

TOWN OF MILLBURY

SPECIAL TOWN MEETING



TUESDAY, NOVEMBER 10, 2020

7:00 PM

MILLBURY MEMORIAL JR/SR HIGH SCHOOL

<p>11 ARTICLES TO BE PRESENTED</p>

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**MODERATOR'S RULES
FOR THE CONDUCT OF TOWN MEETINGS**

COVID 19- THANK YOU FOR YOUR COOPERATION DURING THIS TIME

During this state of emergency, wearing a mask throughout the meeting will be mandatory for everyone, except for those who have medical conditions that preclude doing so. Apparently, masks do not prevent you from contacting the virus, but do help prevent those who are infected from spreading it. Consequently, please – for the sake of your neighbors-wear a mask.

TIME REQUIRMENTS FOR SPEAKERS WILL CHANGE FOR THIS MEETING PER THE MODERATOR.

The conduct of Millbury's Open Town Meeting is dictated by Federal and State Law, the Town's Charter and By-Laws, local tradition, and then the publication entitled "Town Meeting Time".

The Quorum of Millbury's Town Meeting is One Hundred (100) registered voters.

The Moderator is elected at the annual town election and shall regulate the proceedings of town meetings, decide all questions of order, make public declaration of all votes and may exercise such additional powers and duties as may be authorized by general law, by the charter, by by-law or by other vote of the town meeting.

EVERY VOTER desiring to speak shall arise and address the Moderator, after recognition is obtained, state his/her name and address and stand while speaking, using the microphone in the front, unless otherwise directed. No motion made by anyone will be in order unless this procedure is followed.

ANY VOTER has the right to speak for or against any Article. A **NON-VOTER** may speak as long as they have the permission of the Moderator. Each voter will have a time period of 3 minutes to express their thoughts on the article. After you speak on an Article, return to your seat.

If you have a question on any Article before the town meeting, address the Moderator and the Moderator will direct the question to the proper person for an answer.

MODERATOR'S RULES FOR THE CONDUCT OF TOWN MEETINGS

THE FINANCE COMMITTEE recommendation is the first and main motion under each Article and under each Budget. Any attempt by a Department Head or anyone to move another figure would be an amendment to the main motion.

A motion to “pass the article over” or “indefinitely postpone” is the same as defeating the article.

IF THE FINANCE COMMITTEE DISAPPROVES AN ARTICLE it is an automatic motion to **PASS THE ARTICLE OVER** and that will be the first action on the Article.

After the Finance Committee reports on an Article, if they so desire, and the Article is referred to a certain **BOARD, COMMITTEE, or DEPARTMENT HEAD, IT WILL BE THE RULE** that they will be recognized first for their report.

Any motion to amend an article needs to be put into writing and given to the Moderator, who will then give it to the Town Clerk to take in and document.

ARTICLE II TOWN MEETINGS - DIVISION 2. RULES OF PROCEDURE OF THE TOWN BY-LAWS STATES:

SECTION. 2-28. RECONSIDERATION AT ADJOURNED MEETINGS.

No motion shall be received at an adjourned Town Meeting for the reconsideration of any vote passed at a prior meeting unless notice of such reconsideration shall have been given at the meeting at which the vote was passed; provided, however, that this section may be suspended in any particular case by a vote of three-fourths (3/4) of those present and voting. (Bylaws, Art. 3, § 5, 11-12-1940)

SECTION. 2-29. RECONSIDERATION AT SAME MEETING.

After an article in the Warrant for a Town Meeting has once been acted on, it shall not be again considered at the same meeting, except by a majority vote of those present and voting. (Bylaws, Art. 3, § 6, 11-12-1940)

**TOWN OF MILLBURY
127 ELM STREET
MILLBURY, MA 01527**



SPECIAL TOWN MEETING WARRANT

WORCESTER, S.S.

Town of Millbury Constables: In the name of the Commonwealth of Massachusetts, you are hereby directed to notify and warn the inhabitants of the Town of Millbury qualified to vote in town affairs to meet at the Millbury Memorial JR/SR High School, 12 Martin Street in Millbury on

Tuesday, November 10, 2020 at 7:00 P.M.

Then and there to vote on the following articles:

ARTICLE 1: To see if the Town will vote to raise and appropriate, transfer from available funds, transfer from free cash, or otherwise provide the sum of \$250,000.00 to the Stabilization Fund, or take any other action thereon. (Board of Selectmen) (Required Vote: Majority)

The Finance Committee recommends that \$250,000 be raised and appropriated, transferred from available funds, borrowed, or otherwise provided for the purposes of Article 1.

Reason: The Town did not appropriate any funding into the Stabilization Reserve Fund at the Annual Town Meeting. Due to the COVID-19 crisis and the conservative revenue estimates used in determining the revised COVID FY21 budget, Town management recommended that the annual contribution to the Stabilization Fund be suspended. Now, refined revenue estimates including level funding of state local aid allow Town management to recommend that this contribution be made in full, \$250,000.

ARTICLE 2: To see if the Town will vote to raise and appropriate, transfer from available funds, transfer from free cash, or otherwise provide the sum of \$100,000.00 to the OPEB Trust account, or take any other action thereon. (Board of Selectmen) (Required Vote: Majority)

The Finance Committee recommends that \$100,000 be raised and appropriated, transferred from available funds, borrowed, or otherwise provided for the purposes of Article 2.

Reason: Town Meeting did not appropriate the original recommended funding of \$150,000 into the OPEB Trust Fund Account at the Annual Town Meeting. Due to the COVID-19 crisis and the conservative revenue estimates used in determining the revised COVID FY21 budget, Town management recommended that the annual contribution to the OPEB Trust Fund Account Stabilization Reserve Fund be reduced to \$50,000. Now, refined revenue estimates including level funding of state local aid allow Town management to recommend that a contribution of an additional \$100,000 be made.

ARTICLE 3: To see if the Town will vote to authorize the Town Manager to make future payments of accrued liabilities for compensated absences due any employee of the Town upon the termination of the employee's employment from the reserve fund for accrued liabilities for compensated absences, and further to raise and appropriate, transfer from available funds, transfer from free cash, or otherwise provide the sum of \$100,000.00 to said reserve fund, or take any other action thereon. (Board of Selectmen) (Required Vote: Majority)

The Finance Committee recommends that \$100,000 be raised and appropriated, transferred from available funds, borrowed, or otherwise provided for the purposes of Article 3.

Reason: Municipal employees are eligible for payment of unused paid time off (sick and vacation). Currently there is no funding source for this and the amount either needs to be budgeted for an anticipated retirement or appropriated via STM from free cash. This fund allows the town to proactively plan for retirements. Town management recommended at the Annual Town Meeting that the Town appropriate \$100,000 for this purpose. Now, new revenue estimates and level funding of state local aid allow town management to recommend that a contribution of an additional \$100,000 be made.

ARTICLE 4: To see if the Town will vote to raise and appropriate, transfer from available funds, transfer from free cash, or otherwise provide the sum of \$300,000.00 to the Overlay account, or take any other action thereon. (Board of Selectmen) (Required Vote: Majority)

The Finance Committee recommends that Article 4 be indefinitely postponed

Reason: In order to raise the sum of Forty-Seven Million Thirty-One Thousand Four Hundred Fourteen Dollars (\$47,031,414) necessary to defray the expenses and charges of the Town of Millbury in Fiscal Year 2021, the period of July 1, 2020 through June 30,

2021, the Annual Town Meeting transferred and appropriated \$464,036, from the Overlay fund. New revenue estimates and level funding of state local aid allow Town management to recommend that \$300,000 be returned to this reserve fund. The Finance Committee appreciates this and, pending validation of the current amount in the Overlay Fund, does not believe that passing this simply to come to the allowable levy is reason enough. The Finance Committee will review this prior to the STM and may have a different recommendation on the floor.

ARTICLE 5: To see if the Town will vote to accept the provisions of Chapter 59, Section 5C 1/2, of the Massachusetts General Laws, to provide an additional exemption of 100% of the real property tax exemptions authorized under Chapter 59, Section 5, for certain blind persons, veterans, surviving spouses and seniors, or take any other action thereon. (Selectman Christopher Naff) (Required Vote: Majority)

The Finance Committee recommends that Article 5 be indefinitely postponed.

Reason: This was voted on at the ATM this past June and was defeated. Selectman Naff is again recommending that the Elderly and Veterans tax exemptions be increased by 100% vs 2020. The Finance Committee could not recommend this article for passage because in June 2020, at the ATM for the 2021 budget, the FY20 amounts shown below were increased by 20%. There should be additional columns based on the FY21 amount, shown below, that would express the revised increase proposed with a new dollar impact amount so that the taxpayers may fully understand the revised dollar impact.

Exemption Code		FY20	Proposed	New
		Amount	Increase	Amount
37	Blind	550	100%	1,100
17D	Elderly-low	262	100%	525
41	Elderly-high	1,100	100%	2,200
22	Veteran-low	440	100%	880
22E	Veteran-100%	1,100	100%	2,200
22B	Veteran-Max	1,375	100%	2,750

ARTICLE 6: To see if the Town will vote to raise and appropriate, transfer from available funds, transfer from free cash, or otherwise provide the following sums for any or all of the following capital improvement projects or purchases and to supplement certain sums of money the Town's Fiscal Year 2021 Operational Budget as approved by the vote taken under Article 2 of the June 23, 2020 Annual Town Meeting; or take any other action thereon. (Board of Selectmen) (Required

Vote: Majority)

	DEPT	REQUEST	AMOUNT	FINCOM RECOMM	REASON	FUNDING SOURCE
A	Town Manager	Downtown Project, Phase I; Construction and Change Orders	\$45,000	Accepted as Written	Payment for unexpected construction modifications	
B	Town Manager	Downtown Project, Phase II, Engineering Costs	\$45,000	Accepted as Written	Town's original share to be eligible for grants	
C	Manager & Town Clerk	Purchase of 5 additional poll pads	\$7,500	Accepted as Written	To complete the number of new poll pads necessary for conducting an election	
D	Manager & Town Clerk	Election Expenses	\$15,000	Accepted as Written	To provide for additional expenses during COVID-19 for the Presidential election.	
E	Town Manager, Tree Warden & DPW Operations Manager	Tree Warden Chip Truck	\$88,000	Accepted as Written	This would allow the Town to use one less outside contractor at \$75 per hour. The vehicle would be used to carry/store chain saws, pole saws, blowers, traffic cones, gas, oil, rakes, etc. This truck would allow the Tree Warden to be self-sufficient and not have to rely on the DPW to pull the brush chipper. It could also be used with snow removal	
F	Manager & Emergency Management Director	Un-reimbursed COVID-19 Expenses	\$10,000	Accepted as Written	COVID-19 expenses are reimbursed at different expenses and at different times from first CARES Act and then FEMA	
G	Town Manager & Library Director	Library Walks and Stairs Repairs	\$15,000	Accepted as Written	In addition to FY20 & FY21 appropriation and reauthorized funds, this will address the increased costs of the larger project of deteriorating front and rear walkways as well as the front stairs.	
H	Town Manager & DPW Operations Manager	Cemetery Repairs and Upgrade Irrigation System	\$10,000	Accepted as Written	To continue a program of on-going repairs to the Central Cemetery.	
I	Town Manager & DPW Operations Manager	Veterans Monuments Upkeep and Repairs	\$17,500	Accepted as Written	To repair various Veterans and War Monuments including memorial stones and monuments.	
J	Town Manager and COA Director	Fund COA Program Administrator (7 months)	\$20,000	Accepted as Written	Increase appropriated funding for 7 months	

K	Chair, Board of Selectmen	Increase of salary appropriation for one position (2/3 year), Town Manager's Office	\$90,000	Accepted as Written		
L	Police	Increase salary appropriation to fund vacant Police Officer position (1/2 year) and retroactive collective bargaining increases	\$45,000	Accepted as Written	Replace funding to bring compliment up to authorized positions (18) and fund retroactive collective bargaining increases	
M	Police	Police Equipment & Academy Tuition	\$15,000	Accepted as Written	Funding to outfit new recruit and Academy tuition	
N	Town Manager	Municipal Office Building File Storage Area Construction	\$18,000	Accepted as Written	Provisions for the construction and modification of storage facilities for mandated permanent files in the MOB (files from MOB and McGrath School)	
O	Fire Department	Repair to Fire Engine and Fire Engine	\$5,000	Accepted as Written	To repair to Fire Engine and Fire Engine	

The Finance Committee recommends that Article 6 be accepted as written.

ARTICLE 7: To see if the Town will vote to borrow a sum not to exceed \$1,000,000 for the purpose of financing the costs of construction and services for compliance with Massachusetts Department of Environmental Protection 314 CMR 12.00, Operation, Maintenance and Pretreatment Standards for Wastewater Treatment Works and Indirect Dischargers, including without limitation, all costs thereof as defined in Chapter 29C, Section 1, of the Massachusetts General Laws; that to meet this appropriation the Town Treasurer with the approval of the Board of Selectmen, is authorized to issue any bonds or notes that may be necessary for such purpose up to \$1,000,000 pursuant to Chapter 44, Section 7 or 8, of the Massachusetts General Laws, or any other enabling authority, and that while such bonds or notes shall be general obligations of the Town, it is intended that the principal and interest thereon shall be paid from the Sewer Enterprise Fund; that the Town Treasurer, with the approval of the Board of Selectmen, is authorized to borrow all or a portion of such amount from the Massachusetts Clean Water Trust established pursuant to Chapter 29C of the Massachusetts General Laws, and in connection therewith to enter into a loan agreement and/or security agreement with the Trust and other wise to contract with the Department of Environmental Protection with respect to such loan and for any federal or state aid available for the project or for the financing thereof; and that the Board of Selectmen is authorized to enter into a project regulatory agreement with the Department of Environmental Protection, to expend funds available for the project and take any other action

relative thereto; provided that any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the cost issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20, of the Massachusetts General Laws, thereby reducing the amount authorized to be borrowed to pay such cost by a like amount; or take any other action thereon. (Board of Sewer Commissioners) (Required Vote: Two-Thirds Majority)

The Finance Committee recommends that a sum no greater than \$1,000,000 be borrowed for the purposes of Article 7.

Reason: The Town has an obligation to provide funding for cost of the Town's sanitary sewer rehabilitation projects, which is the result of the Massachusetts Department of Environmental Protection's regulations 314 CMR 12.00, Operation, Maintenance and Pretreatment Standards for Wastewater Treatment Works and Indirect Dischargers. The Town's multi-year sanitary sewer system evaluation survey program spans 20 years of efforts and will costs approximately \$7.2 million. The Commonwealth of Massachusetts has instituted a Massachusetts Clean Water Trust Loan Program to assist municipalities. This Loan Program provides funding for a loan at 2% interest with 6.6% forgiveness on the principal over 20 years.

ARTICLE 8: To see if the Town will vote to amend the purpose of Article 10 at the November 12, 2019 Special Town Meeting to authorize the prior appropriation of \$68,000 for a storage facility for emergency management equipment and to install an emergency generator at the Municipal Office Building instead of the Council on Aging building, or take any other action thereon. (Board of Selectmen) (Required Vote: Simple Majority)

The Finance Committee recommends that Article 8 be accepted as written.

Reason: The Town is not able to install a generator at the intended site at the Senior Center since part of the generator pad would be on railroad property. Instead, the Town intends to install the purchased generator in the Municipal Office Building. The present MOB generator is past its warranty and expected life-span and breaks down frequently.

ARTICLE 9: To see if the Town will vote to authorize the Board of Selectmen to acquire upon such terms and conditions as the Board of Selectmen shall deem appropriate a permanent easement for public way purposes over a portion of the property depicted as "Proposed Access Easement, 296 S.F. +/-" on a plan entitled "Easement Pan of 4-6 A-B Sutton Road in Millbury, MA, Owned by 4 Sutton Road, LLC, Prepared for Town of Millbury" dated July 16, 2020, and prepared by Andrew Survey & Engineering, Inc., which is on file and available for public inspection at the Town Clerk's Office, and to enter into all agreements and execute any and all instruments as may be necessary on behalf of the Town to effect said acquisition, or take any other action thereon. (Board of Selectmen) (Required Vote: Simple Majority)

The Finance Committee defers recommendation on Article 9 to the Board of Selectmen.

Reason: *This easement is the final step necessary to settle litigation over this matter.*

ARTICLE 10: To see if the Town will vote to raise and appropriate, transfer from available funds, including but not limited to the Sewer Stabilization Fund and Retained Earnings in the Sewer Enterprise Fund, borrow, or otherwise provide the sum of \$500,000, or any other sum, to be expended by the Board of Sewer Commissioners for the purpose of repairing or replacing damaged sewer lines and completing other repairs and restoration work associated with a sewer line break, including engineering and other related expenses, and further to authorize the Board of Sewer Commissioners with the approval of the Town Manager to expend insurance proceeds received by the Town to carry out the purposes of this article, or take any other action thereon. (Board of Sewer Commissioners) (Required Vote: Two-Thirds Majority)

The Finance Committee defers recommendation on Article 10 to the Board of Sewer Commissioners.

Reason: *This appropriation is necessary to fund repairs and restoration work resulting from a sewer line break.*

ARTICLE 11: To see if the Town will vote to petition a Special Act of the General Court to Grant an additional All Alcohol Package Store License for Goretti Supermarkets, Inc. at 1 Providence Street, Millbury, MA 01527.

(Citizens Petition) (Mark Goretti) (Required Vote: Majority)

The Finance Committee defers recommendation on Article 11 to the Board of Selectmen.

CONSTABLES:

In addition, you are directed to serve the above warrant by posting up an attested copy thereof at the Post Office, Library, and Senior Center in said Town and in addition at available public places in West Millbury, Bramanville, Dorothy Pond and East Millbury seven days at least before the time of holding said meeting.

Given under our Hands this 13th day of October, Two Thousand Twenty.

BOARD OF SELECTMEN

Mary Krumsiek, Chair

Katherine M. McKenna, Vice Chair

Scott Despres, Clerk

Christopher J. Naff, Member

David Delaney, Member

Worcester SS

Town of Millbury

By virtue of this Warrant, I have this day notified and warned the inhabitants of the Town of Millbury, herein described, to meet at the time and place and for the purpose within mentioned by posting up an attested copy of this Warrant at the Post Office, Library, at the Senior Center, at the Pearson Farm & Dairy, at the Village Knoll, at J.T. Mini Mart, at the East Millbury Fire Station, in said Town seven days at least before the time of holding such meeting.

Date & Time: October 21, 2020 @ 11:25 AM

A TRUE COPY ATTEST – TOWN CLERK:

CONSTABLE: Todd E. Army

TOWN CLERK : Jayne Marie Davolio

MUNICIPAL FINANCE TERMS

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge or special assessment imposed by a governmental unit.

Appropriation: An authorization by the Town Meeting to make obligations and payments from the treasury for a specific purpose.

Assessed Valuation: A value assigned to real estate or other property by a government as the basis for levying taxes. In Massachusetts, assessed valuation is based on a property's full and fair cash value as set by the Assessors. (See Full and Fair Cash Value)

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other onetime costs. Examples of available funds include free cash, stabilization funds, overlay surplus, water surplus, and enterprise net assets unrestricted (formerly retained earnings).

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

Bond Anticipation Note (BAN): Short-term debt instrument used to generate cash for initial project costs and with the expectation that the debt will be replaced later by permanent bonding. Typically issued for a term of less than one year, BANs may be re-issued for up to five years, provided principal repayment begins after two years (MGL Ch. 44 §17). Principal payments on school related BANs may be deferred up to seven years (increased in 2002 from five years) if the community has an approved project on the Massachusetts School Building Authority (MSBA) priority list. BANs are full faith and credit obligations.

Bond Authorization: The action of town meeting authorizing the executive branch to raise money through the sale of bonds in a specific amount and for a specific purpose. Once authorized, issuance is by the treasurer upon the signature of the mayor, or selectmen. (See Bond issue)

Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment.

Budget Message: A statement that, among other things, offers context by summarizing the main points of a budget, explains priorities, describes underlying policies that drive funding decisions, and otherwise justifies the expenditure plan and provides a vision for the future.

Capital Assets: All tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

Capital Improvements Program: A blueprint for planning a community's capital expenditures that comprises an annual capital budget and a five-year capital program. It coordinates community planning, fiscal capacity and physical development. While all of the community's needs should be identified in the program, there is a set of criteria that prioritizes the expenditures.

Capital Outlay Expenditure Exclusion: A temporary increase in the tax levy to fund a capital project or make a capital acquisition. Exclusions require two-thirds vote of the selectmen and a majority vote in a community-wide referendum. The exclusion is added to the tax levy only during the year in which the project is being funded and may increase the tax levy above the levy ceiling.

Cherry Sheet: Named for the cherry colored paper on which they were originally printed, the Cherry Sheet is the official notification to towns and regional school districts of the next fiscal year's state aid and assessments. The aid is in the form of distributions, which provide funds based on formulas and reimbursements that provide funds for costs incurred during a prior period for certain programs or services. Links to the Cherry Sheets are located on the DLS website at www.mass.gov/dls. (See Cherry Sheet Assessments, Estimated Receipts)

Cherry Sheet Assessments: Estimates of annual charges to cover the cost of certain state and county programs.

Classification of the Tax Rate: Each year, the selectmen vote whether to exercise certain tax rate options. Those options include choosing a residential factor (MGL Ch. 40 §56), and determining whether to offer an open space discount, a residential-exemption (Ch. 59, §5C), and/or a small commercial exemption (Ch. 59, §5I) to property owners.

Debt Exclusion: An action taken by a community through a referendum vote to raise the funds necessary to pay debt service costs for a particular project from the property tax levy, but outside the limits under Proposition 2 1/2. By approving a debt exclusion, a community calculates its annual levy limit under Proposition 2 1/2, and then adds the excluded debt service cost. The amount is added to the levy limit for the life of the debt only and may increase the levy above the levy ceiling.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that is chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: An enterprise fund, authorized by MGL Ch. 44 §53E½, is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery-- direct, indirect, and capital costs—are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services. (See DOR IGR 08-101)

Equalized Valuations (EQVs): The determination of the full and fair cash value of all property in the commonwealth that is subject to local taxation. EQVs have historically been used as variables in distributing certain state aid accounts and for determining county assessments and certain other costs. The Commissioner of Revenue, in accordance with M.G.L. Ch. 58 §10C, is charged with the responsibility of bi-annually determining an equalized valuation for each town and city in the Commonwealth.

Estimated Receipts: A term that typically refers to anticipated local revenues listed on page three of the Tax Recapitulation Sheet. Projections of local revenues are often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

Excess and Deficiency (E&D): Also called the "surplus revenue" account, this is the amount by which cash, accounts receivable, and other assets exceed a regional school district's liabilities and reserves as certified by the Director of Accounts.

Excess Levy Capacity: The difference between the levy limit and the amount of real and personal property taxes actually levied in a given year. Annually, the board of selectmen or council must be informed of excess levying capacity and evidence of such acknowledgment must be submitted to DOR when setting the tax rate.

Fiscal Year (FY): Since 1974, the Commonwealth and municipalities have operated on a budget cycle that begins July 1 and ends June 30. The designation of the fiscal year is that of the calendar year in which the fiscal year ends.

Free Cash: (Also Budgetary Fund Balance) remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant, or comptroller. Important: free cash is not available for appropriation until certified by the Director of Accounts. (See Available Funds)

Full and Fair Cash Value (FFCV): Fair cash value has been defined by the Massachusetts Supreme Judicial Court as "fair market value", which is the price an owner willing but not under compulsion to sell ought to receive from one willing but not under compulsion to buy. It means the highest price that a normal purchaser not under peculiar compulsion will pay at the time, and cannot exceed the sum that the owner after reasonable effort could obtain for his property. A valuation limited to what the property is worth to the purchaser is not market value. The fair cash value is the value the property would have on January first of any taxable year in the hands of any owner, including the present owner." (Boston Gas Co. v. Assessors of Boston, 334 Mass. 549, 566 (1956))

Fund: An accounting entity with a self-balancing set of accounts that is segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

GASB 34: A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.

GASB 45: This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

General Fund: The fund used to account for most financial resources and activities governed by the normal town meeting appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Governmental Accounting Standards Board (GASB): The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

Grant: A contribution of assets by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal government. Grants are usually made for specific purposes.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Levy Limit: A levy limit is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 2 1/2). It states that the real and personal property taxes imposed by a city or town may only grow each year by 2 1/2 percent of the prior year's levy limit, plus new growth and any overrides or exclusions. The levy limit can exceed the levy ceiling only if the community passes a capital expenditure exclusion, debt exclusion, or special exclusion. (See Levy Ceiling)

Line Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

Local Aid: Revenue allocated by the Commonwealth to cities, towns, and regional school districts. Estimates of local aid are transmitted to cities, towns, and districts annually by the "Cherry Sheets." Most Cherry Sheet aid programs are considered general fund revenues and may be spent for any purpose, subject to appropriation.

Local Appropriation Authority: In a town, the town meeting has the power to appropriate funds, including the authorization of debt.

Local Receipts: Locally generated revenues, other than real and personal property taxes. (See Estimated Receipts)

M.G.L.: Massachusetts General Laws.

New Growth: The additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year. It does not include value increases caused by normal market forces or by revaluations. New growth is calculated by multiplying the assessed value associated with new construction, renovations and other increases by the prior year tax rate. The additional tax revenue is then incorporated into the calculation of the next year's levy limit. For example, new growth for FY07 is based on new construction, etc. that occurred between January and December 2005 (or July 2005 and June 2006 for accelerated new growth communities). In the fall of 2006, when new growth is being determined to set the FY07 levy limit, the FY06 tax rate is used in the calculation.

Note: A short-term loan, typically with a maturity date of a year or less.

Other Amounts to be Raised: (Tax Recapitulation Sheet) Amounts not appropriated but raised through taxation. Generally, these are locally generated expenditures (e.g., overlay, teacher pay deferral, deficits) as well as state, county and other special district charges. Because they must be funded in the annual budget, special consideration should be given to them when finalizing the budget recommendations to the city council or town meeting.

Overlapping Debt: A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

Overlay: (Overlay Reserve or Allowance for Abatements and Exemptions) An account established annually to fund anticipated property tax abatements, exemptions and uncollected taxes in that year. The overlay reserve need not be funded by the normal appropriation process, but rather is raised on the tax rate recapitulation sheet.

Overlay Deficit: A deficit that occurs when the amount of overlay raised in a given year is insufficient to cover abatements, statutory exemptions, and uncollected taxes for that year. Overlay deficits must be provided for in the next fiscal year.

Overlay Surplus: Any balance in the overlay account of a given year in excess of the amount remaining to be collected or abated can be transferred into this account. Within 10 days of a written request by the chief executive officer of a city or town, the assessors must provide a certification of the excess amount of overlay available to transfer. Overlay surplus may be appropriated for any lawful purpose. At the end of each fiscal year, unused overlay surplus is "closed" to surplus revenue, i.e., it becomes a part of free cash.

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

Proposition 2 1/2: A state law enacted in 1980, Proposition 2 1/2 regulates local property tax administration and limits the amount of revenue a city or town may raise from local property taxes each year to fund municipal operations.

Reserve for Abatements and Exemptions: (See Overlay)

Reserve Fund: Money set aside by Town Meeting to be allocated by the Advisory Board for extraordinary and unforeseen expenditures.

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information. Every three years, assessors must submit property values to the DOR for certification. Assessors must also maintain fair cash values in the years between certifications so that each taxpayer in the community pays his or her share of the cost of local government in proportion to the value of his property. (See Triennial Certification)

Revolving Fund: Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service. For departmental revolving funds, MGL Ch. 44 §53E1/2 stipulates that each fund must be reauthorized each year at annual town meeting, and that a limit on the total amount that may be spent from each fund must be established at that time.

Stabilization Fund: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (MGL Ch. 40 §5B). Communities may establish one or more stabilization funds for different purposes and may appropriate into them in any year an amount not to exceed ten percent of the prior year's tax levy. The total of all stabilization fund balances shall not exceed ten percent of the community's equalized value, and any interest shall be added to and become a part of the funds. A two-thirds vote of town meeting is required to establish, amend the purpose of, or appropriate money into or from the stabilization fund. (See DOR IGR 04-201)

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

Tax Rate Recapitulation Sheet (Recap Sheet): A document submitted by a city or town to the DOR in order to set a property tax rate. The recap sheet shows all estimated revenues and actual appropriations that affect the property tax rate. The recap sheet should be submitted to the DOR by September 1 (in order to issue the first- half semiannual property tax bills before October 1) or by December 1 (in order to issue the third quarterly property tax bills before January 1).

Triennial Certification: The Commissioner of Revenue, through the Bureau of Local Assessment, is required to review local assessed values every three years and to certify that they represent full and fair cash value (FFCV). Refer to MGL Ch. 40 §56 and Ch. 59 §2A(c).

Trust Fund: In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by town meeting. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

Undesignated Fund Balance: Monies in the various government funds as of June 30 that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.