuant to Section 14 of Chapter 43C of the General Laws, to accept the provisions of Section 13 of Chapter 43C of the General Laws, thereby authorizing the Town to adopt a bylaw providing for a consolidated department of municipal inspections; and, further, to amend the Town Code as follows:

1. Add a new Chapter 26, "Land Use, Planning, and Permitting; Department of," as follows:

Chapter 26. Land Use, Planning, and Permitting; Department of
§26-1. There shall be a consolidated department of municipal inspections as provided for in section 13 of Chapter 43C of the General Laws, to be known as the Department of Land Use, Planning, and Permitting, to provide a coordinated,

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comprehensive, and continuing approach to the Town's land use management, planning, permitting, and development functions; coordinated implementation of the Town's adopted goals and plans; improved customer service to Town residents and the public; to strengthen the human resources function, and enhance employee development and training, including cross training among the administrative support staff.

§26-2. The Department of Land Use, Planning, and Permitting shall include the building commissioner; the electrical, plumbing, and gas inspectors; and the administrative, clerical, support and other assistants of the building commissioner, Planning Board, Board of Health, Conservation Commission, and Zoning Board of Appeals, but not including the health agent employed through the Town of Littleton's participation in the Nashoba Associated Boards of Health pursuant to MGL C.111,§27A.

The Department shall also serve as policy advisor on the Town's long-term and strategic planning initiatives related to economic development, housing, transportation, and open space, historic, and natural resources.

§26-3. There shall be a Land Use, Planning and Permitting Coordinating Committee, a five-member public body comprised of one member of the Planning Board, one member of the Board of Health, one member of the Conservation Commission, one member of the Zoning Board of Appeals, and one member of the Board of Selectmen; each designated by said board or commission.

§26-4. There shall be a Director of Land Use, Planning, and Permitting who shall be appointed by, and may be removed by, the Town Administrator, provided that appointment of the Director shall be subject to approval by the Coordinating Committee established in §26-3. The term of office for the Director shall be three (3) years. The Town Administrator shall directly supervise and conduct performance reviews of the Director.

§26-5. The Director shall appoint all personnel under his/her direction and control, subject to the approval of the Town Administrator. Prior to the assignment by the Director of staff to the Planning Board, Board of Health, Conservation Commission, and Zoning Board of Appeals on a permanent, rather than temporary, basis, the Director shall consult with said board. All inspections staff shall be supervised by the Building Commissioner. All administrative support staff shall be considered personnel of the Department, rather than working for individual offices incorporated within the Department. The Director shall have discretion to allocate the services of administrative staff among the Department's offices and the Town boards served by the Department, in consultation with said boards, with whom the Director shall meet from time to time to identify their needs, individually and collectively, and to develop a plan of action indicating the extent to which the department can address those needs.

In performing duties where approval of the Planning Board, Board of Health, Conservation Commission or Zoning Board of Appeals is statutorily required, the

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assigned employee shall be subject to day-to-day supervision of the Director within the scope of the general policy and direction established by the respective board.

§26-6. The Department of Land Use, Planning, and Permitting shall coordinate all land use, planning, permitting, development, and inspection functions carried out by any municipal officer or agent, maintain all records relating to inspections in a central place through a common index, provide for a single application process which would indicate all inspections which might be necessary, including, but need not be limited to, any inspections under the zoning and other local by-law, building code, wire code, plumbing and gas code, state sanitary code, board of health rules and regulations, fire code, conservation commission, and any other local inspections as may be otherwise authorized.

§26-7. For the purposes of the Town Budget, the Department of Land Use, Planning, and Permitting shall have its own account title and department number. The Department's budget may contain line items that generally cover all of the Department's administrative wages and salaries, administrative expenses and other costs, rather than including such expenses in separate line items for each individual office incorporated within the Department. The Director shall consult with the Land Use, Planning and Permitting Coordinating Committee in preparing the annual budget request for the Department. The respective boards shall continue to administer such non-operating budget funds authorized by state statute or other restricted designated funds as special revolving funds for hiring of outside consultants pursuant to MGL C.44 §53G, and the conservation fund under MGL C.40,§8C.

2. Amend Chapter 3, Section 3 to read as follows:

The Town Administrator shall directly supervise and conduct performance reviews for the following current and future department heads unless otherwise specified by statute: Assistant Town Administrator for Finance and Budget; Head of the Highway Department; *Director of Land Use, Planning, and Permitting*; Facilities Manager; Head of Information Technology; ~~Building Commissioner~~; and Human Resources. The department heads shall be appointed by, and can be removed by, the Town Administrator subject to the approval of the BOS; *except that the Director of Land Use, Planning and Permitting shall be appointed in accordance with Town Code Section 26-4*. Employees of the heads of said departments shall be appointed by the department head subject to approval of the Town Administrator. or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to approve Article 17 as printed in the warrant.

Board of Selectmen, Planning Board, and Committee to Study the Organizational Structure of the Permitting Boards and Departments support Article 17.

ARTICLE 18
Planning Board
Zoning Amendment: Farmland Protection

To see if the Town will vote to amend the Zoning By-Law of the Town of Littleton as follows:

1. Amend the Use Regulations Schedule set forth in §176-26.B by inserting, immediately below the row labeled “Roadside stands (agricultural)” a new row as follows:

	R	VC	B	IA	IB
Accessory Business Uses at Active Farms (See § 173-57)	P	P	P	P	P

2. Insert a new §173-57, as follows:

§173-57. Accessory Business Uses at Active Farms

A. The Town of Littleton finds that in order to protect and preserve the agricultural, horticultural, viticultural or floricultural lands (hereafter “agricultural uses”), to protect and preserve natural resources, and to maintain land in active agricultural uses, it is necessary to enable the owners of said lands that are in active agricultural use to conduct, in addition to any primary or accessory use subject to the protection of M.G.L. c.40A, §3, par. 1, certain other appropriate accessory business uses to supplement the income from said agricultural uses.

The Planning Board, by special permit, may grant approval for the following accessory business uses at active farms on contiguous farmland parcels in excess of 5 acres:

- Veterinarians’ office.
- Agricultural equipment and supply dealers.
- Custom farm providers.
- Feed milling and delivery.
- Facilities for hosting or staging of revenue-generating events, tours, weddings, and functions which are appropriate in scale to the premises and any surrounding residential area, including the preparation and serving of food and beverages for such events, provided that the facilities are primarily outside or under an open shelter and shall be operated seasonally.
- Small-scale abattoir/meat processing facilities.
- Facilities for the production and sale of farm-related products, such as but not limited to cider, baked goods, butter, wine, cheeses, or ice cream, whether or not the farm is the main source of the raw materials used in the farm products, provided that the facilities and associated parking shall not occupy more than 10% of the total farm area.
- Farm stand restaurants designed and used for the sale of farm crops and livestock grown on farms in the local agricultural area; provided that the

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facilities and parking for the farm stand restaurant, and the associated farm stand, shall not occupy more than 10% of the total farm area.

- Animal boarding facilities for the boarding of up to 50 animals other than those stabled, raised, or kept onsite in connection with the primary agricultural use.
- Farm implement and similar heavy machinery repair services, such as a welding operation, blacksmith shop, etc. that the farm operator would normally undertake in maintenance of machinery for his/her own farm.
- Subsurface disposal of septic effluent from nearby or adjacent residential or commercial facilities, or municipal waste water treatment facility, provided that the surface of any such area shall be placed under a conservation or agricultural preservation restriction.

B. The Planning Board may set conditions such as hours of operation, number of employees, or other conditions that they deem appropriate when granting a special permit pursuant to this section. In order to maintain agriculture as the primary use for the property, the uses provided for herein (excluding those uses for which a specific maximum is provided above), and any associated parking, shall occupy no more than 5% of the land area of the farm parcel(s). The Planning Board may require that the special permit, including all conditions, be recorded at the Registry of Deeds. The special permit shall recite the circumstances under which the special permit is being granted (e.g. the amount of land area in active agricultural use, the nature of the primary agricultural use, etc.) and shall include a condition requiring that the given circumstances continue to exist.

C. Decision Criteria: Special Permits for accessory business uses at active farms shall be granted only if the Planning Board determines that the criteria of Section 173-7C are met, after consideration of the following:

- (1) Roads, water and drainage facilities are existing, or as committed by the applicant to be improved, and their ability to serve this proposal adequately and safely without material deterioration in service to other locations.
- (2) Degree of assurance that no planned process or unplanned contingency will result in undue hazard or contamination of air, land, or water resources.
- (3) Visual compatibility with the vicinity, including consideration of site arrangement, consistency in architectural scale (or reasonability of departure), retention of existing site features, especially trees, and architectural character.
- (4) Degree of threat to environmental resources, including loss of valuable trees and other vegetation, disturbance to habitats, and soil loss through erosion.
- (5) Buffering and screening from any nearby uses of different character.
- (6) Retaining prime or important agricultural soils in active production.

Specific uses that are prohibited on residentially zoned agricultural lands include:

- Gas stations or retail or wholesale fuel storage or delivery.
- Retail Stores such as drug, department, hardware, and clothing stores.
- Manufacture of non-agricultural products.

D. This section does not preclude a landowner from applying for other permits for Extensive Recreational uses of the agricultural lands that are not incompatible with the seasonal agricultural uses of the agricultural lands.

E. This section is not intended to, and does not, impact the ability of the landowner to undertake any use or construct any structure allowed by right under local zoning, M.G.L. c.40A, §3, first par. and/or state definitions related to agriculture.

Or take any other action in relation thereto.

Motion: Moved and seconded by the Planning Board that the Town vote to amend the Zoning By-Law of the Town of Littleton precisely as set forth in Article 18 as printed in the warrant.

Planning Board supports Article 18.

ARTICLE 19
Planning Board
Zoning Amendment: Open Space Development

To see if the Town will vote to amend the Zoning By-Law of the Town of Littleton as follows:

1. Amend §173-104.A by inserting a reference to Subsection E, so that the first sentence begins “Except as modified by Subsections B, C and E below,”

2. Insert a new §173-104.E, as follows:

E. The number of dwelling units that may be constructed in an Open Space Development may be increased by the Planning Board if it finds that the developer has incorporated into the Open Space Development significant areas of scenic woodland or agricultural lands along public road frontage that may otherwise have been developed into “Approval Not Required” (ANR) lots prior to the submittal of the Open Space Development, and if the Planning Board finds that the proposed Open Space Development protects this significant roadway frontage in the open space to be protected in perpetuity under the provisions of the Open Space Development bylaw. The number of dwelling units to be added to the calculation in Subsection A shall not exceed two times the number of ANR lots that could have been developed prior to the submittal of the Open Space Development, but that are instead included in the protected open space area.

; or to take any other action in relation thereto.

Motion: Moved and seconded by the Planning Board that the Town vote to amend the Zoning By-Law of the Town of Littleton precisely as set forth in Article 19 as printed in the warrant.

Planning Board supports Article 19.

ARTICLE 20
Board of Electric Light Commissioners
Zoning Amendment: Commercial Solar

To see if the Town will vote to amend the Zoning By-Law of the Town of Littleton as follows:

1. Amend Article II, General Provisions, § 173-2, Definitions, by inserting a new definition of Commercial Solar Photovoltaic Installation in alphabetical order, as follows:

COMMERCIAL SOLAR PHOTOVOLTAIC INSTALLATION: A solar photovoltaic system that is mounted on the ground, roof, or structure; and generates electric power onto the Littleton Electric Light Department's (LELD) distribution system for sale to LELD or others.

2. Adopt a new Article XXVI, Commercial Solar Photovoltaic Installations, as follows:

Article XXVI
Commercial Solar Photovoltaic Installations

§ 173-180. Purpose

The purpose of this section is to promote the creation of new commercial solar photovoltaic installations by providing standards for the placement, design, construction, operation, monitoring, modification and removal of such installations that address public safety and minimize impacts on residential neighborhoods and scenic, natural and historic resources.

§ 173-181. Applicability

Construction and use of a commercial solar photovoltaic installation or any part thereof shall be permitted in any zoning district subject to the requirements set forth in this section.

§ 173-182. Use Regulations

Commercial solar photovoltaic installations shall conform to the following provisions.

- A commercial solar photovoltaic installation may be erected upon the issuance of a special permit by the Planning Board on a lot containing a minimum of three (3) acres.
- All setback, yard, buffer and screening requirements applicable in the zoning district in which the installation is located shall apply.
- All security fences surrounding the installations shall be set back from the property line a distance equal to the setback requirement applicable to buildings within the zoning district in which the installation is located.
- The provisions of Article XX, Site Plan Review, shall not apply to commercial solar photovoltaic installations.
- The visual impact of the commercial solar photovoltaic installation, including all accessory structures and appurtenances, shall be mitigated. All accessory structures and appurtenances shall be architecturally compatible with each other. Whenever reasonable, structures shall be shaded from view by vegetation and/or

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joined and clustered to avoid adverse visual impacts. Methods such as the use of landscaping, natural features and fencing may be utilized.

F. Lighting shall not be permitted unless required by the Planning Board or required by the State Building Code. Where used, lighting shall be directed downward and full cut-off fixtures shall be used.

G. All utility connections from the commercial solar photovoltaic installation shall be underground unless specifically permitted otherwise by the Planning Board in the special permit. Electrical transformers and inverters to enable utility interconnections may be above ground if required by LELD.

H. A commercial solar photovoltaic installation must meet: (i) the requirements of Littleton Electric Light Department's "Qualifying Facility Power Purchase Rate; and (ii) the requirements of Littleton Electric Light Department's "Standards for Interconnecting Distributed Generation" as published by the LELD.

I. Clearing of natural vegetation shall be limited to what is necessary for the construction, operation and maintenance of the commercial solar photovoltaic installation or otherwise prescribed by applicable laws, regulations and bylaws.

J. The commercial solar photovoltaic installation owner or operator shall maintain the facility in good condition. Maintenance shall include, but not be limited to, painting, structural repairs, continued compliance with landscaping and screening requirements, and integrity of security measures. The owner or operator shall be responsible for the maintenance of any access roads serving the installation.

§ 173-183. Discontinuance

A commercial solar photovoltaic installation shall be deemed to have been discontinued if it has not been in service for a continuous 24-month period. Upon receipt of a Notice of Discontinuance from the Building Commissioner, the owner shall have the right to respond to the Notice within 30 days of receipt. The Building Commissioner shall withdraw the Notice of Discontinuance and notify the owner that the Notice has been withdrawn if the owner provides information that demonstrates to the satisfaction of the Building Commissioner that the commercial solar photovoltaic installation has not been discontinued. If the commercial solar photovoltaic installation is determined to be discontinued, the owner shall remove the installation, including all structures, equipment, security barriers and transmission lines, and stabilize or re-vegetate the site as necessary to minimize erosion and sedimentation, at the owner's sole expense within three months of receipt of the Notice of Discontinuance. Failure to remove the installation and stabilize the site within said time period may subject the owner to action pursuant to Article XXIV.

§ 173-184. Administration

A. A special permit is required from the Planning Board to erect or install a commercial solar photovoltaic installation. A record owner desiring to erect a commercial solar photovoltaic installation shall file with the Planning Board an application for a special permit, together with such plans, drawings, specifications, fees and additional information as required by the Planning Board.

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- B. The Planning Board shall have the authority to waive specific provisions of this Article upon a determination that the waiver is not inconsistent with the purpose and intent of this section.
- C. The Planning Board shall conduct its review, hold a public hearing and file its decision with the Town Clerk as required by MGL c.40A § 9.
- D. Approval Criteria. Before the Planning Board may issue the special permit, it shall determine each of the following:
 - (1) The commercial solar photovoltaic installation conforms to the provisions of this section.
 - (2) The commercial solar photovoltaic installation will not be detrimental to the neighborhood or the Town.
 - (3) Environmental features of the site and surrounding areas are protected, and the surrounding area will be protected from the proposed use by provision of adequate surface water drainage.
 - (4) The proposed use is in harmony with the general purpose and intent of this Chapter.
- E. Any special permit shall be subject to such conditions and safeguards as the Planning Board may prescribe. Such conditions may include the requirement of a performance bond, secured by deposit of money or negotiable securities, posted with the Town to guarantee proper maintenance and/or removal of the commercial solar photovoltaic installation. The amount of the performance bond shall not exceed the estimated cost of the commercial solar photovoltaic installation removal. Such conditions may also include additional screening of the facility.
- F. In reviewing any application for a special permit, the Planning Board shall give due consideration to promoting the public health, safety, convenience and welfare; shall encourage the most appropriate use of land and shall permit no building or use that is injurious, noxious, offensive or detrimental to its neighborhood.

Or take any action in relation thereto.

Motion: Moved and seconded by the Planning Board that the Town vote to amend the Zoning By-Law of the Town of Littleton as set forth in Article 20 as printed in the warrant with the following additional changes:

Delete Section 173-182. D. in its entirety and replace it with the following: "D. The provisions of Article XX, Site Plan Review, shall apply to commercial solar photovoltaic installations."

Planning Board and Board of Electric Light Commissioners support Article 20 as moved.

**ARTICLE 21
Voter Petition**

Zoning Amendment: Allowing Use of Solar Energy System Installations

To see if the Town will vote to: adopt a zoning ordinance and/or by laws that will encourage the use of solar energy systems. The ordinance would allow the permitting

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authority to grant permits for the construction of Solar Energy Systems and issue solar access permits that would protect solar access to the Solar Energy Systems. Such an ordinance will provide that solar access permits create an easement to sunlight. Further, adopt zoning ordinances and/or by-laws pursuant to sections 5 of M.G.L. c. 40A to encourage the use of solar energy systems and protect solar access in accordance with M.G.L. c. 40A, Sections 9B and M.G.L. c. 187 1A. or to take any other action in relation thereto.

PURPOSE

To facilitate and encourage the use of Solar Energy Systems in the Town of Littleton and to do so in accordance with all the General Laws that the permitting authority may grant permits for the installation of Solar Energy Systems as set forth in M.G.L. Chapter 40A: Section 1A "a device or structural design feature, a substantial purpose of which is to provide daylight for interior lighting or provide for the collection, storage and distribution of solar energy for space heating or cooling, electricity generating, or water heating." Furthermore, in accordance with M.G.L. Chapter 187: Section 1A. Solar Easements for the protection of and access to direct sunlight may be required over the land of another by express grant of covenant, or by a solar access permit set forth in section nine B of chapter forty A. The "permit granting authority" as defined in Chapter 40A: Section 1A shall in compliance with the existing permitting process within the Town of Littleton shall grant Solar Access Permits for new or existing Solar Energy Systems in accordance with Chapter 187: Section 1A.

An issuance of any permit by the permitting granting authority shall allow for due process for all parties by being in compliance with existing Town ordinances, procedures, and existing permitting authorities for any proposed project including solar energy systems that require permits.

As of Right Zoning Bylaw: Allowing Use of Solar Energy System Installations

1.0 Purpose

The purpose of this bylaw is to promote the creation of solar energy system installations by providing standards for the placement, design, installation and construction and to minimize impacts on scenic, natural and historic resources. The provisions set forth in this section shall apply to the installation, construction, operation, and/or repair of solar energy system installations.

1.1 Applicability

This section applies to solar energy system installations now existing or proposed to be constructed after the effective date of this section. This section also pertains to physical modifications that materially alter the type, configuration, or size of these installations or related equipment. Applies to solar energy systems for residential and commercial business with appropriate capacity of kW intended use.

2.0 Definitions

As-of-Right Siting: As-of-Right Siting shall mean that system installation or development may proceed without the need for a special permit, variance,

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amendment, waiver, or other discretionary approval. As-of-right development may be subject to site plan review to determine conformance with local zoning ordinances or bylaws. Systems and or Projects cannot be prohibited, but can be reasonably regulated by the inspector of buildings, building commissioner or local inspector, or if there is none in a town, the board of selectmen, or person or board designated by local ordinance or bylaw.

Building Inspector: The inspector of buildings, building commissioner, or local inspector, or person or board designated by local ordinance or bylaw charged with the enforcement of the zoning ordinance.

Building Permit: A construction permit issued by an authorized building inspector; the building permit evidences that the project is consistent with the state and federal building codes as well as local zoning bylaws, including those governing residential solar systems and commercial business solar systems installations.

Solar Energy System: A solar system that is structurally mounted on the ground, to a structure and has a minimum nameplate capacity for its intended use.

Rated Nameplate Capacity: The maximum rated output of electric power production of the solar energy system in Direct Current (DC).

Plan Review: review by the Plan Review Authority to determine conformance with local zoning ordinances or bylaws.

Plan Review Authority: For purposes of this bylaw, Plan Review Authority refers to the body of local government designated as such by the municipality

Solar Photovoltaic Array: an arrangement of solar photovoltaic panels.

Zoning Enforcement Authority: The person or board charged with enforcing the zoning ordinances or bylaws.

3.0 General Requirements for a Solar Energy System Installations

The following requirements are common to all solar energy system installations.

3.1 Compliance with Laws, Ordinances and Regulations

The construction and maintenance of all solar energy system installations shall be consistent with all applicable local, state and federal requirements, including but not limited to all applicable safety, construction, electrical, and communications requirements. All buildings and fixtures housing a solar energy system installation shall be constructed in accordance with the State Building Code.

3.2 Building Permit and Building Inspection

No solar energy system installation shall be constructed, installed or modified as provided in this section without first obtaining a building permit.

3.3 Fees

The application for a building permit for construction or installation of a solar energy system must be accompanied by the fee required for a building permit.

3.4 Plan Review

Plan Review Authority must be approved prior to construction, installation or modification as provided in this section.

3.4.1 General

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All plans and maps shall be prepared, stamped and signed by a Professional Engineer licensed to practice in Massachusetts.

3.4.2 Required Documents

Pursuant to the site plan review process, the project proponent shall provide the following documents:

(a) A site plan showing:

- i. Property lines and physical features;
- ii. Proposed changes to the landscape of the site, grading, vegetation clearing and planting, exterior lighting, screening vegetation or structures if applicable;
- iii. Blueprints or drawings of the solar energy system installation signed by a Professional Engineer licensed to practice in the Commonwealth of Massachusetts showing the proposed layout of the system and any potential shading from nearby structures
- iv. One or three line electrical diagram detailing the solar energy system installation, associated components, and electrical interconnection methods, with all National Electrical Code compliant disconnects and overcurrent devices;
- v. Documentation of the major system components to be used, including the PV panels, mounting system, and inverter;
- vi. Name, address, and contact information for proposed system installer;
- vii. Name, address, phone number and signature of the project proponent, as well as all co-proponents or property owners, if any;
- viii. The name, contact information and signature of any agents representing the project proponent if applicable; and

The Site Plan Review Authority may waive documentary requirements as it deems appropriate.

3.5 Utility Notification

No large- scale solar energy system installation shall be constructed until evidence has been given to the Site Plan Review Authority that the utility company that operates the electrical grid where the installation is to be located has been informed of the solar photovoltaic installation owner or operator's intent to install an interconnected customer- owned generator. Off-grid systems shall be exempt from this requirement.

3.6 Dimension and Density Requirements

3.6.1 Setbacks

For solar energy system installations, front, side and rear setbacks shall be as follows:

- (a) Front yard: The front yard depth shall be at least 10 feet; provided, however, that where the lot abuts a Conservation-Recreation or Residential district, the front yard shall not be less than 50 feet.
- (b) Side yard. Each side yard shall have a depth at least 15 feet; provided, however, that where the lot abuts a Conservation-Recreation or Residential district, the side yard shall not be less than 50 feet.

(c) Rear yard. The rear yard depth shall be at least 25 feet; provided, however, that where the lot abuts a Conservation-Recreation or Residential district, the rear yard shall not be less than 50 feet.

3.6.2 Appurtenant Structures

All appurtenant structures to solar energy system installations shall be subject to reasonable regulations concerning the bulk and height of structures, lot area, setbacks, open space, parking and building coverage requirements.

3.6.3 Modifications

All material modifications to a solar energy system installation made after issuance of the required building permit shall require approval by the Site Plan Review Authority.

3.6.4 Solar Easement

An easement of direct sunlight may be acquired over the land of another by express grant or covenant, or by a solar access permit issued by the Planning Board in accordance with M.G.L. Chapter 187, Section 1A.

Any instrument creating a solar easement may include, but the contents are not limited to, all of the following:

- 1) A description of the dimensions of the easement in measurable terms, such as vertical or horizontal angles measured in degrees, or the hours of the day on specific dates during which direct sunlight to a specific surface of a solar collector, device, or structural design feature may not be obstructed, or a combination of these descriptions.
- 2) The restrictions placed upon vegetation, structures, and other objects which would impair or obstruct the passage of sunlight through the easement.
- 3) The amount, if any, of permissible obstruction of the passage of sunlight through the easement, expressed in measurable terms, such as specific percentage of sunlight that may be obstructed.
- 4) The provisions for trimming vegetation that would impermissibly obstruct the passage of sunlight through the easement including any compensation for trimming expenses.
- 5) Any provisions for compensation of the owner of property benefiting from the easement in the event of impermissible obstruction of the easement.
- 6) The terms and conditions, if any, under which the easement may be revised or terminated.

Any instrument creating a solar easement shall be recorded in the registry of deeds in the county or district, in the case of registered land, in the registry district of the land court in which the land affected is situated.

No Action Proposed: The lead petitioner has asked to withdraw this article. To carry out this intent, the Planning Board is not submitting its report with recommendations to Town Meeting, in order that no vote be taken, pursuant to MGL c.40A,§5.

ARTICLE 22
Voter Petition
Zoning Amendment: Amend Self-Storage Facility in
Aquifer Protection and Water Resource District

To see if the Town will vote to amend Section 173-61 of the Zoning By-law by deleting the line:

	AQUIFER (A)	WATER RESOURCE (W.R.)
“SELF-STORAGE FACILITY	N	P”

And substituting instead

“SELF-STORAGE FACILITY	P	P
OPEN STORAGE AND BULK		
STORAGE	N	N”

; or to take any other action thereto.

Motion: Moved and seconded by the petitioner that the Town vote to amend the Zoning By-Law of the Town of Littleton as set forth in Article 22 as printed in the warrant with the following additional changes:

Delete the following:

“OPEN STORAGE AND BULK		
STORAGE	N	N””

Planning Board recommends Article 22 as moved.

ARTICLE 23
Board of Selectmen/Planning Board
Road Acceptance: Richard Way

To see if the Town will vote to accept, as a Town way, the layout by the Board of Selectmen of the private way known as “Richard Way”, and to authorize the Board of Selectmen to acquire by gift, purchase, or eminent domain the land, rights, and easements therein for drainage, utility, or other purposes, all as shown on a plan entitled, “Plan and Profile As-Built, Richard Way Littleton, Massachusetts”, dated November 17, 2005 and prepared by Foresite Engineering Associates, Inc.” said street having been constructed to the satisfaction of the Planning Board and to name said street “Richard Way”; or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to accept, as a Town Way, and acquire the land, rights and easements therein by gift, purchase or eminent domain, the layout by the Board of Selectmen of the private way known as “Richard Way”, and to name said street “Richard Way” all as described in Article 23 as printed in the warrant.

Board of Selectmen and Planning Board recommend Article 23.

ARTICLE 24
Board of Selectmen/Planning Board
Road Acceptance: Mary Shepherd Road

To see if the Town will vote to accept, as a Town way, the layout by the Board of Selectmen of the private way known as "Mary Shepherd Road", and to authorize the Board of Selectmen to acquire by gift, purchase, or eminent domain the land, rights, and easements therein for drainage, utility, or other purposes, all as shown on a plan entitled, "Mary Shepherd Estates Open Space Development Littleton, Massachusetts As-Built Plan and Profile for Mary Shepherd Road", dated July 28, 2008 and prepared by Stamski and McNary, Inc., said street having been constructed to the satisfaction of the Planning Board and to name said street "Mary Shepherd Road"; or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to accept, as a Town Way, and acquire the land, rights and easements therein by gift, purchase or eminent domain, the layout by the Board of Selectmen of the private way known as "Mary Shepherd Road", and to name said street "Mary Shepherd Road" all as described in Article 24 as printed in the warrant.

Board of Selectmen and Planning Board recommend Article 24.

Town of Littleton
Finance Committee Report
Fiscal Year 2012



TOWN OF LITTLETON, MASSACHUSETTS

To the residents of Littleton:

The Finance Committee is pleased to prepare this informational report containing our recommendations for the FY2012 budget as well as recommended fiscal guidelines for the Town. It is our hope that this sharing of information prior to Town Meeting will enable voters to better understand the many issues facing the Town today and their impact on the budget recommendations made herein. The data presented here is based on information available as of mid-April 2011. Any significant changes to these figures will be presented at Town Meeting.

The Role of the Finance Committee

The Littleton Finance Committee consists of seven members, each appointed to a three-year term. Two members are appointed by the Selectmen, two by the School Committee, one by the Board of Assessors, one by the Moderator and one by the Light and Water Commissioners. This appointment procedure allows for a diverse group with overlapping terms and expertise.

The primary function of the Finance Committee (FinCom) is to review departmental budgets and submit a balanced budget (Article 4 of the Annual Town Warrant) to Town Meeting. In addition to this statutory budget responsibility, the FinCom has a set of specified financial management responsibilities including:

- Managing a small reserve fund account to meet unforeseen expenditures within the current budget year;
- Conducting public hearings on budgets and other financial matters that may come before the Town;
- Establishing fiscal guidelines for Town Officials for use in preparing their budget requests and capital planning needs;
- Participating in sub-committees requiring financial input or guidance, and;
- Providing financial feedback or input to Town boards or employees.

Committee members are assigned as liaisons to each department, board or committee to facilitate communication and understanding of the issues during the budget process as well as throughout the year. The FinCom's role, however, is limited to making recommendations to Town Meeting or the appropriate governing body. The decision-making responsibility rests with the elected officials and those who vote at Town Meeting and in local or general elections.

Fiscal Year 2012 Budget Pressures

The Town continues to deal with the financial difficulties presented to us during the past several years. A weak state economy has placed increased burdens on local town governments to provide for the escalating costs associated with the delivery of services to the community. The dismal state of our nation's economy has made this situation even more acute. Through prudent financial planning and a conservative approach to spending, our community has been able to weather the cuts in local aid payments by the state, but we have serious concerns about our ability to do so in the long-term. Should state revenues continue to decline further reductions in State aid, especially in aid to our schools, will seriously impact our town's services.

The Finance Committee and the Board of Selectmen approved an updated financial policy that strengthened many of the guidelines that have been incorporated in the Town budgets since FY2005. Following these guidelines over the past several years has enabled the Town to be better prepared for these adverse changes in the economy. Our policy formalizes guidelines to help us prepare for the uncertainty of the next few budget cycles, until the economy and State finances rebound. Until that time, we will face some tough decisions regarding spending, as we attempt to balance current and future needs against declining revenues. It is the Finance Committee's job to

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evaluate all options and provide Town Meeting with the best possible recommendation for the long-term financial health of the Town.

The Finance Committee's primary goal during each budget cycle is to maintain the financial stability of the Town. In addition to this goal, we attempt to fund the desired levels of services to be provided to the citizens of the Town. The ability to fund all departments to the desired levels is difficult in the best of times, and in the current economic environment, impossible. This year we are recommending a level-staffing budget, but we may not be able to continue this in future budgets.

Littleton, like many of its neighbors, is facing many challenges that require Town officials and citizens to make difficult decisions. Growth in our population, quality of life, level of services and affordability to live in the Town can often be in conflict with each other. With each new residence come additional roads to maintain, children to educate, and neighborhoods to safeguard. Studies have shown that although this property is added to the tax roll, the cost of services provided exceeds the tax collected. If taxes are increased to cover the needs, Littleton may become unaffordable to some of its citizens, changing the character of the Town. If these needs are not covered, Littleton may become undesirable to some citizens.

The primary budget conflict stems from several factors. Proposition 2 ½ allows a Town to increase the levy capacity 2.5% from year to year plus any added new growth. This, along with State Aid and local receipts, forms the basis of available revenue to be allocated. Simply put, in order to manage the long-term balance of revenues and expenses without a Proposition 2 ½ override, growth in expenses cannot be allowed to outpace revenue growth.

The Finance Committee focused on the following priorities during our budget preparations for FY2012:

- Neither recommending nor supporting an operational override for FY2012;
- Maintain level-funding for all town departments and the School Department;
- Provide for a 1% Cost of Living Adjustment (COLA) for union employees, as contractually obligated;
- Provide for a 1% COLA for non-union Town employees;
- Provide funding for a Facilities Manager to oversee the maintenance for all Town and School buildings;
- Continue funding for road repairs;
- Provide funding for capital equipment to the maximum extent possible within the levy.

Total revenues projected for FY2012 have seen a modest decrease. Net State aid, based on the initial Cherry Sheet from the Governor's budget, will decrease slightly on the Town-side and be level-funded for the School Department. The Legislature has forecast that they may have to make additional cuts to local aid and Chapter 70 (School funding) for this year. Should this take place, it will put additional pressure on this budget, particularly in the School Department, where they may have to dip further into their reserves or have to reduce staff. The final numbers from the Legislature may necessitate modifications to the budget presented in this report. Additionally, new growth estimates are much lower than last year and other non-tax receipts are showing no significant increases.

The Finance Committee, in recommending a budget for FY2012, has managed to fund nearly all the priority projects shown above. We were unable to fund a Facilities Manager at the present time due to these other priorities and lower overall growth in revenues. However, we are funding a thorough review of the physical state of all our buildings and their internal operating systems. This will give us a base-line from which to proceed. The committee realizes the importance of this position given the significant increases in new and rehabilitated Town properties and will continue to plan for the filling of this position as soon as a stable funding source for the new hire and an adequate maintenance budget can be identified.

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Changes in Revenues FY2012 vs. FY2011

(in dollars)

This chart details the revenue growth contained in the FY2012 budget.

The net revenue growth % for FY2012 is 4.30% excluding the use of School Department Reserves.

<u>Item</u>	<u>Amount</u>
<i>Total Revenue FY2011</i>	<i>\$ 35,123,269</i>
Add: additional revenue sources	
Allowed 2 1/2 % Levy Increase	598,521
New Growth	100,000,
Increase in Other Available Funds	19,831
Increase in Debt/Capital Exclusion	400,083
Increase in Local Receipts	320,000
Increase in Free Cash	225,880
Less: Decrease in State Aid (Cherry Sheet)	(67,324)
Net Revenue Growth	\$1,496,991
Increase in Usage of School Dept Reserves	722.879
Total Increase in Revenues	2,319,870
<i>Total Revenue FY2012</i>	<i><u>\$ 37,443,139</u></i>
<i>% Revenue Growth</i>	<i>6.32%</i>

Changes in Expenditures FY2012 vs. FY2011

This chart details the growth in expenses contained in the FY2012 budget.

A budget surplus of \$7,951 exists at this time.

<u>Item</u>	<u>Amount</u>
<i>Total Expenditures FY2011</i>	<i>\$ 35,051,570</i>
Changes in expense items	
Increase in Town Operating budget	137,044
Increase in debt service & exclusions	280,229
Increase in Cherry Sheet charges	563
Increase in other expenditures	187,913
Increase in warrant articles	12,819
Increase in health, pension & other benefits	1,019,655
Increase in Nashoba Tech assessment	<u>22,516</u>
Net Change in Total Expenditures	\$1,660,739
Increase in Use of School Department Reserves	722,879
Total Increase in expenditures	<u>\$2,383,618</u>
<i>Total Expenditures FY2012</i>	<i><u>\$37,435,188</u></i>
<i>% Expenditure Growth</i>	<i>6.80%</i>

In the past, the use of non-recurring revenues (one-time only funds), coupled with decreases in State aid, has added to the budget pressures experienced by the Town. During the three year period between FY2004 and FY2006, for example, a total of \$953,431 in one-time revenues were used to cover operating budget shortfalls. Although these transfers were done to balance the budget of those years, their impacts continued to be felt year after year as we attempted to cover those additional expenses without the availability of those one-time revenues. In the FY2012 budget, no non-recurring revenue has been used to fund the town's operating budget. Adhering to this practice has been a major contributing factor in our ability to balance our operating budget without proposing tax increases outside of those determined by Proposition 2 1/2.

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The School Department, however, is relying on non-recurring grants and reserves to fund a portion of their FY2012 budget above the Town's appropriation. An additional \$1,021,965 in reserves are being used by the School Department. This represents an increase of \$722,879 in reserves over those used during FY2011. The Finance Committee has taken a strong stance against using non-recurring revenue streams, to pay for recurring expenses. The use of these reserves will be discussed in more detail in the *School Budget* section of this report.

As in prior years, three items will continue to be major contributors to the expenditure levels of the Town: the school budget, debt service (the interest on borrowing) and employee and retiree benefits costs.

Debt Service

The Town enters FY2012 with total outstanding principal debt of \$35,840,579 and with associated future interest costs of \$10,664,770, for total debt service of \$46,505,349. These figures do not include projects that have yet to be permanently bonded or debt incurred by the School Department for the renovation of the Russell Street School. Bonds for the Light Department and other minor projects were issued during FY2011 and are included in the above figures for the first time. This is a reduction in total debt service of \$4,611,094 from FY2011.

Reimbursements from the State for the High School and Shaker Lane construction projects offset \$12,613,444 of the above total debt service. Payments on debt issued for the Light Department, for which the Town will be reimbursed, total an additional \$1,264,510. Cell tower revenues, covering an additional \$879,829, support some recent debt incurred for the purchase of land. Funds from the Community Preservation Act offset \$426,750 of additional debt costs. This leaves a net of \$31,320,816 in total Town supported debt service. Of this total, \$21,788,336 in principal and interest payments has been issued as debt exclusions, where the year-to-year debt service payments are raised outside of the normal Proposition 2 ½ levy limitation. The FinCom has advocated limiting future debt within the operating budget of the Town. We have recommended, and feel that it is absolutely necessary, that any future construction projects, such as the proposed track, be funded outside of the tax levy.

Adding debt to the Town, similar to households using credit cards, places the burden of payment onto future years and constrains future operating budgets. The Town continues to feel this impact in FY2012. The debt service within the operating budget of the Town (total debt service *less* reimbursements *less* debt exclusion items) represents 4.07% of the adjusted revenues of the Town. This percentage stood at 4.89 % in FY2011 and is reflective of the FinCom's resistance to borrow within Prop 2½. The FinCom has been working to reduce this portion of the debt service payment below the stated guideline of 5%. Even as we achieve this level, we feel that future debt issuance within Prop 2 ½ must be kept to a minimum.

While decreased debt payments provide additional funds for spending in other areas, the FinCom feels that it is necessary to set aside these savings to fund capital purchases or other one-time expenditures. These funds should not be allowed to re-enter the operating budget where expenses normally compound at a rate greater than new available revenues.

This year, the FinCom has not recommended the use of capital exclusions. This decision has been taken in recognition of the current economic climate, but will continue to be an option in future years. A capital exclusion is similar to a debt exclusion in that the payment is raised outside of the normal Proposition 2 ½ levy calculation. However, a capital exclusion raises the total amount of the funds needed all at once, essentially paying cash for our purchase instead of using our credit card. A capital exclusion does impact the tax rate of the Town since it raises funds outside of Proposition 2 ½ for a single year. (*Specific impacts to the tax rate will be discussed later in this report.*) This funding mechanism enables the Town to decrease the amount of debt service and free up dollars within the operating budget to maintain the level of services required.

During this budget cycle all Town departments were asked to update their projected capital needs for the next ten years. The information has been compiled in a fashion that enables the planning process for these major capital

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purchases to become much more efficient. The FinCom has also identified capital purchases and projects that are likely candidates for capital exclusions over the next few years. It is our hope that the Town and Town Meeting approve the use of capital exclusions as a strategy to help strengthen and ensure the financial well-being of Littleton.

School Budget

Littleton Public Schools are the major recipient of Town Meeting appropriation. There is no question as to the value of a quality school system within the Town and the need for the community to provide its children with a quality education and proper foundation for their future.

The responsibility of the School Committee is to provide quality education and to advocate for an ever-improving system based on the educational needs of the children, the desires of the community, and statutory requirements. The FinCom's responsibility is to recommend to Town Meeting an appropriation that it believes is sufficient to meet those educational needs represented by the School Department budget, as well as to provide for the safety, protection and other services vital to the community within the limited resources available to the Town.

The FinCom makes its recommendation by taking into account salary increases, special education spending, maintenance and utility costs and balancing those needs against the funds available to the Town.

In the FY2012 budget process, the FinCom recommends a Town appropriated school budget of \$14,997,076 or level funding when compared to the FY2011 appropriation. A level funded Town appropriation accompanied by level funded Chapter 70 dollars from the State will require the School Department to use their reserves to a greater extent than in previous years. The FinCom has concerns with the amount of the School Department's reserves being used and what impact that will have on the school budgets over the next few years.

In addition to the Town's appropriation, the school system also funds its operations using available grants, donations, and revolving funds. The use of these funds is incorporated into the current level of programs and staffing found in the schools, with the unspent balance providing a cushion for the School Committee to access for unexpected costs, such as special education, without asking the Town to provide additional funding. The School Department expects to end FY2011 with \$850,000 in its revolving fund accounts.

The FinCom has worked closely with the School Committee over the past several years in increasing these reserves and decreasing the school's dependence on using these funds within the operating budget. The FinCom is aware of the use of these funds in preparing the FY2012 budget and is greatly concerned with the amount of these funds being used. For the past several years the FinCom has warned against using these one-time funds to fund recurring operational expenses, and to not take reserves below a minimum balance of \$500,000. While the federal stimulus funds enabled the School department to maintain and in some cases grow their programs, the spending levels that they supported are now built into current levels of programs provided by the school system. If the schools continue on this path, their reserves will be exhausted, and the school system will either be forced to cut programs or ask the Town to fund the shortfall in addition to its normal budget increase. They are in essence creating a structural deficit within their budget which will have an impact on the Town's overall budget in the next fiscal year. The FinCom has not allowed the use of one-time revenues within the Town's operating budget for the past several years in order to avoid creating a structural deficit.

The School Department, in addition to the Town's appropriation of \$14,997,076 is planning to use an additional \$1,021,965 in revolving funds and grants, for a total School Budget of \$15,999,041. In FY2011, the School Department did not spend down their reserves to support their operating budget, but did rely on \$299,086 in Federal Stimulus funds that are no longer available. The School Department expects to end FY2011 with a balance of \$850,000 in their revolving fund accounts, and FY2012 with a balance of \$656,326. This estimated balance for the end of FY2012 is based on a number of assumptions, including an increased 60% reimbursement rate on circuit break funds from the state, up for the current 40% reimbursement rate, and no COLA increases being given in the current contract negotiations. If reimbursement rates remain level, and a 1% COLA is granted again for a single year, as it was during the last contract negotiation, reserves would end FY012 at a level under

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\$400,000. The Finance Committee will continue discussions regarding the use of revolving funds with the School Committee.

Chapter 70 is the funding that the Town receives from the state to supplement the school's operating budget. Starting in 2006, the state made changes to the distribution of Chapter 70 funding across the Towns of Massachusetts. Prior to 2006, it was clear that Littleton was not receiving its fair share of Chapter 70 funding. The correction implemented to bring Littleton up to par in Chapter 70 funding when compared to similar Towns is now complete. Going forward, the increases that Littleton has enjoyed will not continue. If the school budget continues to grow and outpace projected future Town revenues, there will be a severe shortfall in the school operating budget. This is due to the fact that approximately 70% of the school budget is linked to employee wages that have historically compounded at 5% - 6% per year (6.4% for FY2012). Additional staffing increases this number and will also increase a potential budget shortfall.

With the spending of the revolving funds and federal grants, in addition to the Town's appropriation, total spending for the school system in FY2012 is projected to be \$15,999,041 a 4.7% increase over FY2011. This amount does not include Town-provided employee benefit costs as well as costs for other Town services provided to the school system. These costs currently amount to \$2,689,127. Debt service payments will account for an additional \$3,547,876. Charter and School choice assessments from the state add an additional \$864,349 in cost, as well as a \$620,422 assessment for our share of the costs for Nashoba Technical High School. In total, estimated school related spending in FY2012 will be approximately \$23,720,705 (63.4 % of the total Town budget).

The FinCom is also supporting \$30,000 for the ongoing replacement of Univents at the Shaker Land School and \$25,000 for improved school technology.

Looking to the future, the two major issues of greatest concern to the FinCom are: 1) the dependence on revolving funds to finance the School budget and, 2) projected increased salary costs (projected to be 6.4% in FY2012). Without significant new recurring revenue growth, the total spending of the Town on the school system will continue to increase as a percentage of overall spending, and adversely affect all other vital Town services.

The Outlook for the Future

The FinCom continues to try to achieve a balance between revenues and expenses in order to provide the citizens of the Town the services they require and expect. The lack of any significant new local revenue sources becoming available in the near term, and the prospect of plateaus in state aid and Chapter 70 school funds, make achieving this balance very difficult. This year, we have attempted to budget our available funds in such a way as to maintain Town services at current levels. In general, we have been able to provide, at minimum, near level-services funding to all departments, while continuing to work to meet the challenge of rising employee costs for both salaries and benefits. The only FY2012 budgeted salary increases are a contractual 1% raise, and step and lane increases dictated by current contracts.

Stabilization – The Stabilization Fund is estimated to end FY2011 at approximately \$1,565,000. Consistent with established prudent practice, no stabilization funds will be expended in the FY2012 operating budget. In addition, we cannot allow other non-recurring revenues to be added to the operating budget of the Town. Our ability to allow our stabilization fund to grow has been a major contributing factor in the Town's bond rating of AA, confirmed recently in a Standard and Poor review of Town finances. This positive rating will decrease borrowing costs and interest rate levels for future bond issues, potentially saving the Town more in long term costs than any short term benefit derived from a withdrawal from these funds.

Debt Management – Additional borrowings must be held to a minimum. The Town is able to fund only certain capital purchases inside the levy during this FY2012. However debt service within the levy decreases substantially over the next few years. This reduction in debt levels cannot be allowed to be added dollar for dollar to the operating budgets. With a significant queue of capital expenditures due to be addressed in upcoming years,

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it is prudent that we maintain the Town's Financial Policy of redirecting reduced debt levels to free cash or stabilization funds in order to finance anticipated capital projects. The town will be bonding the Russell Street School project in April 2011. State reimbursement for this project will be 47.84% of allowable costs, or approximately \$4.82 million towards the total project cost of \$10.5 million. This total cost is down from the budgeted \$13.9 million.

Capital Outlays – The FinCom recommends that the Town engage in and execute capital planning that fully meets the Town's needs. Beyond major capital projects (the Russell St. School renovation, etc.) current capital equipment needs remain ever present. For the past number of years the Town has addressed these capital needs through a combination of funding both inside the tax levy and through one time capital exclusions. This approach has helped the Town keep pace while having the benefit of not increasing Town borrowing. For FY2012, the Selectmen have decided on approximately \$900,000 in capital spending, all within Prop 2 ½. As the list of unfilled capital requirements grows, the dollar amounts and service needs could rapidly become unmanageable. All town departments have put together their identified capital needs. Going forward, the various Town Boards and departments need to agree upon a common, prioritized, capital spending plan which funds what we can inside Prop 2 ½, and utilizes capital exclusions when necessary as a tool to fund ongoing capital needs. The FinCom also recognizes the need to spend capital wisely, and to protect our capital assets over time, and urges the adoption of some formal program of capital asset management.

Operating Budgets – Overall spending by all departments, especially personnel related costs must be controlled. This is extremely important, especially when faced with consecutive years of decreases or slight increases to the Town's revenues. Additional personnel will be added only in situations where a direct benefit in cost efficiencies can be realized or where the safety of the community would otherwise be compromised. Further, as personnel costs consume more than 76% of the operating budget, the Board of Selectmen and the School Committee are urged to take a very conservative fiscal approach to wage negotiations with our unions. Considering the severe economic pressures on our operating budget, the FinCom is recommending a 0% increase for all contracts to be negotiated in the coming year.

There are a number of factors in the operating budgets that pose specific challenges and unanswered questions going forward: the viability of the Enterprise Fund structure used for funding the ambulance service and expenses, and the management of that program; the various proposals for consolidations or new positions, ranging from capital facilities, to regulatory services, to public works, which do not reflect an overall strategic plan; the Town's obligations to address underfunded health insurance and retirement long term costs; and the structural deficit specific to the School budget, caused by use of one-time state and federal grant funds and withdrawals from reserve accounts (created principally to insure against unforeseen SPED costs) to artificially support increases to operational spending beyond Town Meeting appropriations.

Without new tax revenue, the Town's revenues will not keep pace with increases in expenses. Each year, revenue growth without new taxes is limited to 2 1/2 % of the prior year's levy plus the amount of taxable new growth. However, beyond contractual pay increases there are step increases, lane changes, and benefits built into the Town's labor contracts that alone can range up to 7.5% in certain contracts, and which on average account for 3% to 4% annual increases, and which in conjunction with benefit costs (health insurance, retirement) result in operational cost increases of 6%, compounding from year to year.

Other Post-Employment Benefits (OPEB) At the Special Town Meeting held on May 3, 2010 a majority of town voters in attendance authorized the creation of an OPEB Trust Fund. The purpose of this fund is account for appropriations made to cover unfunded actuarial liability related to retirees' health care and other post-employment benefits. The town funded this trust fund in FY2011 with an appropriation of \$900,000 and the current FY2012 budget to be voted on May 2, 2011 in Article of the Annual Town Meeting funds this trust fund with an additional \$500,000 liability. As of July 1, 2010 our unfunded actuarial accrued liability is \$34,814,527. The town's FY2010 audit indicates that our liability in a single year was \$4,768,814. FinCom is concerned that the amount of money that we are putting into the OPEB trust fund is not keeping pace with the annual increase in the town's liability.

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Interest rates – The Town has benefited over the past several years from declining interest rates. The Town has implemented strong fiscal policies (attached at the end of this report). Managing to these policies has aided the Town in maintaining an upgraded Bond rating (AA). This has resulted in lower interest debt payments for the Town. Another benefit to the Town is that we no longer are required to purchase bond insurance when we go out to finance our debt.

The Town continues to experience favorable cash flow since it moved from a semi-annual to a quarterly real estate tax payment. On top of the beneficial cash flow that the Town experienced from the change in billing, the Town has also seen sizable growth in investable cash, as much of the positive cash flow from the quarterly bill payments has earned additional interest income for the Town. With the decline in interest rates, the Town can no longer rely on the same amount of interest income that has been generated in the past. Clearly, there is an offset, as future borrowings will be made in this same lower interest rate environment, but the ability to generate and rely upon additional revenue through interest income is an example of a revenue source that is diminishing for the Town, at least in the short-term.

Revenues – The Town has a serious problem on the revenue side of the municipal ledger book. Revenue from new growth is the Town's single most important vehicle for funding increases in ongoing operations and capital expenditures, and it has been in decline for years. We as a community have taken a largely passive attitude to the revenue stream that funds the Town budget, and that has to change. Efforts to increase certain fees, and use of programs such as Economic Target Areas (ETAs) have had some effect, but it is not enough. The Town must adopt a pro-active revenue growth program that implements specific measures to meet targets for new revenue, and which makes the connection between Town policy and regulatory decisions and the impact on potential new revenue sources.

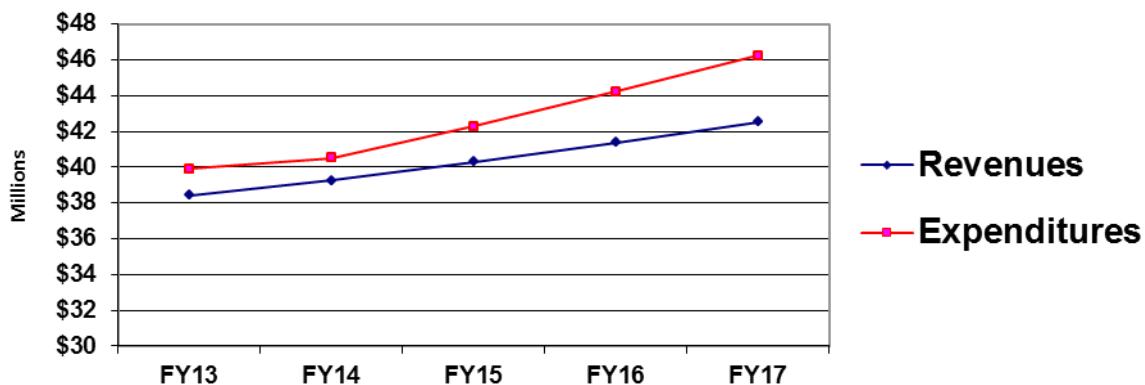
New growth for FY2012 is budgeted to be \$100,000. This is down from the \$900,000 level the Town enjoyed a year ago. The stagnation and decline in new growth to the tax base is arguably as serious an issue to the Town's long term fiscal integrity as is the growth in personnel costs directly tied to contractual obligations and benefit costs. It also has to be taken into consideration that most of the \$900,000 in new growth for FY2011 was attributable to a one-time ruling by the Mass DOR that includes personal property at the IBM plant to the tax base, and that the majority of the FY2010 new growth totals of \$657,000 was a change in state law resulting in a similar one-time addition of utility poles and equipment to the tax base valuation. New growth figures for FY2009 and proceeding years, unskewed by one-time events, were in the \$400,000 range but declining.

A corollary negative effect for residential property owners is that the steady decline in valuation of the commercial/industrial component of our tax base has resulted in a larger share of the tax burden being borne by the residential sector, declining residential values notwithstanding.

It is time for the Town to recognize the important connection between regulatory decisions and policy, and the revenue stream needed to fund Town services and give relief to the taxpayers. Efforts to address Master Plan goals, and revamp zoning, regulations, and infrastructure, in our commercial and industrial areas, ought to be considered not only in light of quality of life issues, but also of the need for increased revenues from a growing commercial tax base.

The following chart shows the estimated increase in revenues and expenditures for the Town over the next five years. These assumptions, as are all the numbers included in this document, are based on levels of revenues and expenses which the FinCom feels are most likely to occur given the Town's most recent financial history, the current economy and levels of services and projects currently in progress or likely to occur within the next few years. Even with controlled expenditures that track in step with a slightly increasing recurring revenue base and minimal additional debt, the expected revenues generated by the Town over this time period will not keep up with estimated expenditures. Additional revenue sources must be found; preferably those that when added to the tax base, do not create a demand for additional services.

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FY 2012 Operating Budget

We began the planning for the FY2012 budget with our annual budget message to Town departments asking them to prepare a level-funded budget and a level services budget. Departments were told not to expect increases in personnel or new programs that were not supported by a new and sustainable revenue stream. In developing our forecast for FY2012, it was anticipated that any additional revenues available to the Town would be used primarily to fund capital items that were pushed off in last year's capital expenditures, step and lane increases in salaries (dictated by union contracts) and funding for the road repair plan.

Despite cuts in state aid and local receipts we have been able to put together a budget which will have a minimal impact on current services, does not result in personnel layoffs, and allows us to allocate some money to capital purchases while still providing funding for our road repair plan. The state budget is still far from settled. Should the state come out with further cuts to local aid in their final budget, or as the year goes on, we will have to revisit our priorities.

Our general position on operational overrides has not changed. In order to avoid funding consecutive years of overrides, Town spending must be controlled. In the short-term, if new programs are needed, it will be necessary to eliminate existing programs of lower priority and re-direct the resources. The FinCom will only recommend future operational overrides when all other financing mechanisms have been exhausted and the long-term impact of this permanent increase can be sustained and integrated within an overall financial plan. We do not, and will not, recommend building operating budgets that hinge on the passage of an operational override every year.

Warrant Articles

The FinCom has taken a position on all finance related Warrant Articles. We have voted to support all financial articles in both the Special and Annual town meeting scheduled for May 2, 2011. There are a couple of articles that need discussion in the report.

- Special Town Meeting Article 3 – Rescind Ambulance/EMS Enterprise Fund – While this fund is currently running at a deficit, and not meeting the purpose for which it was formed, the Fincom believes that the Board of Selectman and Fire Department should actively work towards returning the Ambulance service to profitability.
- Annual Town Meeting Article 8 – FY 2012 Capital Items from Available Funds – The total recommend capital expenses in this article is \$904,500. One item to note that normally would have had to be funded through a capital exclusion is \$430,500 for the replacement of a 1996 Spartan/3D Pumper for the fire department. We are able to fund this item under the tax levy due to new growth in FY2011.

Debt Exclusions

There are no debt exclusion articles appearing on this year's warrant. On the horizon for a fall town meeting is a potential building of a new track. If this moves forward into the construction phase, the Finance Committee has voted a formal recommendation that this project be funding outside of Proposition 2 ½.

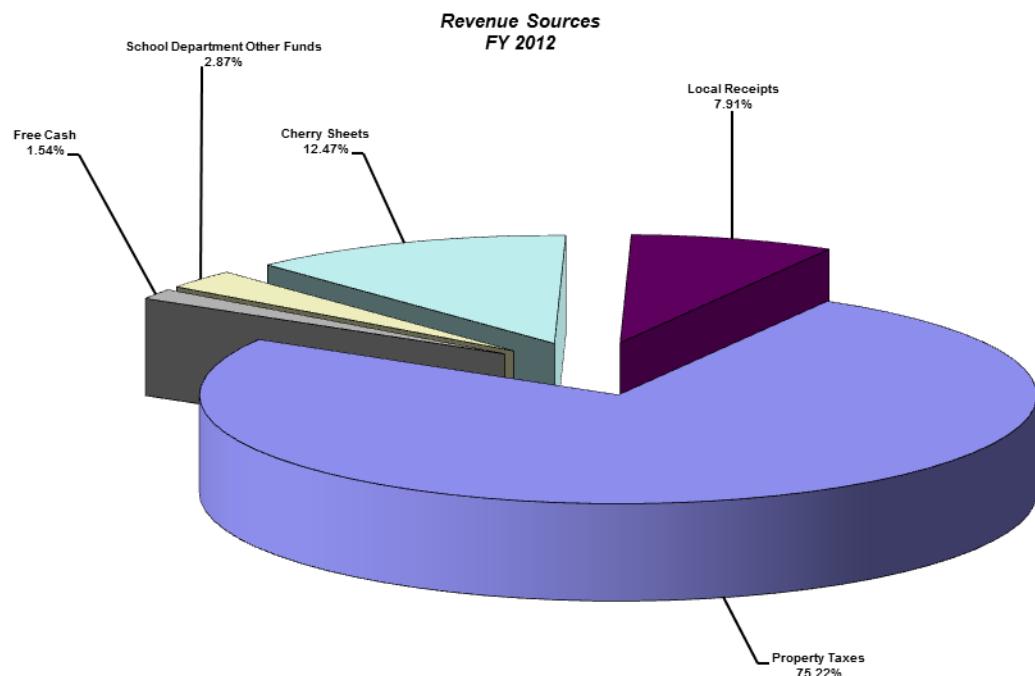
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FY2012 Budget Details

Revenue Sources - Where the Town raises the funds it needs to operate

<u>Revenue Source</u>	<u>FY2012 Amount</u>	<u>Comments</u>
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Property Taxes	\$26,822,573	
Free Cash	\$550,000	Certified Free Cash
School Department Other Funds	\$1,021,965	Includes \$803,674 from reserves and \$219,291 from Federal Grant
Other Available Funds	\$1,784,089	Other Town revenues & fees
Cherry Sheets	\$4,445,037	State Aid
Local Receipts	\$2,819,474	
Total Town Revenue	\$37,443,138	

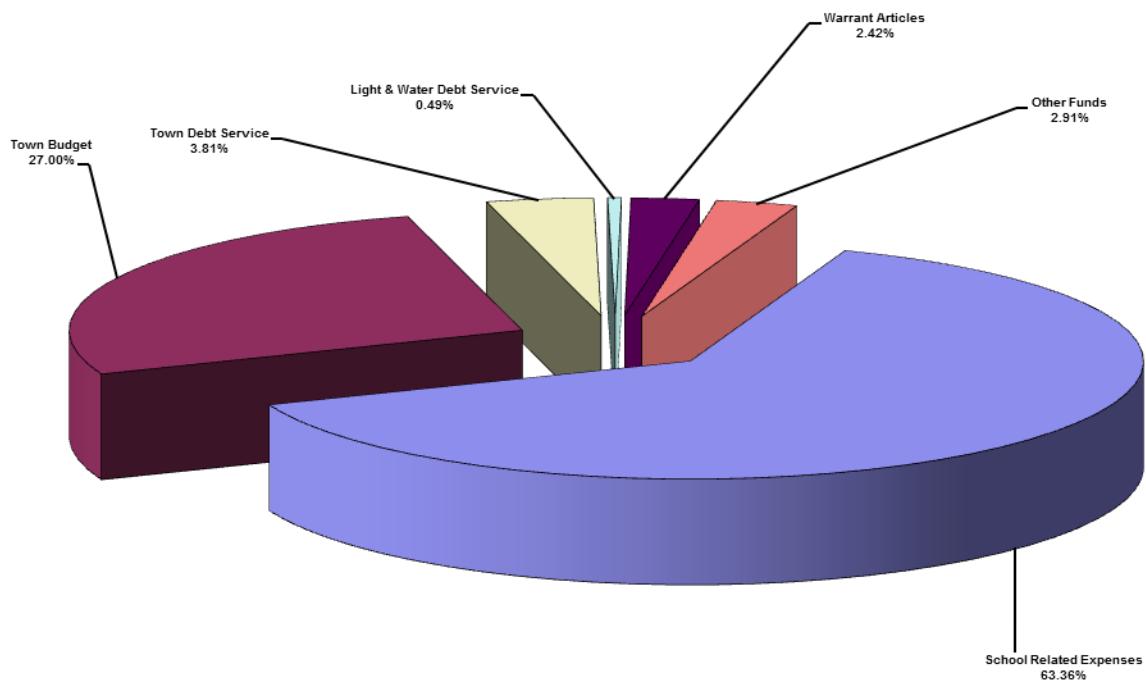


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Expenditures - Where the Town spends the money it raises

<u>Expenditure</u>	<u>FY2012 Amount</u>	<u>Comments</u>
School Budget	\$15,999,041	Increase of \$1,021,965 from FY2011
Debt Service – Schools	\$3,547,876	Shaker Lane, HS, MS & Russell St projects
School Capital Exclusions	0	
Charter/School Choice	\$864,239	Students attending other schools
Nashoba Tech Assessment	\$620,422	Students attending Nashoba Tech HS
School Related Expenditures in Town Budget	<u>\$2,689,127</u>	
Total School Related Exp.	\$23,720,705	63.36% of Total Town Expenditures
Town Budget	\$10,108,435	Town Departments Only
Town Debt Service	\$1,425,843	
Light Dept Debt Service	\$183,309	Expense is reimbursed by L&W
Warrant Articles	\$906,500	Capital
Other Funds	\$1,090,395	Includes \$325,000 snow & ice deficit
Total Town Expenditures	\$37,435,188	

*Expenditures
FY 2012*



Proposition 2 1/2

Proposition 2 1/2 (Prop 2 1/2) is the basis of municipal finance in Massachusetts. It was established as a way to stabilize property taxes imposed by cities and Towns by limiting the amount of tax increases to 2 1/2 percent of the prior year's levy limit. To better understand Prop 2 1/2 we will define some terms that will be referred to and then illustrate how Prop 2 1/2 affects the Town of Littleton with some examples for the current fiscal year.

Levy – The revenue that the Town can raise through real and personal property taxes.

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Levy Ceiling – The total levy allowed to be raised cannot exceed 2.5% of the full and fair cash value of all taxable real and personal property in the Town.

Levy Limit – The maximum amount the Town can levy in any given year. The levy limit cannot exceed the levy ceiling. Prop 2½ does allow a Town to levy above the limit on a temporary basis as well as a permanent increase to the levy limit. These options will be explained later.

New Growth – Annual allowed increase to the Town's levy limit based on the value of new development or other growth in the tax base that is not the result of property revaluation. This amount is multiplied by the prior year's tax rate to determine the amount to be added to the current years levy limit.

Override – An override allows the Town to assess taxes in excess of the normal 2½ % increase allowed by Prop 2½. An override cannot raise the levy limit above the levy ceiling. The levy limit for the year is calculated including the override amount and becomes part of the levy limit base. This base would be increased the following year by 2½ %.

Debt Exclusion – debt exclusion allows the Town to raise funds above its levy limit or ceiling for certain purposes. The Town, in this example, would be allowed to raise funds for a specific debt service costs. The amount added to the levy limit due to debt exclusion is not added to the levy base and would not be included in the levy calculation for the following year. Debt exclusion would only last for the life of the specific debt.

Capital Exclusion – A capital exclusion allows the Town to raise funds above its levy limit or ceiling for capital projects. The Town, in this example, would be allowed to raise funds for a specific single year capital project. The amount added to the levy limit due to capital exclusion is not added to the levy base and would not be included in the levy calculation for the following year. Capital exclusion is limited to a one year increase in the levy limit.

Special Exclusion – An exclusion that allows the Town to raise taxes above its levy limit in order to fund a program to assist homeowners to repair or replace faulty septic systems. A special exclusion does not require voter approval.

Levy Ceiling Calculation

FY2011 total real and personal property value *	\$1,485,262,625
Add: FY2012 estimated new development	<u>5,773,000</u>
Total property value	\$1,491,035,625
	<u>x 2 ½ %</u>
Levy Ceiling	\$37,275,890

* Does not include current year revaluation

Levy Limit Calculation

FY 11 Levy Limit	\$23,940,821
x 2 ½ %	598,521
Add: New Growth	<u>100,000</u>
FY 11 Levy Limit	\$24,639,341
Add: Debt Exclusion	2,183,232
Capital Exclusion	0
Total Levy Limit with Debt Exclusion	\$26,822,573

In the above calculations the Town is allowed to assess taxes to the levy limit of \$26,822,573 since it remains below the \$37,275,890 levy ceiling.

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The Town currently has debt exclusions for the following projects:

<u>Project</u>	<u>Original Balance</u>	<u>FY2012 Payments</u>
WasteWater treatment system		\$139,364
Middle School project	\$7,554,000	\$820,531
Frost/Whitcomb Land	\$700,000	\$44,204
Morrison Land	\$1,768,000	\$148,650
Police Station	\$6,285,308	\$544,475
Russell St Renovation	\$5,700,000	537,340
Less: SBA Settlement		\$(17,274)
Less: Self Help Grant		\$(17,000)
Less: Bond premiums		<u>\$(17,058)</u>
Total Current Debt Exclusion		\$2,183,232

Property Taxes¹

Current property tax rates in Littleton for FY2011 average \$17.32 per \$1,000 of assessed property value. The Town uses a split tax rate that assigns a different rate depending on property classification.

Residential property is taxed at \$15.33 / \$1,000 while commercial and personal property is taxed at a higher rate of \$24.40 / \$1,000.

While the ultimate decision of setting the tax rate rests with the Board of Selectmen, the FinCom estimates the impact to property tax bills when compiling the budget by using the same set of options used by the Selectmen when setting the current year's tax rate. Any changes to these options will affect the estimated residential rate. The overall tax rate is not affected.

Our estimates include new growth and current property valuations. Revaluations, which are done every three years by the Town Assessor's Office, or interim valuation adjustment assumptions, are not included in the estimates described. The revaluation process does not affect the total amount of taxes that the Town can raise, since that is capped by the levy limit. It will affect the tax rate paid by the property owner. As property valuations rise, the tax rate should fall. As property values fall, the tax rate should rise. For this reason, while we will show an estimate for a tax rate, it is important to look at the tax bill amount for the property value shown.

Using the budget submitted by the FinCom we estimate the average tax rate for the Town for FY2012 to be approximately \$17.96 with an estimated residential rate of \$15.89. The chart on the following page factors in the property values reflected in the first column and includes the impacts of all debt exclusion items recommended by the FinCom and reflects an approximate 3.70% tax increase in the average tax rate and a 3.65% increase in the residential tax rate.

Estimated Residential Tax Bills FY2012

Residential Property Valuation	Annual Tax Bill FY2011	Estimated Annual Tax Bill FY2012	Increase FY2012 Tax Bill
\$350,000	\$ 5,365	\$ 5,562	\$ 197
\$368,309 (Median)	\$ 5,646	\$ 5,852	\$ 206
\$400,000	\$ 6,132	\$ 6,356	\$ 224
\$500,000	\$ 7,665	\$ 7,945	\$ 280

¹ Tax data is estimated based on current information and past practices. It is provided as a reference in this report to enable the taxpayer to make informed decisions.

Capital Exclusion Impacts

As previously mentioned capital exclusions raise funds outside of Proposition 2½ similar to debt exclusions, which have been utilized by the Town previously. Capital exclusions, however, raise the entire project costs in a single year in order to avoid the ongoing debt service costs associated with borrowings. There are no capital exclusions planned for FY2012

Debt Exclusion Impacts

The Town bonded the Russell Street School project in April 2011. FY2012 will be the first year that the full impact of the payment for the Russell Street School bond will be realized. In FY2012 the total debt service for the Russell St School will be \$537,340, net of any associated bond premium. This represents \$0.36 of the \$17.96 estimated average tax rate for FY2012 and will account for \$117.96 (or \$0.32 of the \$15.89 estimated residential rate) of the annual tax bill on the median value \$368,309 property.

The interest costs for the Russell St School bond are significantly less than previously projected due to the favorable interest rate environment and the upgrade of the Town's bond rating by Standard & Poor's to AA. The rating increase makes the bonds issued by the Town more appealing to investors, lowering the interest rate. In addition, the Town no longer needs to have bond insurance, cutting our costs to issue new bonds. This rating increase is a direct result of the FinCom and Board of Selectmen's development and commitment to follow the financial policy put in place back in FY2005. That policy was revised and strengthened in February 2010 by a vote of both boards.

The Russell Street School project cost has been reduced to \$10.5 million from its original \$13.9 million. This project, for the repair and renovation of the school, was approved at May 2009's Special Town Meeting. The Massachusetts School Building Authority (MSBA) will cover 47.84% of this cost. The fully realized debt service for the borrowing of these funds will not occur until FY2012, and borrowing costs are not finalized at the time of this report.

Conclusion

Despite Financial reforms and policies, and the creation of a restructured Finance Department adopted several years ago, the Town is facing serious, sobering fiscal and financial challenges. In the past few Fiscal Years the Town has benefitted from one-time revenue spikes both in the new growth funding townwide and specific to the school circuit breaker and stimulus fund grants. As a result, we have not as yet seen the national economic downturn result in budget shortfalls or cuts here in Littleton. With the stagnant new growth revenue picture combined with built-in cost increases from contractual compensation obligations (such as steps and lanes) and a structural deficit in the School operating budget, the reckoning is upon us, in FY2013 if not FY2012. The FinCom had forecast the potential impacts to the Town, however spending was allowed to continue and non-recurring revenues were used to cover budget increases. The FinCom has warned of the perils of paying for growing operating expenses with one-time revenues, and has established stronger financial policies and practices after the override of FY2006 to protect the Town from future potential operational overrides. While the Town's financial management and structure, debt projections, and financial practices, are strong, our projected structural operating budget deficit, requires a new consideration of revenues from a growing tax base, and will force difficult choices on spending in the immediate future.

The Town must not spend every tax dollar collected and increase budgets at will. Spending must be controlled, revenue cannot be assumed to increase each and every year. Reserves must be allowed to increase. Portions of new revenues should be held outside the operating budget and used for capital purchases or other one-time only expenses. If we unconditionally increase budgets that compound at 6% per year using tax dollars that compound at only new growth plus 2 ½% per year, the Town will face cuts in services such as experienced in the economic crisis of FY2002-FY2006.

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The Selectmen and School Committee must negotiate union contracts that put the financial well being of the Town first and foremost. For instance, a negotiated 1% salary increase (based on current employee demographics) becomes a 3% - 4% increase after all steps, longevity and lane changes are taken into account. We simply cannot afford to compound our Town-wide payroll at this rate.

Over the next year, and for the foreseeable future, our efforts to provide the Town a sound financial foundation will focus our work with other boards, departments, and town officials on several important topics:

- The projected structural operating budget deficit
- The use of one-time revenues to fund growth of the School operating budget
- The need to spur new growth revenue from the commercial tax base
- The need for realistic, prioritized capital planning
- The impact of contractual obligations such as steps and lanes
- The long term funding of benefit costs (health insurance, retirement)

Moving forward, each department must be able to stand-alone and justify the services it provides to the Town with the Town ultimately deciding the levels of services it requires, and the means of funding them. To that end, we urge all citizens to become involved in the budget process and voice their opinions to not only the FinCom, but also the Board of Selectmen and other Town Boards and Committees as appropriate.

Supporting Information

Financial Policy

Well conceived and practiced financial planning can assist Town officials in achieving the best possible use of funds while providing both short and long term stability. Financial policies can improve a Town's credit rating and reduce the cost of interest paid on the Town's long-term debt issues. In addition, established policies can provide a base line for reference and consistency independent of political climates and personal agendas.

The Finance Committee and the Board of Selectmen recognize the need to establish financial guidelines to provide the Town the ability to withstand periods of decreased revenues while minimizing the need for operational overrides as well as controlling spending during periods of increased revenues. The established guidelines must address the ongoing use and minimum balances of the stabilization fund, the Undesignated Fund Balance (UFB) or "Free Cash", debt management and provisions for future additions to these funds.

The Finance Committee and the Board of Selectmen should review these financial guidelines annually.

- Funds needed to provide the necessary balances must be appropriated prior to any appropriations for operations.
- If recommended balance levels cannot be attained in any given year, a plan to meet the balance guidelines must be established and affirmed by both committees.
- The Finance Committee will provide annual projections and suggested levels for additions to the stabilization fund, debt service and capital needs and use of current year certified free cash.

The Financial Guidelines approved by the Finance Committee and Board of Selectmen are as follows:

Financial Guidelines

These recommended guidelines for the management of Free Cash, the Stabilization Fund and Debt Management should serve as a platform for the annual budget message. The principles contained in these guidelines must be incorporated in the recommendations by the FinCom in each year's budget and used as the basis for any projections of the Town's future financial condition.

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The following sections outline the longer-term financial goals of the Town. In some cases, the attainment of certain levels of funds or percentages may not be attainable in the short-term. Specific short-term goals are outlined in the *Planning* section of this document.

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Undesignated Fund Balance – “Free Cash”

The accumulation and use of “Free Cash” now referred to in Massachusetts Accounting Statutes as the Undesignated Fund Balance (UFB) of the General Fund, is an important component of the Town’s overall financial management policies. The available amount is calculated and certified each year by the Massachusetts Department of Revenue using data submitted by the Town.

The UFB is comprised of year-end revenues in excess of projections and year-end expenditures less than appropriations. The UFB is also impacted by the resolution of contingencies or deficits since the UFB is reduced in order to cover any deficits at year-end. Therefore, it is imperative that the Town maintain a minimum balance of 2.5% of the operating budget in order to provide a reserve for unexpected financial crisis during the year. Further, the undesignated fund balance should not be relied upon as a mechanism for funding the Town’s operating budget.

Therefore the following policy must be applied in each budget cycle:

1. Maintain a minimum UFB balance of 2.5% of the Total Operating Budget.
2. Appropriate amounts above the 2.5% minimum threshold in the following order:

	<u>Use</u>	<u>Description</u>
a.	Stabilization	appropriate amounts from the UFB to maintain the minimum balance of the Stabilization fund as detailed in the section below;
b.	Capital Projects	appropriate amounts up to 2% of the operating budget for capital items for which long-term borrowing is authorized or for other expenditures of a non-recurring nature;
c.	Other reserves	use UFB to augment other reserves/trust funds such as post-retirement benefit reserves or stabilization;
d.	Rollover balance	the remaining balance of the UFB must meet this 2 nd threshold of 5% of the operating budget before any additional funds may be appropriated;
e	Extraordinary Deficits	use the UFB to fund extraordinary deficits that cannot be funded either by budgetary transfers or by the reserve fund, and would otherwise be carried to the following year;
f.	Additional Capital Projects	use UFB to fund additional capital projects (b);
g.	Budgetary Uses	Exception only – with approval of Board of Selectmen and Finance Committee.

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Stabilization

The Stabilization Fund is a special reserve account allowed by Massachusetts General Laws to allow savings to be set aside in order to be available for emergency expenditures. In the case of an emergency expenditure a community with a Stabilization Fund balance may use the available fund balance rather than spiking its property tax rate. The tax rate may be therefore “stabilized”. Bond rating agencies rate municipalities more highly if they maintain a healthy reserve balance in this and other reserve accounts. The funds appropriated to a Stabilization account can also be earmarked for specific capital needs. The Town should endeavor to avoid the use of stabilization fund balances, or any reserve balance for a recurring expense. A two-thirds vote at town meeting is required to appropriate funds from this account. The Fund balance may not exceed ten percent of the equalized valuation of the Town and all interest shall be added to and become part of the fund. The Treasurer may invest the proceeds in keeping with the regulations as set in M.G.L. Ch. 40 s 5B.

Therefore the following policy is recommended:

1. A minimum balance of 5% of the current operating budget must be maintained in the Stabilization Fund.
2. Withdrawals from Stabilization should only be used to mitigate a catastrophic or emergency event(s) (such as substantial damage to a municipal facility due to fire, or infrastructure compromised by a major storm event) that cannot be supported by current general fund appropriations.
 - a. Withdrawals of funds should be limited when possible to the amount available above the 5% minimum reserve previously referenced
 - b. Withdrawals from stabilization that drive the balance below the minimum level should be avoided. If, however this was deemed necessary, the withdrawal should be limited to 1/3 of the Stabilization Fund balance, and the Finance Committee must develop a detailed plan that will replenish the fund to the minimum levels within the next 2 fiscal years.

Debt Management

Debt management is essential to the overall financial planning of any municipality, but especially critical in times of expansion such as we are in. Borrowing funds and repaying over a number of years allows the Town to finance projects we could not afford to pay from our operating budget. The objective of debt management is to borrow at the least cost over the term of the repayment debt. It requires careful planning and strategies to minimize the negative effect to the taxpayer and should be used only when the cost allocation is deemed equitable and the interest costs do not outweigh the advantages. It is critical to develop a policy or guidelines, determining the issuance, timing and tax impact of current and future debt.

Dedicated revenue supported debt are those borrowings which the Town has identified a reimbursement from a specific revenue source that has the ability to repay 100% of the annual debt service for the life of the borrowing. Examples of current revenue supported debt are borrowings associated with the Light & Water departments, land purchases with dedicated reimbursements made from cell tower revenues or CPA funds and any debt exclusion items such as the Middle School borrowing.

Recommended Guidelines for Non-Dedicated Revenue Supported Debt

1. Every effort should be made to minimize the amount of non-dedicated revenue supported debt within the operating budget of the Town.
2. Repayment of principal and interest together with issuance cost and short term financing costs should be targeted at approximately 5% of the total budget to maintain and improve credit rating.
3. At no time should non-dedicated revenue supported debt service exceed 10% of the total budget.
4. Repayment schedules should be in accordance with published requirements and be set as aggressive as possible.

These guidelines achieve the following:

TOWN OF LITTLETON, MASSACHUSETTS

- Capital needs are not displaced by the fiscal demands of current operations.
- Borrowing is controlled.
- The cost of interest is minimized.
- The capability to borrow is quickly restored.

Financial Planning

Proper financial planning is essential for the Town in order to continue to provide the services necessary for its citizens in the least costly manner possible. Decisions made to alleviate issues in one budget cycle may carry impacts several years down the road. The Town will maintain a budget forecast at a minimum of 3 years to assist in the planning of future projects, and quantify the impacts of today's decisions on future years.

Increases to the budget on the expenditure side cannot be allowed to increase greater than the recurring revenues available. That is a very easy statement to make, but is essential in proper municipal fiscal management. Inflating revenue projections and under budgeting expenses to balance an operating budget cannot be allowed to occur. Using other non-recurring revenue items and moving dollars from older warrant articles should only be used for like non-recurring expenses. In addition, a savings plan that will allow the Town to set aside dollars in an effort to minimize the impacts of future economic downturns in the economy on Town operations will be incorporated into each budget cycle. We cannot move forward and continue to spend every available dollar within the operating budget.

The Town must take care to fund its obligations relating to health insurance, retirement benefits and snow and ice expenditures at the appropriate amount.

- Early retirement incentives offered must only be adopted when a proven financial benefit will be recognized by the Town.
- At a minimum, the Snow and Ice budgets should be crafted using a five year rolling average expenditure total.

Underfunding these obligations will mandate the use of the following year's revenue stream to meet the expense, thus perpetuating the shortfall.

Planning for capital purchases as well as the ongoing maintenance of facilities and equipment is an essential part of the financial plan for the Town. The following guidelines must be adhered to;

- A five-year capital plan will be maintained in detail by department and projected funding source;
- Capital purchases will be accomplished either as a capital exclusion item or as a raise and appropriate article when funds within the levy are available or an appropriation from the UFB is made.
- Major capital projects such as new construction or major renovations to existing facilities will be accomplished through debt exclusions.
- Infrastructure maintenance budgets (such as Roadway Improvement) or facility maintenance budgets built into the general operating budget will not be reduced to fund other departmental budgets.

It is the intention of the Town to minimize the amount of debt and capital exclusions since this amount has a direct impact on the taxpayer. As a general guideline, the tax impact of excluded items should be held to less than 10% of the single tax rate. For example, if the single tax rate is \$16.50, the amount of tax from exclusion items should not contribute more than \$1.65 to this rate. In some instances, such as periods where multiple projects may be in process or recently bonded, this guideline may be exceeded. In those instances, the Finance Committee should develop a plan to reduce this ratio by either reducing or eliminating capital exclusions or delaying future projects, if circumstances allow.

In addition, the following savings plan will be incorporated into each budget cycle:

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Item	Description
a. New revenues	At a minimum, 10% of the new recurring revenue stream should be left unappropriated and allowed to roll into the UFB. Recurring revenues are defined as total revenue less capital and debt exclusions and any other specific non-recurring revenue items.
b. One Time Revenues	One time sources of revenue should be appropriated to the Stabilization Fund or other such reserve fund, and not be used in funding the Town Operating budget.
c. Debt service	100% of the year-to-year decrease in non revenue supported debt service from inside the levy limit be rolled into the UFB and not used in funding the Town Operating budget.

Enterprise Funds

Light Department

The Light Department is a self-funding entity owned by the Town of Littleton. Their salaries, expenses, and debt payments are paid out of receipts from the sale of electricity to the rate-payers of Littleton and Boxboro. Their budget has no impact on the tax rate. The Town of Littleton receives interest on the Light Departments funds and receives an annual payment in-lieu of taxes. Debt service payments made by the Town on behalf of the Light Department are fully reimbursed by the department.

Water Department

The Water Department is a self-funding entity. Their salaries, expenses and debt payments are paid out of receipts. The Water Departments budget, although voted by Town meeting, has no impact on the tax rate. Debt service payments made by the Town on behalf of the Water Department are fully reimbursed by the department.

EMS Fund

The EMS Enterprise Fund was recently established by Town Meeting. Ambulance receipts are used to cover the salary, benefits and expenses of any ambulance related expense incurred by the Town. Excess funds remain in the enterprise fund and can be used to cover capital purchases such as equipment and vehicles used in ambulance and emergency management related activities. A change in the structure of our EMS program in FY11 has led to a warrant article on the May 2, 2011 Special Town Meeting to rescind the EMS Fund. When the town moved from using Emerson Hospital for Advanced Life Services (ALS) and billing customers for the Emerson services, to using a for profit vendor Pro-EMS that bills customers directly, our revenues declined drastically. We have raised our Basic Life Services (BLS) rates to Medicare + 200% to try and keep the EMS service self-funded, but have not been successful. To keep the level of service as it currently is, the town will be forced to subsidize EMS costs that were previously paid for by the insured customers that used the service.

Finance Committee Members

<u>Member</u>	<u>Appointed By</u>	<u>Term Expires</u>	<u>Years on FinCom</u>
Tyler Gray –Chair	Board of Selectman	2012	3
Allen McRae – Vice Char	Board of Assessors	2014	9
Eliot Putnam – Clerk	School Committee	2011	3
Fred Faulkner	Light & Water Dept	2013	26
Richard Montminy	Moderator	2013	12
Alvin Rasmus	School Committee	2012	2
Paul Glavey	Board of Selectman	2013	1