



Town of Littleton, Massachusetts

MAY 5, 2008 ANNUAL & SPECIAL TOWN MEETINGS

Monday, May 5, 2008

7:00 PM Annual Town Meeting

7:30 PM Special Town Meeting

Littleton Middle School Gymnasium
55 Russell Street, Littleton, MA 01460

| | |
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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 last year, 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

PROPOSED CONSENT CALENDAR ARTICLES SHOWN IN BOLDFACE (*)

SPECIAL TOWN MEETNG ARTICLES

1. Bills of Prior Years
2. FY 2008 Line Item Transfer
3. Roadway Improvements
4. Subsurface Disposal for Town-owned Properties at 20 Foster St, 4 Rogers St
5. New Police Station Design
6. Russell Street School Repairs – Feasibility/Design

ANNUAL TOWN MEETING ARTICLES

- 1. Town Officers***
2. Annual Report
- 3. Borrowing Authorization***
4. FY 2009 Operating Budget
- 5. Electric Light Operating Budget***
- 6. Water Enterprise Fund Operating Budget***
- 7. Emergency Medical Services (EMS) Enterprise Fund***
8. Capital Exclusion Items
9. Capital Items from Available Funds
10. Zoning Amendment: Aquifer and Water Resource District
11. Zoning Amendment: Rezone Certain Parcels to Business District
12. Zoning Amendment: Rezone Certain Parcels to Business District
13. By-law Amendment: Junk & Debris
14. Community Preservation Act
15. Personnel By-law Amendments
- 16. Revolving Funds***
- 17. Chapter 90 Road Improvements***
- 18. Compensating Balance Agreement***
- 19. Senior Work Program***
20. By-law Amendment: 2/3rds Votes of Town Meeting
- 21. By-law Amendment: Town Meeting Posting Requirements***
22. By-law Amendment: Self-Service Stations
23. Agricultural Commission Membership
24. Accept MGL C.39,§23D Town Board Quorums at Adjudicatory Hearings
- 25. Trench Permits***
- 26. Road Acceptance: Whitetail Way***
- 27. Road Acceptance: Manchester Drive and Norfolk Drive***
- 28. Road Acceptance: Grist Mill Road***
- 29. Road Acceptance: Surrey Road***



May 5, 2008 Special Town Meeting

7:30 p.m. Littleton Middle School Gymnasium

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 from Overlay Surplus the sum of \$670.84 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> |
|-----------------------|---------------------------|-----------------|--------------------|
| Baker & Taylor | Library | 30.00 | FY 2005 |
| Baker & Taylor | Library | 93.36 | FY 2006 |
| Baker & Taylor | Library | 501.41 | FY 2007 |
| Donelan's Supermarket | Elections & Registrations | 46.07 | FY 2007 |
| <i>Total</i> | | <i>\$670.84</i> | |

Finance Committee supports Article 1.

Board of Selectmen supports Article 1.

ARTICLE 2 Board of Selectmen FY 2008 Line Item Transfers

To see if the Town will vote to amend the FY 2008 Operating Budget, as adopted under Article 4 of the May 5, 2007 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 FY2008 Operating Budget, as adopted under Article 4 of the May 5, 2007 Annual Town Meeting, by adjusting budget line items as follows:

| <u>Budget</u> | <u>Line Item</u> | <u>FY08 Budget</u> | <u>Adjustment</u> | <u>FY08 Budget Adjusted</u> |
|---------------|-----------------------------|--------------------|-------------------|---------------------------------|
| 12 | Accountant Audit -Expenses | \$22,450 | 7,000 | \$29,450 |
| 24 | Town Counsel - Expense | 100,000 | 37,000 | 137,000 |
| 44 | Public Building - Expenses | 232,300 | 60,000 | 292,300 |
| 77 | Littleton School Department | 13,610,489 | 32,607 | 13,643,096 |

| <u>Budget</u> | <u>Line Item</u> | <u>FY08 Budget</u> | <u>Adjustment</u> | <u>FY08 Budget</u> |
|---------------|-------------------------------|--------------------|-------------------|--------------------|
| 87 | Cemetery Division - Wages | 95,307 | 5,000 | 100,307 |
| 88 | Cemetery Division - Expenses | 27,700 | -5,000 | 22,700 |
| 142 | Insurance Expense | 316,250 | -52,607 | 263,643 |
| 147 | Group Health & Life Insurance | 2,335,268 | -84,000 | 2,251,628 |
| 162 | Total Budget Appropriated | \$27,983,964 | 0.00 | \$27,983,964 |
| 183 | Total Raise and Appropriate | \$27,255,083 | 0.00 | \$27,255,083 |

**Finance Committee supports Article 2.
Board of Selectmen supports Article 2.**

**ARTICLE 3
Board of Selectmen
Roadway Improvements**

To see if the Town will vote to transfer from available funds and/or borrow a sum or sums of money for the purpose of undertaking roadway improvements, or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to appropriate the sum of \$1,000,000 for the purpose of undertaking roadway improvements, and that to meet this appropriation, the Treasurer, with the approval of the Board of Selectmen, is authorized to borrow said sum under and pursuant to Chapter 44, Section 7(6), of the General Laws, or pursuant to and any other enabling authority, and to issue bonds or notes of the Town therefor.

**Finance Committee supports Article 3 for \$1,000,000.
Board of Selectmen supports Article 3.**

**ARTICLE 4
Board of Selectmen
Subsurface Disposal for Town-owned Properties at 20 Foster St, 4 Rogers St**

To see if the Town will vote to transfer from available funds and/or borrow a sum or sums of money to connect the Police and Fire Stations at 20 Foster Street and the Houghton Memorial Building at 4 Rogers Street to (a) the on-site sewerage treatment system at the High School or (b) an on-site system to be constructed at Town-owned property at 300 King Street; or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to appropriate the sum of \$300,000.00 to connect the Police and Fire

Stations at 20 Foster Street and the Houghton Memorial Building at 4 Rogers Street to the on-site sewerage treatment system at the High School, and that to meet this appropriation, the Treasurer, with the approval of the Board of Selectmen, is authorized to borrow said sum under and pursuant to Chapter 44, Section 7(3A), of the General Laws, or pursuant to and any other enabling authority, and to issue bonds or notes of the Town therefor.

Finance Committee supports Article 4 for \$300,000.

Board of Selectmen supports Article 4.

ARTICLE 5
Board of Selectmen
New Police Station Design

To see if the Town will vote to borrow a sum or sums of money for the purpose of completing design plans for a new police station to be located on Town-owned property at 500 Great Road, provided that such amount shall be contingent upon successful passage of a debt exclusion referendum pertaining thereto on a Town Ballot, or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to appropriate the sum of \$300,000 for the purpose of completing design plans for a new police station to be located on Town-owned property at 500 Great Road, and that to meet this appropriation, the Treasurer, with the approval of the Board of Selectmen, is authorized to borrow said sum under and pursuant to Chapter 44, Section 7(21), of the General Laws, or pursuant to and any other enabling authority, and to issue bonds or notes of the Town therefor, provided that such amount shall be contingent upon successful passage of a debt exclusion referendum pertaining thereto on a Town Ballot.

Finance Committee supports Article 5 for \$300,000.

Board of Selectmen supports Article 5.

Permanent Municipal Building Committee supports Article 5.

ARTICLE 6
Board of Selectmen
Russell Street School Feasibility/Design

To see if the Town will vote to appropriate, borrow or transfer from available funds, a sum of money to be expended under the direction of the School Building Committee for the development of plans and specifications related to the making of repairs to the Russell Street School, located at 55 Russell Street, Littleton,

Massachusetts, for which feasibility study the Town may be eligible for a grant from the Massachusetts School Building Authority. The MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any costs the Town incurs in connection with the feasibility study in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the Town. Said sum shall be contingent upon successful passage of a debt exclusion referendum pertaining thereto on a Town Ballot, or to take any other action in relation thereto.

Motion: That the Town appropriate the sum of Five Hundred Thousand (\$500,000) Dollars for the development of plans and specifications related to the making of repairs to the Russell Street School, located at 55 Russell Street, Littleton, Massachusetts, said sum to be expended under the direction of the School Building Committee, and to meet said appropriation authorize the Treasurer, with the approval of the Selectmen, to borrow said sum under M.G.L. Chapter 44, or any other enabling authority, provided that the Town acknowledges that the Massachusetts School Building Authority's ("MSBA") grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any costs the Town incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the Town, and further provided that the appropriation hereunder shall be subject to and contingent upon an affirmative vote of the Town to exempt the amounts required for the payment of interest and principal on said borrowing from the limitations on taxes imposed by M.G.L. 59, Section 21C (Proposition 2½), and further provided that the amount of borrowing authorized pursuant to this motion shall be reduced by any amounts received or expected to be received from the MSBA.

Finance Committee supports Article 6 for \$500,000.

School Committee supports Article 6.

Board of Selectmen supports Article 6.

Permanent Municipal Building Committee supports Article 6.



May 5, 2008 Annual Town Meeting

7:00 p.m. Littleton Middle School Gymnasium

ARTICLE 1 Board of Selectmen Town Officers

To choose all other necessary Town Officers and Committees.

Motion: Moved and seconded by the Board of Selectmen that the following Officers be chosen for the year 2008:

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: Arthur D. Keown, Janet Keown, Ralph McNiff

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 2007 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, 2008, 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 as set forth in Article 3 as printed in the warrant..

Finance Committee supports Article 3.

Board of Selectmen supports Article 3.

| |
|---|
| ARTICLE 4 |
| Board of Selectmen/Finance Committee |
| FY 2009 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, 2008, or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to raise and appropriate the sum of \$28,950,079, transfer from Free Cash the sum of \$629,976, transfer from Overlay Surplus the sum of \$55,000, and transfer \$29,000 from the following old article balances:

\$16,250.00 from 11/5/07 STM Article 3, Minuteman Tech bill

\$5,000.00 from 11/14/06 STM Article 11, Long Lake Septic Design

\$5,878.51 from 2/11/00 STM Article 7, Jr/Sr HS Architect fees

\$1,871.49 from 5/8/06 ATM Article 5, Salary adjustments,

for a total of \$29,664,055, 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, 2008.

Finance Committee supports Article 4.

Board of Selectmen supports Article 4.

| Line | BUDGET COST CENTER | FY 2007 Actual | FY 2008 Budget | FY 2009 Proposed |
|---------------------------|----------------------------------|-------------------|-------------------|---------------------|
| GENERAL GOVERNMENT | | | | |
| 1 | Town Reports/Town Meeting | 7,000 | 7,000 | 5,000 |
| 2 | Moderator | 100 | 100 | 100 |
| 3 | Selectmen - Salaries & Wages | 124,791 | 136,001 | 152,810 |
| 4 | Selectmen - Elected Wages | 0 | 0 | 0 |
| 5 | Selectmen - Operating Expenses | 17,634 | 14,100 | 17,600 |
| 6 | Selectmen Total | 142,425 | 150,101 | 170,410 |
| 7 | Finance Committee - Wages | 0 | 0 | 0 |
| 8 | Finance Committee - Expenses | 165 | 1,000 | 500 |
| 9 | Finance Committee Total | 165 | 1,000 | 500 |

Town of Littleton, Massachusetts

| Line | BUDGET COST CENTER | FY 2007 Actual | FY 2008 Budget | FY 2009 Proposed |
|------|---|-------------------|-------------------|---------------------|
| 10 | Town Accountant - Salaries & Wages | 95,728 | 113,615 | 123,865 |
| 11 | Town Accountant - Expenses | 7,934 | 7,000 | 7,000 |
| 12 | Town Accountant - Audit Expense | 31,750 | 22,450 | 22,450 |
| 13 | Town Accountant Total | 135,412 | 143,065 | 153,315 |
| 14 | Board of Assessors - Salaries & Wages | 127,610 | 135,828 | 143,775 |
| 15 | Board of Assessors - Expenses | 3,933 | 6,700 | 6,673 |
| 16 | Board of Assessors Total | 131,543 | 142,528 | 150,448 |
| 17 | Treasurer Salaries & Wages | 98,332 | 109,547 | 123,154 |
| 18 | Treasurer Expenses | 24,231 | 6,800 | 7,800 |
| 19 | Treasurer Tax Title Expenses | 4,082 | 12,000 | 12,000 |
| 20 | Treasurer Total | 126,645 | 128,347 | 142,954 |
| 21 | Collector Salaries & Wages | 54,094 | 63,960 | 67,219 |
| 22 | Collector Expenses | 10,500 | 13,800 | 13,800 |
| 23 | Collector Total | 64,594 | 77,760 | 81,019 |
| 24 | Town Counsel - Total Expenses | 146,565 | 100,000 | 100,000 |
| 25 | IT Salaries & Wages | 0 | 64,500 | 64,500 |
| 26 | IT Expenses | 0 | 68,850 | 72,350 |
| 27 | IT Total | 0 | 133,350 | 136,850 |
| 28 | Town Clerk - Salaries & Wages | 56,790 | 57,636 | 61,660 |
| 29 | Town Clerk – Expenses | 1,196 | 1,500 | 1,500 |
| 30 | Town Clerk Total | 57,986 | 59,136 | 63,160 |
| 31 | Elections & Registration –Salaries/ Wages | 4,959 | 0 | 0 |
| 32 | Elections & Registration - Expenses | 8,477 | 8,200 | 9,700 |
| 33 | Elections & Registration Total | 13,436 | 8,200 | 9,700 |
| 34 | Conservation Commission Salaries/Wages | 14,209 | 15,683 | 15,683 |
| 35 | Conservation Commission Expenses | 20 | 1,726 | 1,000 |
| 36 | Conservation Commission Total | 14,229 | 17,409 | 16,683 |
| 37 | Planning Board Salaries & Wages | 36,528 | 40,957 | 42,110 |
| 38 | Planning Board Expenses | 752 | 1,225 | 1,175 |
| 39 | Planning Board Total | 37,280 | 42,182 | 43,285 |
| 40 | Board of Appeals Salaries & Wages | 5,253 | 5,638 | 5,638 |
| 41 | Board of Appeals Expenses | 1,714 | 1,200 | 1,200 |
| 42 | Board of Appeals Total | 6,967 | 6,838 | 6,838 |

Town of Littleton, Massachusetts

| Line | BUDGET COST CENTER | FY 2007 Actual | FY 2008 Budget | FY 2009 Proposed |
|------|--|-------------------|-------------------|---------------------|
| 43 | Public Buildings - Salaries & Wages | 22,253 | 39,538 | 42,282 |
| 44 | Public Buildings – Expenses | 312,500 | 232,300 | 229,556 |
| 45 | Public Buildings Total | 334,753 | 271,838 | 271,838 |
| 46 | Central Communications | 76,256 | 60,000 | 60,000 |
| 47 | MAGIC Funding | 1,600 | 1,600 | 1,600 |
| | TOTAL GENERAL GOVERNMENT | 1,296,956 | 1,350,453 | 1,413,700 |
| | Percent Increase Over Prior Year | 25.61% | 4.12% | 4.68% |
| | PUBLIC SAFETY | | | |
| 48 | Police Department - Salaries & Wages | 1,059,339 | 1,113,434 | 1,192,368 |
| 49 | Police Department – Expenses | 72,752 | 96,528 | 86,408 |
| 50 | Police Department Total | 1,132,091 | 1,209,962 | 1,278,776 |
| 51 | Crossing Guard | | 10,000 | 10,000 |
| 52 | Fire Department - Salaries & Wages | 428,868 | 438,510 | 438,522 |
| 53 | Fire Department – Expenses | 38,043 | 41,471 | 41,470 |
| 54 | Fire Department Total | 466,911 | 479,981 | 479,992 |
| 55 | Building Commissioner – Salaries/Wages | 78,802 | 87,748 | 92,311 |
| 56 | Building Commissioner - Expenses | 1,950 | 5,480 | 3,380 |
| 57 | Inspectional Services Total | 80,752 | 93,228 | 95,691 |
| 58 | Communications Dept -Salaries/Wages | 229,652 | 243,125 | 253,269 |
| 59 | Communications Dept - Expenses | 19,293 | 19,602 | 18,402 |
| 60 | Communications Department Total | 248,945 | 262,727 | 271,671 |
| 61 | Emergency Management Agency | 1,000 | 1,000 | 1,000 |
| | TOTAL PUBLIC SAFETY | 1,929,699 | 2,056,898 | 2,137,130 |
| | Percent Increase Over Prior Year | -3.97% | 6.59% | 3.90% |
| | EDUCATION | | | |
| 62 | Nashoba Valley Technical School | 426,573 | 597,964 | 565,875 |
| 63 | Nashoba Valley Technical School Total | 426,573 | 597,964 | 565,875 |
| 64 | Littleton School Department | 13,058,998 | 13,610,489 | 14,520,000 |
| 65 | Littleton School Department Total | 13,058,998 | 13,610,489 | 14,520,000 |
| | EDUCATION TOTAL | 13,485,571 | 14,208,453 | 15,085,875 |
| | Percent Increase Over Prior Year | 6.59% | 5.36% | 6.18% |

Town of Littleton, Massachusetts

| Line | BUDGET COST CENTER | FY 2007 Actual | FY 2008 Budget | FY 2009 Proposed |
|------|---|-------------------|-------------------|---------------------|
| | PUBLIC WORKS SERVICES | | | |
| 66 | Street Lights | 0 | 30,070 | 30,070 |
| 67 | DPW - Highway Division – Salaries/Wages | 626,497 | 715,338 | 715,338 |
| 68 | DPW - Highway Division - Expenses | 422,710 | 439,022 | 462,700 |
| 69 | DPW - Highway Division Total | 1,049,207 | 1,154,360 | 1,178,038 |
| 70 | DPW - Wastewater Management | 71,978 | 46,200 | 50,000 |
| 71 | DPW - Roadway Repairs/Improvements | | 275,000 | 480,000 |
| 72 | Cemetery Division - Salaries & Wages | 92,114 | 97,112 | 104,372 |
| 73 | Cemetery Division – Expenses | 26,769 | 27,700 | 25,025 |
| 74 | Cemetery Division Total | 118,883 | 124,812 | 129,397 |
| 75 | Snow Removal - Salaries & Wages | 60,965 | 64,393 | 64,393 |
| 76 | Snow Removal – Expenses | 142,310 | 61,472 | 81,472 |
| 77 | Snow Removal Total | 203,275 | 125,865 | 145,865 |
| 78 | B&M Crossing Assessment | 2,806 | 2,806 | 2,806 |
| | TOTAL PUBLIC WORKS SERVICES | 1,446,149 | 1,759,113 | 2,016,176 |
| | Percent Increase Over Prior Year | 3.49% | 21.64% | 14.61% |
| | HEALTH & HUMAN SERVICES | | | |
| 79 | Board of Health - Salary & Wages | 22,604 | 25,922 | 26,540 |
| 80 | Board of Health – Expenses | 1,235 | 1,235 | 1,235 |
| 81 | Board of Health - Nashoba Health District | 21,027 | 20,415 | 21,650 |
| 82 | Board of Health Nashoba Nursing Service | 8,182 | 7,944 | 8,250 |
| 83 | Board of Health - Eliot Clinic | 3,780 | 3,780 | 3,780 |
| 84 | Board of Health Total | 56,828 | 59,296 | 61,455 |
| 85 | Animal Inspector - Salary & Wages | 1,300 | 1,300 | 1,300 |
| 86 | Animal Inspector – Expenses | 0 | 0 | 0 |
| 87 | Animal Inspector Total | 1,300 | 1,300 | 1,300 |
| 88 | Council on Aging - Salary & Wages | 50,375 | 51,513 | 55,432 |
| 89 | Council on Aging – Expenses | 14,943 | 16,389 | 13,416 |
| 90 | Council on Aging Total | 65,318 | 67,902 | 68,848 |
| 91 | Veterans' Services - Salary & Wages | 5,000 | 5,000 | 5,000 |
| 92 | Veterans' Services – Expenses | 635 | 750 | 750 |
| 93 | Veterans' Services – Benefits | 6,080 | 12,000 | 12,000 |

Town of Littleton, Massachusetts

| Line | BUDGET COST CENTER | FY 2007 Actual | FY 2008 Budget | FY 2009 Proposed |
|------|--|-------------------|-------------------|---------------------|
| 94 | Veterans' Services Total | 11,715 | 17,750 | 17,750 |
| | HEALTH & HUMAN SERVICES TOTAL | 135,161 | 146,248 | 149,353 |
| | Percent Increase Over Prior Year | 5.68% | 8.20% | 2.12% |
| | CULTURE & RECREATION | | | |
| 95 | Library - Salary & Wages | 320,656 | 339,797 | 351,119 |
| 96 | Library - Expenses | 62,100 | 65,700 | 64,800 |
| 97 | Merrimack Valley Library Consortium | 26,011 | 27,138 | 28,552 |
| 98 | Reuben Hoar Library Total | 408,767 | 432,635 | 444,471 |
| 99 | Recreation Committee - Salary & Wages | 73,537 | 76,875 | 76,875 |
| 100 | Recreation Committee - Expenses | 2,963 | 2,963 | 2,963 |
| 101 | Recreation Committee Total | 76,500 | 79,838 | 79,838 |
| 102 | DPW Park Maintenance - Expenses | | 21,422 | 26,960 |
| 103 | DPW Park Maintenance Total | | 21,422 | 26,960 |
| 104 | Historical Commission - Salary & Wages | 0 | 0 | 0 |
| 105 | Historical Commission - Expenses | 700 | 1,500 | 700 |
| 106 | Historical Commission Total | 700 | 1,500 | 700 |
| 107 | Memorial Day - Expenses | 500 | 500 | 500 |
| 108 | Patriots Day - Expenses | 50 | 50 | 50 |
| | TOTAL CULTURE & RECREATION | 486,517 | 535,945 | 552,519 |
| | Percent Increase Over Prior Year | -0.21% | 10.16% | 3.09% |
| | FIXED COSTS | | | |
| 109 | Gasoline Expense | 88,851 | 100,000 | 100,000 |
| 110 | Insurance Expense | 278,834 | 316,250 | 316,250 |
| 111 | FRINGE BENEFITS | | | |
| 112 | F.I.C.A. (Medicare) | 160,269 | 161,120 | 170,000 |
| 113 | Longevity | 0 | 11,650 | 13,900 |
| 114 | Unemployment Premium Payment | 0 | 50,000 | 50,000 |
| 115 | Group Health & Life Insurance Premiums | 1,936,997 | 2,335,628 | 2,110,000 |
| 116 | County Retirement | 901,436 | 927,440 | 1,020,666 |
| 117 | TOTAL FRINGE BENEFITS | 2,998,702 | 3,485,838 | 3,364,566 |
| | TOTAL FIXED COSTS | 3,366,387 | 3,902,088 | 3,780,816 |
| | Percent Increase Over Prior Year | 3.68% | 15.91% | -3.11% |

| Line | BUDGET COST CENTER | FY 2007 Actual | FY 2008 Budget | FY 2009 Proposed |
|------|---|-------------------|-------------------|---------------------|
| | RESERVE FUND | | | |
| 118 | Reserve Fund | 150,000 | 150,000 | 150,000 |
| | | | | |
| | TOTAL OPERATING BUDGET | 22,296,440 | 24,109,198 | 25,285,569 |
| | Percent Increase Over Prior Year | 6.33% | 8.13% | 4.88% |
| | DEBT SERVICE | | | |
| 119 | Short Term Interest Total | 375,104 | 626,802 | 211,000 |
| 120 | Long Term Debt Total | 3,736,695 | 3,571,280 | 4,167,486 |
| | DEBT SERVICE TOTAL | 4,111,799 | 4,198,082 | 4,378,486 |
| | Percent Increase Over Prior Year | 5.34% | 2.10% | 4.30% |
| | TOTAL BUDGET APPROPRIATED | 26,408,239 | 28,307,280 | 29,664,055 |
| | Percent Increase Over Prior Year | 6.18% | 7.19% | 4.79% |

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.

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 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.

Finance Committee supports Article 5.

Board of Electric Light Commissioners supports Article 5.

Board of Selectmen supports Article 5.

ARTICLE 6
Board of Water Commissioners
Water Enterprise Fund Operating Budget

To see if the Town will vote to appropriate \$1,839,637 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, 2008 (*detail below*), or to take any other action in relation thereto.

| I. Water Enterprise Revenues | |
|--|--------------------|
| User Charges | \$1,739,637 |
| Enterprise Available Funds | 100,000 |
| Investment Income | |
| Total Revenues | \$1,839,637 |
| II. Costs Appropriated for the Enterprise Fund | |
| Salaries and Wages | \$584,053 |
| Expenses | 769,500 |
| Capital Outlay – Equipment | 0 |
| Capital Outlay – Improvements | 0 |
| Reserve Fund | 100,000 |
| Debt Principal and Interest | 386,084 |
| Budgeted Surplus | 0 |
| Total Costs Appropriated for Enterprise Fund | \$1,839,637 |
| 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 | \$1,839,637 |

Motion: Moved and seconded by the Board of Selectmen that the Town vote to appropriate \$1,839,637 from the Water Enterprise Fund to finance the operation of the Water Department for the fiscal year beginning July 1, 2008.

Finance Committee supports Article 6.

Board of Water Commissioners supports Article 6.

Board of Selectmen supports Article 6.

ARTICLE 7
Board of Selectmen
Emergency Medical Services Enterprise Fund

To see if the Town will vote to appropriate \$271,086, 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, 2008 (*detail below*), or to take any other action in relation thereto.

| I. EMS Enterprise Revenues | |
|--|------------------|
| User Charges | \$300,000 |
| Enterprise Available Funds | - |
| Investment Income | 5,000 |
| Total Revenues | \$305,000 |
| II. Costs Appropriated for the Enterprise Fund | |
| Salaries and Wages | \$142,900 |
| Expenses | 84,925 |
| Capital Outlay – Equipment | 25,500 |
| Capital Outlay – Improvements | |
| Reserve Fund | 15,000 |
| Debt Principal and Interest | |
| Budgeted Surplus | 2,761 |
| Total Costs Appropriated for Enterprise Fund | \$271,086 |
| III. Costs Appropriated for General Fund to be Charged to the Enterprise Fund | |
| Indirect Costs | 16,055 |
| Benefits | 9,055 |
| Pension Costs | 8,804 |
| Total Costs Appropriated for General Fund | \$33,914 |
| Total Costs | \$305,000 |

Motion: Moved and seconded by the Board of Selectmen that the Town vote to appropriate \$271,086 from the Emergency Medical Services (EMS) Enterprise Fund to finance the operation of the EMS Department for the fiscal year beginning July 1, 2008.

Finance Committee supports Article 7.

Board of Selectmen supports Article 7.

ARTICLE 8
Board of Selectmen/Finance Committee
Capital Exclusion Items

To see if the Town will vote to raise and appropriate, and/or transfer from available funds, and or borrow 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 below; each such amount to be provided contingent upon successful passage of a capital exclusion referendum pertaining thereto on a Town Ballot, or to take any other action in relation thereto.

- A. Town Hall Roof Repairs:** \$96,000 to be expended by the Board of Selectmen for the purpose of repairing the Town Hall roof.
- B. Fire Protective Gear:** \$65,000 to be expended by the Fire Department for the purpose of replacing and updating personal protective gear for the Fire Department.
- C. Shaker Lane School:** \$30,000 to be expended by the School Committee for the purpose of replacing univent HVAC units at the Shaker Lane School.
- D. School Technology:** \$30,000 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.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to raise and appropriate the following sums of money to be expended by the respective Departments or Officers indicated, for the capital projects and purchases itemized and described below; provided, however, that each such appropriation shall take effect only if the Town votes to exempt from the limitation on total taxes imposed by Chapter 59, Section 21C of the General Laws (Proposition 2 1/2) the amounts required to fund such appropriation:

- A. Town Hall Roof Repairs:** \$96,000 to be expended by the Board of Selectmen for the purpose of repairing the Town Hall roof.
- B. Fire Protective Gear:** \$65,000 to be expended by the Fire Department for the purpose of replacing and updating personal protective gear for the Fire Department.
- C. Shaker Lane School:** \$30,000 to be expended by the School Committee for the purpose of replacing univent HVAC units at the Shaker Lane School.
- D. School Technology:** \$30,000 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.

Finance Committee supports Article 8.

Board of Selectmen supports Article 8.

ARTICLE 9
Board of Selectmen/Finance Committee
Capital Items from Available Funds

To see if the Town will vote to raise and appropriate, and/or transfer from available funds, and or borrow 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 Cruisers – leases:** \$54,000 to be expended by the Police Department for the purpose of leasing four (4) police cruisers. Said payment will cover the second year's payments of three-year leases for two vehicles, and the first year's payments of three-year leases for two additional vehicles.
- B. Police office trailer lease:** \$13,000 to be expended by the Police Department for the purpose of leasing an office trailer for the Police Department. Said payment will cover the second year's payment of a three-year lease.
- C. Fire Equipment Maintenance:** \$16,000 to be expended by the Fire Department for the purpose of major equipment repairs and upkeep.
- D. Fire Department Leased Vehicle:** \$6,000 to be expended by the Fire Department to lease a vehicle for Fire Department. Said payment will cover the second year's payment of a five-year lease.
- E. Highway Equipment Maintenance:** \$15,000 to be expended by the Highway Department for the purpose of major equipment repairs and upkeep.
- F. Highway 1-Ton Dump Truck with Plow:** \$55,000 to be expended by the Highway Department for the purpose of purchasing a new 1 ton 4x4 vehicle with plow as a replacement for an existing vehicle.
- G. Highway Lawnmower:** \$25,000 to be expended by the Highway Department for the purpose of purchasing a new Front Deck Lawnmower as a replacement for the existing 1989 John Deere.
- H. Highway Sidewalk Plow:** \$45,000 to be expended by the Highway Department for the purpose of leasing a new sidewalk plow as a replacement for the existing 1973 Bombardier. Said payment will cover the first year's payment of a year-year lease.
- I. Town Technology:** \$16,000 to be expended by the Information Technology Department for the purpose of purchasing new and replacement computer systems and accessories for various Town Departments, including a replacement server and network router..
- J. Long Lake Septic System:** \$15,000 to be expended by the Park & Recreation Commission for the purpose of installing a septic system at Long Lake.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to raise and appropriate the total sum of \$245,000 for Items A, B, C, D, E, F, G, H, and I in Article 9 as printed in the warrant.

**Finance Committee supports Article 9, Items A-I.
Board of Selectmen supports Article 9, Items A-I.**

**ARTICLE 10
Planning Board
Zoning Amendment: Aquifer and Water Resource District**

To see if the Town will vote to amend the Town Code, to modify the “Aquifer and Water Resource District” bylaw, section 173-63 Design and operation guidelines. Subsection D. Drainage by deleting the word “all” from the first sentence; or take any other action in relation thereto.

Motion: Moved and seconded by the Planning Board that the Town vote to amend the Town Code, to modify the “Aquifer and Water Resource District” bylaw, section 173-63 Design and operation guidelines. Subsection D. precisely as set forth in Article 10 as printed in the warrant.

Planning Board supports Article 10.

Board of Selectmen has no position on Article 10.

**ARTICLE 11
Voters’ Petition
Zoning Amendment: Rezone Certain Parcels to Business District**

To see if the Town will vote to re-zone the following parcels located in the Town of Littleton to Business District (B): Map U11, Parcel 4-3, Map U6, Parcels 4-1 and 4-2; or to take any other action in relation thereto.

**Planning Board does not have a report and recommendation under
MGL C.40A,§5.**

Board of Selectmen has no position on Article 11.

**ARTICLE 12
Voters’ Petition
Zoning Amendment: Rezone Certain Parcels to Business District**

To see if the Town will vote to re-zone the following parcels located in the Town of Littleton to Business: Map U5, Parcels 1, 2 & 2-1; Map U6, Parcels 2, 3, and 2-5; or to take any other action in relation thereto.

**Planning Board does not have a report and recommendation under
MGL C.40A,§5.**

Board of Selectmen has no position on Article 12.

ARTICLE 13
Voters' Petition
By-law Amendment: Junk & Debris

To see if the Town will vote to amend the General By-laws for the Town of Littleton by adding:

Chapter 116, Junk & Debris.

116-1. No owner of private property shall keep in the *public view*, on any lot, in any residential district any *substantial amount of junk & debris* for more than a *reasonable amount of time*.

116-2. Definitions

116.2.1 **Junk & Debris** includes but is not limited to the collection of paper, trash, rags, plastics, batteries, tires, scrap metal, scrap construction materials, appliances, mattresses, machinery, machinery parts, vehicle parts, trash furniture, or other items not defined as a structure in accordance with the Massachusetts building Code and the Zoning by-laws, which is not in active use for any purpose authorized in a residential district.

116.2.2. **Public View** shall refer to junk and debris visible from either (i) any property line at six (6) feet or less above ground level, or (ii) by any immediately direct abutter from any place within that immediately direct abutter's residence.

116.2.3. **Substantial Amount** shall mean a quantity of material that occupies more than 375 cubic feet in the aggregate on any lot or a quantity of materials of repetitive quantity more than two (2).

116.2.4. **Reasonable amount of time** shall be thirty (30) days.

116.2.4. **Hearing** shall mean a proceeding before the Town Administrator for the purpose of either: appealing the decision of the enforcement officer; or to request an extension of time for the purpose of compliance. Said extension of time may only be granted in instances where an inventory of items is documented to the satisfaction of the enforcement officer and submitted to the Town Administrator along with a progress schedule clearly defining a timetable for compliance. Any action by the enforcing officer shall be suspended until such time a decision is issued by the Town Administrator.

116.3 Conditions existing as of the date of this enactment this chapter which meet the definition of *substantial amount of junk & debris* must be brought into compliance within ninety (90) days of the date of the approval of this By-law.

116.4 Action under this Chapter shall not bar any separate action initiated by any other Town Board, Committee, or Department under the provisions of this By-law or by regulation.

116.5 Any Town employee(s) so designated for this work ("enforcement officer") by the Town Administrator shall enforce this By-law. The first notice of violation issued by the enforcement officer shall be a written warning. The owner shall then

have thirty (30) days within which to remedy and cure the violation or to formally request in writing a *hearing* before the Town Administrator. If after thirty (30) days the violation has not been remedied or a *hearing* has not been requested before the Town Administrator, the enforcement officer may issue subsequent written notices of violation with fines of not more than one hundred (\$100) for each offence. Each day that such violation continues shall constitute a separate offence until deemed remedied by the enforcement officer. Any future action taken within a 12 month period after remedy of the violation under this section shall be deemed a continuing violation.

116.6 Any citizen against whom a notice of violation is issued under this By-law shall have the right for a *hearing* before the Town Administrator and following said hearing, the Town Administrator shall within a reasonable period of time thereafter, issue a decision. From the date that such a hearing request is received by the Town Administrator until the date that a decision is issued, all the deadlines stated in section 116.5 shall be temporarily stayed.

116.6 The provisions of this by-law shall not apply to properties Assessed as agricultural or horticultural land pursuant to Massachusetts General Laws Chapter 61A. Or to take any other action in relation thereto.

Board of Selectmen does not support Article 13.

ARTICLE 14
Board of Selectmen
Community Preservation Act

To see if the Town will act on the report of the Community Preservation Committee on the fiscal year 2009 community preservation budget and to appropriate or reserve for later appropriation a sum or sums of money from Community Preservation Fund annual revenues or available funds for the administrative expenses of the Community Preservation Committee, the payment of debt service, the undertaking of community preservation projects and all other necessary and proper expenses for the year, or to take any other action in relation thereto.

Motion: Moved and seconded by the Community Preservation Committee that the Town vote to appropriate or reserve from Community Preservation Fund annual revenues the amounts recommended by the Community Preservation Committee for committee administrative expenses, community preservation projects and other expenses in Fiscal Year 2009, with each item to be considered a separate appropriation: Open Space Reserve, \$20,000; Historic Resources Reserve, \$20,000; Community Housing Reserve, \$20,000; administrative expenses, \$5,000; and budgeted reserve, \$135,000.

Community Preservation Committee supports Article 14.

ARTICLE 15
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, by deleting Schedule A thereof and replacing it with the following Schedule A and Schedule B:

TOWN OF LITTLETON, MASSACHUSETTS
FY 2009 CLASSIFICATION & COMPENSATION PLAN

SCHEDULE A:

| GRADE | | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 | STEP 6 | STEP 7 |
|-----------|--------------------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 1 | <i>hourly</i> <i>annual</i> | \$8.64 \$18,040.32 | \$8.95 \$18,687.60 | \$ 9.26 \$19,334.88 | \$ 9.59 \$20,023.92 | \$ 9.91 \$20,692.08 | \$10.27 \$21,443.76 | \$10.63 \$22,195.44 |
| 2 | <i>hourly</i> <i>annual</i> | 10.75 22,446.00 | 11.13 23,239.44 | 11.53 24,074.64 | 11.93 24,909.84 | 12.35 25,786.80 | 12.78 26,684.64 | 13.23 27,624.24 |
| 3 | <i>hourly</i> <i>annual</i> | 13.51 28,208.88 | 13.99 29,211.12 | 14.48 30,234.24 | 15.00 31,320.00 | 15.51 32,384.88 | 16.06 33,533.28 | 16.61 34,681.68 |
| 4 | <i>hourly</i> <i>annual</i> | 15.55 32,468.40 | 16.09 33,595.92 | 16.64 34,744.32 | 17.24 35,997.12 | 17.84 37,249.92 | 18.47 38,565.36 | 19.12 39,922.56 |
| 5 | <i>hourly</i> <i>annual</i> | 16.33 34,097.04 | 16.88 35,245.44 | 17.47 36,477.36 | 18.10 37,792.80 | 18.74 39,129.12 | 19.38 40,465.44 | 20.06 41,885.28 |
| 6 | <i>hourly</i> <i>annual</i> | 17.14 35,788.32 | 17.74 37,041.12 | 18.35 38,314.80 | 18.99 39,651.12 | 19.67 41,070.96 | 20.35 42,490.80 | 21.06 43,973.28 |
| 7 | <i>hourly</i> <i>annual</i> | 17.99 37,563.12 | 18.63 38,899.44 | 19.28 40,256.64 | 19.95 41,655.60 | 20.64 43,096.32 | 21.38 44,641.44 | 22.11 46,165.68 |
| 8 | <i>hourly</i> <i>annual</i> | 18.90 39,463.20 | 19.55 40,820.40 | 20.25 42,282.00 | 20.95 43,743.60 | 21.67 45,246.96 | 22.44 46,854.72 | 23.23 48,504.24 |
| 9 | <i>hourly</i> <i>annual</i> | 19.84 41,425.92 | 20.53 42,866.64 | 21.24 44,349.12 | 21.99 45,915.12 | 22.76 47,522.88 | 23.57 49,214.16 | 24.39 50,926.32 |
| 10 | <i>hourly</i> <i>annual</i> | 20.83 43,493.04 | 21.56 45,017.28 | 22.31 46,583.28 | 23.09 48,211.92 | 23.91 49,924.08 | 24.74 51,657.12 | 25.62 53,494.56 |
| 11 | <i>hourly</i> <i>annual</i> | 26.04 54,371.52 | 26.96 56,292.48 | 27.89 58,234.32 | 28.86 60,259.68 | 29.89 62,410.32 | 30.92 64,560.96 | 32.01 66,836.88 |
| 12 | <i>hourly</i> <i>annual</i> | 32.55 67,964.40 | 33.69 70,344.72 | 34.88 72,829.44 | 36.08 75,335.04 | 37.34 77,965.92 | 38.67 80,742.96 | 40.02 83,561.76 |
| 13 | <i>hourly</i> <i>annual</i> | 37.44 78,174.72 | 38.75 80,910.00 | 40.10 83,728.80 | 41.50 86,652.00 | 42.95 89,679.60 | 44.45 92,811.60 | 46.01 96,068.88 |

GRADE 1
 Library Assistant
GRADE 2
No positions assigned
GRADE 3

Library Technician
GRADE 4
 Building Custodian
GRADE 5
 Administrative Clerk

| | |
|--------------------------------------|---------------------------------|
| Assessment Clerk | GRADE 9 |
| Finance Technician | Conservation |
| Outreach Coordinator | Coordinator/Administrator |
| PRCE Program Coordinator | Council on Aging Director |
| Senior Library Technician | Executive Assistant to the Town |
| GRADE 6 | Administrator |
| Administrative Assistant | GRADE 10 |
| Assistant Park & Recreation Director | Tax Collector |
| Program Coordinator/Social Day | GRADE 11 |
| Program | Building Commissioner |
| GRADE 7 | Chief Assessor |
| Assessment Analyst | Park & Recreation/Community |
| Assistant Accountant | Education Director |
| Assistant Treasurer/Payroll & | Planning Administrator/Permit |
| Benefits Coordinator | Coordinator |
| GRADE 8 | Town Treasurer |
| Senior Librarian | GRADE 12 |
| Maintenance Supervisor | Highway Superintendent/Engineer |
| | Information Systems Manager |
| | GRADE 13 |
| | No positions assigned |

SCHEDULE B:

COA Dispatcher \$10.00 per hour

COA Van Driver \$15.00 per hour

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 by deleting Schedule A thereof and replacing it with text precisely as set forth in Article 15 as printed in the warrant.

Personnel Board supports Article 15.

Board of Selectmen supports Article 15.

Finance Committee supports Article 15.

ARTICLE 16
Board of Selectmen
Revolving Funds

To see if the Town will vote to authorize the following Fiscal Year 2009 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 & 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) Cemetery Lots: to allow receipts from the sale of lots and grave opening fees to be segregated into a special account; and with funds therefrom, up to a limit of \$10,000 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;
- (4) 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;
- (5) 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;
- (6) 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;
- (7) Fire Safety Act Compliance: to allow receipts from Fire Safety Act fees and fine 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;
- (8) 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;
- (9) 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;

(10) 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 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; and

(11) 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.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to authorize Fiscal Year 2009 Revolving Funds, in accordance with Chapter 44, section 53E½ of the General Laws, as set forth in Paragraphs (1) through (11) of Article 16 as printed in the warrant.

Finance Committee supports Article 16.

Board of Selectmen supports Article 16.

ARTICLE 17
Board of Selectmen
Chapter 90 Road Improvements

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 \$275,193 for authorized road improvements and other projects provided for under Chapter 90 of the General Laws.

Finance Committee supports Article 17.

Board of Selectmen supports Article 17.

ARTICLE 18
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 2009, 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 2009, pursuant to Chapter 44, Section 53F of the General Laws.

Finance Committee supports Article 18.
Board of Selectmen supports Article 18.

ARTICLE 19
Board of Selectmen
Senior Work Program

To see if the Town will vote to request the Board of Assessors to commit \$46,000, or any other sum or sums of money, from the FY 2009 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 \$46,000 from the FY 2009 Overlay Account for Abatements to fund the Senior Citizen Tax Work-off Abatement Program.

Finance Committee supports Article 19.
Board of Selectmen supports Article 19.
Council on Aging supports Article 19.

ARTICLE 20
Board of Selectmen
By-law Amendment: 2/3rds Votes of Town Meeting

To see if the Town will vote, pursuant to Chapter 39, section 15 of the General Laws, to amend the Town Code by deleting therefrom §18-6, Manner of authorizing indebtedness, which currently reads as follows:

Whenever a 2/3 vote is required by law to authorize the Town to incur indebtedness, the manner of voting shall be by ballot, and a checklist of the voters of the Town shall be used.

And by inserting in place thereof the following:

§18-6, Two-thirds votes of Town Meeting. On all matters to come before an Annual or Special Town Meeting requiring a two-thirds vote by statute, a count need not be taken unless the vote so declared is immediately questioned by seven or more registered voters.

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 Town Code by deleting therefrom § 18-6, Manner of

authorizing indebtedness, and by inserting in place thereof the text precisely as set forth in Article 20 as printed in the warrant.

Board of Selectmen supports Article 20.

ARTICLE 21
Board of Selectmen
By-law Amendment: Town Meeting Posting Requirements

To see if the Town will vote to amend the Town Code by deleting §41-2, Posting of warrant, which currently reads as follows:

Every Town Meeting shall be called by posting attested copies of the warrant calling the same in six public places (the Town Hall, three meeting houses and post offices of the Town) at least seven days before the day appointed for said meeting

And by inserting in place thereof the following:

§41-2, Posting of warrant. Every Town Meeting shall be called by posting attested copies of the warrant calling the same in eight public places, as determined by the Board of Selectmen, at least seven days before the annual town meeting and at least fourteen days before any special town meeting. 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 Town Code by deleting therefrom §41-2, Posting of warrant, and inserting in place thereof the text precisely as set forth in Article 21 as printed in the warrant.

Board of Selectmen supports Article 21.

ARTICLE 22
Board of Selectmen
By-law Amendment: Self-Service Stations

To see if the Town will vote to amend the Town Code relative to Self-Service Stations by deleting §102-2, General restriction, which currently reads as follows:

No person owning or operating a gasoline filling station shall allow the pumping of gasoline for retail sales without an attendant employed by the station present to hold the gas nozzle while the gasoline is pumped into the tank of the vehicle, unless such gasoline filling station shall also provide automotive repair service on the premises

And further, by deleting §1-4.B(k) providing for the fine imposed for violating §102-2, and by renumbering the remaining provisions in §1-4 accordingly, 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 Town Code by deleting therefrom §102-2, General restriction, and deleting §1-4.B(k) providing for the fine imposed for violating §102-2, and by renumbering the remaining provisions in §1-4 accordingly.

Board of Selectmen supports Article 22.

ARTICLE 23
Board of Selectmen
Agricultural Commission Membership

To see if the Town will vote to amend its vote under Article 14 of the May 8, 2006 Annual Town Meeting, which established the Agricultural Commission, by deleting the second sentence of the second paragraph thereof, which currently reads as follows:

The Commission will consist of a minimum of: - four members whose prime source of income is derived from farming or agricultural-based enterprises in Littleton and another three who are interested in farming . . .

And by inserting in place thereof the following:

The Commission will consist of *four members who shall be or have been engaged in farming or related agricultural industries and another three members who are interested in farming . . .*

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 Town Code by deleting therefrom §8-10.A and inserting in place thereof the text precisely as set forth in Article 23 as printed in the warrant.

Board of Selectmen supports Article 23.

Agricultural Commission supports Article 23.

Conservation Commission supports Article 23.

ARTICLE 24
Board of Selectmen

Accept MGL C. 39,§23D – Town Board Quorums at Adjudicatory Hearings

To see if the Town will vote to accept, for all boards, committees, or commissions holding adjudicatory hearings in the Town, the provisions of MGL C.39,§23D, which provide that a member of a board, committee, or commission holding an adjudicatory hearing shall not be disqualified from voting solely due to that member's absence; the board member is absent from a single session of an adjudicatory hearing; there is an available recording or transcription of the hearing at which a member is absent; the absent member reviews the evidence submitted at

the missed hearing, including the recording or transcript, and files a certification to said effect, and the member certifies that he or she has examined all evidence received at the missed session; provided further, however that such acceptance shall be applicable to all adjudicatory hearings opened on or after the effective date of the vote taken hereafter; or to take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to accept for all boards, committees, or commissioners holding adjudicatory hearings in the Town, the provisions of MGL c.39, §23D.

Board of Selectmen supports Article 24.

Planning Board supports Article 24.

Conservation Commission supports Article 24.

ARTICLE 25
Board of Selectmen
Trench Permits

To see if the Town of Littleton will vote, pursuant to Chapter 82A, section 2 of the General Laws, to authorize the Board of Selectmen to designate the Board or Officer to issue permits allowing the creation of a trench as that term is defined by section 4 of said Chapter 82A and 520 CMR 14.00, or take any action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to authorize the Board of Selectmen to designate the Board or Officer to issue permits allowing the creation of a trench as that term is defined by Chapter 82A, section 4 of the General Laws and 520 CMR 14.00.

Board of Selectmen supports Article 25.

ARTICLE 26
Board of Selectmen
Road Acceptance: Whitetail 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 "Whitetail 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, "Whitetail Way-Definitive Subdivision of land in Littleton, Mass. Prepared for Tidan Corporation" dated July 1994 by David E. Ross Associates, Inc. and recorded at the Middlesex South District Registry of Deeds as Plan No.314 of 1995, said street having been constructed to the satisfaction of the Planning Board and to name said street "Whitetail Way" or 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 "Whitetail Way," and to name said street "Whitetail Way" all as described in Article 26 as printed in the warrant. **Board of Selectmen will make its recommendation at Town Meeting.** **Planning Board will make its recommendation at Town Meeting.**

ARTICLE 27
Board of Selectmen
Road Acceptance: Manchester Drive and Norfolk Drive

To see if the Town will vote to accept, as Town ways, the layout by the Board of Selectmen of the private way known as "Manchester Drive," and the layout by the Board of Selectmen of the private way known as "Norfolk Drive," more particularly described as:

MANCHESTER DRIVE. Forty feet in width, from the Southerly side line of Norfolk Drive, a distance of one thousand two hundred and fifty feet, more or less in a southerly and easterly direction to the easterly side line of Tulip Road, this being a portion of the road as shown on a plan entitled "Map B of Long lake, Town of Littleton," recorded with the Middlesex South District Registry of Deeds in Plan Book 362 as plan number 27;

NORFOLK DRIVE. Forty feet in width, from the southerly side of Shaker Lane, a distance of three hundred and twenty feet, more or less, in a southeasterly and easterly direction to the westerly side line of lot 3967, this being a portion of the road, all as shown on a plan entitled "Map B of Long Lake, Town of Littleton," recorded with the Middlesex South District Registry of Deeds in Plan Book 362 as plan number 27; and to authorize the Board of Selectmen, for Manchester Drive and/or Norfolk Drive, to acquire by gift, purchase or eminent domain, the land, rights and easements therein, and further to authorize the Board of Selectmen to proceed with the reconstruction of said way or ways, and to raise and appropriate, transfer from available funds, and/or borrow a sum or sums of money to fund the total costs of said acquisition, engineering, construction, and other expenses incidental thereto and that betterments will be assessed; or take any other action in relation thereto.

Motion: Moved and seconded by the Board of Selectmen that the Town vote to accept, as Town ways, and acquire the lands, rights and easements therein by gift, purchase or eminent domain, the layout by the Board of Selectmen of the private ways known as "Manchester Drive," and "Norfolk Drive," as those ways are described in Article 27 as printed in the warrant; and to authorize the Board of Selectmen, to proceed with the

reconstruction of said way or ways, and to raise and appropriate, transfer from available funds, and/or borrow a sum or sums of money to fund the total costs of said acquisition, engineering, construction, and other expenses incidental thereto and that betterments will be assessed.

Board of Selectmen supports Article 27.

Planning Board supports Article 27.

ARTICLE 28
Board of Selectmen
Road Acceptance: Grist Mill 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 "Grist Mill Road," 50 feet in width, from the northerly sideline of Great Road (Route 2A/110), a distance of approximately 3,793 feet to the portion of Grist Mill Road previously accepted; 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: "As-Built Plan of Apple D'Or Subdivision – Littleton, Mass" dated April 12, 2004, as last revised February 14, 2007 said street having been constructed to the satisfaction of the Planning Board, and to name said street "Grist Mill Road;" or 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 for drainage, utility or other purposes by gift, purchase or eminent domain, the layout by the Board of Selectmen of the private way known as "Grist Mill Road," and to name said street "Grist Mill Road" all as described in Article 28 as printed in the warrant.

Board of Selectmen supports Article 28.

Planning Board supports Article 28.

ARTICLE 29
Board of Selectmen
Road Acceptance: Surrey 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 "Surrey Road," 50 feet in width, from the westerly sideline of Grist Mill Road, a distance of approximately 2,150 feet; 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: "As-Built Plan of Apple D'Or Subdivision – Littleton, Mass," dated April 12, 2004, as last revised February 14, 2007, said street having

Town of Littleton, Massachusetts

been constructed to the satisfaction of the Planning Board; and to name said street "Surrey 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 for drainage, utility or other purposes by gift, purchase or eminent domain, the layout by the Board of Selectmen of the private way known as "Surrey Road," and to name said street "Surrey Road" all as described in Article 29 as printed in the warrant.

Board of Selectmen supports Article 29.

Planning Board supports Article 29.

Town of Littleton, Massachusetts

Town of Littleton

Finance Committee Report

Fiscal Year 2009



Town of Littleton, Massachusetts

To the residents of Littleton:

The Finance Committee is pleased to, once again, prepare this informational report containing our recommendations for the FY09 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 March 31, 2008. 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 three-year terms. 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 general elections.

Fiscal Year 2009 Budget Pressures

We are all well aware of the financial difficulties presented to us during the past several years. The weakened State's economy placed the burden on local town governments to deal with the increasing costs associated with delivering the services to the communities that are both necessary and expected. Although that pressure has eased somewhat, the recovery process continues. The Finance Committee has serious concerns about state funding in the next few

Town of Littleton, Massachusetts

years. The economy appears to be heading for a recession. If that occurs, some state revenues that are projected will not materialize. If state revenues decline over the next few years, the effect will have a major impact upon Littleton town services.

The Finance Committee continues to follow the financial guidelines that are presented at the end of this report. These guidelines will help enable the Town to be better prepared for adverse changes in the economy, without significant negative impacts. It will take some time to fully implement these guidelines and will require some tough decisions regarding spending as we attempt to balance current needs against the long-term benefits to the Town. It is the Finance Committee's job to evaluate these 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 provided to the citizens of the town. The pressure to fund all departments to the desired levels remains increasingly difficult.

Littleton, like many of our neighbors, is facing many challenges that will 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 exceed the tax collected. If taxes are increased to cover the needs, Littleton may become unaffordable to some 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 1/2 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, to manage the long-term balance of revenues and expenses without a Proposition 2 1/2 override, expense growth cannot be allowed to outpace revenue growth.

While determining this year's recommended budget, the Finance Committee kept these priorities in mind. We would:

- Not recommend or support an operational override for FY09;
- Provide funding to the school department and public safety budgets as necessary and available;
- Provide funding to upgrade the Russell Street School;
- Provide funding for a Facilities Manager to oversee the \$45 million worth of new construction that the Town has funded over the past 10 years along with all other Town buildings;
- Provide additional funding for road repairs;
- Provide funding for a new police station.

Town of Littleton, Massachusetts

Total revenues have increased by approximately \$1.7 million. Net State aid, based on the initial Cherry Sheet from the Governor's budget, will increase by \$649,428 in FY09. Town non-tax receipts are showing no significant increases. Much of the funding increases contained in this year's budget are predicated upon the Governor's initial Cherry Sheet. Changes to these figures are not expected, however, if significant reductions to the amount of State aid provided to the Town materialize through the legislature, revisions to the budgets presented in this report may be necessary. Through possible savings in healthcare costs, additional funds were made available for the school budget.

The change to quarterly tax billing has enabled the Town to better manage cash flow and not experience periods of cash short-falls which, in past years, forced the Town to borrow and incur unexpected interest costs. The higher level of cash available to the Town has also generated significant increases in investment income which in turn provides increased funding for Town services or capital projects.

The Finance Committee is recommending a budget for FY09 which;

- significantly increases the school budget,;
- provides salary increase for all personnel;
- funds 2 additional police officers;
- provides additional funding for road repairs.

We were unable to fund a Facilities Manager at the present time due to other priorities. The Finance Committee will continue to look at this position in the future. The committee realizes the importance of this position given the significant increases in new and rehabilitated Town properties.

Changes in Revenues FY09 vs. FY08

| <i>This chart details the revenue growth contained in the FY09 budget.</i> | <i>The net revenue growth % is 5.91% before adjusting for non-recurring revenues from FY09. This % was 7.50% last year.</i> | <u>Item</u> | <u>Amount</u> |
|--|---|--|----------------------|
| | | <i>Total Revenue FY08</i> | <i>\$ 30,164,119</i> |
| | | Add: additional revenue sources | |
| | | Allowed 2 ½ % Levy Increase | 504,502 |
| | | New Growth | 206,000 |
| | | Increase in Local Receipts | 43,578 |
| | | Increase in Debt/Capital Exclusion | 450,448 |
| | | Increase in State Aid (Cherry Sheet) | 784,797 |
| | | Less: Decrease in Other Available Funds | (73,602) |
| | | Decrease in Free cash | (131,307) |
| | | Net Revenue Growth | <u>\$ 1,784,416</u> |
| | | Non-recurring revenue adjustments | |
| | | Add: Change in transfers of prior year funds | 29,000 |
| | | Net Change in Total Revenues | <u>\$ 1,813,416</u> |
| | | <i>Total Revenue FY09</i> | <u>\$ 31,977,535</u> |
| | | <i>% Revenue Growth</i> | <i>6.01%</i> |

Changes in Expenditures FY09 vs. FY08

Town of Littleton, Massachusetts

This chart details the growth in expenses contained in the FY09 budget.

A budget with a \$411 surplus exists at this time.

| <i>Item</i> | <i>Amount</i> |
|--|----------------------------|
| <i>Total Expenditures FY08</i> | <i>\$ 30,153,122</i> |
| Add: additional expenses | |
| Increase in Town Operating budget | 483,376 |
| Decrease in debt service & exclusions | 303,662 |
| Increase in Cherry Sheet charges | 135,369 |
| Increase in Out-of district SPED costs | 762,796 |
| Increase in School Budget | 146,715 |
| Increase in other expenditures | 340,125 |
| Less: expense reductions | |
| Decrease in warrant articles | (183,550) |
| Decrease in health ins & pension costs | (132,402) |
| Decrease in Nashoba Tech assessment | (32,089) |
| Net Change in Total Expenditures | <u>\$ 1,824.002</u> |
| <i>Total Expenditures FY09</i> | <u><i>\$31,977,124</i></u> |
| <i>% Expenditure Growth</i> | <i>6.05%</i> |

The above chart shows the realities of what the FinCom has been faced with in proposing the FY09 budget. Total revenues increase by \$1,813,416 year over year. The majority of this increase comes from normal expected revenue increases from the levy and new growth as well as additional receipts from the Cherry Sheet, something that had been declining prior to FY07. These increases are substantial enough to compensate for a \$909,511 increase in the overall school department budget including out-of-district special education costs.

The use of non-recurring revenues over the past years, coupled with prior decreases in State aid, has added to the budget pressures experienced by the Town. During FY04, for example, a total of \$636,557 in one-time revenues was used to cover operating budget shortfalls. In FY05, transfers of \$278,840 were authorized and \$38,034.43 was authorized in FY06. Although these transfers were done to balance their respective budgets, their impacts continue to be felt year after year as we attempt to cover those additional expenses without the availability of those revenues. In both FY07 and FY08, no non-recurring revenue transfers were made. In the current year a small transfer of \$29,000 is being made to cover a one-time offsetting expenditure. The Finance Committee has taken a strong stance against the use of non-recurring revenue streams. This has been a major contributing factor in the financial health of the Town.

Moving forward, three items have been and will continue to be major impacts on the expenditure levels of the town: debt service, the school budget and employee benefit costs.

Debt Service

The Town enters FY09 with total outstanding principal debt of \$37,392,443 with associated future interest costs of \$12,921,036 for total debt service of \$50,313,479. These figures do not include projects that have yet to be permanently bonded.

Reimbursements from the State for both the High School and Shaker Lane construction projects offset \$16,288,857 of the above total debt service. Payments on debt issued for the Light

Town of Littleton, Massachusetts

department, for which the Town will be reimbursed, total an additional \$1,853,219. Cell tower revenues, covering an additional \$1,257,370, support some recent debt incurred for the purchase of land. This leaves a net of \$30,914,033 in total Town supported debt service. 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 renovation of the Russell Street School, a Police/Fire Station or Community Center, be done as debt exclusions, where the year-to-year debt service payments are raised outside of the normal Proposition 2 ½ levy calculation.

Adding debt to the Town, similar to households using credit cards, places the burden of payment onto future years and constrains operating budgets. The Town continues to feel that impact in FY09. The debt service within the operating budget of the Town (total debt service *less* reimbursements *less* debt exclusion items) represents 5.98% of the adjusted revenues of the Town. This percentage stood at 6.56% in FY08 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.

In the current year's budget we have included provisions for debt issuance within Proposition 2 ½ for the road repair project. While the current year debt service associated with this project is minimal, the future payments have the potential to substantially increase and drain operating funds. Projections currently show that the operating budget impact can be minimized through the use of State Chapter 90 highway funds and regular road repair dollars already allocated within the operating budget. In FY09, a total of \$500,000 is set aside within the operating budget for both the debt service and funding to begin the road project. The Finance Committee is committed to following the current road repair plan as a baseline. Any available funding during the project lifecycle should be used to decrease the need for future borrowings.

While decreased debt payments provide additional funds for spending in other areas, the FinCom feels that it is necessary to set aside a portion of these savings to fund future debt impacts such as the High School debt service or capital purchases. *The Finance Committee's guidelines will be discussed later in this report.*

The FinCom has recommended the continued use of capital exclusions to fund items that normally would have been borrowed in previous 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 must be used not only in FY09 but also in future years in order to decrease the amount of debt service and free up dollars within the operating budget to maintain the level of services provided by the Town today.

This year, the warrant and ballot will contain articles regarding potential capital exclusion items totaling \$221,000. The Town supported capital exclusion items in last year's budget totaling

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\$94,700, and approved \$621,000 in FY07. This year's items include \$96,000 to repair the roof of the Town Office building, technology and maintenance items for the school department totaling \$60,000, and protective gear for the fire department totaling \$60,000. The Town continues to save interest costs over the next 5 years on these items by not borrowing. If this strategy is carried forward from year to year to pay for selected capital purchases, the compounded savings to the Town becomes significant. As of this report date, the FinCom supports all capital exclusion items.

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 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

The 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 that 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. It is the responsibility of the FinCom 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 to the community within the limited resources available to the Town.

In the FY09 budget process, the FinCom recommends a school budget of \$14,520,000. This represents an increase of \$909,511 or 6.68% over the FY08 appropriation. The Finance Committee is also supporting \$60,000 in capital exclusions to fund HVAC units at Shaker Lane and school-wide technology items. The FinCom made 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 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 ended FY07 with a balance of \$1,005,206 in their revolving fund accounts. An additional \$2,510,983 in revenues is anticipated to be added throughout the current school year with anticipated spending of \$2,871,692. This would bring the balance of the revolving funds down to \$644,497 at the end of FY08. Spending in excess of revenues cannot continue to occur since the fund balance could be exhausted within 2 years. Since the spending levels are incorporated into the current levels of programs provided by the school system once these funds are exhausted, the school system will

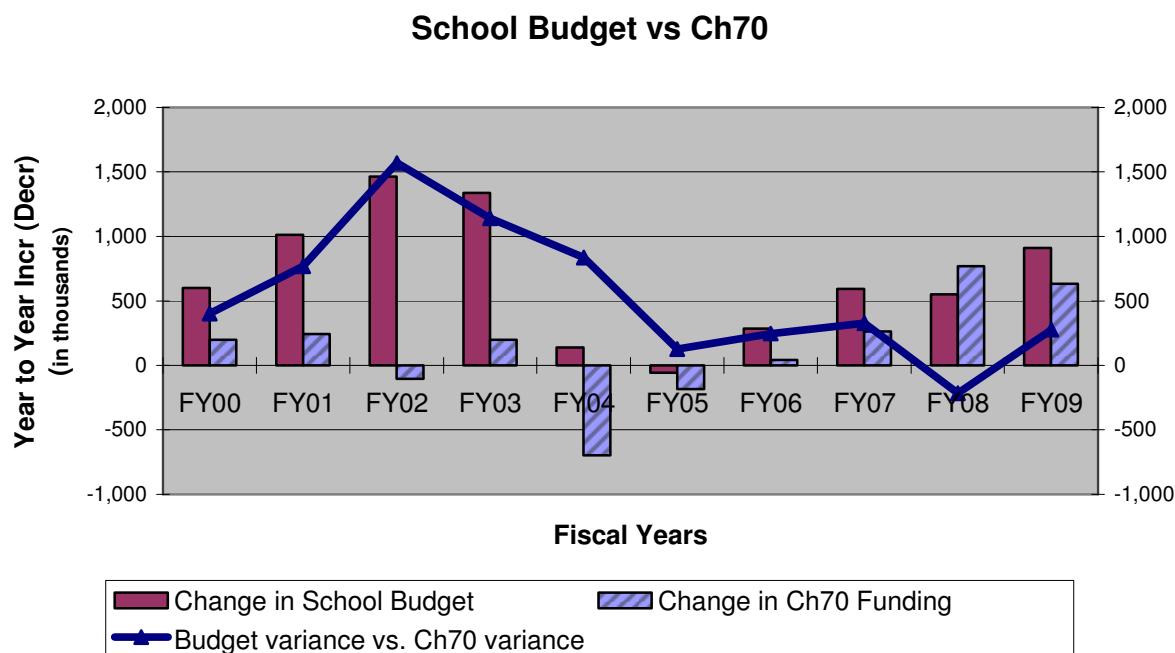
Town of Littleton, Massachusetts

either be forced to cut programs or ask the Town to fund the shortfall in addition to its normal budget increase. The Finance Committee has discussed 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 in the distribution is designed to bring Littleton up to par in Chapter 70 funding over time, when compared to similar towns.

The increase that Littleton has seen in Chapter 70 funding over the past 3 years is much greater than the increases other towns have seen over this time. This rate of increase that Littleton has enjoyed is not expected to continue. It is projected Littleton will be considered "up to par" by the State compared to similar towns sometime after FY10. If the school budget continues to grow and outpace projected future Town revenues, there will be the risk of a severe shortfall in the school operating budget when the current level of Chapter 70 funding increases cease. This is due to the fact that approximately 70% of the school budget is linked to employee wages compounding at 5% - 6%. Additional staffing increases this number and will also increase a potential budget shortfall. Current projections show that the Town will need to fund a \$500,000 budget deficit in a projected level-services school budget at the point in time when Chapter 70 funding returns to normal levels.

The chart below outlines the correlation between the year to year change in the school budget and Chapter 70 funding. The Town has increased the school operating budget at levels greater than the increases in Chapter 70 funding in 9 of the past 10 years. The projected funding shortfall will occur when Chapter 70 increases return to the normal levels experienced in the earlier years shown below instead of the increases shown from FY07 to FY09.



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With the spending of the revolving funds in addition to the town's appropriation total spending for the school system in FY08 is projected to be \$16,482,181. Assuming the spending from the revolving funds is at the same level in FY09, total spending on the school system would be \$17,391,692. This amount does not include town provided employee benefit costs as well as costs for other town services provided to the school system. In the last completed fiscal year ending June 30, 2007 (FY07) this figure was \$2,712,384. Debt service payments will account for an additional \$3,201,158. In total, estimated school related spending in FY09 will be approximately \$24.8 million.

Looking to the future, these issues cause increasing concern for the Finance Committee. 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 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 revenue sources becoming available in the near term and the continuing fiscal problems on Beacon Hill have made 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 addition to providing a significant increase to the school budget. In general, we have been able to provide, at a minimum, level-services funding to all departments while continuing to address rising employee costs for both salaries and benefits due to contractual obligations.

While we are all aware that the financial picture can change in either direction in the coming years, the following sections outline the strategies the FinCom intends to pursue:

Stabilization - The Stabilization fund is estimated to end FY08 at approximately \$1,420,000. For the second consecutive year, no stabilization funds will be necessary to cover the High School debt service due to the use of available free cash and the savings currently incorporated within the revenue stream of the Town. The fund will be able to offset a portion of the future debt service payments until the debt is paid in FY23 based on the implementation and continued use of a savings plan. Beginning in the FY06 budget, the FinCom has incorporated a savings component to the revenue stream of the Town. *See the Financial Guidelines later in this report.* This savings component is based on the premise that any new revenue stream should not be fully added to the operating budgets of the Town. Free cash and/or stabilization must be allowed to grow in order to begin to cover our debt and capital costs both now and in the future. A minimum of 10% of recurring revenue growth and 100% of the year-to-year reduction in debt service within the levy must be set aside each year. In addition we cannot allow non-recurring revenues to be added to the operating budget of the Town. If these savings cannot be sustained over time, the FinCom will recommend debt exclusion for the remaining debt service on the High School.

Debt Management – Additional borrowings must be held to a minimum. While we are continuing our practice of paying for big-ticket capital purchases by the use of capital exclusions

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rather than borrowing, the amount of exclusion dollars has been decreasing over the past few years. The Town has been able to fund more capital purchases inside the levy during this period without the need to borrow. Debt service within the levy, adjusting for the impacts of the High School debt service as it enters the operating budget, 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. The FinCom recommends that 100% of these dollars be set-aside in free cash or stabilization in order to lessen the impact of the High School debt. Where appropriate, as we did with the Middle School, we will recommend debt exclusions for any major building project. One major project that is currently being recommended by the Finance Committee and the Board of Selectmen is the repair of the Town roads (*see Road Project section*). This project will require the use of borrowings in the short term to initially fund the repairs.

Operating Budgets – Spending by all departments must be controlled. This is extremely important especially when faced with consecutive years of decreasing 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 be compromised. Further, as personnel costs consume more than 70% 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 economic pressures on our operating budget, continuing to offer contracts that compound total wages at 5% - 6% per year is not sound fiscal policy.

The growth in the additional taxes generated by a Proposition 2½ override is limited to 2½ % each year thereafter. Salary and benefit increases alone can account for 7% to 10% expense increases year over year. This is one example of the fact that overrides tend to lead to overrides unless spending controls are put in place to mitigate potential revenue shortfalls. *The Finance Committee’s proposed budget for FY09 does not include a Proposition 2 ½ override.*

Interest Rates - The town has benefited over the past two years from declining interest rates. The town has been able to re-finance existing debt and bond the new middle school at very favorable rates given the decline in interest rates. This has resulted in lower debt payments for the town.

The town has also experienced favorable cash flow when it moved from a semi-annual tax payment to a quarterly 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 down 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, at least in the short-term for the town.

Revenues – As with most communities the Town needs to find new sources of revenue where possible. Increasing fees for services has brought in some additional revenue, but not at the recurring and increasing levels that are needed to sustain increasing expenses. Unfortunately,

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such fees can be burdensome on certain segments of a community and may be viewed as an additional tax, which is not shared by all.

New growth had averaged \$450,000 over the five year period ending FY07. With the exception of FY07, new growth has continued to decrease year over year since FY03, with much of the decline being driven from the lack of additional commercial property. New growth estimates for FY09 are once again down slightly from FY08 levels and have fallen approximately \$228,000 from FY07 levels. Decreases in the new growth figures have a dramatic impact on the revenue streams in future years. The reduction in new growth represents revenue dollars that are lost to the Town even if new growth rebounds in the following years. The Town must begin to attract new commercial development.

In recognition of significant vacancy rates of commercial properties within the Town, 2006 Fall Special Town Meeting voted and approved the following actions to be taken by the Board of Selectmen:

- Apply to the Economic Assistance Coordinating Council to amend the 495 Regional Technology Center Economic Target Area (ETA) to include the town of Littleton
- Designate 550 King Street (property known as the former DEC/HP facility) as an Economic Opportunity Area (EOA)
- Create a Tax Incentive Financing (TIF) subcommittee which is empowered to negotiate and recommend to the Board of Selectmen a TIF, which will provide a percentage of tax relief on any property value improvement to the tenant of 550 King Street, as well as any additional commercial locations within the Town that become designated EOA's.

By entering into the ETA, the town is attempting to reach economic development goals that consist of utilizing and redeveloping the existing commercial space within the Town and attracting technology companies which can create jobs and add to the tax base without drawing on or dramatically impacting town resources. The TIF sub-committee developed the strategy for the Town and successfully negotiated the TIF with the owners at 550 King Street.

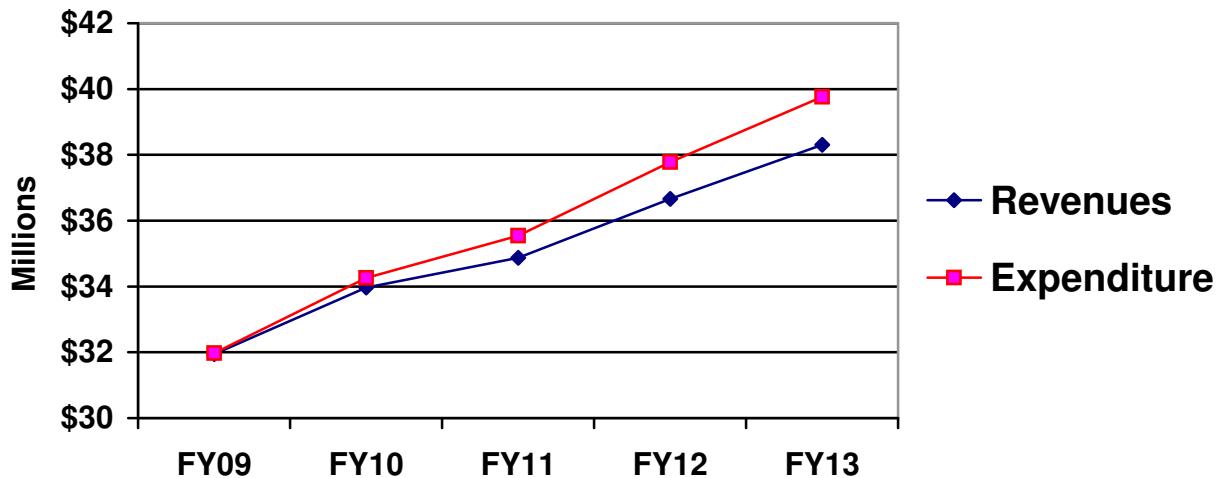
While these actions could result in significant future new growth increases, the Finance Committee continues to take a more conservative approach in forecasting the finances of the Town. We cannot take some of these future projects or revenue streams into account too early and bank future projects or expenses on them. If a current project, capital purchase, or contractual obligation cannot stand on its own using known revenues streams or normal projected increases to these revenue streams, we cannot and will not recommend the expenditure to the Town.

The following chart shows the estimated 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

Town of Littleton, Massachusetts

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.

Revenues vs. Expenditures FY09 – FY13



The chart below shows the estimated budget overage or shortage for the Town through FY13. School and Town budget increases have been estimated at very conservative levels. Spending constraints must still be realized with expenses gradually allowed to increase but only in relation to expected revenue growth. Spending increases in the earlier years cannot be supported within the estimated revenue stream and, as shown, tend to widen over time.

| | FY10 | FY11 | FY12 | FY13 |
|---------------------------|-------------|-------------|---------------|---------------|
| Budget Overage (Shortage) | (\$291,757) | (\$668,769) | (\$1,113,131) | (\$1,455,765) |

FY09 Operating Budget

In the FinCom's annual budget message, Town departments were asked to prepare a level-funded budget as well as a level-service budget. Departments were also informed to expect few, if any, personnel increases or funding for new programs. In developing our forecast for FY09, it was anticipated that any additional revenues available to the town would be primarily used to fund capital items that have been neglected during previous budget cycles. While we were able to accomplish some of this goal we were also able to set aside a significant increase in funding for road repairs (*see Road Repair Project below*).

Working in conjunction with the Board of Selectmen, a set of priorities was established to direct the allocation of available funds. At the same time, the Town Administration worked on a solution to the increasing health insurance premiums paid by the Town. In FY09 the Town will be changing from its traditional self-insured health plan to a member of a larger group insurance plan. This change will decrease the premiums paid by both the Town and employees without changing the level of benefits received by the employees.

Town of Littleton, Massachusetts

Through such efforts and a modest increase in State aid, a few tactical budget increases were possible. As mentioned above, additional monies are being allocated to address the increasingly poor condition of our roads. The Police Department has been funded for the addition of 2 new officers, decreasing the amount of overtime necessary to be paid. In addition, the School system was granted an increase of approximately \$900,000.

Warrant Articles. The Finance Committee supports all finance related Warrant Articles. Each of the Warrant Articles represents an expense that the Finance Committee believes cannot be deferred. Capital purchases for various department equipment requests total \$242,200 (*Article 9*). This includes needed equipment for the Police, Fire and Highway departments.

Budget Summary. This year, with slightly increased State aid, but decreasing figures in new growth and local revenues, the Town will be able to increase funding in selected departments where direct benefits have been identified. The recommended budget also allows for additional funding for the school department in a year where our original estimates showed a much smaller increase in their budget.

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 redirect 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.

Road Repair Project

Establishing a plan to begin to address the growing need to repair the road infrastructure throughout Littleton was one of the higher priorities during the 2009 planning process. The challenge was how to put together a plan that did not impact the operating budget, require significant borrowing or require the town to request additional funding from the citizens in a debt exclusion.

The plan to fund the road improvement, developed by the Town Accountant and endorsed by both the Finance Committee and the Board of Selectmen is a multi-year plan that combines increasing the spending from the Roadway Repair Account and short-term borrowing. The Roadway Repair Account will be increased to \$480,000 in FY09; this is a \$205,000 increase over the FY08 budget. An additional \$20,000 will be used to pay the interest on the initial borrowing during the current fiscal year. The amount set aside into the Road Repair Account is scheduled to increase a minimum of 1% annually in each successive year of the plan. Five year bonds will be issued in FY11 for \$1 million, FY15 for \$1 million and FY20 for \$800,000. These borrowings will provide the necessary funding to complete the current list of roadway projects with debt service scheduled to be paid from the combination of State Chapter 90 funds and the annual appropriations into the roadway account. This project, therefore, should not have a major impact on the town operating budgets in the future.

Debt Exclusions

At the present time there are 2 new debt exclusion articles appearing on the Special Town Meeting warrant. Design funds are being asked for \$300,000 to begin the new Police Facility project. It is expected that once the design is completed, the fall Special Town Meeting will be asked to support the construction of the facility.

The School Committee has approached the MSBA (Massachusetts School Building Authority) regarding the renovation of the Russell Street School building. Work in the building will include electrical, plumbing and HVAC upgrades. If approved by the MSBA, the Town can expect 50% of the renovation costs to be reimbursed by the State. Initial funding will allow the Town to begin the design process along the scope outlined by the State. If the timeline proceeds smoothly, fall Special Town Meeting or next year's Annual Town Meeting will be asked to approve the full project costs.

Capital Exclusions

Capital exclusions raise funds outside of Proposition 2 ½, similar to a debt exclusion. Capital exclusions, however, raise the entire cost of the project in a single year in order to avoid the ongoing debt service costs associated with borrowing. This year \$221,000 in capital exclusions for the following items are slated to appear on the May ballot and at Town Meeting:

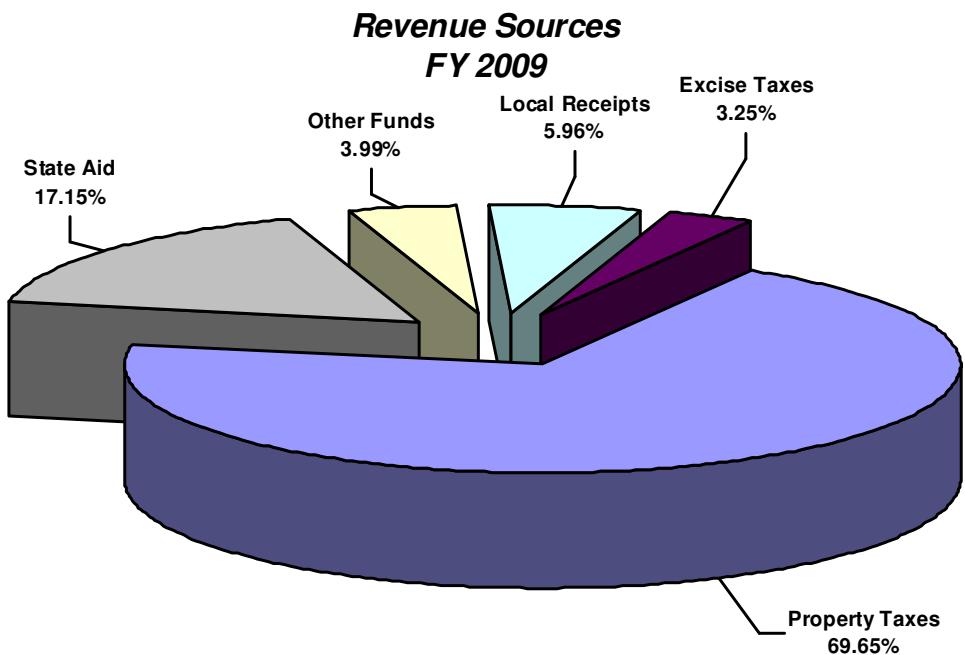
- Article 8 – Each proposed equipment purchase will be shown and voted upon individually as follows:
 - \$96,000 for the repair of the roof on the Town Offices;
 - \$65,000 to for the purchase of protective gear for the Fire Department;
 - \$30,000 to replace HVAC units at the Shaker Lane School;
 - \$30,000 for technology upgrades for the School department.

The Finance Committee recommends the above capital exclusions.

FY09 Budget Details

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

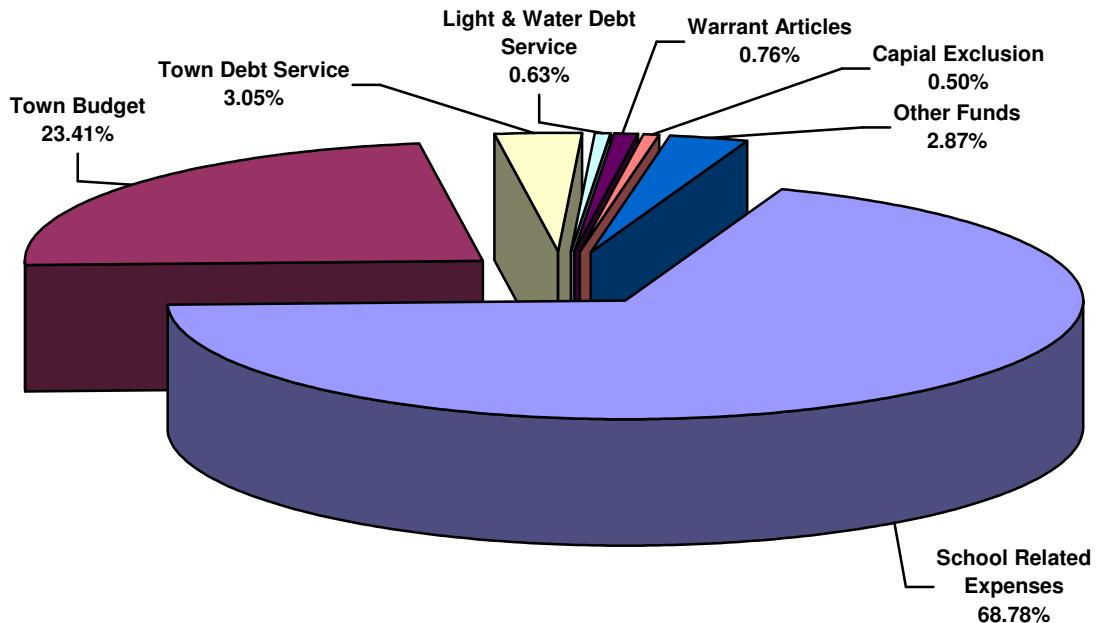
| <u>Revenue Source</u> | <u>FY09 Amount</u> | <u>Comments</u> |
|----------------------------|---------------------|--|
| Property Taxes | \$22,271,934 | Includes \$221,000 in capital exclusions |
| State Aid | \$5,484,353 | Includes \$1,129,623 reimbursement from State for High School & Shaker Lane debt |
| Transfers from Other Funds | \$1,274,476 | Includes reimbursements from the Light & Water departments |
| Local Receipts | \$1,906,772 | Other Town revenues & fees |
| Excise Taxes | \$1,040,000 | Estimated receipt |
| Total Town Revenue | \$31,977,535 | |



Expenditures - Where the Town spends the money it raises

| <u>Expenditure</u> | <u>FY09 Amount</u> | <u>Comments</u> |
|--|---------------------|--|
| School Budget | \$14,520,000 | Increase of \$909,511 or 6.68% |
| Debt Service - Schools | \$3,201,518 | Shaker Lane, HS & MS projects |
| Capital Exclusions -Schools | \$60,000 | See <i>Capital Exclusion</i> section for details |
| Charter/School Choice | \$933,535 | Students attending charter schools |
| Nashoba Tech Assessment | \$565,875 | Students attending Nashoba Tech HS |
| School Related Expenditures in Town Budget | | Benefits & Other School Expenses provided outside the school budget (FY07) |
| | <u>\$2,712,384</u> | |
| Total School Related Exp. | \$21,993,312 | 68.78% of Total Town Expenditures |
| Town Budget | \$7,487,310 | Town Departments Only including \$480,000 for road repairs |
| Town Debt Service | \$973,977 | |
| Light Dept Debt Service | \$202,991 | Expense is reimbursed by L&W |
| Warrant Articles | \$242,200 | |
| Capital Exclusions -Town | \$161,000 | See <i>Capital Exclusion</i> section for details |
| Other Funds | \$916,334 | Includes \$400,000 snow & ice deficit |
| Total Town Expenditures | \$31,977,124 | |

**Expenditures
FY 2009**



Proposition 2 ½

Proposition 2 ½ (Prop 2 ½) 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 ½ percent of the prior year's levy limit. To better understand Prop 2 ½ we will define some terms that will be referred to and then illustrate how Prop 2 ½ 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.

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. For FY09 an estimated \$14,905,286 in new development will be added to the total property valuation. 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.

Town of Littleton, Massachusetts

Levy Ceiling Calculation

| | |
|---|-------------------|
| FY08 total real and personal property value * | \$1,514,995,328 |
| Add: FY09 estimated new development | <u>14,905,286</u> |
| Total property value | \$1,529,896,974 |
| | <u>x 2 1/2 %</u> |
| Levy Ceiling | \$38,247,515 |

* Does not include current year property revaluation

Levy Limit Calculation

| | |
|--------------------------------------|----------------|
| FY 08 Levy Limit | \$20,180,082 |
| x 2 1/2 % | 504,502 |
| Add: New Growth | <u>206,000</u> |
| FY 09 Levy Limit | \$20,890,584 |
| Add: Debt Exclusion | 1,160,349 |
| Capital Exclusion | <u>221,000</u> |
| Total Levy Limit with Debt Exclusion | \$22,271,933 |

In the above calculations the Town is allowed to assess taxes to the levy limit of \$22,271,933 since it remains below the \$38,247,424 levy ceiling.

The Town currently has debt exclusions for the following projects:

| <u>Project</u> | <u>Original Balance</u> | <u>FY 08 Payments</u> |
|-------------------------------|-------------------------|-----------------------|
| WWTS | | \$148,926 |
| Middle School project | \$7,554,000 | \$787,736 |
| Frost/Whitcomb Land | \$700,000 | \$48,699 |
| Morrison Land (net) | \$1,768,000 | \$160,988 |
| Less: Self Help Grant | | <u>\$(18,000)</u> |
| Total Current Debt Exclusion | | \$1,128,349 |
| Proposed New Debt Exclusions: | | |
| Russell St Renovation | | 20,000 |
| Police Facility | | <u>12,000</u> |
| Total Debt Exclusions | | \$1,160,349 |

Property Taxes¹

Current property tax rates in Littleton for FY08 average \$13.93 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 \$12.52 / \$1,000 while commercial and personal property is taxed at a higher rate of \$20.57 / \$1,000.

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.

Town of Littleton, Massachusetts

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 Assessors 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 FY09 to be approximately \$14.56 with an estimated residential rate of \$13.19. The chart on the following page factors in the property values reflected in the first column and includes the impacts of all capital and debt exclusion items recommended by the FinCom and reflective of an approximate 4.52% tax increase.

Estimated Residential Tax Bills FY09

| Residential Property Valuation | Annual Tax Bill FY08 | Estimated Annual Tax Bill FY09 | Increase FY09 Tax Bill |
|--------------------------------|----------------------|--------------------------------|------------------------|
| \$415,000 | \$ 5,237 | \$ 5,474 | \$ 237 |
| \$500,000 | \$ 6,310 | \$ 6,595 | \$ 285 |
| \$650,000 | \$ 8,203 | \$ 8,573 | \$ 370 |
| \$800,000 | \$ 10,096 | \$ 10,552 | \$ 456 |

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 on going debt service costs associated with borrowings. The Town had approved capital exclusions of \$94,700 in FY08, \$621,000 in FY07, \$507,000 in FY05 and \$800,000 in FY04. The Town did not approve the use of capital exclusion in FY06.

The chart below shows the tax impacts of the exclusion items. It is important to remember that these costs are included in the tax chart above and the overall tax rate mentioned earlier. These items will only affect the tax rate in FY09.

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Capital Exclusion Tax Impacts

| <u>Project</u> | <u>Cost</u> | <u>Average Tax Rate</u> |
|---------------------------------|------------------|--------------------------|
| | | <u>Impact</u> |
| Fire-Protective Gear | \$ 65,000 | \$ 0.04 / \$1,000 |
| Town Hall Roof Repairs | \$ 96,000 | \$ 0.06 / \$1,000 |
| School –technology | \$ 30,000 | \$ 0.02 / \$1,000 |
| School – Shaker Lane HVAC units | \$ 30,000 | \$ 0.02 / \$1,000 |
| Totals | \$221,000 | \$ 0.14 / \$1,000 |

Using the values shown above the impacts for the capital exclusions are as follows using the estimated average tax rate:

| Property Valuation | Fire Department | School Department - Total | Town Offices | Total Impact Average Tax rate | Est. Residential Impact |
|--------------------|-----------------|---------------------------|--------------|-------------------------------|-------------------------|
| \$415,000 | \$ 16.60 | \$ 16.60 | \$ 24.90 | \$ 58.10 | \$ 52.64 |
| \$500,000 | \$ 20.00 | \$ 20.00 | \$ 30.00 | \$ 70.00 | \$ 63.42 |
| \$650,000 | \$ 26.00 | \$ 26.00 | \$ 39.00 | \$ 91.00 | \$ 82.45 |
| \$800,000 | \$ 32.00 | \$ 32.00 | \$ 48.00 | \$ 112.00 | \$ 101.48 |

Debt Exclusion Impacts

The Town bonded the Middle School construction project during this last fiscal year. The financing of the project through the construction phase was accomplished through a new funding program established by the State Treasurer's office, which took over the financing of school buildings from the Department of Education. The Town received reimbursements from the State during the construction of the school. Those funds were used to pay current construction bills, decreasing the amount of short-term borrowing necessary to complete the project and well below our original estimates. The Town was one of the first communities to participate in the new program. The Town Treasurer and his staff as well as the Building Committee should be congratulated for a job well done in managing this project and saving the Town thousands of dollars in interest costs.

The Town has also received approval for a low interest rate loan from the State for approximately \$2.1 million that will decrease the amount of the bond needed to finance the remainder of the project to approximately \$7.5 million. Total debt service in FY09 will be \$787,736. The full impacts of the debt service will not be seen until FY10 when the first principal and interest payments on the low interest bond for the project will be paid. The estimated residential tax impact for FY09 is estimated at \$0.47/\$1,000 or \$195.05 on a \$415,000 property. Once the final audit for the project is completed, the State will release its final reimbursement for the project to the Town for \$500,000. This amount, when received, will offset the debt service impact to the taxpayer. If this amount is received in FY09 the estimated residential tax burden could decrease by \$0.30/\$1,000 or \$124.50 on a \$415,000 property.

In total, the \$1,160,349 in debt exclusions detailed previously, adds \$0.76 / \$1,000 of value based on the average tax rate or \$315.40 for a \$415,000 property. The residential impact is estimated at \$285.77 at the same \$415,000 value.

Conclusion

The overall financial stability of the Town has improved greatly over the past 2 fiscal years. During the downturn in the State's economy in FY02 through FY06 the Town struggled as did most Towns throughout the Commonwealth. State aid declined and Town services were cut. The Finance Committee 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 Finance Committee established stronger financial policies and practices after the override of FY06 to protect the Town from future potential overrides. In this, the third year of these policies, the Town is much stronger financially and not experiencing the overrides or service cuts that many other communities are facing today.

This however, does not mean that the Town can once again spend every tax dollar collected and increase budgets at will. Spending must still be controlled and revenue increases such as State aid 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 2 1/2% per year, then the Town will once again face the cuts in services that we did 4 and 5 years ago.

How do we achieve this? We must ask the Selectmen and School Committee to negotiate union contracts that puts the financial well being of the Town first and foremost. A negotiated 3% salary increase becomes a 5% - 6% increase after all steps, longevity and lane changes are taken into account. We simply cannot afford to compound a \$15 million town-wide payroll at 5% - 6% per year.

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. 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 Guidelines

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. 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 FY08 Financial Guidelines approved by the Finance Committee and Board of Selectmen are as follows:

Financial Guidelines

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 FinCom recommended guidelines for the management of Free Cash, the Stabilization Fund and Debt Management should serve as a platform for discussion with the Selectmen 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.

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.

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 Commonwealth Department of Revenue using data submitted by the Town.

In prior years, the entire amount of UFB has been used to fund the operating budgets. It is the FinCom’s recommendation that this practice be modified to maintain a minimum balance of

Town of Littleton, Massachusetts

2.5% of the General Fund 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 needs. As the Stabilization Fund is a reserve for capital needs, the UFB can be viewed upon as the reserve for operational needs.

Therefore the following policy is recommended:

1. Maintain a minimum free cash balance of 2.5% of the Total Operating Budget.
2. Appropriate at the Annual Special Town Meeting the Certified Undesignated Fund Balance above the 2.5% minimum threshold for non-operating budget items, or replenish the account at the same level of withdrawals during the past fiscal year.

Stabilization

The Stabilization Fund is a special reserve account allowed by Massachusetts General Laws to allow savings for future needs. The funds appropriated to a Stabilization account can be earmarked for specific capital needs. 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.

Debt Management

With the recent growth in our Town and the need for school expansions and other capital projects 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.

*Recommended Guidelines for Tax-Supported Debt **

1. Total annual budget allocation for capital needs should be in the range of 7%-8% of the total operating budget.
2. Approximately one third of the capital needs should be met from current resources and two-thirds may be borrowed.
3. Repayment of principal and interest together with issuance cost and short term financing

Town of Littleton, Massachusetts

costs should be capped at approximately 5% of the total budget to maintain and improve credit rating.

4. At no time should tax supported debt exceed 10% of the total budget.
5. Repayment schedules should be in accordance with published requirements and be set as aggressive as possible.

These guidelines achieve the following:

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

*Revenue-supported debt (water, sewer, and light) is subject to different guidelines that consider the length of the project and current interest rates.

Planning

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. Moving dollars from older warrant articles, inflating revenues or using other non-recurring revenue items to fund an operating budget cannot be allowed to occur. In addition, the FinCom recommends the utilization of 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. We cannot move forward and continue to spend every available dollar within the operating budget.

Every effort will be made to prevent the Town from adding additional non-revenue supported debt within the levy from occurring. Non-revenue supported debt are those borrowings which the Town has not 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 and any debt exclusion item such as the Middle School borrowing.

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. Major capital projects such as new construction or major renovations to existing facilities will be accomplished through debt exclusions.

At a minimum, the FinCom recommends setting aside 10% of the new recurring revenue stream as well as 100% of the year-to-year decrease in debt service from inside the levy into stabilization. These funds will initially be used to offset the impacts of the debt service payments from the High School entering the operating budget. The continued addition of funds as outlined above, as well as the addition of the expected Free Cash for the current fiscal year, will provide the Town with sufficient funds to eliminate potential impacts of the High School debt to the operating budget. These revenue dollars earmarked for addition to the Stabilization

Town of Littleton, Massachusetts

fund are not currently, nor have they previously been used to fund the operations of the Town. Prudent financial management will not allow these static dollars to be added to a compounding operating budget. Within the next five years the additions to the Stabilization fund will be in excess of the dollars needed for the High School debt service. At that point in time, the fund will be allowed to grow to the 5% goal mentioned above with excess dollars used to fund capital purchases, decreasing both the need to borrow and the amount of capital or debt exclusions proposed each year.

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.

Finance Committee Members

| <u>Member</u> | <u>Appointed By</u> | <u>Term Expires</u> | <u>Years on FinCom</u> |
|--------------------------|---------------------|---------------------|------------------------|
| Fred Faulkner – Chair | Light & Water Dept | 2010 | 23 |
| Allen McRae – Vice Chair | Board of Assessors | 2008 | 6 |
| Ken Adam | Board of Selectmen | 2008 | 21 |
| Susan MacDowell | School Committee | 2008 | 3 |
| Richard Montminy | Moderator | 2010 | 9 |
| David Stevens | School Committee | 2009 | 2 |
| Steven Venuti | Board of Selectmen | 2009 | 13 |

Glossary of Terms

Abatement - A reduction or elimination of a tax, fee or special assessments by the town.

Appropriation - Authorization by town meeting to make expenditures or incur debt for specific purposes.

Assessed Valuation - A valuation, based on full and fair market value, placed on real estate or other property by the Town as a basis for levying taxes.

Audit - An examination of financial systems, procedures, and data by independent certified accountants.

Available Funds - Funds established through previous appropriation or the results of favorable conditions. Examples are Stabilization, Free Cash Overlay Surplus, and Water Surplus.

Betterments - A special property tax on specific area of town that receives a benefit from a public improvement. Each property owner that benefits receives a proportionate share of the project cost which may be paid in full or over 20 years. Examples are Water, Sidewalks, etc.

Bond - An obligation to pay a specific sum of money, including principal and interest, at a specific date or dates in the future.

Bond Anticipation Note (BAN) - Short term notes not to exceed five years used to provide initial cash for Town Meeting approved projects prior to issuing long-term bonds.

Budget - A financial operating plea for the Town consisting of proposed revenues and expenditures for a certain period of time.

Capital Expenditure - An appropriation for assets or projects costing at least \$25,000 and having a useful life of at least five years. Examples are construction, major repairs or replacements to capital facilities or equipment, acquisitions, etc.

Capital Outlay Expenditure Exclusion - A vote by the Town to exclude payments for a single year capital project from the levy limit. The exclusion is limited to one year and may temporarily increase the levy above the levy ceiling.

Cherry Sheet - Official notification from the Department of Revenue of the next fiscal year's state aid and assessments to cities, town, and regional school districts. State aid consist of distributions (funds based on formulas) and reimbursements (funds for cost incurred for specific programs or services) Assessments are advance estimated of State and County charges.

Cherry Sheet offset items - Local aid that may be sent without appropriation in the budget but which must be spent for specific programs. Examples are school lunch grants, library grants, etc.

Classification of Real Property - Assessors are required to classify all real property as residential, industrial, commercial, or open space. Local officials then determine what percentage of the tax burden is to be by each classification.

Classification of the Tax Rate - Selectman vote to determine the tax rate options. Communities may set as many as three tax rates: residential, open space, and commercial/industrial/personal property.

Debt Exclusion - A vote by the town to exclude debt service payments for a particular capital project from the levy limit. The annual debt service payments are added to the levy limit for the life of the debt only.

Debt Service - The annual cost of principle and interest for a particular bond

Encumbrance - Part of an appropriation that is reserved to meet an obligation in the form of purchase orders, contracts, or salary commitments.

Equalized Valuations (EQV) - The determination bi-annually of the full and fair market value of all property in the state that is subject to local taxation. The EQVs are used as variables in determining State aid, County assessments and certain other cost.

Estimated Receipts - Estimates of miscellaneous state and local receipts based on previous year's receipts deducted by the assessors from gross amount to be raised by taxes.

Excess Levy Capacity - The difference between the levy ceiling and the actual amount of real and personal property taxes raised for a given year.

Exemptions - Partial or full discharge of a tax obligation granted by the Board of assessors.

Fiscal Year - The state and local municipalities operate on a fiscal year that runs from July 1 and ends the following June 30.

Fixed Cost - Mandated cost such as retirements, insurance and debt

Foundation Budget - The target amount set by the state for each school district that defines the level of spending necessary to provide all students with an adequate education.

Free Cash - Moneys remaining from the previous fiscal year's operations certified by the DOR which are available for appropriation.

General Fund - This non-earmarked fund is used to account for most financial transactions governed by town meeting.

Levy Ceiling - The maximum tax assessed on real and personal property may not exceed 2% of the total full and fair cash value of all taxable property. Property taxes may exceed this limit only if the town votes a capital outlay exclusion, or a special exclusion.

Levy Limit - The maximum amount a community can levy in a given year. The limit can only grow by 2½% of the previous year's limit plus new growth

Local Aid - Revenue that the town receives from the state.

Local Receipts - Revenues the town generates other than real or personal property taxes. Examples include investment income, motor vehicle excise tax, fees, rentals, etc.

Minimum Regional Local Contribution - The minimum amount of money that the town must appropriate from property taxes and other revenues for the support of schools.

Net School Spending - Includes both school budget and town budget amounts attributable to education; excluding long-term school debt, busing, school lunches, and certain other specified school expenses.

New Growth - Taxing capacity added by new construction and other increases in the property tax base. New growth is calculated by multiplying the value of new construction by the previous year's tax rate.

Offset Receipts - Certain amounts on the Cherry Sheets for specified programs for which only the money can be spent.

Operating budget - The proposed plan for expenditures for personnel, supplies, and other expenses in the coming fiscal year.

Overlay - An account set-aside for property tax exemptions and abatements.

Override - A vote by a community at an election to permanently increase the levy limit. An override vote may increase the levy limit to no higher than the levy ceiling. The override question on the election ballot must state a purpose for the override and the dollar amount.

Property Tax Levy - The amount a community can raise through the property tax. The levy can be any amount up to the levy limit plus exclusions.

Reserve Fund - An amount of money set aside in the budget to provide funding for unexpected or extraordinary expenditures.

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Residential Factor - The percentage of the tax levy to be paid by property owners. A residential factor of “1” will result in the taxation of all property at the same rate. Selectmen set the residential factor annually.

Revaluation - The town assessors are responsible for achieving a fair cash value of all taxable property in accordance with state law. Every three years the assessors must submit certified property values to the State Department of Revenue (DOR). These values must be maintained in the years between certification.

Revolving Fund - Revenues raised by the town for a specific service. The revenues are to be used only for that specific service and may be spent without appropriation.

School Building Assistance Program - This program provides state aid or grants for local and regional school construction projects.

Special Exclusion - The Town for limited capital purposes may assess taxes above the amount of its levy limit or levy ceiling without voter approval. There are presently only two special exclusions:

- Water and sewer project debt service cost which reduce water and sewer rates by the same amount, and;
- a program to assist homeowners to repair or replace faulty septic systems, removal of underground fuel storage tanks, or removal of dangerous levels of lead paint to meet public health and safety codes. Homeowners then repay the town similar to betterment.

Stabilization Fund - A fund in which money is set aside for any lawful purpose. Towns may appropriate into this fund in any year an amount not to exceed 10 percent of the prior year’s tax levy. A Two-thirds vote of town meeting is needed to appropriate money from the account.

Tax Rate - The amount of tax stated in terms of a unit of the tax base; for example, \$13.50 per \$1,000 of the assessed property value.

Under-ride - A vote by the town to permanently decrease the tax levy limit.

Unreserved Fund Balance - This is also referred to as the “Surplus revenue account”. It’s the amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves.

Warrant - The list of items to be acted upon by Town Meeting.

Water Surplus - Any revenues in excess of estimated water receipts or unspent water appropriations. Water surplus may be appropriated to fund water-related general and capital expenses or to reduce water rates.