



Photos from top left to bottom: DPW dump truck with plow, Fire ambulance and engine, Jonas Clark Library



FY2020 – FY2024 Capital Improvement Plan (CIP)

Town of Hubbardston, Massachusetts

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INTRODUCTION

The FY2020 – FY2024 Capital Improvement Plan (CIP) for the Town of Hubbardston invests more than \$17.5 million into the community for a variety of goals, for example: upgrading roadways and bridges to ensure safe and comfortable travel, rehabbing community facilities such as the Center School and the Jonas Clark Library to better serve residents, and replacing worn out equipment used to accomplish the day-to-day operations of departments such as the DPW and Police Department.

The CIP identifies approximately \$15.2 million in non-local funds, a reflection of the Town's focus on leveraging local dollars and human resources to pursue State grants and other funding for the betterment of the community. The Town has been very successful at getting local projects on the State's Transportation Improvement Plan (STIP).

The Capital Investment Strategy recommends a commitment of 6% of net operating budget to reinvest in capital projects. Such a commitment is in line with best practices, but also represents an achievable goal in line with the Town's financial forecast and existing policies.

The comprehensive FY2020 – FY2024 CIP described in this report is a roadmap for the future. Equally as important, the background supporting materials that will be provided to the Town Administrator can be tools for the Town to annually extend that roadmap for the next five-year period to ensure that the Town continues to meet its obligations and goals.

What is a capital budget? What is a capital project?

A capital budget is distinct from an operating budget in that the items included in a capital budget are typically large or infrequent expenses, such as construction of a new building or acquisition of a new dump truck, whereas an operating budget includes recurring expenses or are modest in magnitude, such as supplies or vehicle maintenance. A capital budget identifies the array of resources to be used to fund a series of capital projects. In many instances, municipalities establish minimum dollar thresholds for projects to be included in a CIP.

The Massachusetts Association of Town Finance Committees defines capital projects as "major, non-recurring expenditures, for one of the following purposes:

- acquisition of land for a public purpose;
- construction of a new facility or external expansion or major rehabilitation of an existing one. Examples of such town facilities include public buildings, water and sewer lines, roads and playing fields;
- purchase of vehicles or major equipment items;
- planning, feasibility, engineering or design study related to a capital project or to a capital improvement program consisting of individual projects;
- equipment for public improvements when they are first constructed such as furniture, office equipment, or playground equipment;
- major equipment which is expensive and has a relatively long life such as a fire apparatus, garbage trucks, and construction equipment."

What is a capital plan? Why prepare one?

According to the Massachusetts Department of Revenue (DOR), a capital plan is a blueprint for planning a community's capital expenditure and "one of most important responsibilities of local government officials." Putting together multiple years of capital spending into a plan, instead of looking at each year in isolation, has multiple benefits including:

- impacts on the operating budget can be minimized through thoughtful debt management;
- high-cost repairs and emergency acquisitions can be reduced by implementing regular vehicle and equipment replacement schedules, and by undertaking major facilities improvements, such as replacing roofs, before a problem becomes chronic and damage occurs;
- large scale, ambitious public improvements can be phased over multiple years;
- critical parcels of land can be purchased before costs increase;
- costly mistakes created by lack of coordination - such as paving a street one year and then cutting into it the next year to install a sewer line – can be avoided; and,
- methodical progress can be made toward meeting community goals.

TOWN OF HUBBARDSTON'S CAPITAL ASSETS

The Town of Hubbardston provides a variety of services to residents, businesses, and visitors from recreational opportunities to fire and emergency response to snow and ice removal. In order to provide these services, the Town's capital assets must be maintained in good working order. These capital assets could be used directly by the public – such as a playground – or used internally by municipal staff in the course of conducting official business – such as servers and other IT assets.

The proper care of the Town's assets not only protects the taxpayers' investments, but also can be critically important to the health and safety of the residents and businesses. Like many other Massachusetts municipalities, the Town of Hubbardston faces a substantial challenge in balancing the need for reinvestment in capital assets and the cost.

Capital assets the Town of Hubbardston is responsible for include:

- Facilities and major components therein;
- Information Technology;
- Parks and open space;
- Roads, bridges, and related infrastructure; and
- Vehicles and equipment.

Facilities

The Town of Hubbardston manages buildings that serve a multitude of purposes from offices to the Hubbardston Public Library to the Fire Station. Each of the facilities in the town must be maintained on a regular basis to ensure the safety and effectiveness of the working environment. Buildings and the major components therein, such as the HVAC system, roof, flooring, and well and septic system, do have certain lifespans and so major upgrades and/or replacements may be necessary or advantageous. The Town facilities are served by Town-owned wells and septic systems.

| HUBBARDSTON TOWN FACILITIES | |
|--|--------------------------------|
| Name | Address |
| Cemetery Storage | Main St |
| Salt Shed | Route 68 (Highway Dept. Bldg.) |
| Fire Station | Main St |
| Fire Station #2 (Leased Garage) | 48 Gardner Rd |
| Hubbardston Center School | Main St |
| Library/Historical Society | 7 Main St |
| Recycling Storage Sheds #1 and #2 | Route 68 |
| Slade Building | 7A Main St |
| Town Garage with Above Ground Gas/Diesel Tanks | 68 Worcester Rd |

In recent years, the Town has made significant improvements to the Library. For example, in 2016, asbestos tiles were removed and the hardwood floors were refinished. Recently, the Town began the process of replacing the slate roof at the historic building.

The Town owns the Hubbardston Center School and leases it to the Quabbin Regional School District (QRSD). Under the lease agreement, QRSD can incur capital costs. If those costs are between \$5,000 - \$10,000, then they must be approved by the Board prior to the work being done. Any cost greater than \$10,000 must be approved by a majority vote of Town Meeting. The district shared its priority capital projects for the purposes of developing this plan.

Information Technology

In order to operate effectively and efficiently, the Town department staff require various IT. This includes desktop and laptop computers, peripheral equipment such as printers and copiers, and computer servers. According to the Town's asset inventory, there are 21 computers at the Town offices and 18 at Police and Fire locations. There are also four servers. In addition to these assets, departments may use other IT in the course of their duties. For example, Police and Fire use portable and mobile radio units for communication.

Parks and Open Space

The Town of Hubbardston provides the following sites for active and passive recreation:

| Town Facility | Description |
|---|---|
| Curtis Recreation Field (6.42 acres) | Soccer, baseball/softball, football and a bandstand |
| Rainbow's End Playground | Playground |
| Skateboard Park | Skate park |
| Mt. Jefferson Conservation Area (250 acres) | Hiking trails, wildlife |

In addition, according to the Town's Open Space and Recreation Plan, the Town owns 16 acres of land used for cemeteries and slightly more than 80 acres where Town buildings are located. The Town also has many acres of recreational areas and protected acreage owned by the State.

Roads, Bridges, and Related Infrastructure

There are nearly 86 miles of road within Hubbardston, the vast majority of which (96% or 82.5 miles) are Town-owned roads. Another three miles are unaccepted (or private) ways. Roads are typically classified into three categories:

- **Local streets** comprise approximately 58 miles in Hubbardston. These roads provide access to residential properties and generally have lower speed limits.
- **Collector roads** make up about 20 miles of the Town's network. These roads primarily collect traffic from local streets and funnel it to arterial streets and vice versa.

- **Arterial roadways** comprise around 8 miles of roads in the Town. These roads are designed for mobility, carrying traffic at greater speeds over longer distance than other roads. These streets are typically numbered. These roadways may be maintained by the State and function as part of a regional highway system¹.

Roads degrade over time through use and as a result of water infiltration, which can cause damage through freeze/thaw cycles common here in New England.

In addition, there are 22 bridges and large culverts owned by the Town of Hubbardston, as evidenced by MassDOT's bridge inventory². The State is responsible for inspecting these bridges, but the Town is responsible for repairs and replacement. There are also many smaller municipally-owned culverts in Town.

| Facility Carried | Feature Intersected | Structure | Year Built/Reconst'd | Structure Category |
|--------------------|---------------------|--|----------------------|--------------------|
| WILLIAMSVILL | BURNSHIRT RIVER | Steel Stringer/Multi-beam or Girder | 1939 | Bridge (NBI) |
| EVERGREEN RD | MASON BROOK | Steel Stringer/Multi-beam or Girder | 1920/1938 | Bridge (NBI) |
| PITCHRVLL RD | HUBBARDSTON BROOK | Steel Culvert | 1960 | Culvert |
| BIRCHES RD | TEMPLETON BROOK | Steel Culvert | 1950 | Culvert |
| RAGGD HLL RD | TEMPLETON BROOK | Concrete Culvert | 1940 | Short Span Bridge |
| WILLMSVIL RD | CONESTO BROOK | Steel Culvert | 1850 | Culvert |
| LOMBARD RD | E BR WARE RIVER | Steel Culvert | 1850 | Culvert |
| RAGGD HLL RD | TEMPLETON BRK TRIB | Concrete Culvert | 1940 | Culvert |
| NEW TEMPLTN | NATTY POND BROOK | Masonry Culvert | 1850 | Culvert |
| ST 62 OLD BSTN TPK | COMET POND OTLT | Steel Culvert | 2009 | Culvert |
| LOMBARD RD | E BR WARE RIVER | Steel Culvert | 1960 | Culvert |
| HALE RD | NATTY POND BROOK | Steel Stringer/Multi-beam or Girder | 2000 | Bridge (NBI) |
| NEW WSTMNSTR | JOSLIN BROOK | Aluminum, Wrought Iron, or Cast Iron Culvert | 2004 | Bridge (NBI) |
| BURNSHIRT RD | BURNSHIRT RIVER | Steel Stringer/Multi-beam or Girder | 1940/2015 | Bridge (NBI) |
| BRIGHAM ST | BRIGHAM POND INLET | Steel Stringer/Multi-beam or Girder | 1939 | Bridge (NBI) |
| ST 62 OLD BSTN TPK | W BR WARE RIVER | Steel Culvert | 1950 | Bridge (NBI) |
| WILLMVILL RD | NATTY POND BROOK | Concrete Culvert | 1939 | Short Span Bridge |
| PITCHRVLL RD | TEMPLETON BROOK | Concrete Culvert | 1940 | Short Span Bridge |
| HEALDVILLE RD | MASON BROOK | Wood or Timber Slab | 1938/2016 | Short Span Bridge |
| ST 62 OLD BSTN TPK | COMET POND OTLT | Concrete Slab | 1938 | Culvert |
| ST 62 OLD BSTN TPK | COMET POND OTLT | Concrete Slab | 1938 | Culvert |
| ST 62 OLD BSTN TPK | W BR WARE RIV TRIB | Steel Arch-Deck | 1950 | Short Span Bridge |

¹ MassDOT 2017 Road Inventory, <https://www.mass.gov/files/documents/2018/03/19/2017-ri-ye-rpt.pdf>

² MassDOT Open Data Portal, <https://geo-massdot.opendata.arcgis.com/datasets/bridges>

In 2018, Hubbardston was awarded \$425,000 to preserve bridges on Williamsville Road and Ragged Hill Road over Natty Pond Brook and Templeton Brook through the competitive Municipal Small Bridge Program.

Vehicles and Equipment

Town staff use an array of vehicles and equipment to complete their tasks on a daily basis. The Town owns 42 vehicles and pieces of equipment, ranging from pickup trucks and sedans to tractors and fire engines. The departments also have other small equipment and tools, such as generators, trailers, and hand tools.

FY2019 Vehicle Inventory

| UNIT | DEPT | YEAR | TRADE NAME | PLATE | PLATE | WEIGHT |
|------|--------|------|-----------------------------------|--------|-------|--------|
| 1 | HWY | 1968 | Bombardier Tractor SW48 | M52093 | MVN | 4400 |
| 2 | CEMET | 1981 | GMC Forestry Pickup | M70939 | MVN | |
| 3 | TOWN | 1983 | International 1754 Truck | M94480 | MVN | 25,000 |
| 4 | HWY | 1984 | Hough Loader | M48680 | MVN | 39850 |
| 5 | FIRE | 1986 | Chevrolet D30 pickup | MF7016 | MVN | 8800 |
| 6 | FIRE | 1994 | Intl 400SER Fire Truck | MF1765 | MVN | 35000 |
| 7 | HWY | 1994 | GMC Sierra pickup | M76347 | MVN | 4900 |
| 8 | HWY | 1997 | Ford Truck | M75407 | MVN | 2,200 |
| 9 | HWY | 1997 | Tiger Mower | M57358 | MVN | 10,000 |
| 10 | HWY | 1998 | Ford Dump Truck | M90515 | MVN | 42,200 |
| 11 | FIRE | 1999 | US Cargo AMC | M60659 | MVN | 7000 |
| 12 | FIRE | 2001 | KME XMFD Excel Fire Truck | MF7583 | MVN | 62000 |
| 13 | HWY | 2001 | Morbark Stormwood Chipper | M66080 | MVN | 7,000 |
| 14 | POLICE | 2003 | Haulmark Utility Trailer | MP135G | MVN | 2,900 |
| 15 | FIRE | 2004 | Steward & Stevenson M1090 | MFB496 | MVN | 32987 |
| 16 | HWY | 2004 | Mack Truck | M90065 | MVN | 43,040 |
| 17 | FIRE | 2005 | Ford E450 Osage Class 1 Ambulance | MF7577 | MVN | 14050 |
| 18 | HWY | 2005 | Elgin Pelican | M74113 | MVN | 14,300 |
| 19 | POLICE | 2005 | Chevrolet Malibu | | | |
| 20 | HWY | 2006 | Ford F450 Dump | M85758 | MVN | 16,000 |
| 21 | DPW | 2007 | Case 580SM | M44271 | MVN | 17545 |
| 22 | FIRE | 2007 | Spartan Fire Truck | MF9873 | MVN | 77000 |
| 23 | FIRE | 2007 | Ford F250 | MF8816 | MVN | 9800 |
| 24 | HWY | 2007 | Volvo Grader | M52078 | MVN | |
| 25 | FIRE | 2008 | Load Rite Trailer | MFB155 | MVN | |
| 26 | DPW | 2009 | Ford Explorer | M89712 | MVN | 4467 |
| 27 | HWY | 2009 | Sterling Dump Truck | M70938 | MVN | 43,000 |
| 28 | HWY | 2010 | Carry on Utility Trailer | M82685 | MVN | 2,990 |

POSSIBLE FUNDING SOURCES

There are a number of ways to finance municipal capital improvement projects. Some of the most common methods are:

Local Resources

- **Municipal Indebtedness:** The most commonly used method of financing large capital projects is general obligation bonds (also known as “GO Bonds”). They are issued for a period of time ranging from 5 to 30 years, during which time principal and interest payments are made. Making payments over time has the advantage of allowing the capital expenditures to be amortized over the life of the project. Funding sources used to pay back the debt can include:
 - **Bonds funded within the tax limits of Proposition 2 ½:** Debt service for these bonds must be paid within the tax levy limitations of proposition 2 ½. Funds used for this debt must be carefully planned in order to not impact the annual operating budget.
 - **Bonds funded outside the tax limits of Proposition 2½:** Debt service for these bonds is paid by increasing local property taxes in an amount needed to pay the annual debt service. Known as a Debt Exclusion or Exempt Debt, this type of funding requires approval by 2/3 vote of the local appropriating authority (Board of Selectmen) and approval by a majority of voters participating in a ballot vote. Prior to the vote, the impact on the tax rate must be determined so voters can understand the financial implications.³
- **Capital Outlay / Pay as You Go:** Pay as You Go capital projects are funded with current revenues (typically tax levy or free cash) and unexpended balances in previously approved projects. The entire cost is paid off within one year so no borrowing takes place. Projects funded with current revenues are customarily lower in cost than those funded by general obligation bonds because there are no interest costs. However, funds to be used for this purpose must be carefully planned in order to not impact the annual operating budget. For this reason, Pay as You Go capital projects are typically lower in value than projects funded by borrowing.
- **Capital Outlay / Expenditure Exclusion:** Expenditure Exclusion projects are similar to Pay as You Go, above, except taxes are raised outside the limits of Proposition 2 ½ and are added to the tax levy only during the year in which the project is being funded. As with a Debt Exclusion, Expenditure Exclusion funding requires approval by 2/3 vote of the local appropriating authority (Board of Selectmen) and approval by a majority of voters participating in a ballot vote. Prior to the vote, the impact on the tax rate must be determined so voters can understand the financial implications. Capital outlay expenditures may be authorized for any municipal purpose for which the town would be authorized to borrow money.

³ A debt exclusion is different from a property tax override in that a debt exclusion is only in place until the incurred debt has been paid off. An override becomes a permanent part of the levy limit base.

- **Capital Stabilization Fund:** Local officials can set aside money in a stabilization fund – outside of the general fund - to pay for all or a portion of future capital projects. A majority vote of Town Meeting is required to appropriate money into the fund and a 2/3rds vote to appropriate money out of this fund.
- **Sale of Surplus Real Property:** Pursuant to Massachusetts General Laws, when real estate is sold, the proceeds must first be used to pay any debt incurred in the purchase of the property. If no debt is outstanding, the funds “may be used for any purpose or purposes for which the town, city, or district is authorized to incur debt for a period of five years or more...except that the proceeds of a sale in excess of five hundred dollars of any park land by a town, city, or district shall be used only by said town, city, or district for acquisition of land for park purposes or for capital improvements to park land” (MGL Chapter 44, Sec. 63).
- **Free Cash:** Represents the remaining, unrestricted funds from operations of the previous fiscal year, including unexpended free cash from the previous year, actual receipts in excess of revenue estimated 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 June 30 balance sheet, which is submitted by the community's auditor, accountant, or comptroller. Free cash is not available for appropriation until certified by the Director of Accounts.
- **Special Purpose Funds:** Communities also have established numerous “Special Purpose Accounts” for which the use is restricted for a specific purpose, some of which may be investment in department facilities and equipment. There are numerous state statutes that govern the establishment and use of these separate accounts. Examples include ambulance funds, recreation funds, the sale of cemetery lots, and off-street parking fees accounts.
- **Community Preservation Act Funds:** The CPA allows a community to establish a fund to support open space, historic preservation, outdoor recreation, and community housing. Monies for the fund come from a percentage surcharge on residents of the Town and matching dollars from the State.

Federal, State, and Private Grants and Loans

Other revenue sources may include grants or loans from federal, state, or private sources. For example, federal money is used for bridge and roadway projects listed on the State Transportation Improvement Plan. Private funds are sometimes available from “Friends of...” groups for local libraries or Councils on Aging. However, the State provides the most opportunities for funding through various programs.

Key State funding sources for the Town of Hubbardston include:

- **Massachusetts Chapter 90 Roadway Funds:** Each year, the Massachusetts Department of Transportation (MassDOT) allocates funds to cities and towns for roadway construction, maintenance, or improvement. Funds may also be used for other work incidental to roadway work, such as the construction of a garage to house related vehicles, or the purchase of related vehicles, equipment, and tools. Chapter 90 is a 100% reimbursable program. Funding is accomplished through the issuance of transportation bonds and apportioned to municipalities based on three factors: 1) accepted road miles, 2) population, and 3) total employment within the municipal borders. Road miles is the most heavily weighted factor at 58.33%; the others are each weighted at 20.83%.

- **MassWorks Infrastructure Program:** This is a competitive grant program that provides capital funds for municipalities and other eligible public entities to complete public infrastructure projects that support and accelerate economic and housing development throughout the Commonwealth and/or address roadway safety concerns. Communities with populations under 7,000 are eligible to apply under the category for roadway safety in small towns, formally known as the STRAP program. Grant funding in this category does not exceed \$1 million per award. If awarded, towns are eligible to receive 1 grant every three fiscal years. These communities are also eligible to compete in the economic and housing development categories.
- **MassDOT Complete Streets:** A Complete Street is one that provides safe and accessible options for all travel modes – walking, biking, transit, and motorized vehicles – for people of all ages and abilities. MassDOT has a program to encourage municipalities to move toward a Complete Streets model. One component of the program is construction funding after the municipality has passed a Complete Streets Policy and developed a Prioritization Plan
- **Massachusetts School Building Authority (MSBA):** The MSBA provides funding for school repair and construction via a series of programs. In the School Building Program, projects must be accepted into the process in response to the submission of a Statement of Interest which identifies a facility problem to be solved. Subsequently, the community must appropriate funding for schematic design and later for construction before the MSBA will commit to its share of the project. If accepted, the MSBA determines the amount of reimbursement it will offer based upon community need, with a minimum base rate of 31%. The percent of reimbursement can then be increased based upon three factors: community income factor, community property wealth factor, and community poverty factor. Through the Accelerated Repair Program, the MSBA will fund roof, window, and boiler projects with an expected 18-month completion date. Funding can be provided for multiple projects in a single district in a year. The Major Repair Program includes roofs, windows, and boilers, but can also include other significant building renovations. Districts are limited to one project per year under the Major Repair Program, but work can be more substantial than the Accelerated Repair Program.

CAPITAL PLANNING PROCESS

The Town of Hubbardston hired the Edward J. Collins, Jr. Center for Public Management at the University of Massachusetts Boston to facilitate preparation of the Town's five-year Capital Improvement Plan (CIP) for FY2020 to FY2024.

Assessing Capital Needs

The project team met with leadership of all Town departments and many board/committees representatives to explain the process and discuss potential project requests. Departments were provided with the Center's online request form asking them to describe their proposed project(s), justify each project, prioritize projects, and identify the fiscal year(s) in which the project should be completed. In addition, departments were asked to indicate if non-local funds might be available to support the project and to anticipate the impact of the project on the Town's operating budget. For example, savings could be realized if the purchase of new equipment could reduce the cost of annual repairs.

This was a time-intensive process for staff, which required reviewing asset inventories, finding available data on asset condition/performance, and projecting out work for a five-year period.

Overall, 68 project requests were submitted, totaling just over \$34.7 million across all funding sources (local and non-local sources). This study did not physically inspect the infrastructure to validate the urgency for replacement of buildings, vehicles or equipment, but accepted the department head's submission and attempted to organize the projects based on their merits in such a way as to facilitate decisions as to the proposed spending plan.

The costliest project was \$15 million to build a new combined Senior Center, Public Safety Building, and Town Hall. This project is discussed more fully on page 17.

Road and bridge projects funded with State and Federal monies accounted for \$13.25 million, and the DPW and Town Administrator requested general fund monies to supplement Chapter 90 funds totaling \$300,000.

QRSD identified the Center School roof as a probable project for the final year of the plan. Although there are plans to pursue a study of the roof to determine options, staff did submit a project for \$1.5 million to replace the roof. The district would anticipate MSBA reimbursement for slightly more than half the cost.

Scoring Capital Project Requests

After working with department heads to obtain as much detail as possible about each project, the project team then scored the projects based on a series of criteria. The criteria included:

- State/Federal mandate/legal obligation or liability
- Threat to health/safety
- Advancement of adopted plans/studies/goals
- Department priority
- Impact on service to residents/businesses
- Distribution of benefit

- Economic benefits
- Environmental benefits
- Impact on operating budget
- Availability and likelihood of external funding
- Risk and impact of failure
- Impact on internal effectiveness and/or efficiency

Points were awarded by the project team based on the details provided about each project. The scoring methodology relies on complete and accurate data from department heads in order to accurately reflect a project's merits. A project's modest score may be the result of missing or incomplete information about the project and its justification. Such situations underscore the importance of a submission of comprehensive data for each project in order to best reflect the level of importance it deserves. That said, the project scores do not necessarily dictate which projects are or are not included in the final CIP. That decision is based on a number of factors, including the unique values and priorities of the Town of Hubbardston.

Developing the Capital Investment Strategy

The project team worked with the Town Administrator and financial team to gather information about the Town's existing debt profile, authorized and unissued debt, capital leases, stabilization and special funds, and revenue and expenditures forecasts. After documenting General Fund spending over a three year historical period, the team compared capital spending to net budget. Net budget is defined as the total amount raised on the tax rate recapitulation sheet less any excluded debt or capital exclusions, enterprise fund and community preservation funds, and available funds. Available funds are deducted under the rationale that these are typically reserves such as Free Cash that can vary from year to year. The goal is to measure General Fund capital spending as a percent of these recurring General Fund revenues to ensure that an appropriate share of General Fund revenues is reinvested through the CIP.

Over the past three fiscal years, the Town of Hubbardston has invested an average of 6.11% of net operating budget for capital from General Fund resources. This is an appropriate target for the Town, and the Town is to be commended for having a robust record of capital investment. The project team worked with the Town Administrator to set the target investment level for each of the five-year CIP at 6%.

Managing the Plan in Future Years

Annually, Town staff will reassess the capital needs of all Town departments and boards/committees, extending the outlook to include the next year (e.g. in FY20, the Town will complete a plan for the years FY21-FY25). This annual process allows for the reassessment of the scope, timing, and cost of projects that are included in the current CIP. In addition, the Town will update the assumptions in the capital investment strategy in order to determine the resources available for the plan's time period. These assumptions should reflect the findings in the Town's five-year financial forecast.

CAPITAL INVESTMENT STRATEGY

The Town of Hubbardston set a target for General Fund capital spending at 6% of net operating budget. The table below calculates the amount of General Fund resources available at this target percentage after taking into account existing non-excluded debt service, projected debt service for authorized and unissued non-excluded debt, and the projected Quabbin Regional School District (QRSD) debt assessment.

The actual annual costs of the project plan (detailed in the next section) are documented in this table. Overall, the project plan identifies \$1,496,193 of General Fund resources for capital through cash purchases as well as for debt service. This leaves an overall surplus of \$48,724 over the five-year CIP compared to the target capital spending, with most of the surplus available in FY2024.

| | FY2020-FY2024 Capital Improvement Plan | | | | | | | |
|---|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
| Existing General Fund Non-Excluded Debt | 277,745 | 273,752 | 217,450 | 206,750 | 196,200 | 190,800 | 185,400 | - |
| Authorized & Unissued General Fund Non-Excl. Debt | - | - | 51,855 | 88,750 | 86,425 | 84,100 | 81,775 | 54,450 |
| QRSD Debt Assessment | 57,762 | 31,896 | 32,515 | 30,104 | 29,363 | 28,623 | 28,130 | 27,636 |
| General Fund Pay as You Go Spending | 161,688 | 263,890 | 230,110 | | | | | |
| TOTAL | 497,195 | 569,538 | 531,930 | 325,604 | 311,988 | 303,523 | 295,305 | 82,086 |
| Net Budget (Proj. 2.1% growth) | 8,503,478 | 8,693,148 | 8,963,949 | 9,152,192 | 9,344,388 | 9,540,620 | 9,740,973 | 9,945,534 |
| General Fund Capital Spending as % of Net Budget | 5.85% | 6.55% | 5.93% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% |
| Target Capital Spending @6.0% of Net Budget | | | | 549,132 | 560,663 | 572,437 | 584,458 | 596,732 |
| Available General Fund Resources for New Capital | | | | 223,528 | 248,675 | 268,914 | 289,154 | 514,646 |
| Project Plan - GF PayGo | | | | 195,952 | 223,103 | 242,913 | 262,107 | 333,567 |
| Project Plan - GF Debt Service | | | | 27,000 | 26,300 | 25,600 | 24,900 | 134,752 |
| Project Plan - Total GF Resources Committed | | | | 222,952 | 249,403 | 268,513 | 287,007 | 468,319 |
| Balance | | | | 576 | (727) | 401 | 2,146 | 46,327 |

See Appendix 1 for a 10-year capital investment strategy (FY20 – FY29).

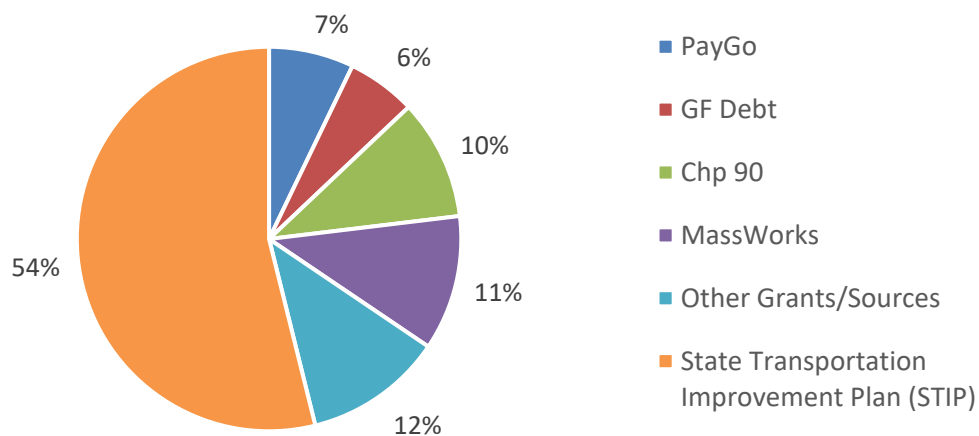
FY2020-FY2024 CIP PROJECT PLAN

The Town of Hubbardston's FY2020-2024 proposed capital improvement plan includes 45 projects costing nearly \$17.6 million and funded through a variety of sources, including local, state, and federal money. These capital investments will allow the Town to maintain and improve its capital assets, which represent millions of dollars of taxpayer investment. The table below shows the total spending by funding source and fiscal year.

Spending by Funding Source and Fiscal Year

| | FY20 | FY21 | FY22 | FY23 | FY24 | Total |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|
| PayGo | 195,952 | 223,103 | 242,913 | 262,107 | 333,567 | 1,257,642 |
| GF Debt | 200,000 | - | - | - | 818,900 | 1,018,900 |
| Chp 90 | 356,673 | 356,673 | 356,673 | 356,673 | 356,673 | 1,783,365 |
| MassWorks | - | 1,000,000 | - | - | 1,000,000 | 2,000,000 |
| Other Grants/Sources | 141,000 | 70,000 | 550,000 | 275,000 | 1,016,100 | 2,052,100 |
| State Transportation Improvement Plan (STIP) | 6,325,778 | 2,263,642 | - | 884,240 | - | 9,473,660 |
| Total | 7,219,403 | 3,913,417 | 1,149,586 | 1,778,020 | 3,525,240 | 17,585,667 |

FY2020-2024 CIP by Funding Source



The PayGo and GF (or, General Fund) Debt categories represent projects paid for using local taxpayer money. PayGo projects represent cash-funded projects using current year tax levy or Free Cash and GF Debt projects use debt funded by the General Fund. In addition, there are two projects which use local dollars from special funds.

| Project | FY20 | Source |
|---------------------------|-------|--------------------------------|
| Replace Engine 3 deck gun | 7,000 | FD vehicle replacement account |
| Replace four AEDs | 8,000 | Holden Hospital Account |

Overall, the CIP calls for approximately \$2.3 million in local investment, which accounts for only 13% of the total investment. This is a reflection of the Town's pursuit of both small and large grant opportunities.

Projects range in scope from approximately \$7,000 to replace the Police Department's handguns and \$8,000 to replace the Fire Department's pagers to multiple multi-million-dollar road infrastructure projects funded through the State Transportation Improvement Plan and State MassWorks grants. These projects include:

| Project | FY20 | FY21 | FY22 | FY23 | FY24 | Total |
|--|-----------|-----------|------|---------|-----------|-----------|
| Reconstruct Flagg Road and surrounding area (MassWorks) | | 1,000,000 | | | | 1,000,000 |
| Williamsville Road (MassWorks grant placeholder) | | | | | 1,000,000 | 1,000,000 |
| Replace two bridges on Route 62 over Ware River (STIP project) | | 2,263,642 | | | | 2,263,642 |
| Replace bridge on Evergreen Rd over Mason Brook (STIP project) | 2,281,402 | | | | | 2,281,402 |
| Replace bridge on Williamsville Rd over Burnshirt Brook (STIP project) | | | | 884,240 | | 884,240 |
| Route 68 reconstruction project (STIP project) | 4,044,376 | | | | | 4,044,376 |

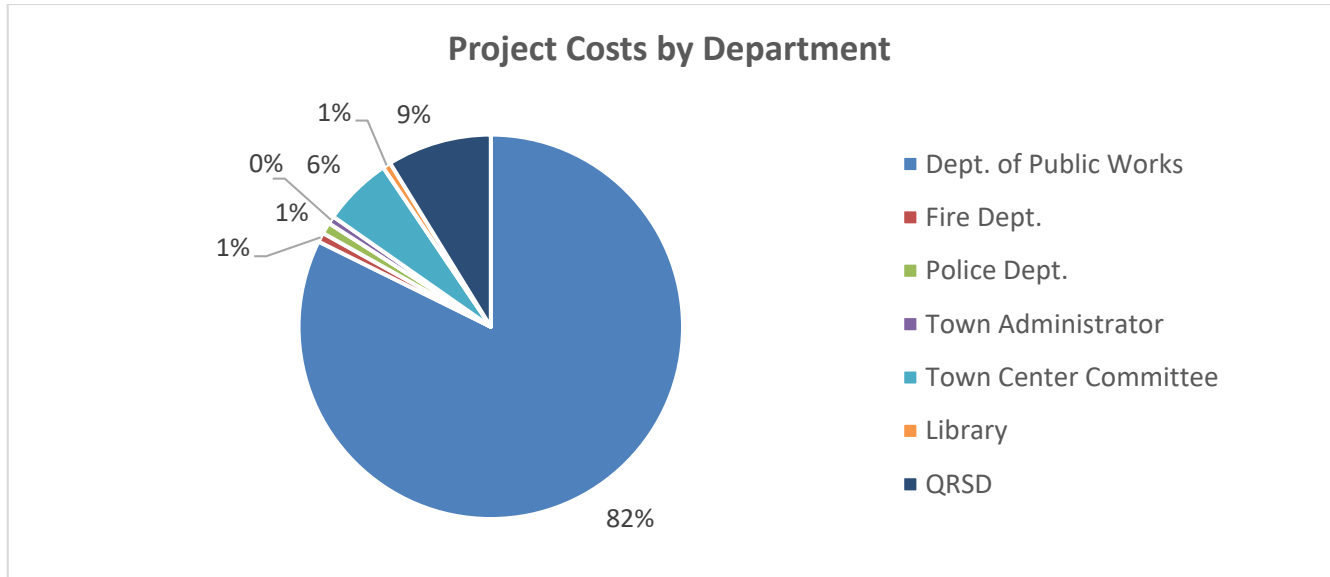
Projects are also spread across different functional units of Town government⁴. However, as was expected, the vast majority of the cost (82%) falls under the management of the Department of Public Works. This is a reflection of the fact that the DPW manages costly infrastructure projects, including the roadway projects (albeit in collaboration with other Town departments and boards). The table below provides the detail of cost and project count by department and fiscal year.

Spending by Department and Fiscal Year

| | FY20 | FY21 | FY22 | FY23 | FY24 | Total | Proj. Count |
|-----------------------|-----------|-----------|---------|-----------|-----------|------------|-------------|
| Dept. of Public Works | 7,012,451 | 3,753,777 | 483,067 | 1,439,629 | 1,785,921 | 14,474,846 | 19 |
| Fire Dept. | 25,000 | 0 | 43,394 | 43,392 | 27,866 | 139,651 | 7 |
| Police Dept. | 57,952 | 54,640 | 55,125 | 0 | 0 | 167,717 | 4 |
| Town Administrator | 61,000 | 55,000 | 0 | 0 | 0 | 116,000 | 3 |

⁴ All departments and many boards/committees with relevant missions were invited to submit projects, although not all did so.

| | FY20 | FY21 | FY22 | FY23 | FY24 | Total | Proj. Count |
|-----------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------|
| Town Center Committee | 0 | 50,000 | 550,000 | 275,000 | 150,000 | 1,025,000 | 5 |
| Library | 20,000 | 0 | 18,000 | 20,000 | 61,453 | 119,453 | 4 |
| QRSD | 43,000 | 0 | 0 | 0 | 1,500,000 | 1,543,000 | 3 |
| Total | 7,219,403 | 3,913,417 | 1,149,586 | 1,778,020 | 3,525,240 | 17,585,667 | 45 |



The majority of spending is for Roads and related infrastructure (52%) and Bridges (31%). These types of projects are typically expensive. However, most of the work is done with non-local funds. There are also a significant number of projects in the Facilities and Vehicles and Equipment categories. The table below shows the project count and capital commitment by asset type.

Project Count and Cost by Asset Type

| | Proj. Count | Total Cost | Cost as a % of Total |
|--------------------------|-------------|-------------------|----------------------|
| Bridges | 3 | 5,429,284 | 30.9% |
| Facilities | 10 | 1,830,429 | 10.4% |
| Information Technology | 6 | 148,765 | 0.8% |
| Parks and Open Space | 1 | 100,000 | 0.6% |
| Roads and Infrastructure | 10 | 9,152,741 | 52.0% |
| Vehicles and Equipment | 15 | 924,448 | 5.3% |
| Total | 45 | 17,585,667 | |

A full project listing for the FY2020 – FY2024 CIP can be found on the pages 18 and 19.

Ongoing Facilities Needs in Hubbardston

As noted, the Town Administrator submitted a project request for a \$15 million combined Public Safety Building, Senior Center, and Town Hall. This project was not included in the final FY2020 – FY2024 CIP because the various options and costs are still being studied by an architectural firm hired by the Town. The results of that work are expected before the end of FY2019.

The project team reviewed many historical studies and data compiled by the Town's Long Range Facilities Planning Committee in 2015 and discussed with Town officials the steps taken since the publication of that report. It is clear to the project team that the facilities underserve Town employees and residents and are in need of investment.

No matter which option is chosen by the Town of Hubbardston with regards to the major building needs, both the project plan and capital investment strategy outlined in this report can move forward and be considered by Town officials. If and when a major building project is added to the CIP, it would be funded through a debt exclusion due to its cost. Without a debt exclusion, the project would certainly preclude the Town from funding any other capital needs for decades, a situation that the project team does not recommend for obvious reasons.

FY20-FY24 CIP Final Project Listing by Department

| Proj # | Asset | Project Title | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | Total Funding | Notes |
|--------|------------|--|-----------|-----------|---------|---------|-----------|---------------|--|
| DPW | Road | Relace undersized/deteriorated culverts | 100,000 | | | | | 100,000 | DER Culvert Replacement Municipal Assistance Grant Program |
| DPW10 | Veh/Equip | Purchase used mini excavator | 0 | | | | 44,585 | 44,585 | Moved from FY20 to FY24; inflated cost |
| DPW12 | Veh/Equip | Purchase hotbox | 0 | 46,125 | | | | 46,125 | Moved from FY20 to FY21; inflated cost |
| DPW13 | Veh/Equip | Purchase new or used roller with trailer | 30,000 | | | | | 30,000 | |
| DPW16 | Veh | Replace 1998 Ford L8000 dump truck | 200,000 | | | | | 200,000 | |
| DPW17 | Veh/Equip | Replace 2006 Ford F450 with F550 cobination body w/plow | 0 | 87,338 | | | | 87,338 | Moved from FY20 to FY21; inflated cost |
| DPW21 | Veh | Replace 2009 Sterling dump truck | | | | | 185,000 | 185,000 | |
| DPW25 | Road | Complete road repair (Chp 90) | 356,673 | 356,673 | 356,673 | 356,673 | 356,673 | 1,783,365 | Chp 90 |
| DPW27 | Facilities | DPW septic system replacement | | | | | 40,000 | 40,000 | |
| DPW28 | Roadways | Complete road repair (supplement to Chp 90) | | | 100,000 | 100,000 | 100,000 | 300,000 | |
| DPW29 | Road | Route 68 reconstruction project (STIP project) | 4,044,376 | | | | | 4,044,376 | STIP |
| DPW3 | Facilities | Ventilation system at DPW garage | 0 | | 26,394 | | | 26,394 | Moved from FY20 to FY22; inflated cost |
| DPW30 | Road | Reconstruct Flagg Road and surrounding area (MassWorks) | | 1,000,000 | | | | 1,000,000 | MassWorks STRAP |
| DPW31 | Road | Williamsville Road (MassWorks STRAP grant placeholder) | | | | | 1,000,000 | 1,000,000 | MassWorks STRAP |
| DPW32 | Bridge | Replace two bridges on Route 62 over Ware River (STIP project) | | 2,263,642 | | | | 2,263,642 | STIP |
| DPW33 | Bridge | Replace bridge on Evergreen Rd over Mason Brook (STIP project) | 2,281,402 | | | | | 2,281,402 | STIP |
| DPW34 | Bridge | Replace bridge on Williamsville Rd over Burnshirt Brook (STIP project) | | | | 884,240 | | 884,240 | STIP |
| DPW4 | Facilities | Replace roof at DPW garage | 0 | | | 98,716 | | 98,716 | Moved from FY20 to FY23; inflated cost |
| DPW9 | Veh/Equip | Replace 2009 Ford Explorer with Ford F450 w/plow | | 0 | | | 59,663 | 59,663 | Moved from FY21 to FY24; inflated cost |
| FD1 | Veh/Equip | Replace firefighter turnout gear | | | 17,000 | | | 17,000 | |
| FD2 | IT | Replace FD portable radios | 10,000 | 0 | | | | 10,000 | Moved from FY21 to FY20 |
| FD3 | IT | Replace FD radio pagers | 8,000 | 0 | | | | 8,000 | Moved from FY21 to FY20 |
| FD5 | Veh/Equip | Purchase utility pick up truck for FD | 0 | | 26,394 | | | 26,394 | Moved from FY20 to FY22; inflated cost |
| FD6 | Veh/Equip | Replace 2007 Ford Explorer | 0 | | | 43,392 | | 43,392 | Moved from FY20 to FY23; inflated cost |
| FD7 | Veh | Replace Engine 3 deck gun | 7,000 | | | | | 7,000 | FD vehicle replacement account (Balance: \$6473.10) |
| FD8 | Facilities | Repalce roof at Station 1 | 0 | | | | 27,866 | 27,866 | Moved from FY20 to FY24; inflated cost |
| LIB2 | Facilities | Assess and repair Library foundation | 20,000 | | | | | 20,000 | |

| Proj # | Asset | Project Title | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | Total Funding | Notes |
|--------------|----------------------|---|------------------|------------------|------------------|------------------|------------------|-------------------|--|
| LIB3 | Facilities | Repair/replace windows and boiler at Library | | | 18,000 | | 46,453 | 64,453 | \$18,000 for partial window restoration project in FY22 and the rest postponed till FY24 |
| LIB4 | Facilities | Repair/replace basement flooring in Library | | | | 20,000 | | 20,000 | |
| LIB5 | Facilities | Replace roof and skylight on Library building annex | | | | | 15,000 | 15,000 | |
| PD1 | IT | Purchase two vehicle recording cameras and server to store recorded video | | 9,640 | 5,125 | | | 14,765 | Split up camera and server purchases over two FYs |
| PD2 | Veh | Replace four AEDs | 8,000 | | | | | 8,000 | Holden Hospital Account |
| PD4 | Veh/Equip | Replace handguns | 6,952 | | | | | 6,952 | |
| PD5 | Veh/Equip | Replace police cruisers on a cycle | 43,000 | 45,000 | 50,000 | | | 138,000 | |
| SCH2 | Veh/Equip | Replace cafeteria equipment at Center School | 25,000 | | | | | 25,000 | |
| SCH4 | Facilities | Replace roof at Center School | | | | | 1,500,000 | 1,500,000 | MSBA reimb est at \$866,100 (~57.75%) |
| SCH7 | Facilities | Upgrade water booster at school | 18,000 | | | | | 18,000 | |
| TA1 | IT | Replace IT hardware and software | 35,000 | 35,000 | | | | 70,000 | |
| TA2 | IT | Upgrade department software | 26,000 | | | | | 26,000 | Community Compact IT Grant |
| TA3 | IT | Enact document management system | | 20,000 | | | | 20,000 | CPA funds, Community Compact Grant |
| TCC1 | Road | Extension of Williamsville Sidewalk | | | | | 150,000 | 150,000 | Complete Streets |
| TCC2 | Road | Reconstruction and extension of Brigham Street Sidewalk | | | | 250,000 | | 250,000 | Complete Streets |
| TCC3 | Road | Reconstruction and extension of High Street Sidewalk | | | 400,000 | | | 400,000 | Complete Streets |
| TCC4 | Road | Purchase and Install Pedestrian Lighting on Main Street | | 50,000 | 50,000 | 25,000 | | 125,000 | Complete Streets |
| TCC5 | Parks and Open Space | Purchase and Install New Playground Equipment at Rainbow's End Playground | | | 100,000 | | | 100,000 | CPA funds, Private Fundraising |
| Total | | | 7,219,403 | 3,913,417 | 1,149,586 | 1,778,020 | 3,525,240 | 17,585,667 | |

APPENDICES

Appendix 1: 10-Year Capital Investment Strategy

Appendix 2: Capital Improvement Planning Committee (CIPC) Policies and Procedures

Appendix 3: New Growth

Appendix 4: Free Cash and Stabilization

Appendix 5: 10-year Tax Levy History

10-Year Capital Investment Strategy

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|
| Existing General Fund Non-Excluded Debt | 277,745 | 273,752 | 217,450 | 206,750 | 196,200 | 190,800 | 185,400 | - | - | - | - | - | - |
| Authorized & Unissued General Fund Non-Excl. Debt | - | - | 51,855 | 88,750 | 86,425 | 84,100 | 81,775 | 54,450 | 52,875 | 51,300 | 49,725 | 48,150 | 46,575 |
| Quabbin Debt Assessment | 57,762 | 31,896 | 32,515 | 30,104 | 29,363 | 28,623 | 28,130 | 27,636 | 26,896 | 26,156 | 25,415 | - | - |
| General Fund Pay as You Go Spending | 161,688 | 263,890 | 230,110 | | | | | | | | | | |
| TOTAL | 497,195 | 569,538 | 531,930 | 325,604 | 311,988 | 303,523 | 295,305 | 82,086 | 79,771 | 77,456 | 75,140 | 48,150 | 46,575 |
| Net Budget (Proj. 2.1% growth) | 8,503,478 | 8,693,148 | 8,963,949 | 9,152,192 | 9,344,388 | 9,540,620 | 9,740,973 | 9,945,534 | 10,154,390 | 10,367,632 | 10,585,352 | 10,807,645 | 11,034,605 |
| General Fund Capital Spending as % of Net Budget | 5.85% | 6.55% | 5.93% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% |
| Target Capital Spending @6.0% of Net Budget | | | | 549,132 | 560,663 | 572,437 | 584,458 | 596,732 | 609,263 | 622,058 | 635,121 | 648,459 | 662,076 |
| Available GF Resources for New Capital | | | | 223,528 | 248,675 | 268,914 | 289,154 | 514,646 | 529,493 | 544,602 | 559,981 | 600,309 | 615,501 |
| Project Plan - GF PayGo | | | | 195,952 | 223,103 | 242,913 | 262,107 | 333,567 | | | | | |
| Project Plan - GF Debt | | | | 27,000 | 26,300 | 25,600 | 24,900 | 134,752 | 131,185 | 127,619 | 124,053 | 120,487 | 116,921 |
| Project Plan - Total GF Resources Committed | | | | 222,952 | 249,403 | 268,513 | 287,007 | 468,319 | 131,185 | 127,619 | 124,053 | 120,487 | 116,921 |
| Balance | | | | 576 | (727) | 401 | 2,146 | 46,327 | 398,307 | 416,983 | 435,928 | 479,822 | 498,581 |



CAPITAL IMPROVEMENT PLANNING COMMITTEE POLICIES AND PROCEDURES

COMMITTEE AUTHORITY

The Hubbardston General Bylaws Chapter XIII (Amended June 2018) authorizes the town's Capital Improvement Planning Committee (CIPC). The Bylaw reads as follows:

CHAPTER XIII CAPITAL IMPROVEMENT PLANNING COMMITTEE

SECTION 1. A Capital Improvement Planning Committee shall consist of 5 members appointed as per the Town Charter, Article 4, Section 4-2-3. The Committee shall develop policies and procedures for submission and evaluation of requests for proposed capital outlays involving major non-recurring tangible assets (facilities, vehicles, equipment, and infrastructure) that have a useful life of at least three years and have a total cost of over \$10,000. The Committee shall submit a capital plan annually to the Town Administrator in accordance with the Town Charter, Article 5, Section 2.

RECOMMENDED ANNUAL CIPC CALENDAR

| DATE | ACTION |
|-------------|--|
| July | Appointment committee members |
| Oct – Nov | Review ongoing projects and update annual inventory; occasionally prepare for Special Town Meeting |
| Nov | Solicit department requests and capital plan updates |
| Dec | Financial forecast presented to Select Board by Town Administrator |
| Dec – Jan | Town Administrator provides debt information to CIPC, 5-year capital plan updated |

| | |
|-----------|---|
| Jan | CIPC presents 5-year capital plan to the Town Administrator |
| Feb - Mar | Capital plan reviewed by the Town Administrator, Select Board and Finance Committee (meetings with CIPC encouraged) |
| Apr | CIPC attends public hearing on budget |
| June | Annual Town Meeting |

APPOINTMENT OF COMMITTEE MEMBERS

Annually the Select Board shall appoint members to the CIPC (typically three year terms). Two member shall consist of an appointment by the finance committee and appointment by the Planning Board. All town appointments occur by July 1.

PREPARE AN INVENTORY OF EXISTING FACILITIES AND ASSETS

The initial task for the CIPC is to prepare an inventory of all town and school properties and assets. At a minimum, the inventory should include buildings and equipment; however, it is desirable for the inventory to include utilities, roads and sewers as well. The inventory should include documentation on the need for renewal, replacement, expansion or retirement of all physical assets. The inventory should also include information on the year the facility was built or acquired, the date of last improvement, its condition, the extent of use, and the scheduled date for rebuilding or expansion. Often the town's insurance carrier has a list of insured assets that can serve as a basis for the inventory.

DETERMINE THE STATUS OF PREVIOUSLY APPROVED PROJECTS

The CIPC should annually identify projects underway, determine whether additional funds are required, and determine the amount of unspent funds available from completed and discontinued projects. The benefit of this update is that officials involved in the budget process will be kept informed of the progress of projects approved in prior years. The results of this analysis should be reduced to a written report which should be included with presentation of the capital budget and plan by the CIPC. No special format is suggested, but it should be completed before department heads submit their new requests.

ASSESS THE TOWN'S FINANCIAL CAPACITY

With the assistance of the Town Accountant, Treasurer, and Town Administrator, the CIPC should analyze the town's ability to afford major expenditures. This analysis should examine recent and anticipated trends in revenues, expenditures, debt and unfunded liabilities. The analysis should be included with the CIPC's presentation of the updated capital plan to the Town Administrator.

This financial analysis will permit the scheduling of funding sources to:

- Keep the tax rate stable
- Balance debt service and operating expenditures
- Determine available debt capacity and acceptable debt service levels
- Maximize intergovernmental aid for capital expenditures

SOLICIT, COMPILE AND EVALUATE PROJECT REQUESTS

The CIPC should solicit departmental recommendations for capital projects prior to the start of budget preparation season. Using or adapting the forms attached, each department submits requests which include a clear statement of the need and justification for the project, its costs, its net effect on the operating budget, and an implementation schedule. The CIPC then evaluates each request by reviewing the project information and meeting with the requesting department head or board member, if necessary. Among the questions the Committee should answer are:

1. Does the requested project contribute to the achievement of existing town goals, policies, plans and work programs?
2. What are the general benefits of the project?
3. What is its total cost (both capital and annual operating expenses), and what is its effect on the tax rate?
4. Is the project acceptable to the public?
5. Are there legal requirements that must be met?

Based on its review, the Committee should summarize its findings in preparation for establishing project priorities.

ESTABLISH PROJECT PRIORITY

In this step the proposed projects are ranked in priority as objectively as possible. This is perhaps the most difficult aspect of the CIPC's duties

In addition to adopted policies, a rating sheet also encourages objectivity. It can assist the CIP in the development of numerical ranking of projects and help in the setting of project priorities. A sample rating sheet is included with this procedure guide. It can provide assistance in evaluating projects according to six criteria and translating subjective project information and the CIP's independent

analysis into objective numerical weights. These weights can guide the CIP in establishing project priorities. The rating sheet can be modified according to the CIP's needs.

Whether or not a rating sheet is used, the CIP Committee should review each project utilizing a consistent set of criteria. The Committee should evaluate each project in relation to other projects and determine their relative importance. This will permit the Committee to establish project priorities based on both the community's goals and objective analysis.

DEVELOP A CAPITAL PROJECT FINANCING PLAN

Based upon adopted debt and CIPC policies and the assessment of the town's financial capacity, the CIPC should recommend the method of financing each project. There are a number of ways to finance capital improvement projects. Some of the most common long and short-term financing options are:

Long-Term Financing:

1. General obligation bonds and, for municipal light plant improvements only, revenue bonds.
2. State and federal loans and grants.
3. Setting aside money in the stabilization fund to pay for all or a portion of a capital project.
4. Debt exclusions - With voter approval, Proposition 2½ allows a community to assess taxes in excess of its levy limit or levy ceiling for the payment of debt service over the life of the issue.

Short-Term Financing and other Service Provision options:

1. Appropriation of current revenue or reserves such as free cash.
2. Short-term debt such as bond anticipation notes and grant anticipation notes.
3. Capital outlay expenditure exclusions - With voter approval, Proposition 2½ allows a community to assess taxes in excess of its levy limit or levy ceiling for the payment of certain capital projects.
4. Contracting/leasing provisions authorized by Chapter 30B §12 of the Massachusetts General Laws.

NOTE: A community may enter into a multi-year contract for any period of time which services the best interest of the governmental body, however, payment and performance obligations for succeeding fiscal years shall be dependent on the availability and appropriation of funds.

5. Private sector service provision is also available. Under this option private firms provide public services to a community on a contractual basis or through another arrangement such as a license or lease-back agreement (for capital assets).

ADOPT A CAPITAL IMPROVEMENT PLAN

The CIPC's completed report should be presented to the Town Administrator for inclusion in the annual budget presentation to the Select Board and Finance Committee. The report should include a summary of the CIPC's recommendations for the upcoming year's Capital Budget and the following years' Capital Plan as well as its analysis of the town's fiscal capacity.

The Select Board may hold its own public hearing to present the CIP and solicit further citizen comment. If the board holds its own hearing on the annual budget, the CIP hearing can be incorporated into the regular budget hearing.

The Select Board then considers (and may amend) the proposed Capital Budget and Capital Plan and forwards them to the Finance Committee. The Finance Committee reviews and recommends action only on the Capital Budget, but does so in considering the overall Capital Plan. A Finance Committee recommendation to amend the Capital Budget suggests disagreement with portions of the Capital Plan. Those differences should be resolved with the Select Board prior to Town Meeting.

On the Annual Town Warrant, the Select Board's Capital Budget may remain a separate warrant article (or as separate articles, depending on local tradition), or the Capital Budget may be incorporated into the main budget article. The Capital Budget as proposed by the Select Board should be moved by the Select Board at the Annual Town Meeting (unless other town meeting procedures normally prevail).

MONITOR APPROVED PROJECTS

Once Annual Town Meeting has adopted the Capital Budget and the fiscal year begins, departments are authorized to begin project implementation. All projects will be compliant with town procurement policies and monitored daily by the Town Administrator. Periodic reports by the CIPC to the Select Board should indicate changes in the targeted completion dates, identify serious problems, and document the financial status of each project. This effort can also be delegated to the Town Administrator. Those reports may be based on project updates provided by the responsible departments on a quarterly basis.

UPDATE THE CAPITAL PLAN

Subsequent annual updating of the Capital Plan involves repeating the Capital Plan Calendar to reflect new information, policies and proposed projects. The CIP Committee should review and revise the entire program as necessary to reflect its most recent determination of the need for equipment, maintenance of equipment, the town's social and environmental conditions, the development or revision of financial policies, and the community's financial resources. After the first year has been budgeted, one year is added to the Capital Program and the remainder of the plan updated. This completes the CIP process.

RELEVANT FINANCIAL POLICIES

Here is a listing of town policies relevant to the charge of the CIPC.

[5-Year Financial Forecast](#)

[5-Year Capital Improvement Plan](#)

[Capital Planning](#)

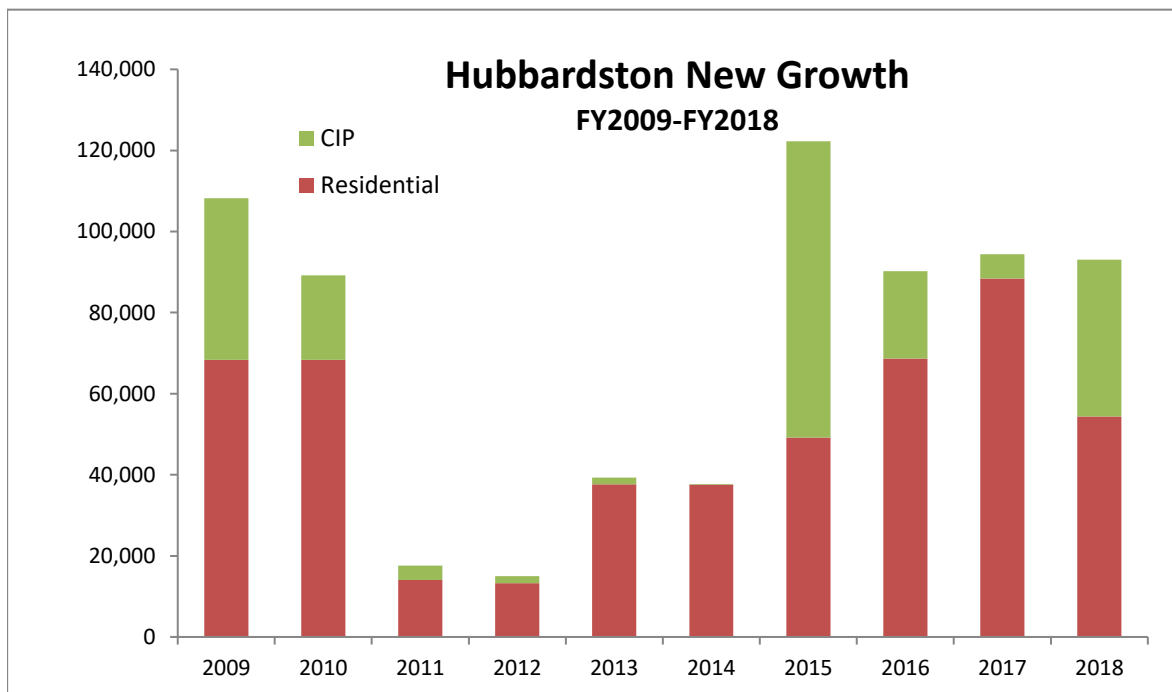
[Debt Affordability](#)

[Debt Management](#)

[Forecasting](#)

HUBBARDSTON NEW GROWTH HISTORY

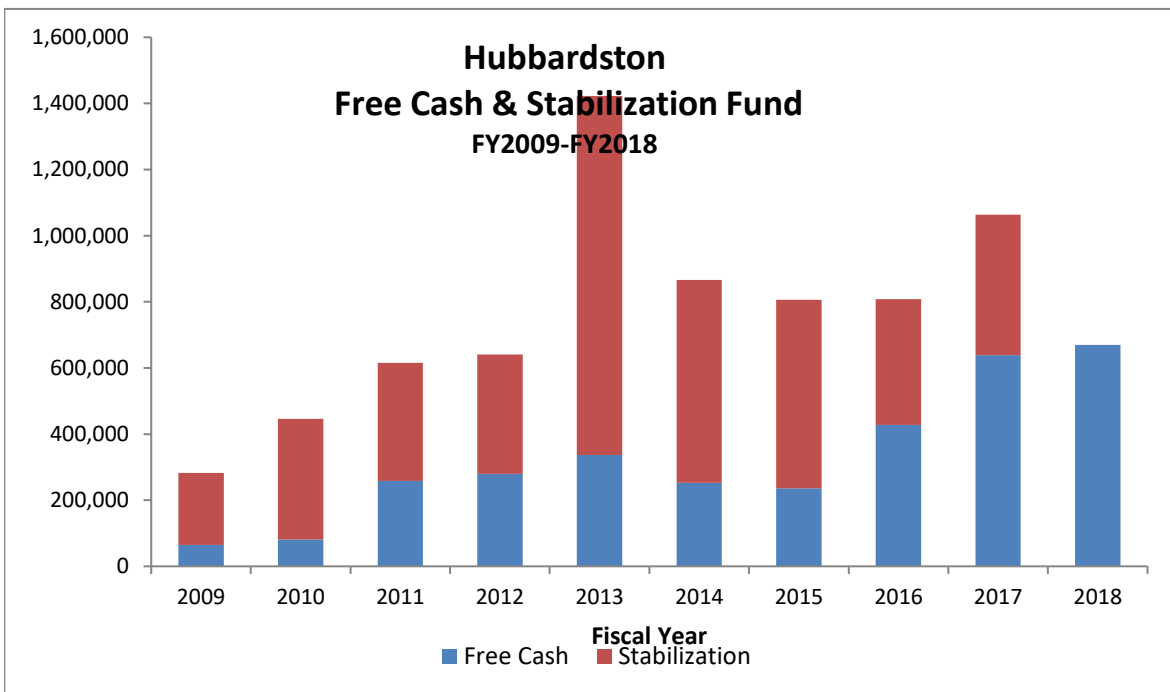
| Year | Residential New Growth | Comm Ind Per Prop New Growth | Total New Growth Applied to the Levy Limit |
|--------------------|------------------------|------------------------------|--|
| 2009 | 68,320 | 39,873 | 108,193 |
| 2010 | 68,337 | 20,817 | 89,154 |
| 2011 | 14,036 | 3,579 | 17,615 |
| 2012 | 13,241 | 1,785 | 15,026 |
| 2013 | 37,626 | 1,681 | 39,307 |
| 2014 | 37,605 | 135 | 37,740 |
| 2015 | 49,149 | 73,131 | 122,280 |
| 2016 | 68,682 | 21,494 | 90,176 |
| 2017 | 88,363 | 6,071 | 94,434 |
| 2018 | 54,396 | 38,678 | 93,074 |
| 10-Year Avg | 49,976 | 20,724 | 70,700 |



Source: Division of Local Services, MA Department of Revenue, Municipal Databank

HUBBARDSTON FREE CASH & STABILIZATION FUND HISTORY

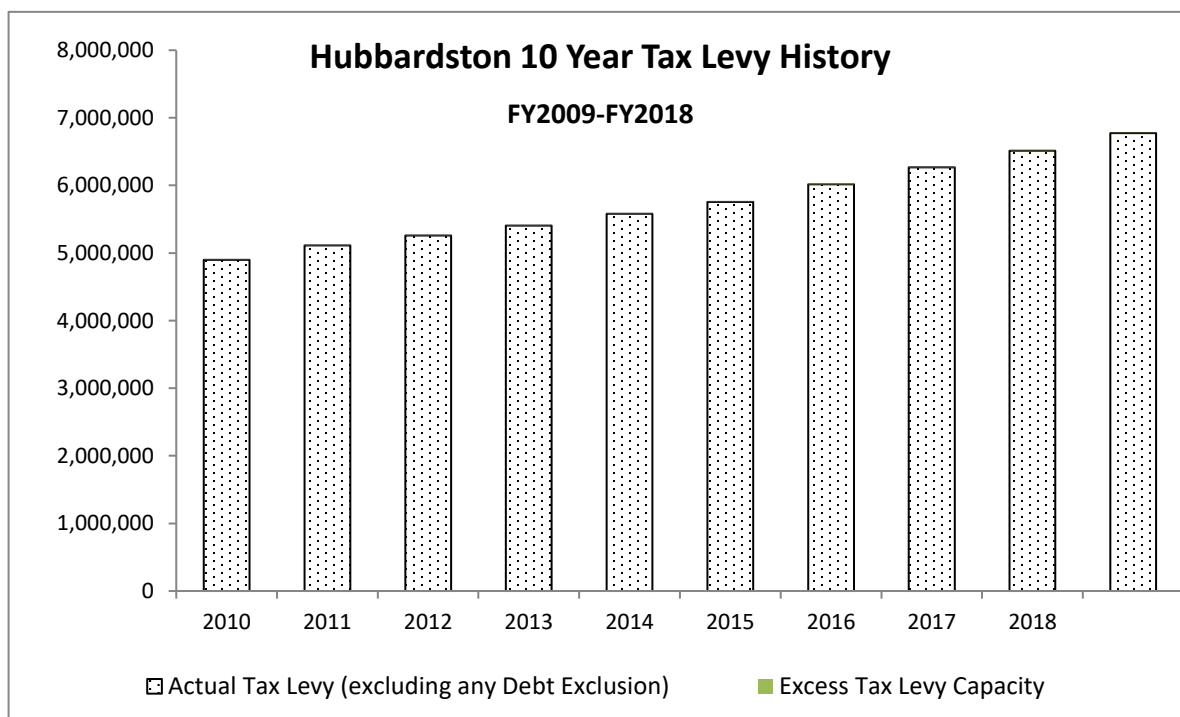
| Year | Free Cash | Stabilization Fund | TOTAL |
|------|-----------|--------------------|-----------|
| 2009 | 64,844 | 217,437 | 282,281 |
| 2010 | 81,647 | 364,476 | 446,123 |
| 2011 | 258,375 | 356,986 | 615,361 |
| 2012 | 280,025 | 360,901 | 640,926 |
| 2013 | 336,517 | 1,085,650 | 1,422,167 |
| 2014 | 252,788 | 613,079 | 865,867 |
| 2015 | 236,143 | 570,010 | 806,153 |
| 2016 | 427,853 | 380,243 | 808,096 |
| 2017 | 638,442 | 424,820 | 1,063,262 |
| 2018 | 669,531 | N/A | |



Source: Division of Local Services, MA Department of Revenue, Municipal Databank

HUBBARDSTON
TAX LEVY HISTORY (excluding Prop 2 1/2 exclusion)

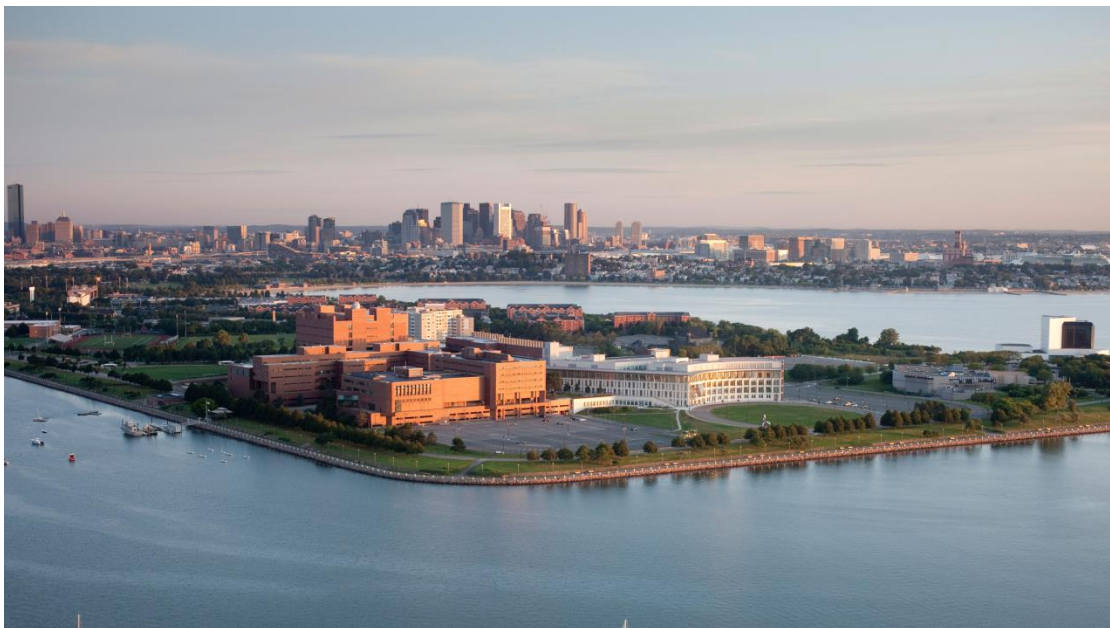
| Year | Actual Tax Levy (excluding any Debt Exclusion) | Excess Tax Levy Capacity | Total Tax Levy Limit (excluding Debt Exclusion) |
|------|--|-----------------------------|---|
| 2009 | 4,899,229 | 3,781 | 4,903,010 |
| 2010 | 5,113,939 | 2,077 | 5,116,016 |
| 2011 | 5,261,002 | 529 | 5,261,531 |
| 2012 | 5,404,057 | 4,038 | 5,408,095 |
| 2013 | 5,579,273 | 3,331 | 5,582,604 |
| 2014 | 5,757,986 | 1,923 | 5,759,909 |
| 2015 | 6,017,621 | 8,566 | 6,026,187 |
| 2016 | 6,265,793 | 1,225 | 6,267,018 |
| 2017 | 6,515,120 | 3,007 | 6,518,127 |
| 2018 | 6,772,982 | 1,172 | 6,774,154 |



Source: Mass Dept of Revenue/Division of Local Services data bank

ABOUT THE CENTER

The Edward J. Collins, Jr. Center for Public Management in the McCormack Graduate School of Policy and Global Studies at the University of Massachusetts Boston was established in 2008 to improve the efficiency and effectiveness of all levels of government. The Center is funded by the Commonwealth and through fees charged for its services.



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