Town of Acton

"State of the Town" Meeting

Wednesday, December 1, 2004

The "State of the Town" Meeting will convene at 7:00 P.M. in the Acton-Boxborough Regional Junior High School Auditorium
16 Charter Road

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Acton-Boxborough Regional Junior High School Auditorium

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Internet Resources

We hope as many people can attend the meeting to communicate in-person, however, if you cannot attend and wish to comment, electronic mail contacts are available.

All of the committees contributing to this Report are available via e-mail in addition to traditional communication methods. By using the following addresses, the Town automatically forwards your message to all members of the committee.

To contact the…	Send e-mail to…
Acton Community Housing Corporation	achc@acton-ma.gov
Board of Selectmen	bos@acton-ma.gov
Finance Committee	fincom@acton-ma.gov
Life after NESWC Committee	lan@acton-ma.gov
Planning Board	pb@acton-ma.gov
School Committee (Acton-Boxborough)	ab_school_committee@mail.ab.mec.edu
School Committee (Acton Public)	aps_school_committee@mail.ab.mec.edu

Introduction to the State of the Town Meeting/Gathering/Discussion

The Acton Board of Selectmen has decided to emulate what has been a successful practice in Lincoln and called for a State of the Town Meeting to convene in the **R. J. Grey Junior High School Auditorium at 7:00 p.m. on Wednesday, December 1, 2004.** We will plan to adjourn the meeting at about 10:00 p.m.

It is our intent to provide a forum in which the Town's citizens may provide their thoughts and opinions on the selected topics to the elected and appointed leadership of the Town. Such an exercise should provide the town leaders with an enhanced sense of the community as we grapple with important matters concerning the future of the Town of Acton. If this initial State of the Town Discussion is successful, it is expected that the event will be repeated in future years.

This State of the Town Discussion will not be a Town Meeting in the conventional or statutory sense. Attendance and participation will not be limited registered voters, there will be no check in, no Warrant Articles, motions will not be accepted, and no votes will be taken. On the other hand, it is expected that the same decorum expected at a Town Meeting will be maintained in this gathering.

Information thought necessary by various Boards and Committees as background for an informed discussion of the chosen topics has been provided in this booklet. There may be further written materials prepared by the officials/staffs of the Town or Schools which did not meet the booklet deadline also available at the door. In addition any attendee at this State of the Town Discussion is free to prepare his/her own signed handouts for the attendees and place any such material on the table near the door.

Initial leadership oral presentations to introduce each topic will be made by a single individual and very severely limited by the presiding officer so as to maximize the time for citizen and resident input and feedback. Similarly attendees, and members of Boards/Committees offering later comments, will be requested to be as succinct as possible in their offerings so that as many people who desire to speak may be heard. The discussions will be confined, as far as possible, to the chosen topics listed below in the interests of being able to hear comments on each topic in some depth. Questions posed from the floor may be gathered for subsequent rather than immediate response. So that oral feedback and comments may be obtained on all the chosen topics, arbitrary limits may be imposed by the presiding officer as to the length of the discussion of each topic, if the necessary.

Giving due consideration to the available time, and anticipating a good turn out, the following topics have been chosen for this initial State of the Town Meeting. The topics will be taken up in this order:

1) Affordable Housing progress and the requirements/effects of Chapter 40B
2) Property Taxes, Potential Overrides and resultant Levels of School & Municipal Services
3) Alternatives for Solid Waste Disposal after the September 2005 termination of the NESWC contract

To emphasize the difference from a special or annual Town Meeting, at this Gathering the physical set up of the auditorium will not include any stage seating or designated seating for Boards and Committees, and overhead and computer projector equipment will not be available for use. The setup of the floor microphones, however, will be in the same pattern as that used for Town Meetings. As in Lincoln, the Chairman of the Board of Selectmen will preside over the meeting, from the front center below the stage. The Vice Chair will speak, if such is necessary, for the Board of Selectmen. It has been requested that the designated "point person" for each topic be ready, when appropriate, to designate who from Boards, Committees, and/or staff should answer particular questions when allowed by the presiding officer, again so as to maximize time for citizen input.

We hope to see you at this State of the Town Meeting at 7:00 p.m. on December 1, 2004.

After the meeting The Board of Selectmen (e-mail: bos@acton-ma.gov) will welcome your comments as to whether we achieved the stated goal of this meeting to your satisfaction or not.

F. Dore' Hunter
Chairman,
Acton Board of Selectmen

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Affordable Housing Progress and the Requirements/Effects of Chapter 40B

Planning Board's Message

State of the Town Meeting

The Planning Board has been hard at work taking the vision of our town as expressed in the Master Plan, and turning it into reality. We are constrained by legal issues, funding issues, state and federal mandates, and market forces, but we have been able to achieve many of our goals. As we strive to balance the town's desire for open space, village center development, pedestrian friendliness, traffic controls, diversity of housing, and appropriate commercial and municipal space, we often have to make difficult choices. We are pleased to have this opportunity to hear from you, the citizens of Acton, to better guide our future decisions.

Affordable Housing

The desirability of the Town of Acton has led to a market for new high-priced 4 to 5 bedroom single family homes. Even the few new condominium townhouses are priced well above what is affordable to the average Massachusetts family. Though Acton has apartment units scattered about town, the demand exceeds supply and rents are high. The State has had trouble attracting businesses because people from other parts of the country can't afford to relocate here. In addition, town employees and other service providers have had to commute from quite a distance away because they are priced out of Acton and other nearby towns. Citizens complain that their own children cannot afford to live here on starter salaries. Many end up moving back in with them or move away to lower cost areas of the country. Last year the Planning Board received a Community Development grant focused on Affordable Housing and Economic Development, from the State's Executive Order 418 Funds. In the past the Planning Board's focus has been on doing its best to create incentives and other means to encourage the development of a diversity of housing in Acton. These include the creation of Affordable Housing Overlay Districts. Two types were included—a higher density and a lower density option. The districts were chosen for their proximity to villages and business centers, public transportation, compatibility with the surrounding neighborhoods, jobs and services, and already existing infrastructure. The housing study suggested developing a comprehensive policy on affordable housing for the town, as well as looking at zoning options such as inclusionary zoning. For every certain number of market rate housing built a development would have to include or provide an affordable unit.

The local incentives created by the Planning Board have been somewhat effective. However, builders tend to gravitate to the State's 40B incentives because they are more economically feasible for them. 40B housing projects benefit from high "density" bonuses. With a Comprehensive Permit from the Board of Appeals developers can override current zoning and build more units than otherwise allowed, in order to subsidize the pricing for homes set aside to be affordable. The Planning Board is in the process of deciding how to implement the housing study discussed above. It contains many creative ideas for increasing affordable housing in Acton and encouraging the State controlled 40B projects to fit into Acton's planning goals.

Property Taxes

The Planning Board, with the help of the Economic Development Committee, took steps in 2000 to achieve more commercial land uses in the Town. Residential uses were outpacing commercial uses. Since that time, there has been some progress in new commercial space. More notable, is the upgrading and re-vitalization of some of the existing space. With the coming of sewers in South Acton we are seeing the type of pedestrian friendly village development and re-vitalization that was conceived in the South Acton Village Planning process.

One of the frustrations of the Planning Board is that many high priority goals for proactive planning have gone by the wayside due to lack of funding. The staff is stretched quite thin, and goals such as re-codification of the Zoning Bylaw have been delayed for many years. Administrative support is only half time and the Planning staff is asked to support several different committees in town, further increasing their workload. We have been able to apply for a few state grants, but Acton does not qualify for much because it is considered a rather affluent community. In addition, there are unfunded Federal and State mandates, with which we must comply and take up large amounts of staff time. For example, this year, due to a mandate from the Environmental Protection Agency concerning groundwater recharge policies and methods, we must review our Stormwater Regulations for new developments and re-developments, and revise them as necessary to comply with Federal mandates. This diverts significant staff and Board time from other priority planning goals of the Town.

NESWC

The Planning Board is looking forward to hearing the options for future trash and recycling needs in the town. We anticipate providing the forum for the public process on any land use issues that might come up in conjunction with whatever choice/choices the town makes.

We look forward to hearing from the citizens of Acton who we are honored to volunteer to serve.

Sincerely,

Lauren Rosenzweig
Chair, Acton Planning Board

Affordable Housing in Acton
Acton Community Housing Corporation

The Town Board charged with facilitating affordable housing is the Acton Community Housing Corporation (ACHC). This is a Selectmen-appointed board, created by a Home Rule petition in 1996. Prior to this, ACHC was a non-profit housing partnership group formed by the Selectmen in 1986. Original membership included individuals from the banking, real estate and development fields, lawyers, housing advocates, and interested citizens.

ACHC has five full members and three associate members. Most of the current members are professionally involved in affordable housing development. ***The Town's charge to ACHC is to provide affordable housing opportunities for working families with modest incomes.***

The role of the ACHC is to act as the Town's initial contact with developers of proposed affordable residential housing projects and to inform the public about the proposed development. The developer presents a proposed housing plan to ACHC, indicating unit design and size, related facilities, site planning and affordability. Following review and discussions specific requests may be then made of the developer relative to the proposed housing, particularly as to the adequacy and appropriateness of the affordable units. This usually involves one or more meetings with the ACHC. The developer is then encouraged to contact Town Staff for review of technical issues. ACHC sponsors a Public Information Session to which abutters, town board members, and the general public are invited. The developer presents his proposal and answers questions. After this process is complete the ACHC takes a position and sends comments to the local permit-granting authority.

Affordable Housing is defined in Massachusetts as ***housing for households with incomes not exceeding 80% of the area median income (2004: $82,600) <u>AND</u> which restricts rents or home prices for a specific period of time,*** generally 99 years in Acton. The price range of affordable homes is currently $140,000-195,000. Deed riders restrict the future re-sales of these properties to other income eligible families. Housing is considered affordable if it does not consume more than 30% of household income. There may be some properties in Acton that are valued at these low prices but unless they are deed restricted for income eligible families, they can neither be counted toward the Town's 10% nor officially termed Affordable Housing.

The most effective tool for the creation of affordable units is the "Comprehensive Permit". This is the common term used to describe the process of permitting affordable development using MA General Laws chapter 40B. (see information on Chapter 40B in this packet). This legislation was enacted in 1969 to encourage the development of housing for low and moderate-income individuals and families and is normally used in a community where less than 10% of the housing units are affordable to households whose median income is 80% or less of area median. **Acton has 2.35% of its 7645 total housing units designated as affordable.** (see below)

Chapter 40B Subsidized Housing Inventory Report
October 2004

Commonwealth of Massachusetts

Project Name	Type	Total 40B units
DMR Group Home	rental	13

Acton Housing Authority Units

Project Name	Type	Total 40B units
McCarthy Village	rental	35
Windsor Ave. Apts.	rental	68
Scattered site condos	rental	27
Group home	rental	12
Sub-total (A.H.A.)		155

Acton Community Housing Corporation Units

Project Name	Type	Total 40B units
Acorn Park, scattered sites	ownership	2
Bellows Farm, scattered sites	ownership	6
Harris Village	ownership	4
Westside Village	ownership	4
Crossroads Condos	ownership	3
Inn at Robbins Brook	rental	3
Franklin Place	ownership	3
Sub-total (ACHC)		25

TOTAL CHAPTER 40B UNITS		**180**
Census 2000 Year housing units	7,645	
Percentage subsidized units		**2.35%**

Acton Community Housing Corporation members

Nancy Tavernier	Ryan Bettez	Naomi McManus
Dan Buckley	Robert Whittlesey	Bernice Baran
Kevin McManus	Pam Shuttle	

Acton's Affordable Housing Milestones

1990 Annual Town Meeting adopts Master Plan vision statements, including "Promote a wide range of economic diversity in housing including low and moderate income housing."

Fall Special Town Meeting adopts the Affordable Housing Overlay District.

Sub-district A includes most sizeable vacant or underdeveloped parcels around Town: 25% density bonus for +/-10% affordable units. Preserves single-family neighborhood character, but allows some duplexes.

Sub-district B comprises less acreage. Includes most vacant and underdeveloped parcels near designated commercial growth centers – villages and Kelley's Corner, and other parcels near established commercial areas. Allows up to 5 multi-family units per acre for +/-30% affordable units.

1993 (2) Acorn Park PUD – 74 single-family units plus one commercial building. Planning Board negotiated two off-site affordable units using existing housing stock. Completed.

1994 (1) New View PCRC - 24 units in single-, duplex-, and triplex buildings with one on-site affordable unit plus $100,000 contribution to Town affordable housing fund, all under sub-district A zoning regulations. Completed.

1995 (6) Bellows Farm PCRC, 1995 – 114 single-family units. Planning Board negotiated six off-site affordable units using existing housing stock. Completed.

1998 (4) Westside Village 40B project - Westside Drive off Sudbury Road. 16 single-family units, four affordable, on 5.25 acres. Completed. Base zoning was General Industrial, now Powder Mill. Affordable Housing Overlay Sub-District B applies. Within walking distance are Powder Mill Plaza (Stop&Shop, CVS, banks, restaurants) and other restaurants, and stores in Acton and Maynard.

1999 (4) Harris Street Place Major Affordable Housing project (local sub-district B zoning with variance for 25% affordable units) - Jennifer Path & Samantha Way off Harris Street. 16 single-family units, four affordable, on 3.3 acres. Completed Base zoning is Residence 10/8. Affordable Housing Overlay Sub-District B applies. Adjacent to Great Road commercial area – convenience store, liquor store, clothing store, restaurant, etc.

1999 Annual Town Meeting confirms affordable housing goals in 1998 Master Plan Update.

2001 (1) Dunham Lane OSD – 10 single-family homes plus one on-site affordable unit rehabbing existing home. Lottery will be held November 2004.

2002 (3) Crossroads Condominium 40B project - At 248 Main Street. 12 townhouse units, three affordable, on 2.23 acres. Completed in 2004. Base zoning is Residence 2. Affordable Housing Overlay Sub-District B applies to the northern half of the property. Abutting and within walking distance to Kelley's Corner commercial district – K-Mart, Roche Brothers supermarket, CVS, T.J.Maxx, restaurants, hardware, liquor store, medical offices, etc.

2002 (2) Robbins Mill PCRC – 90 single-family homes. The Planning Board negotiated a $400,000 donation to the affordable housing fund. Approved. Construction pending (in litigation).

2002 Colonial Acres IV PCRC – 23 single-family homes. The Planning Board negotiated a **$**300,000 contribution for affordable housing to the Acton Housing Authority. Approved. Construction underway.

2003 Affordable Housing Plan with State funds. State approved the project . $30K from the Executive Order 418 funding of Community Development Plans. By State requirements, the project completed 6/30/04.

2003-2004

Ch. 40B project Franklin Place located at 520 Main St. just outside Acton Center. Originally proposed at 32 units. Denied by ZBA Nov. 2003. Negotiated a smaller project of 12 units. Approval by ZBA. Construction underway.

Upcoming:

2004 Towne School building conversion to 18 affordable rental units. Time line estimated. Abutting and within walking distance of Kelley's Corner commercial district. Delayed due to procurement process. Expected to proceed in 2005.

2004 Ch. 40B project Fort Pond Brook Place located at 68 River St. Proposed to be 8 units in 4, 2 unit townhouses. ZBA hearing opened Oct. 21, 2004.

2004 Ch. 40B rental project Woodlands at Laurel Hill located at 80-82 Nagog Park. Proposed to be 296 rental units, 1 and 2 bedrooms, located in Acton. An additional 56 rental units to be located in Westford. ZBA hearing to begin 11/4/04

2004 Ch. 40B project Sylvia Place located at 5 Sylvia St. Proposed to be 8 units in duplex design. Preliminary design stage, 10/04

10/31/04

Chapter 40B Overrides of Local Bylaws and Regulations

From: Planning Department ***Date:*** November 11, 2004

Subject: **Chapter 40B[1] Overrides of Local Bylaws and Regulations**

M.G.L. Chapter 40B establishes a consolidated "**Comprehensive Permit**" process for entities proposing to build affordable housing[2]. The local Comprehensive Permit granting authority in cities and towns is the Board or Appeals. An applicant may file a comprehensive permit application to the Acton Board of Appeals in lieu of separate applications to any other Acton boards that would otherwise have jurisdiction under Acton bylaws and regulations. An applicant for a Comprehensive Permit may request, and the Board of Appeals may grant waivers from any parts of Acton's bylaws and regulations that make it "uneconomic" to proceed building or operating affordable housing with a reasonable return and without a financial loss[3]. Affected are all local bylaws and regulations including but not limited to:
The zoning bylaw, the subdivision rules and regulations, the historic district bylaw, the wetlands protection bylaw, and Acton board of health regulations.

A Comprehensive Permit applicant whose application was denied by the Board of Appeals, or granted with conditions that cause the project to be uneconomical, may appeal such decision to the State Housing Appeals Committee. If the Housing Appeals Committee finds that the decision of the Board of Appeals was **"inconsistent with local needs"** and causes the affordable housing project to be uneconomic, "it shall vacate such decision and shall direct the board (of appeals) to issue a comprehensive permit or approval to the applicant" and "remove any such condition or requirement so as to make the proposal no longer uneconomic".

Consistency with Local Needs

Requirements and regulations are considered consistent with local needs if they are "***reasonable*** in view of the regional need for low and moderate income housing considered with the number of low income persons in the city or town affected and the need to protect the health or safety of the occupants of the proposed housing or of the residents of the city or town, to promote better site and building design in relation to the surroundings, or to preserve open spaces, and if such requirements and regulations are applied as equally as possible to both subsidized and unsubsidized housing".

A Board of Appeals may reject a Comprehensive Permit Application:

1. If low or moderate income housing exists which is in excess of 10% of the housing units reported in the latest decennial census of the city or town. In Acton, low and moderate income housing makes up +/-2.32%.
2. On sites comprising 1.5% or more of the total land area zoned for residential, commercial or industrial use, and where such uses are not otherwise completely prohibited. In Acton, this 1.5% amounts to +/- 120 acres.

[1] Massachusetts General Law Ch. 40B, §§ 20-23
[2] Defined in Ch. 40B as "low or moderate income housing": Any housing subsidized by the federal or state government under any program to assist the construction of low or moderate income housing as defined in the applicable federal or state statute, whether built or operated by any public agency or any nonprofit or limited dividend organization.
[3] Ch. 40B does not waive State laws and regulations such as Title V, the State Wetlands Protection Act, or the State Building Code. Local board, such as the Conservation Commissions and the Boards of Health, and the Building Inspectors retain the authority to enforce State laws and regulations, including the authority to require permits there under.

3. If, counting all comprehensive permits approved, under construction, or with firm Federal or State funding commitment, the application would result, in any one calendar year, in the commencement of construction of affordable housing on more than 0.3% of the total land area zoned for residential, commercial or industrial use (in Acton +/-24 acres) or 10 acres, whichever is larger; whereby the land area contributing to the 0.3% total shall only comprise areas included in impervious covers such as building footprints, parking lots, streets, or driveways.

Community Development Plan: 'To Live in Acton'

From: Planning Department ***Date:*** November 11, 2004

Subject: **"TO LIVE IN ACTON" – Report**

Over the last year, the Town of Acton prepared a Community Development Plan* with emphasis placed on Housing Strategies and Economic Development. The Town engaged Community Opportunities Group, Inc. of Boston to perform the necessary studies, conduct hearing and meetings, and prepare a final report. The report contains detailed data, statistics, and analysis, needs assessments, recommendations, and meeting reports. For a full review of the report entitled "TO LIVE IN ACTON" please visit:

http://www.acton-ma.gov/departments/Planning/default.asp?id=85&mypage=85&myName=Planning

On the following pages are excerpts and summaries from the "TO LIVE IN ACTON" report relative to housing:

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1. Housing Needs

(Excerpt - "TO LIVE IN ACTON" report, pp. 29-35)

Housing Needs

It is tempting to define a town's housing needs by its own shortfall of Chapter 40B units, but the need for decent, suitable and affordable housing exists at most market levels. Indeed, the Commonwealth's affordable housing shortage is more complicated than state policymakers and many communities have been willing to concede. The very high rents for market-rate apartments in Chapter 40B developments serve as a reminder that more density and an expanded housing supply do not guarantee that homes will be affordable even to middle- and upper-middle income renters. The same is true for market-rate single-family homes and condominiums in Chapter 40B homeownership developments.

According to the U.S. Department of Housing and Urban Development (HUD), nearly 45% of the state's 2,443,580 households have incomes at or below 80% of the area median family income (AMFI) for the regions in which they live, adjusted for household size. Providing Chapter 40B housing units equal to 10% of all year-round homes in Massachusetts requires a total of 252,696 units. An update of the Subsidized Housing Inventory last year indicates that 215,621 Chapter 40B units already exist, or 8.53% statewide. If every community that does not meet the 10% standard today produced enough low-income housing to comply, their units added to the existing pool would create an affordable housing inventory of about 296,720 units. Still, Massachusetts would have 803,000 low- and moderate-income families without a guarantee of affordable housing. In Acton, 10% means about 604 Chapter 40B units in addition to the town's current 161-unit inventory, yet technical compliance with Chapter 40B would leave about 670 Acton households in homes they cannot afford.

A second temptation in defining housing needs is to focus on local residents only, without regard for needs that exist within larger regions or among communities with similar housing markets. In an effort to coax cities and towns to address affordable housing, the state has unwittingly reinforced the tendency to

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* Supported by a grant from the Executive Order 418 Inter-Agency Work Group, including the Executive Office of Transportation & Construction, the Executive Office of Environmental Affairs, the Department of Housing & Community Development, and the Department of Economic Development. Grant administration and project support by the Metropolitan Area Planning Council.

"think locally" by promoting a policy of up to 70% "local preference" units in Chapter 40B developments. Fifty-four percent of all households in Middlesex County qualify as low or moderate income, yet only 31% of them live in non-urban communities such as Acton. Federal census data show that about 45% of Middlesex County's homeowners and 55% of Acton's moved into their present home in the past decade. Although local officials in most cities and towns worry about the social, economic and fiscal impacts that affordable housing developments may bring to their communities, many households can choose to move from one town to another because they have economic mobility. For low- or moderate-income households, the shortage of affordable housing is effectively a shortage of choices.

Considering the age, income and composition of households in Acton and adjacent communities and housing prices throughout the area, Acton should focus on the following priority needs.

1. Affordable rental units for very-low and low-income families.

Discussion. Unlike many suburbs west and north of Boston, Acton has a fairly large percentage of renter-occupied housing: 24% of the town's occupied housing units.[1] However, very few of Acton's rental units are designed for families and fewer still are affordable to low-income families.

Of Middlesex County's 54 cities and towns, Acton has the second lowest rank for percentage of renter-occupied housing with three or more bedrooms and the eighth lowest rank for average renter household size (1.73), so it is not surprising to find that single people live in nearly half of Acton's rental units. Many of the town's renters are young and middle-aged professionals, often with incomes that exceed renter household incomes elsewhere in the Boston metropolitan area. Adjusted for household size, Acton's median renter household income surpasses that of all towns in the immediate area.

To Live in Acton

PRIORITY HOUSING NEED #1
Low-Income Rental Units

In Acton's region, a four-person family with income at or below $41,350 meets the federal definition of a low-income household.

There are 405 low-income families living in Acton today.

89% are housing cost burdened.

Acton's Chapter 40B Inventory includes only 42 rental units for low-income families. In Acton today, 530 of the town's renter households – or 30% – spend more than 30% of their monthly income on rent and utilities. Nearly 65% of Acton's cost-burdened renters are households headed by persons under 44 years of age, and most of them are families: married couples and single parents. Sub-regionally – that is, Acton and 11 nearby towns – there are 3,684 low-income families and 1,557 very-low-income families, but only 2,238 Chapter 40B rental units, most of which are age-restricted.

[1] Census 2000, Summary File 1 Table H-7.

2. Affordable rental units designed for low-, moderate- and middle-income senior citizens and persons with disabilities.

To Live in Acton

PRIORITY HOUSING NEED #2
Affordable Senior Apartments

In Acton, the median household income of seniors over 75 is only 23% of the town's median family income. Acton ranks fourth in Middlesex County for the magnitude of the income income gap between its oldest households and working-age families.

Discussion. The population percent of persons 65 and over in Acton is very low: 8.4% compared to 13.8% for the state as a whole and 13% for Middlesex County. Acton also falls in the lowest quartile for Middlesex County for percentage of elders in rental housing. Significantly, the ratio of median household income for seniors over 75 to the town's median family income overall is only .235 – a ratio that means Acton's oldest residents are in a profoundly different economic position from that of its working-age families. It is little wonder that Acton's senior population is so small.[1]

Except for 90 units at the Inn at Robbins Brook, an assisted living facility with three affordable units certified for listing on the Subsidized Housing Inventory, the only rental housing units developed for the elderly in Acton are owned and managed by the Acton Housing Authority. As a result, there are very few choices to elders with incomes above 80% of area median family income, and Acton's small portfolio of elderly public housing (91 units) means that elders with incomes below 80% also have strikingly few options. The issue is not only affordability, but also size and configuration. Owing to design constraints imposed by housing subsidy programs, public housing units are usually quite small. To some senior citizens, the degree of "downsizing" involved in relocating to an affordable housing unit is an enormous sacrifice while other seniors view a small apartment as an asset because it is easier for them to manage. For elderly residents and elderly relatives of Acton families, the town should provide more choices in order to meet needs that will not be served by high-end assisted living units. Elderly independent living apartments priced on a continuum for low-, moderate- and middle-income seniors, and possibly elderly cottage units or "ECHO" housing, would help to address these needs.[2]

In addition, Acton is substantially below average for Middlesex County and the Commonwealth for percentage of working-age adults with disabilities, and its percentage of elderly persons with disabilities is the sixth lowest in Middlesex County.[3] Acton has well-defined village centers that could support access to goods and services for people with mobility impairments and other disabilities. Today, there is very little barrier-free housing in Acton except for accessible units in elderly developments or homes that have been retrofitted by private property owners.

[1] Census 2000, Summary File 1 Table P-12, Summary File 3 Tables H-14, H-69, H-71.
[2] In housing parlance, "ECHO" means "Elderly Cottage Housing Opportunities." In concept, an ECHO unit is similar to an in-law apartment. Instead of being located inside a single-family dwelling, however, an ECHO unit is a freestanding home situated on the same lot as a principal residence, usually that of a family member.
[3] Census 2000, Summary File 3 Table P-42.

3. Affordable homeownership units for moderate-income families.

Discussion. Nearly all of Acton's recent achievements in Chapter 40B housing production have resulted in homeownership opportunities for moderate-income households. Local officials and developers have made important contributions to Acton's affordable housing supply because without the town's own zoning incentives for affordable units, Acton would not have had any moderately-priced homes for first-time homebuyers units until the late 1990s. However, including four homes in Acton's most recently approved comprehensive permit project, Franklin Place, Acton has only 19 homeownership units on the Subsidized Housing Inventory.

To Live in Acton

PRIORITY HOUSING NEED #3
Moderate-Income Homeownership

In Middlesex County, Acton has a fairly low percentage of non-elderly, low- and moderate-income households and one of the highest percentages of low-income households that are housing cost burdened.

The incidence of homeowner cost burden is very high among young families in three of Acton's census block groups.

Families constitute a substantial portion of all households in Acton and their median income is the tenth highest family income in Middlesex County. Additionally, Acton ranks 12 for high percentage of married-couple families (88.1%) and 7 for married-couple families with children under 18 (50.9%). The incomes of married-couple families, and particularly married-couple families with children, are much higher than the incomes of other households in town. In light of the make-up and economic position of most Acton households, it is not surprising to find that the town has a relatively small percentage of cost-burdened homeowners: about 24%, compared to 26% for both Middlesex County and the state.[1]

Despite the economically advantaged position of most Acton families, statistical indicators of their well-being mask important differences that exist among homeowners by age, income, and neighborhood. Acton's percentage of young homeowners – households headed by people under 35 – is only 8.8%, which places the town in the lowest quartile for Middlesex County and underscores the "buy-up" nature of Acton's housing market. Since many of the young homeowners who live in Acton have fairly high incomes, the incidence of housing cost burden among them is roughly consistent with the Middlesex County average for the same age group (24%). Affordability conditions for young homeowners in three sections of Acton differ significantly from the town-wide average, however: in these neighborhoods, nearly half of all homeowners under age 35 pay more than 30% of their income on housing costs.

County-wide, Acton ranks 40 for percentage of low- and moderate-income households, and the rate of housing cost burden for this group of homeowners in Acton is the County's sixth highest. Significantly, the rate of housing cost burden among low- or moderate-income homeowners ranges from 50-100% in seven of Acton's nine census block groups. Overall, the percentage of cost-burdened low- and moderate-income homeowners in Acton is much higher than in a majority of Middlesex County towns or the state as a whole. In Acton, less than half of the households with incomes in the low or moderate range are senior citizens.[2]

[1] Census 2000, Summary File 1 Tables P-34, P-36, Summary File 3 Tables H-94, PCT-39.
[2] Census 2000, Summary File 1, Table H-16, Summary File 3 Tables H-94, H-96.

4. Affordable homeownership units in a range of residential use types and sizes for moderate- and middle-income seniors.

Discussion. Many elderly homeowners in Acton – regardless of income – spend more on housing costs than elders in communities nearby, the balance of Middlesex County, the Boston metropolitan area or the state. Town-wide, about 28% of Acton's over-65 homeowners pay more than 30% of their income on housing: for most, this means property taxes and house insurance, and for some, it also includes a mortgage payment. Acton ranks 16 out of 54 Middlesex County communities for high percentage of cost-burdened elderly homeowners. For the elderly as a percentage of all homeowners, a high-low ranking of the county's 54 cities and towns places Acton only at 12. Less than 15% of Acton's homeowners are over 65, compared to 24.8% for the state as a whole.

To Live in Acton

PRIORITY HOUSING NEED #4
More Choices for Seniors

Acton ranks 16 out of 54 Middlesex County communities for high incidence of housing cost burden among the elderly.

Over-65 households comprise 14.8% of all homeowners in Acton. As a result, Acton's county rank for percentage of elderly homeowners is only 12. Low-, moderate- and middle-income senior citizens cannot afford to live in Acton.

The shortage of options for seniors who want to "down-size" to smaller homes is hardly unique to Acton. Elderly homeowners are underrepresented in most of Acton's market area. Although the region offers "over-55" developments of townhouses, condominiums and small single-family homes, nearly all of the units are priced at the upper end of the market: sale prices starting at $299,000 and monthly fees of $360-$450. For example, the assessed values of Acton's new over-55 condominiums and townhouses at The Pines at Robbins Brook are $303,717 and $401,300 respectively. In the past few years, several communities in Eastern Massachusetts have issued comprehensive permits for "over-55" housing, but Chapter 40B is not always the best tool for creating affordably priced homeownership units for seniors. While many elderly households are eligible for Chapter 40B affordable units on the basis of income, the value of their assets may be too high. In addition, the market-rate units in Chapter 40B developments are usually out of reach for moderate- and middle-income elderly homebuyers. Like most towns, Acton needs elderly units at below-market prices without the income and asset restrictions associated with Chapter 40B.

5. Homeownership units at below-market prices, affordable to middle-income homebuyers.

Discussion. Acton's evolution as a town with many large, spacious, expensive homes seems inescapable. For three successive decades, Acton has ranked in the top 25 communities statewide for median household income and the top 20 communities for median family income.[1] This year, Acton homeowners have paid the state's 16th highest average single-family tax bill, although their property tax burden is very similar to that of other upper-income suburbs.[2] As testimony to the pattern of high household wealth in most west-of-Boston suburbs, Acton is actually a "mid-market" town for the region: its median single-family home sale price of $469,275 represents an 85% increase since 1995 and throughout, it has

[1] The Boston Globe, August 27, 2002, <http://www.boston.com>. The Globe posted a one-time, online collection of three decades of census data for all cities and towns in New England, supplied by the Bureau of the Census when Census 2000 Summary File 3 Demographic (DP-series) Tables were released on August 27, 2002.

[2] Massachusetts Department of Revenue, Division of Local Services, "FY2004 Average Single-Family Tax Bill." Municipal Data Bank, <http://www.dls.state.ma>. Here, "tax burden" measures the average single-family tax bill as a percentage of the median income for homeowners in each community, and "suburb" refers to the "King of Community" classification system developed several yeas ago by the Department of Revenue.

remained roughly at the mid-point of the 12-town comparison area, with Lincoln at the highest end of the range and Maynard at the lowest.[1]

One way to think about home prices in any community is to consider whether its present homeowners could afford to buy a house in town if they were first-time homebuyers today. In Acton's case, the median single-family home sale price would be unaffordable to 61% of its existing households and 83% of all households in the Boston metropolitan area. Under conventional loan standards, a household of four at the Boston area median family income ($82,600) can afford to purchase a house or condominium that costs about $285,000. For them, the median single-family sale price in Acton constitutes an affordability gap of $184,275.[2]

To Live in Acton

PRIORITY HOUSING NEED #5
Below-Market Homeownership

Acton's region has experienced some of the highest rates of single-family and condominium sale price growth of any area in the Commonwealth. Last year's single-family home sale price in Acton - $469,275 – is unaffordable to 83% of all households in the Boston metropolitan area.

Undeniably, other towns nearby offer more homes at lower prices than prospective homebuyers will find in Acton. For example, the median single-family sale price in Maynard, Chelmsford and Littleton ranges from $290,250-$360,000. However, the most striking feature of the region's housing market is the change that has occurred in home prices in traditionally affordable communities. Since 1995, the highest rates of regional sale price growth have occurred in Maynard (117%), Littleton (107%) and Chelmsford (103%).[3] As a result, the risk of diminished housing affordability for young workers and their families is a region-wide problem, one that will not be solved by a single town's initiatives.

For many years, Acton's contribution to the supply of "entry" homeownership units has been its substantial inventory of condominiums, which are affordable to a much wider pool of prospective homebuyers than its single-family homes. Excluding detached condominiums – that is, single-family homes in a development with shared land ownership – condominiums and townhouses in Acton have sold for $145,000-$180,000 since 2000.[4] These units are clearly affordable to many households, particularly young renters living in Acton and communities closer to Boston. A challenge for Acton is to preserve the affordability of its condominiums so that some of them will continue to provide moderately priced alternatives to a single-family home. Since 1995, the median sale price of condominium and townhouse units in Acton has increased by 81%.

[1] Acton Assessor's Office, FY03 Parcel Database supplied to author. The condominium and townhouse sale prices cited above do not include units at The Pines at Robbins Brook.
[2] "Affordability" assumes a 30-year, fixed-rate mortgage at 7% interest and a 10% downpayment.
[3] The Warren Group, "Free Market Statistics," <http://www.thewarrengroup.townstats.com>.
[4] Acton Assessor's Office, FY03 Parcel Database.

2. Report Recommendations on Housing - Summary

(Summary - "TO LIVE IN ACTON" report, pp. 44-48)

Zoning

The Planning Board should evaluate and prepare for Town Meeting consideration the following amendments to the Acton Zoning Bylaw and related action:

- Inclusionary Housing provision to replace Affordable Housing Incentives Overlay District.
- Affordable Housing Trust Fund (or use the CPA Community Housing Fund) to receive revenues from the "buy-out" option in the recommended Inclusionary Housing provision.
- Increase minimum lot size in R-2 District, with special permit option to return to R-2 density if development includes affordable units; no "buy-out" option.
- "ECHO dwelling" units. Originally conceived as "Elder Housing Cottage Opportunities", they would be new detached accessory apartments in the rear of existing homes.
- Modest frontage waivers on in-fill lots for affordable 1- and 2-family homes.

Comprehensive Permits

The Board of Selectmen and Planning Board should jointly adopt a Comprehensive Permit Policy. Things to consider:

- Encourage Local Initiative Program (LIP) developments.
- Be receptive to higher-density housing where consistent with the master plan.
- Describe zoning waivers that Acton is willing to consider, and where.
- Identify what the Town would seek in exchange for considering higher density.
- Set reasonable performance standards.
- Identify housing needs that Acton wants comprehensive permit developers to meet, e.g. rental v. home-ownership, inclusion of very low-cost units, senior housing, etc.
- Create a streamlined local review process for small comprehensive permit developments.
- Increase the size of the Board of Appeals to five members.

Supporting Actions

- Consider tax abatements/exemptions to landlords who rent unrestricted market units to low- or moderate-income tenants at rents they can afford (needs special legislation).
- Develop criteria for selecting small town-owned / tax title parcels for development as affordable housing.
- Use an Affordable Housing Fund or the Community Housing Fund to purchase residential properties for acquisition/rehabilitation as permanently affordable housing.
- Seek rights of first refusal to purchase homes when they become for sale.
- Establish a '40B unit re-purchase fund' to intervene if necessary to prevent the conversion of a 40B unit to market rate for lack of a qualified buyer.

3. Report Recommendations on Housing – Full Version

(Excerpt - "TO LIVE IN ACTON" report, pp. 44-48)

Recommendations

To address the needs identified in this plan, Acton should implement the following actions:

Zoning & Land Use

1) Replace the existing Affordable Housing Incentives and Overlay District bylaw (Section 4.4) with a simplified Inclusionary Housing Bylaw that requires affordable dwelling units in all residential developments of five or more homes and does not obligate the developer to seek a special permit.
   a) Apply the Inclusionary Housing Bylaw to all zoning districts in which residential uses are allowed, and to all types of residential uses, in any development of six or more housing units.
   b) Establish a base inclusionary requirement, e.g., 10% of all dwelling units in any project subject to the bylaw.
   c) Offer developers a menu of choices to comply, subject to approval by the Planning Board:
      (1) Include units in the development.
      (2) Provide equivalent units in another location in Acton.
      (3) Pay a fee in lieu of creating new units, the fee to be equal to the difference between an affordable purchase price as defined by DHCD's Local Initiative Program (LIP) and the median single-family home or condominium sale price for the most recent fiscal year, as determined by the Board of Assessors.
      (4) Donate to the town a parcel of land with equivalent development capacity, restricted for affordable housing use.
   d) Provide a density or floor area ratio bonus by special permit to encourage additional affordable units in zoning districts that allow higher-density development.
   e) Condition the release of occupancy permits on the town's receipt of affordable unit documentation.
2) Consider increasing the minimum lot size for development in the R-2 District but provide a special permit option to build at the current density in exchange for the inclusion of affordable units in a new development, i.e., without the "buy-out" options that would be available under the Inclusionary Housing Bylaw.
3) Amend the Zoning Bylaw by updating the existing definitions of "affordable," "low-income" and other terms required to implement affordable housing regulations.
4) In conjunction with the Inclusionary Bylaw, establish a permanent Affordable Housing Trust fund by special act of the legislature for all revenue generated by the bylaw and any other funding sources as determined by the town, e.g., community housing funds appropriated under the Community Preservation Act.
   a) Assign administrative responsibility for the trust fund to the Board of Selectmen, whose duties should include preparing an annual allocation plan for the expenditure of trust fund revenue, in consultation with the Planning Board.
   b) Place authority for approving the annual allocation plan with Town Meeting.
   c) Incorporate in the home rule petition an exemption from G.L. c.30B requirements so the town can expend trust fund revenue on contracts with the Acton Housing Authority, the Acton Community Housing Corporation, the Acton Economic Development and Industrial Corporation (EDIC), or

another non-profit organization without conducting a formal procurement process for goods and services.

d) Limit the use of trust fund revenue to the production of dwelling units that qualify for listing on the Chapter 40B Subsidized Housing Inventory as Local Initiative Program Units. "Production" should be defined to include new unit creation, preservation of existing affordable units, reuse and conversion of existing structures, and affordable housing restrictions placed on existing dwelling units.

5) Amend the Zoning Bylaw for single-family to multi-family conversions as follows:
   a) Allow conversions by right in any zoning district in which multi-family dwellings are also allowed by right, provided that a conversion project includes at least one affordable dwelling unit.
   b) Retain the existing special permit requirement for conversion projects that do not include affordable units.
   c) Consider modifying the conversion-by-special permit provision for existing dwellings in a Business District so that conversions must include at least one affordable housing unit.
6) Amend the Zoning Bylaw by adding a new use definition for "ECHO dwelling" and establishing ECHO units as a permitted accessory use in any zoning district in which two-family dwellings are currently allowed, as a special permitted use in all other zoning districts.
   a) Establish an administrative site plan review process for ECHO units.
   b) Establish minimum design standards and additional land area requirements (if any) for ECHO units.
7) Amend the Zoning Bylaw by modifying the affordability standards for Senior Residence Developments (Section 9B) to provide for a mix of low- and moderate-income and below-market senior residence units.
   a) Modestly reduce the existing density bonus and require at least 10% of the units to be affordable to low- and moderate-income elders.
   b) Restore the existing density bonus for developments that provide an additional 10% affordable units for seniors with incomes between 81-110% of area median family income.
8) Amend the Zoning Bylaw to provide for modest frontage waivers by special permit in the Village Residential, R-AA and Village Districts, subject to two requirements: (a) an infill lot created with a frontage waiver must meet the minimum lot area for the district, and (b) its use is limited to an affordable single-family or two-family dwelling.

Comprehensive Permits

1) The Board of Selectmen and Planning Board should <u>jointly</u> adopt a comprehensive permit policy, as follows:
   a) Invite developers to use the Local Initiative Program (LIP) comprehensive permit process instead of applying directly to MassHousing or MassDevelopment for a project eligibility letter.
   b) Be open with developers about higher-density housing areas that are most consistent with Acton's established land use policies.
      (1) Identify and map areas that are most appropriate for higher-density housing, such as the Village Residential, R-AA and R-2 Zoning Districts, and the Village Districts, where relatively small minimum lot sizes, two-family and multi-family uses are already allowed by right or by special permit, and areas close to transportation service.
      (2) Identify and map areas that are least appropriate for higher-density housing, such as land in the Groundwater Protection Overlay District and the properties identified in the Master Plan as priority open space protection areas.

(3) Leave room for options to consider small homeownership developments (2-10 units) in other zoning districts.

c) Describe the zoning waivers that Acton is willing to consider, such as a realistic range of additional units per acre or a higher floor area ratio to accommodate affordable homeownership units.

(1) When the minimum lot size allowed by zoning is 10,000-15,000 square feet (ft^2), consider a maximum standard of 8-12 dwelling units/acre, i.e., embrace the state standard and recognize that the Zoning Bylaw already authorizes an exemption for a substantially higher density in the R-AA District (Section 5.3.2.2).

(2) When the minimum lot size allowed by zoning is 20,000 ft^2, consider a maximum standard of 6 dwelling units/acre.

(3) When density is controlled by a floor area ratio instead of units per acre or units per structure, consider increasing the maximum FAR to a range of .85 to 90.

(4) For small projects in other areas, consider a density that does not exceed twice the density permitted by zoning unless the applicant agrees to beneficial trade-offs, such as the protection of roadside open space or a historic building located on the same parcel.

d) Identify trade-offs the town is willing to consider to encourage comprehensive permits in preferred locations, such as higher density in exchange for design elements compatible with surrounding buildings or green building certification.

e) Set reasonable performance standards.

f) Identify housing needs that Acton wants comprehensive permit developers to meet.

(1) Aside from the fact that rental developments will accelerate Acton's progress toward 10%, Acton needs affordable rental housing. The most significant rental housing need is for families, but Acton is very concerned about the fiscal impact of new growth. At the same time, state government appears to be taking the shortage of family housing more seriously than it has for the past several years. For example, one of the competitiveness criteria for financing from the Priority Development Fund is the inclusion of units with three or more bedrooms.

(2) Rather than argue against any family units, ask developers to limit the number of rental units with three or more bedrooms to 10% of all units in a Chapter 40B rental development.

(3) Ask developers to include some below-market units in any comprehensive permit development designed for over-55 households. Ten percent in addition to the minimum 25% low- and moderate-income requirement is reasonable for most projects.

2) The Acton Community Housing Corporation (ACHC) should revise its comprehensive permit review guidelines, where applicable, to conform to the town's policy statement.

3) Create a streamlined local review process for small comprehensive permit developments, e.g., 10 or fewer units.

a) Prepare a "Small Project Application Package" and work with the ZBA to create an expedited review and decision-making process for small-scale projects.

b) If Acton prefers small, scattered-site projects, it needs to make the permitting process faster and easier for them. Having a standardized application package will provide technical assistance to applicants who may not be seasoned developers, and the expedited process will result in a more desirable and useful comprehensive permit process.

4) Designate an individual officer of the town to negotiate with comprehensive permit applicants during the permit process or, subject to Town Counsel's approval, retain an outside special counsel to assist with negotiations.

5) Increase the size of the Board of Appeals from three to five members. The town needs to encourage a variety of viewpoints and provide room for disagreement by having more people involved in the comprehensive permit review and decision-making process.
6) Collect and organize the data necessary to estimate operating budget and infrastructure impacts on municipal and school services so the town has the most accurate information possible for negotiating with comprehensive permit developers. The same information is also required for Acton to submit a Housing Production Plan under DHCD's Chapter 40B regulations.

Supporting Actions

1) Review the roles and responsibilities of the Planning Board, Board of Appeals, Board of Selectmen, Acton Community Housing Corporation and professional staff with respect to affordable housing review, permitting, advocacy and locally sponsored development.
2) Consider seeking special legislation to offer significant tax abatements or exemptions to landlords who rent market (unrestricted) units to low- or moderate-income tenants at monthly rents they can afford.
3) Develop criteria for identifying and selecting small town-owned and tax title parcels that may be suitable candidates for disposition and development as affordable housing.
4) Just as Conservation Commissions and local land trusts work privately with landowners to protect open space, Acton needs to be pro-active with owners of existing homes to create a base of scattered-site affordable housing units. Toward this end, the Acton Community Housing Corporation should consider the following actions:
   a) Develop a priority list of single-family, multi-family and condominium properties for acquisition/rehabilitation in exchange for permanently affordable housing units.
   b) Approach property owners about the possibility of acquiring a right of first refusal to purchase their home when they decide to sell.
   c) Request an allocation of CPA or Inclusionary Housing revenue for a small fund to pay for refusal rights or option agreements between annual town meetings.
5) Using CPA and/or Inclusionary Housing revenue, or a separate cash contribution from developers, Acton town should establish a special set-aside fund to purchase Chapter 40B homeownership units upon resale if a qualifying low- or moderate-income homebuyer cannot be found within the period specified in the deed restriction.

4. Summary – 1st Chapter 40B Strategy Meeting 2/2/04

(Boards and Committees attending; facilitated discussion
Summary - "TO LIVE IN ACTON" report, pp. A17-A20)

Discussion Notes

Design

- "Good Design" (define!) more important than density (with limits).
- "Good design" makes higher density more acceptable.
- Take context of site into consideration.

Location

- Use (re-)development in and around centers
- More emphasis on open space outside of centers.
- Focus affordable housing plan in area between Rt. 2 and commuter rail.
- Discussion needed on where high-density is acceptable or should be encouraged.

Process Management

- Prepare guidelines for developers.
- Create an incentive for collaborative process.
- Ease approval process where possible.
- End corrosiveness of current process.
- Establish collaborative process with abutters before or outside 40B process.

Pro-active measures and countermeasures

- Be proactive in affordable housing - get out front of developers.
- Use zoning to generate affordable housing.
- Incentives for dwelling conversions with affordable component.
- By-right accessory apartments in new construction.
- Buy market rate units or deed restrictions.

Target Group

- Housing for teachers, police, etc.

Miscellaneous

- Create new (public) "transportation" on hubs.
- More orientation for access to public transit.
- Look for walkability.
- Respect "smart growth" ideas.

Desired Outcomes:

- Diverse community.
- Mixed housing types and styles.
- Compatibility with community character, form, scale, and location on property.
- Strengthen village centers.
- Meet the needs of downsizing seniors.
- Keep services here.
- Plan with 40B.
- Use 40B i.e., the Town use it.
- Change EDIC legislation to include housing charge.

5. 40B Strategy Meeting 4/27/04 – Affordable Housing Development Scenario

(Boards and Committees attending; facilitated discussion;
5-groups reacting to a hypothetical development scenario with a number of options to choose and decisions to make.
Summary - "TO LIVE IN ACTON" report, pp. A21-A29)

Prevailing choices

- 2 access ways to development.
- Not sure about cooperative LIP – 40B process.
- Maximize open space or at least preserve open space in various strategic locations of site.
- 12-month 40B immunity is not worth adding the extra density to achieve it.
- High-quality building design/architecture very important.
- Opted not to accept recreation on site – instead would ask for contribution toward recreation facilities development/ improvements elsewhere.
- Maximize the affordable unit count.
- Achieve a range of affordable unit pricing below the regulatory maximum.
- Mixture of housing types – rental/ownership and single-family/multi-family.

Other choices/observations:

- All rental units – enough in numbers and density to give Town a 12-month 40B break
- Sliding scale on the rental units.
- Avoided large buildings, opted for "cluster" housing in smaller units instead.
- Would prefer the cooperative LIP – 40B process.
- Abutters' involvement a "must".
- Connectivity to adjoining open space.
- Opted for recreation land donation.
- Some real expensive homes.
- Create a walkable village neighborhood.
- Make the most a 40B.
- Some senior housing.
- Add a neighborhood store.

Participants themselves saw agreements and consistencies among the groups as follows:

- If possible, the Selectmen should use the LIP process.
- Open space is important.
- No group wants all single-family homes.
- Quality of building design is important.

6. Public Meetings 10/7/03 & 10/8/03

(attendance +/-25 each evening;
Summary - "TO LIVE IN ACTON" report, pp. A9-A16)**:**

Discussion Questions

- What housing needs - if any - are not met by ordinary market development in Acton? Who cannot find suitable housing in Acton today?
  Answers and Comments:
  - Senior Citizens, young professionals and families, first time buyers, empty nesters, workers in Acton, low income households.
  - Too much housing of one kind.
  - One must rely on cars to move around – no options.
  - We want Acton town/school employees to be able to live in Town.
  - How diverse do we want Acton to be?
  - Can residents afford to live here over a long time?
  - Do we want people to move to Acton?
- Setting aside legal requirements, do you think communities have an obligation to provide for affordable housing? Why, or why not?
  Answers and Comments:
  - Town does not have obligation (don't like the word), but should allow through its own zoning.
  - It is important, maybe advantageous, or necessary as a community to have affordable housing.
  - Affordable = moderate and middle income. What about low-income?
  - Yes, to provide a diversity of incomes, race, nationality, etc., including immigrants.
  - Provides an entry to the community.
- What factors would make you more likely to oppose an affordable housing development?
  Answers and Comments:
  - Loss of open space, poor planning and design, isolated location, traffic, environmental reasons.
  - Positive locations for affordable housing are in isolated area or in/near a village or business center.
  - Don't want it to change the character of Acton.
  - Affordable housing comes with bureaucracy.
  - Affordable housing can be blighting.
  - People living there sense a negative connotation.
- What factors would make you more likely to support an affordable housing development?
  Answers and Comments:
  - More than the required minimum number of affordable units.
  - Units that sell at prices affordable to a range of low -, moderate -, and middle-income households.
  - Lowest possible density. Other said highest possible density.
  - Housing built for seniors would be okay.
  - Housing for families – yes, too!
  - Housing for persons with disabilities would be okay.
  - In character with neighborhood.
  - Housing needs and gaps should be identified and effort to fill them should be supported.
  - Need more housing, commerce, and jobs around the commuter rail.
- Compared to other local needs, how important is affordable housing?
  Answers and Comments:

More Important are –
- Protecting open space and preserving historic resources.
- Traffic and schools are the biggest issues.
- Need to feel connected.
- Needs investment of personal energies, but there are now fewer volunteers than in the past.
- Managing economic growth.

Less Important are –
- Controlling traffic congestion.
- Controlling property tax increases.

Same –
- Managing economic growth.
- Controlling population growth.
- As important as all other concerns.

Issues –
- Affordable housing is an unfunded mandate.
- Clash between private property rights and 40B.
- How useful are statistics?
- Need more education about 40B.
- Silly list, they are all important.

- Which of the following options seems most appropriate for an affordable housing strategy in Acton?
  Answers and Comments:
  - A little bit of everything.
  - Use CPA funds to convert existing market rate homes into permanently affordable housing.
  - More Accessory apartments in single family neighborhoods.
  - Multi-family development in business areas, such as above stores.
  - Using some of the town's land for affordable housing development.
  - Single-family home conversions to 2- and 3-family homes.
  - NO new 40B construction.
- How important is architectural and landscape design to a project's palatability to the surrounding neighborhood? What features would people like to see incorporated into the design of the buildings and the streetscape?
  Answers and Comments:
  - Very important - should be consistent with the neighborhoods.
  - Sustainable design is also important.
- Would an affordable housing development be more acceptable to the community if it included a mix of housing types - such as small two-family homes, some garden apartments or townhouse, and larger single-family residences? Less acceptable? Why?
  Answers and Comments:
  - Generally, more acceptable.
  - More acceptable if scattered.
  - How would density fit into Acton?
  - Can McMansionization be limited with a restriction?
  - Use CPA to buy down existing condos.
  - Variety is needed.
  - Public transit stops near new village areas.
  - Land taken for taxes - is it usable?
  - We need other mechanisms than new construction.
  - Hostile 40B's hurt the town, we need to be proactive.
  - Zoning to allow some conversion of single-family units to increase density.

- More creative zoning.
- Can turn over older housing stock into condos/apartments.
- The goal for housing is to support the kind of community that we have.

Visual Preference Survey

- Strong preference for single-family housing with traditional design.
- McMansion example did not fair well.
- New multi-family homes in traditional design and disguised as single-family homes, and old single-family homes converted to apartments received high ratings.
- A barren appearing townhouse/row-house designs did not rate well.
- Brick garden-style apartments rated poorly.
- A variety of images of mixed-use buildings received high ratings, except for those with overly urban appearance in styles that did not fit the Acton region.
- Preference for variety of styles and designs in new subdivisions.
- Trees, landscaping and sidewalks were considered a necessity.
- Small retail and neighborhood service buildings mixed with apartments were the most preferred mixed-use images.
- Pedestrian scale and amenities were rated as very important.

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2

Property Taxes, Potential Overrides, and Resultant Levels of School and Municipal Services

Financial Update and Status Report
Board of Selectmen

Overview

We are again facing a severe budget crisis this year as we continue to deal with shrinking revenues, and budgets that will not allow us to maintain services while living within the constraints of Proposition 2 ½. We are at the end of a three-year budget plan first developed two years ago when we asked for a $3 million operating override and the citizens responded by passing that request. Last year we kept our word and did not ask for an override, and we used free cash to solve our budget deficit. This year we again see the need for an operating override as the three year plan had predicted. The override amount has yet to be determined, although the Acton Leadership Group (ALG)[1] has been discussing an operating override in the $3 to $4 million range. Needs are considerably greater. Yet we also understand the difficult times facing many of us and the burden imposed by increasing property taxes. At the State of the Town Meeting, the Board of Selectmen, as well as the School Committees and Finance Committee, are seeking input from our citizens regarding various budgetary decisions including a sense of program and service priorities and trade-offs to inform our budgetary decisions. We intend to use the feedback from this meeting to help shape the development of the final budgets and any possible override requests, rather than come as reaction to budget plans and programs already formed. This report briefly outlines the financial picture from the Selectmen's viewpoint.

Revenues

The current projected revenues for the forthcoming fiscal year (FY06) do not paint a pretty picture. Despite a slight increase in state aid expected for next year, we project that in FY06 we are likely to receive $6.3 million, over $1.5 million less than the peak years of state aid experienced in 2002 and 2003 when we received almost $8 million each year as shown in Figure 1. Since that time we have experienced a decline of almost 25 percent in state aid. Expressed differently, in real, inflation-adjusted dollar terms, the amount of state aid flowing to Acton projected for FY06 is equivalent to the dollar value we received in 1997 as shown in Figure 2. Thus, even though our needs have grown substantially in the last nine years, the amount of state aid we receive is about equivalent to what we received nine years ago in constant dollar terms.

The reduction in state aid is particularly acute in Acton where we are highly-dependent on state aid and the tax levy as our two primary sources of revenue. We rely on state aid for 10 percent of our revenue, and an overwhelming 80 percent comes from the tax levy. This is much higher than the state average and indeed higher than virtually all of the towns with whom we compare ourselves. Fees, excise taxes and other sources of revenue make up the remaining 10 percent of our revenue base. Just three years ago, state aid represented 14 percent of our revenue base and the tax levy was only 74 percent of our total revenue base.[2] New growth tax revenue is also down $300,000 from 2002 as a result of a very significant decline in new construction in town.[3] Finally, our free cash reserves are nearly depleted this year which means that total revenue for the coming year (FY06), after consideration of allowed Proposition 2½ increases, is likely to be *less* than last year.

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[1] ALG is a group that meets biweekly to develop a comprehensive budget plan for the coming fiscal year as well as a longer term plan. It is composed of the chair and vice chair of the Board of Selectmen and the Finance Committee, the chairs of the local and Regional School Committees, the Superintendent and Assistant Superintendent, and the Town Manager and the Assistant Town Manager. ALG is not a decision-making group but rather makes recommendations to the individual Boards regarding budgetary matters.

[2] Local receipts have also declined somewhat due to the decline in the economy.

[3] New building permits dropped to only 30 last year compared with the all–time high of 126 in 2000.

Figure 1
Total Net State Aid to Acton

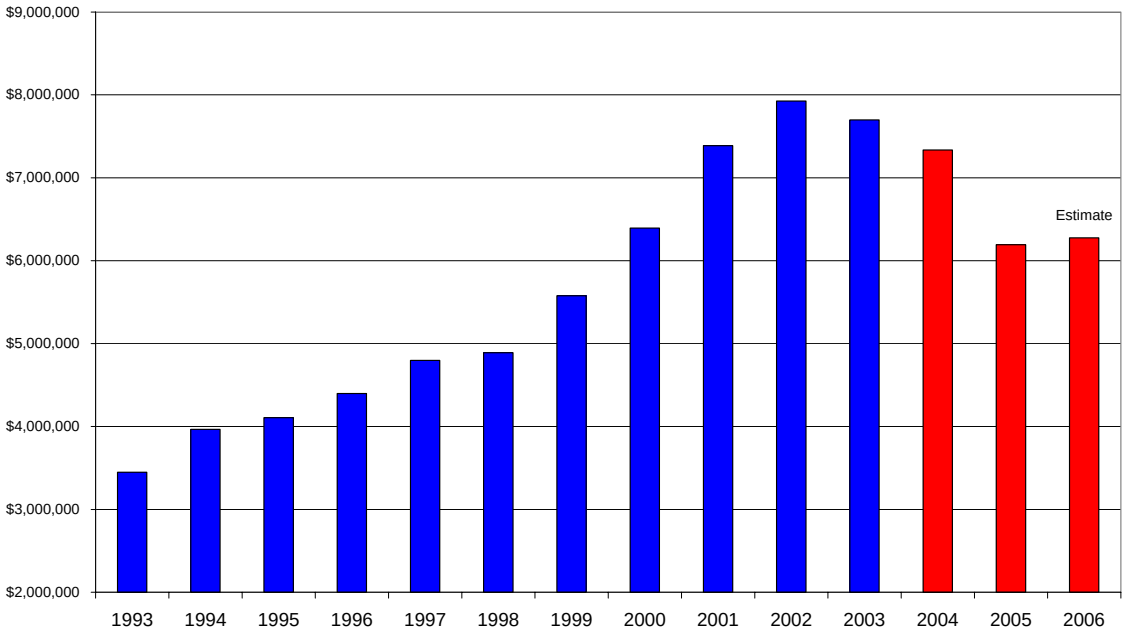
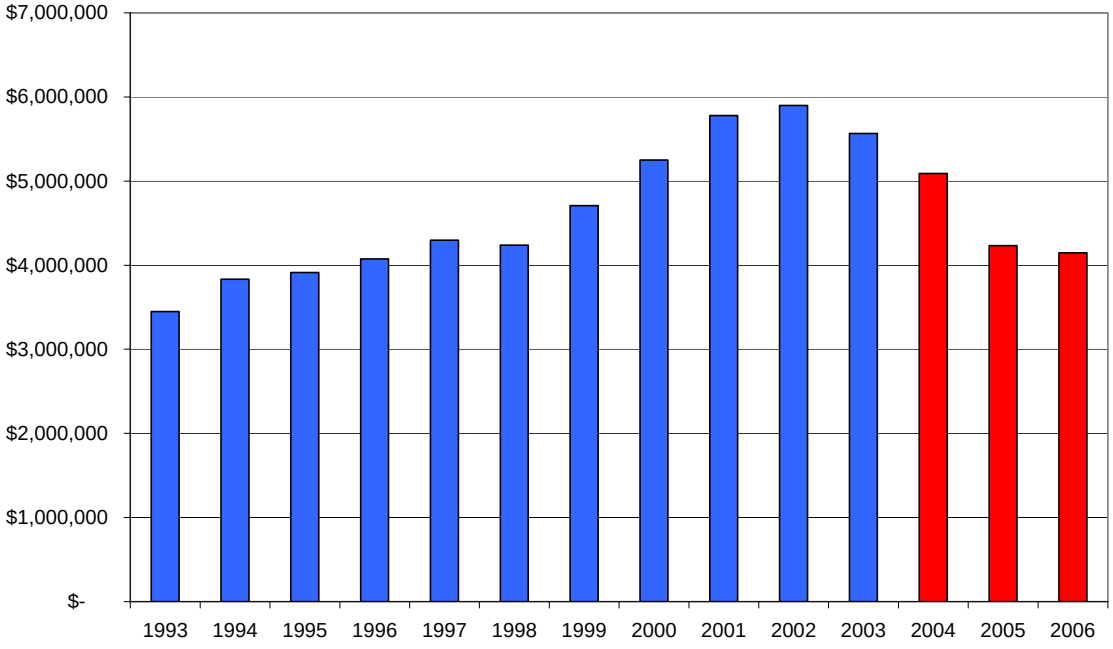


Figure 2
Total Net State Aid to Acton*
(In constant dollars)



* Projected for FY06; values are expressed in real dollars using 1993 as the base year.

This bleak revenue picture must be viewed in context of the constraints imposed on us by Proposition 2½. Proposition 2½ only allows an increase of 2½ percent on the total amount of property taxes collected in the previous year plus any additional tax revenue which land splits and new construction may contribute (new growth). Our ability to fund budget increases has historically come from increases in state aid, new growth, and use of various cash reserves as well as the 2½% increases in the tax levy. As we move forward we face a "structural deficit" imposed by the constraints of Proposition 2½ and limited expectations that new growth or state aid will supplement our coffers. Some relatively simple math shows just how difficult it is to maintain services under these limiting conditions. In FY05 our budgets total approximately $60 million. Assume in the coming year, the budget grows by 5 percent or an increase of $3 million. Additional revenue generated under Proposition 2½ is approximately $1.2 million plus new growth of $600,000 or a total increase of $1.8 million. Assuming no increases in other revenue sources,[1] that immediately leads to a budget shortfall of $1.2 million. Assume further that budget increases follow the long term trend of almost 7 percent rather than 5 percent. Then the budget shortfall increases to $2.4 million.

The obvious question is why can't we contain our budgets to increases of less than 5 percent? A number of factors are at work. First, the schools and municipal government are labor intensive organizations, with wages and associated benefit costs comprising 75 percent of our total budget. Wages alone are 60 percent. To maintain the quality of our workforce we must pay competitive salaries and that translates into wage increases in the 3-4 percent range over the last few years. Health insurance costs in recent years have been rising by 20 percent or more on an annual basis. And Middlesex Retirement System costs have been rising 15 percent per year. The Board of Selectmen is addressing this problem, but we do not see any solutions in the foreseeable future. Without adding any new staff, and without adding any other budgetary increases for the other 25 percent of the budget, these three elements result in an annual budgetary increase of 5 percent as shown below:

Wages (60% of budget * 3.5% increase)	=	2.1% increase
Health Insurance (12% of budget * 20% increase)	=	2.4% increase
Pension (3% of budget *15% increase)	=	0.5% increase
Budgetary increase due to these three factors	**=**	**5.0% increase**

This 5 percent alone is more than what Proposition 2½ allows us to fund. This is the dilemma we face as we try to craft budgets and plan for the future. Operating overrides are clearly required on a regular basis if we are to meet current service levels even without adding anything new.

Members of the Board of Selectmen, the Finance Committee, the School Committees and Town and School Administrators have been meeting on a regular basis this summer and fall to discuss budgetary matters. As in the past this group has been working on a three-year budgetary plan. Both the schools and the municipal government have developed "big picture," preliminary looks at budgets over a three year period which are discussed in more detail later on. Revenue projections have also been made. It is important to understand that these are forecasts looking out three years and are in essence guesses at what the future may hold. Experience has shown us that these numbers are very volatile and subject to change. Attempting to predict revenues (and budgets) more than a year in advance is extraordinarily difficult, but we do this to provide some estimate of what the future may hold in store.

[1] In fact this year we are looking at a significant decline in other revenue sources due to the depletion of free cash.

To put the structural budget difficulties into perspective, the following table lays out certain hypothetical override scenarios and consequent impacts both in terms of the combined budgets and an estimated impact on the single family tax bill over the next three years. These hypothetical override amounts were chosen to illustrate certain factors at work. It is important to note that no recommendation has been made regarding any override amount and neither the School Committees nor the Selectmen have as yet discussed or proposed a certain override amount. Indeed one of the purposes of this State of the Town meeting is to obtain feedback from the citizens on this question. The first scenario ("no override") assumes no general override in each of the next three years, and indicates that this leaves almost $25 million in unfunded budget amounts over the three year period, and results in average tax increases of about 3 percent per year (the additional half of a percent above the base 2.5% is due to debt exclusions for building projects previously approved) or a total three year increase of 9 percent.

The second scenario ("5% Budget Increase") looks at the budget excluding debt and fixes the rate of expense increase at 5 percent per year over the three years and then computes the annual override amount required to balance the budgets in each year. This results in a $3.59 million override in FY06 and smaller overrides of about $500,000 in FY07 and FY08, but results in unfunded budget amounts totaling almost $12 million. The average increase in the single family tax bill would be about 6 percent per year or a three year increase of almost 19 percent.

The third scenario ("$4.5M case") looks at a situation of trying to sustain existing services without making certain additions which both sides of the house believe are necessary. This scenario requires an override of $4.5 million in FY06 and two additional overrides of $2.5 million in the following years. Unfunded budgetary amounts drop to only $3 million, but the increase in single family tax bill increases to approximately an average of less than 9 percent per year or a three year increase of 28.5 percent. The final case ("$7M case") presupposes an override amount that is roughly equivalent to what is needed to fully fund the projected budgets and includes overrides of $7 million, $400,000 and $2.5 million over the three years. This leaves no unfunded budgetary amount, but does increase taxes by almost 30 percent over the three year period.

Amount of Overrides (Millions)				
	FY06	*FY07*	*FY08*	*Total*
No Override	$ -	$ -	$ -	$ -
5% Budget Increase (excluding debt)	$ 3.6	$ 0.4	$ 0.6	$ 4.6
$4.5M Case	$ 4.5	$ 2.5	$ 2.5	$ 9.5
$7M Case (Meets Budget Needs)	$ 7.0	$ 0.4	$ 2.5	$ 9.9

Unfunded Budget Amounts (Town & School) (Millions)				
	FY06	*FY07*	*FY08*	*Total*
No Override	$ 6.5	$ 7.6	$10.3	$24.4
5% Budget Increase (excluding debt)	$ 2.9	$ 3.5	$ 5.5	$11.9
$4.5M Case	$ 2.0	$ 0.5	$ 0.5	$ 3.0
$7M Case (Meets Budget Needs)	$ -	$ -	$ -	$ -

Percentage Increase in Taxes – Single Family Home *				
	FY06	*FY07*	*FY08*	*3 year incr.*
No Override	3.1%	2.6%	3.0%	9.0%
5% Budget Increase (excluding debt)	10.3%	3.3%	4.0%	18.6%
$4.5M Case	12.1%	7.0%	7.1%	28.5%
$7M Case (Meets Budget Needs)	17.2%	3.3%	7.1%	29.6%

* Includes tax impact of previously-approved debt exclusions, the indicated general overrides, and allowable Proposition 2½ increases.

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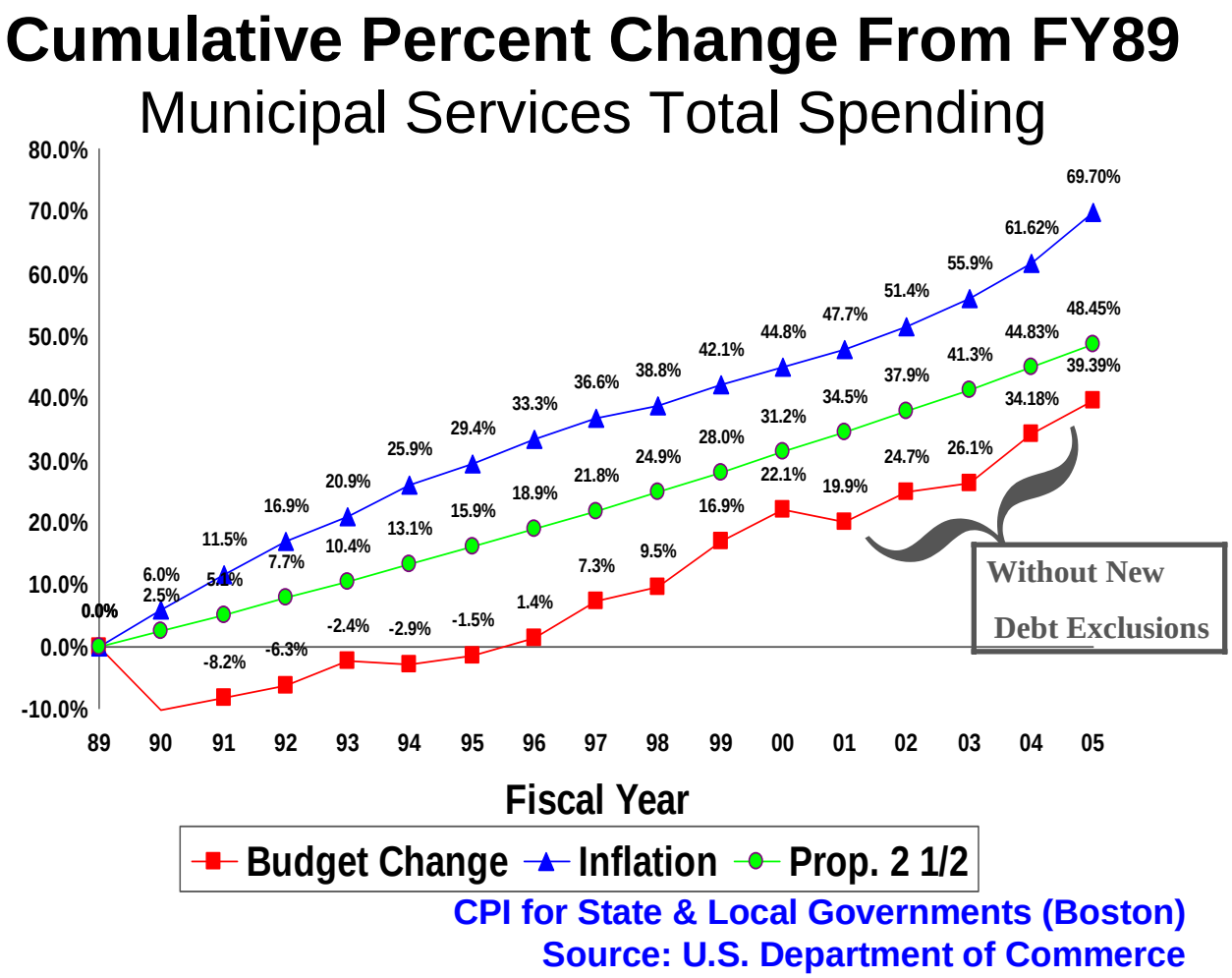
Municipal Budget

As the Selectmen and the Town Manager begin the process of developing a municipal budget for the coming year, we believe that it is imperative for our citizens to understand a few basic facts.

1. The Municipal Budget has been funded below the rate of inflation for the last the last sixteen years.



CPI for State & Local Governments (Boston)
Source: U.S. Department of Commerce

2. The amount of available revenue going to the municipal side has declined significantly over the last ten years. In FY96, approximately 36 percent of the total revenue pie went to fund municipal services whereas now, in FY05, only about 29 percent goes to fund the municipal budget. This is far below most other communities in the State. As a result, the municipal operations have sustained an effective reduction of 20% in funding levels.

Historical Expenditure Trend Analysis

Fiscal Year	1996	1997	1998	1999	2000	2001	2002	2003	2004
TOWN	12,526,241	13,343,770	13,742,535	14,045,665	14,150,600	14,711,074	15,449,635	15,806,000	16,890,000
$ Change from PY		817,529	398,765	303,130	104,935	560,474	738,561	356,365	1,084,000
% Change from PY		6.5%	3.0%	2.2%	0.7%	4.0%	5.0%	2.3%	6.9%
APS	11,442,000	12,414,000	13,494,000	13,602,000	14,747,994	15,825,324	17,195,000	17,681,000	18,622,000
$ Change from PY		972,000	1,080,000	108,000	1,145,994	1,077,330	1,369,676	486,000	941,000
% Change from PY		8.5%	8.7%	0.8%	8.4%	7.3%	8.7%	2.8%	5.3%
ABRSD (1)	10,622,000	11,281,000	12,313,000	13,182,000	14,139,000	16,005,000	17,405,000	18,635,592	20,256,310
$ Change from PY		659,000	1,032,000	869,000	957,000	1,866,000	1,400,000	1,230,592	1,620,718
% Change from PY		6.2%	9.1%	7.1%	7.3%	13.2%	8.7%	7.1%	8.7%
Minuteman Tech.	535,000	507,000	326,000	428,000	516,000	609,000	870,000	772,000	879,000
$ Change from PY		-28,000	-181,000	102,000	88,000	93,000	261,000	-98,000	107,000
% Change from PY		-5.2%	-35.7%	31.3%	20.6%	18.0%	42.9%	-11.3%	13.9%
APS + ABRSD+MM	22,599,000	24,202,000	26,133,000	27,212,000	29,402,994	32,439,324	35,470,000	37,088,592	39,757,310
$ Change from PY		1,603,000	1,931,000	1,079,000	2,190,994	3,036,330	3,030,676	1,618,592	2,668,718
% Change from PY		7.1%	8.0%	4.1%	8.1%	10.3%	9.3%	4.6%	7.2%

(1) ABRSD is computed as the Acton's share of the budget less Acton share of excluded debt.

SHARE OF INCREMENTAL INCREASES BETWEEN TOWN AND SCHOOLS

Fiscal Year	1996	1997	1998	1999	2000	2001	2002	2003	2004
Town Yr. to Yr. Increase	NA	$ 817,529	$ 398,765	$ 303,130	$ 104,935	$ 560,474	$ 738,561	$ 356,365	$ 1,084,000
Schools Yr. to Yr. Increase	NA	$ 1,603,000	$ 1,931,000	$ 1,079,000	$ 2,190,994	$ 3,036,330	$ 3,030,676	$ 1,618,592	$ 2,668,718
Total Increase		$ 2,420,529	$ 2,329,765	$ 1,382,130	$ 2,295,929	$ 3,596,804	$ 3,769,237	$ 1,974,957	$ 3,752,718
Town Share w/out MM		33.8%	17.1%	21.9%	4.6%	15.6%	19.6%	18.0%	28.9%
School Share w/o MM		66.2%	82.9%	78.1%	95.4%	84.4%	80.4%	82.0%	71.1%

SHARE OF TOTAL BUDGET BETWEEN TOWN AND SCHOOLS*

Fiscal Year	1996	1997	1998	1999	2000	2001	2002	2003	2004
TOWN	$ 12,526,241	$ 13,343,770	$ 13,742,535	$ 14,045,665	$ 14,150,600	$ 14,711,074	$ 15,449,635	$ 15,806,000	$ 16,890,000
SCHOOLS	$ 22,599,000	$ 24,202,000	$ 26,133,000	$ 27,212,000	$ 29,402,994	$ 32,439,324	$ 35,470,000	$ 37,088,592	$ 39,757,310
TOTAL	$ 35,125,241	$ 37,545,770	$ 39,875,535	$ 41,257,665	$ 43,553,594	$ 47,150,398	$ 50,919,635	$ 52,894,592	$ 56,647,310
% TOWN	35.7%	35.5%	34.5%	34.0%	32.5%	31.2%	30.3%	29.9%	29.8%
Add'l Amount Needed to maintain the Municipal Share at the 1996 level of 35.7%	**$ -**	**$ 45,709**	**$ 477,779**	**$ 667,541**	**$ 1,381,374**	**$ 2,103,584**	**$ 2,709,198**	**$ 3,057,138**	**$ 3,311,423**

A Comparison of the Percentage of Total Revenue Devoted to Municipal Operations (Excluding Debt and Education)

Rank	Municipality	Percentage
1	DANVERS	51.40%
2	WINCHESTER	50.29%
3	BELMONT	49.80%
4	BROOKLINE	49.38%
5	NEEDHAM	48.85%
6	MAYNARD	48.65%
7	NEWTON	47.08%
8	BEDFORD	45.29%
9	FRAMINGHAM	44.11%
10	WILMINGTON	43.78%
11	LINCOLN	43.26%
12	AMHERST	42.30%
13	WELLESLEY	41.35%
14	ANDOVER	40.65%
15	READING	39.30%
16	WAYLAND	36.56%
17	LITTLETON	36.23%
18	CONCORD	36.21%
19	HARVARD	34.54%
20	DUXBURY	34.37%
21	LEXINGTON	31.73%
22	BOXBOROUGH	31.09%
23	ACTON	29.68%
24	SUDBURY	27.59%
25	STOW	27.42%
26	CARLISLE	25.61%
	Average	39.87%

Acton's Municipal Operations are Funded at 10.18% less than the Average

3. On a per-capita basis, Acton's Municipal Operation and specific functional service units such as police, libraries and recreation, fire, and public works are at the low-end of the spectrum compared with **all** other communities in the state.

Per-Capita Spending
All Municipal Services w/o Debt & Education

	FY '92	FY '01	FY '03	Gain/ Loss from High	Avg. Annual Change
Acton's Rank of all 351 communities	166 (in top half)	245 (in bottom 28%)	208 (in bottom 40%)	-42	
Dollar Amount	$513	$774	$718	$205	3.6%
As a % of Statewide Average	13% Below Average	28% Below Average	22% Below Average	-15%	

Per-Capita Spending
Police

	FY '92	FY '01	FY '03	Gain/ Loss from High	Avg. Annual Change
Acton's Rank of all 351 communities	162 (in top half)	230 (in bottom 35%)	206 (in bottom 45%)	-44	
Dollar Amount	$79	$104	$119	$40	4.6%
As a % of Statewide Average	At Statewide Average	15% Below Average	30% Below Average	-30%	

Per-Capita Spending
Fire

	FY '92	FY '01	FY '03	Gain/ Loss from High	% Avg. Annual Change
Acton's Rank of all 351 communities	77 (in top 25%)	104 (in top 30%)	89 (in top 25%)	-27	
Dollar Amount	$87	$113	$123	$36	3.8%
As a % of Statewide Average	76% Above Average	6% Above Average	5% Below Average	-81%	

Note: Only 25 % of the fire departments state-wide are full-time departments such as Acton. The remaining 75% represent part-time or volunteer departments and distort the state-wide numbers.

Per-Capita Spending
Public Works

	FY '92	FY '01	FY '03	Gain/ Loss From High	% Avg. Annual Change
Acton's Rank of all 351 communities	256 (in the bottom 27%)	282 (in the bottom 20%)	289 (in the bottom 18%)	-33	
Dollar Amount	$82	99	$102	$20	2.2%
As a % of Statewide Average	44% Below Average	53% Below Average	33 % Below Average	+11%	

Per-Capita Spending
Insurances & Employee Benefits

	FY '92	FY '01	FY '03	Gain/ Loss from High	% Avg. Annual Change
Acton's Rank of all 351 communities	160 (in top half)	227 (in bottom 35%)	252 (in bottom 30%)	-92	
Dollar Amount	$121	$102	$110	$-11	-.8%
As a % of Statewide Average	8% Below Average	49% below Average	62% below Average	-54%	

Per-Capita Spending
Libraries and Recreation

	FY '92	FY '01	FY '03	Gain/ Loss From High	% Avg. Annual Change
Acton's Rank of all 351 communities	136 (in top 61%)	85 (in top 25%)	152 (in top 56%)	-67	
Dollar Amount	$22	$54	$39	$17	7.0%
As a % of Statewide Average	12% Below Average	29% Above Average	22% Below Average	-51%	

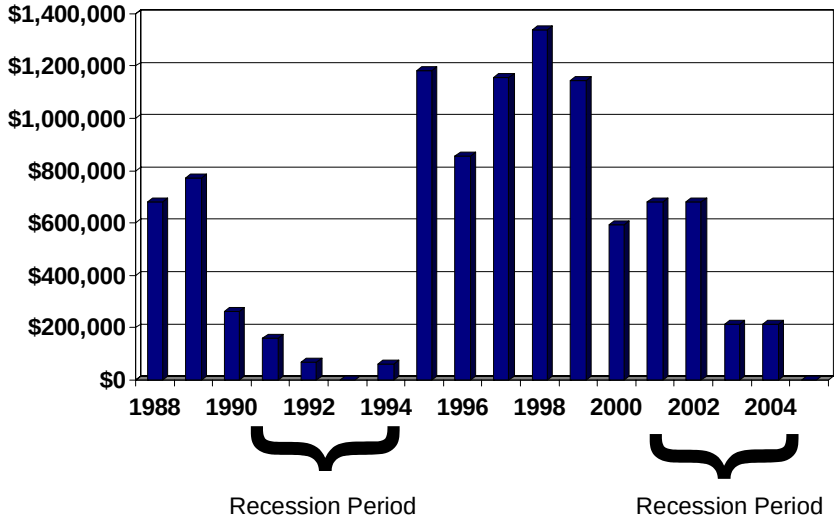
Per-Capita Spending
All Remaining Municipal Services

	FY '92	FY '01	FY '03	Gain/ Loss from high	% Avg. Annual Change
Acton's Rank of all 351 communities	251 (in bottom 30%)	276 (in bottom 21%)	252 (in bottom 30%)	-24	
Dollar Amount	$172	$244	$282	$110	5.8%
As a % of Statewide Average	31% Below Average	36% Below Average	31% Below Average	-5%	

Other global increases impact the Municipal Budget much in the way they do your personal budget. For example, we all know that energy costs including utilities and motor fuel have been skyrocketing of late. We also remain severely undermanned in virtually all departments as the town's population and demands on town services continue to grow. Municipal Department Heads have written a brief synopsis of their staffing needs as found in Appendix B of this Report. The Department Heads identified over 40 positions that are needed to process the current workload. To comply with state law and ensure proper, legal collection of property taxes, we also have to fund a triennial property revaluation project in FY '06 at an estimated cost of $175,000.

Capital projects such as replacing old equipment and vehicles are desperately needed but have been put on hold in the last few years. Yet, as shown above, there is simply not enough money available with the constraints of Proposition 2½ to fund even the current level of basic services let alone all of our basic needs. We have placed a copy of our proposed 5-year capital plan in Appendix D.

Municipal Vehicles, Equipment and Infrastructure
w/o Bonding Articles
FY 88 - 05



Municipal Projects
Identified in the 1996 Capital Planning Process

Not Funded During the Last Decade

• **North Acton Fire Station**	**$2-3 Million**
• **Geographic Information System**	**$ 350,000**
• **Deferred Maintenance**	**$ 400,000**
• **Open Land Purchases**	**$5,000,000**
• **Landfill Cap**	**$2,000,000**
• **Village Improvements**	**$5,590,000**

We have been asking ourselves how we will cope with this severe budgetary problem. Are there services that should be eliminated? Should other services be cut back? What level of operating override, if any, would our citizens be willing to support?

To begin to answer the questions, we need to start with the context of the current problem:

- Accommodation of an effective 20% reduction in funding since 1996. Over the last ten years, we have been able to protect our larger departments – Police, Fire, Highway and Libraries – by reducing other departmental budgets to levels far below State averages and what they need to operate. Consequently, the "Big Four" will need to bear the brunt of the reductions in FY06.
- The percentage of total revenue devoted to municipal operations is in the bottom 10% of all communities
- A 13-year downward trend in departmental expenditures, deferral of maintenance projects, deferral of equipment replacement, and as a result, an increasingly disgruntled labor force
- Accommodation of inflationary cost, a 30% loss of purchasing power over the last 16 years

If our citizens were not to support any override, we would be forced to reduce major services by $1,341,000.

- We will not be able to complete infrastructure projects
- We will not be able to replace existing, aging equipment
- We will need to cut approximately 28 to 30 existing staff positions, or 14% to 15% of the Municipal workforce.

If our citizens were to support a $3.6 million override, we would still be forced to reduce the Municipal Budget by $256,000.

- We will not be able to complete infrastructure projects
- We will not be able to replace existing, aging equipment
- We will need to cut approximately 6 existing staff positions, or 3% of the Municipal workforce.

If our citizens were to support a $4.5 million override, we would be able to maintain our current, reduced service level. However, we would not be able to complete infrastructure projects or replace existing, aging equipment.

If our citizens were to support a $7 million override, the Municipal Budget would increase $759,000 over a maintenance budget. We would restore the most-needed staff positions we've lost over the past ten years and be able to perform about one-third of our vehicle and equipment replacement and maintenance projects.

While we have laid out the general scope of the problem, the purpose of the State of the Town Meeting is to hear from you, the Citizens of Acton, and we pose the following questions for your consideration:

- What size override, if any, are you willing to support?
- Are there services that you would eliminate?
- Should other services be cut back?

What would you do to bring the budgets into the constraints of Proposition of 2½?

Acton-Boxborough Regional High School

How we educate students today

There are 1,725 students in grades 9 through 12 at the Acton-Boxborough Regional High School. Students attend school between 7:23 a.m. and 2:18 p.m. each day, dividing their day into eight periods of 47 minutes each. Students are required to complete 80 credits for graduation, which means that each year a student must take approximately four full-year courses. Most students carry a course load of six or seven courses. This year, for the first time, students who wished to take a full schedule were refused; this was as a result of concerns about budget as well as the healthfulness of taking eight courses during a school day and having no free period for lunch.

Students take courses that are offered at five different levels: honors, accelerated/enriched, college preparatory, standard preparatory, or heterogeneous. The combined effect of increasing enrollment and decreasing number of teachers over the last several years has increased average class size from 21.6 in 2001-2002 to 25.2 in 2004-2005. Teachers with an increasingly larger load give fewer complex assignments and have less time to adequately grade writing and other assignments. Class sizes at the high school currently range between 6 and 49. Seven counselors and a department chairperson serve the student population, with an average caseload of 245 students.

The number of electives has been reduced over the last several years. Students may have "free" periods throughout the day. First-semester freshmen must spend free time either in lunch or in assigned study halls; other students may spend this free time either in the three Student Centers, the Commons, the library, or the lower gym. Some upper-classmen with good academic standing and parental permission are allowed to leave during this time. This policy has reduced the numbers of students who are in the high school during lunch periods. Approximately 400 students are "free" during the lunch periods 4, 5, 6 and 7 (10:03 a.m. until 1:26 p.m.). These students require adults to supervise them in the cafeteria, Student Centers, Commons areas, and library. Currently, the high school employs 14 full and part-time campus monitors and 2 part-time library assistants to supervise these students.

The following excerpt from Principal Steve Donovan's comments at the annual "Back to School" night in October demonstrates some of the challenges faced by the high school during this year:

> *At the same time that we are enjoying the recognition of the achievements of our students, we are facing significant challenges at A-B. This year we had to eliminate a number of items from our operating budget, including courses such as probability and statistics, Latin and Independent Study, as well as sections of English, math and social studies. We eliminated freshman and junior varsity sports (which are now being funded through increased athletic fees); and the stipends for 15 activity advisors (which are being paid for by funds from donations to ABSAF). We are restricting the number of classes that students can take, increasing some fees and instituting new fees, just to try to maintain our current program. We have a growing student body, which makes it harder to personalize the school experience for students. Larger class sizes mean less opportunity for teacher-student interaction and fewer graded assignments. The budget problem will not end this year.*

What happens to ABRHS with a $7 million override?

If Acton were willing to pass a $7 million override, there would be sufficient resources to add 9.0 certified teachers for the next school year. In the following school year, 3.6 teachers would be added, primarily to teach and expand the elective offerings. During the 2007-2008 school year, an additional operating override would allow 4.3 teachers to be added to the high school and an additional counselor. The additional teachers would allow a decrease in class size and an increase in the number of electives offered, providing more classroom choices for students and reducing the numbers of "free" students throughout the day. In FY07, an additional counselor would be added to accommodate the increase in enrollment. Also in FY07, a number of support positions could be added that would enhance the support for students inside and outside of the classroom (e.g., special education assistants, a staff person to create an advisor/advisee program to support students, stipends for some activity advisors and coaches that are currently being paid for with private donations and activity fees, and additional custodian.

What happens to ABRHS with a $4.5 million override?

If Acton were willing to pass a $4.5 million override, there might be some resources to add 3.6 certified teachers to the high school for the next school year, reflecting the priorities of the School Committee. There would not be resources to add the additional 5.4 certified teachers that are recommended. Class size would stay approximately the same in the next year as this year, but additional teachers in the following years might not be added, even with the successful passage of successive $2.5 million overrides and so class size would continue to rise. There would not be additional support or an additional counselor added.

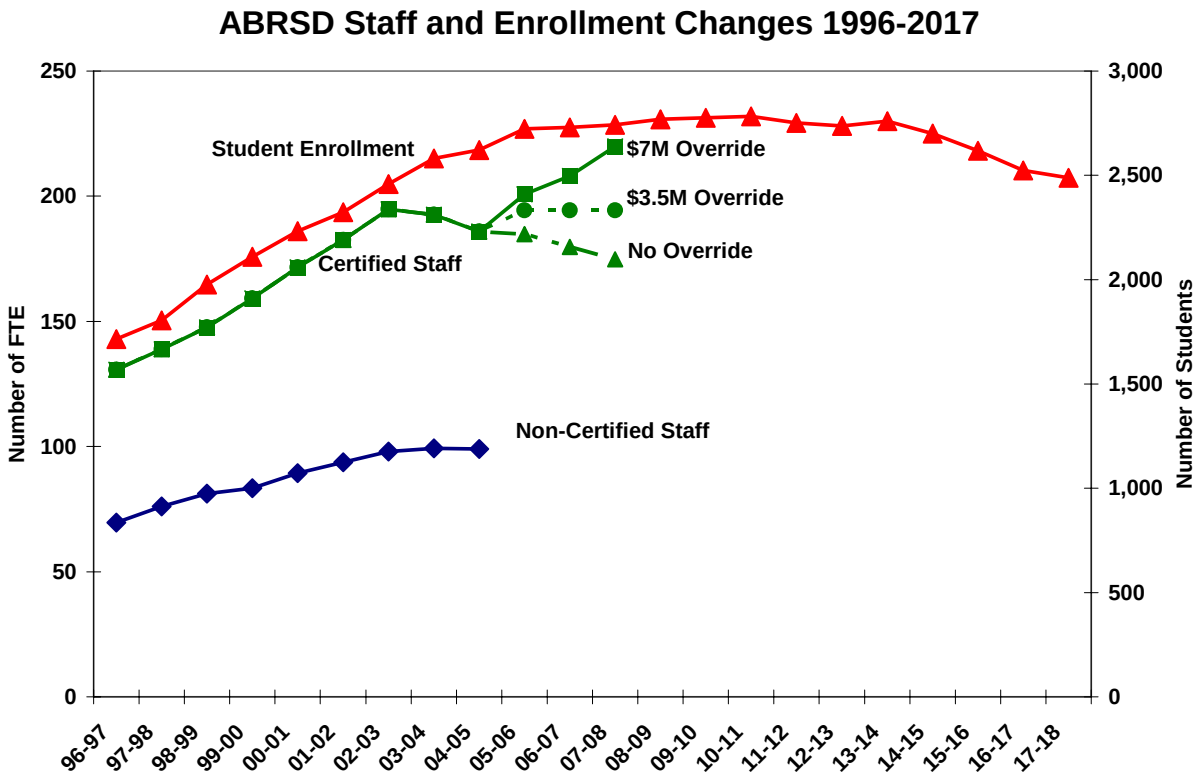
What happens to ABRHS with a $3.5 million override?

If Acton were willing to pass a $3.5 million override, there would be sufficient resources to maintain the High School in much the same way as it exists today. This would result in a continuing increase in class size over the next several years from its current average 25.2. The caseload for counselors would rise to 226 over the next several years.

What happens to ABRHS with a $0 override?

If Acton were to vote to stay within the limits of Proposition 2½ during the next school year, a total of $6.5 million would need to be reduced from all of the current proposed budgets (town and schools) for the 2005-2006 school year. The high school's share of this total would mean the elimination of at least 10 teaching positions. What choices would you make to eliminate this number of teaching positions from the High School? How would you suggest the School Committee consider education differently? What are your priorities?

Some of the things that you might consider would include school choice (the school district would accept a limited number of students into our schools at specific grade levels; the tuition paid by these students would allow the hiring of additional teachers); using technology to instruct students away from the high school campus; further limiting the number of courses that a student may take each year; or other ideas that you might have. We'd like to hear your thoughts tonight, or e-mail the Acton-Boxborough Regional School Committee members at AB_School_Committee@mail.ab.mec.edu.



R. J. Grey Junior High School

How we educate students today

There are 917 students in 7th and 8th grades at R. J. Grey arriving each morning from homes in Acton and Boxborough at 7:15 and starting classes at 7:30 a.m. Early adolescence can be a turbulent time for many seventh and eighth graders. They are at a challenging crossroads between childhood and adulthood and undergo tremendous developmental changes. Increasingly, R. J. Grey students come to the junior high school from many different backgrounds and experiences. Perhaps more so than at any other time in their lives, these young adolescents are struggling with issues of identity and acceptance. The experience can be particularly difficult for the seventh grade students who are coming from six different elementary schools. Junior High provokes anxiety for many students who are worried about "fitting in" in light of their perceived differences. However, experience and research tells us that, "Students' sense of belonging at school – of being known, liked, and respected by peers and adults – strengthens and expands their capacity for learning." [1]

To provide this sense of belonging, students are organized into "teams" where a group of students have all of their major classes with the same set of teachers. The team structure allows teachers to get to know a group of students very well and to provide support for the students. Additionally, this team approach also allows students to concentrate on getting to know one group of kids very well, which helps alleviate

[1] Anthony W. Jackson and Gayle A. Davis, *Turning Points 2000, Educating Adolescents in the 21st Century* (New York: Teachers College, 2000), page 122.

anxiety and provides a supportive environment. Teaming helps give these students the chance to get accustomed to being in a more demanding school with nearly 1,000 other students each day. An article by Social Studies teacher, Tim Nolan, states, "A 'team,' by general definition, is a group of students who have the same set of teachers, the same 'team' schedule, and one particular area of the school in which the team's rooms are located – it is a distinct community of learners, in which the many students from different elementary schools can gain a sense of identity and community in their new school."

In addition to "major subject" courses (e.g., English, social studies, science, math, and world language, for most students), students participate in physical education every other day, an "exploratory" course (four exploratories are offered at each grade level, such as music, art, study skills, life skills (health), Minuteman Tech), and lunch. Many junior high students participate in band or choral instruction every other day; their peers who do not participate in these programs take a series of "mini-courses" where they are able to discover areas of the Exploratory and PE programs which are not covered in the standard curriculum, as well as a study hall. There are three counselors who work with the entire student population; on average, each counselor has a caseload of 305 students.

The ideal team size is approximately 100 students. When teams are maintained at or below this size, teachers are able to provide the academic and emotional support needed by students at this difficult age. Additionally, appropriate team size allows for a productive level of communication with the families of the students. Team size has increased this year as the number of teams for 7th graders was reduced from five to four between last year and this year, as a result of insufficient budget resources. During the last two years 7th graders had team sizes of 90 and 94, while this year's students have team sizes of 112 for 7th grade and 116 for 8th grade, on average. What happens when a team gets larger? Staff members at R. J. Grey have responded in these ways:

- Middle school-age students need as close a connection as possible with their teachers and counselors to meet their developmental needs. A higher number of students on a team decreases the possibility of these close connections. With more students, it is harder for teachers and counselors to identify and address any kind of problem a student might have – academic, emotional, social, etc.

- A larger number of students on team means that teachers have an overall larger number of papers to grade, tests to grade, projects to evaluate, etc. Because of the increased time this takes, some teachers may need to reduce the number of assignments they give, particularly writing assignments, as these require much time to evaluate. This significantly impacts the quality of education students receive and the learning they do.

- One of the key components of a successful educational experience for middle school-age students is clear, consistent, and timely communication between teacher and the parents/guardians of the students. As team size rises, the time available for such communications for each child is reduced.

What happens to R. J. Grey with a $7 million override?

If Acton were willing to pass a $7 million override, there would be sufficient resources to add a fifth 7th grade team for the next school year. An additional operating override prior to the FY08 year would ensure a fifth 8th grade team. These additions would reduce the team size for the 7th graders in the coming school years to an average of 96.6 (compared to 120.75 without the addition); the addition of an 8th grade team for the 2007-2008 school year (for this year's 5th graders) would reduce the average team size to 93.8, as compared to an average of 117.25 without the addition. Additionally, in the next school year the reinstatement of another exploratory teacher would accommodate the addition of a fifth team. In FY08, an additional counselor would be added to accommodate the increase in enrollment. In FY07 and FY08

$250,000 would be provided to the Regional School District, which would allow R. J. Grey to purchase additional technology and replace aging computers.

What happens to R. J. Grey with a $4.5 million override?

If Acton were willing to pass a $4.5 million override, there would be insufficient resources to add a fifth 7th grade team for the next school year. There would not be resources to add an additional fifth 8th grade team in FY08. Without these additions, team size for the 7th graders in the coming school years would average 118.75; without the addition of an 8th grade team for the 2007-2008 school year team size for 8th graders would be 117.25. There would not be an additional exploratory teacher required. There would not be additional money provided to the Regional School District to purchase additional technology or replace outdated technology.

What happens to R. J. Grey with a $3.5 million override?

If Acton were willing to pass a $3.5 million override, there would be sufficient resources to maintain the Junior High in much the same way as it exists today. There would be four teams each for 7th and 8th grades. No additional teams would be added, and team size would rise to 118.25 for 7th graders, on average, and to 117.25, on average, for 8th graders. The caseload for counselors would rise to 318 over the next several years. There would not be an additional exploratory teacher required. There would not be additional money provided to the Regional School District to purchase additional technology or replace outdated technology.

What happens to R. J. Grey with a $0 override?

If Acton were to vote to stay within the limits of Proposition 2½ during the next school year, a total of $6.5 million would need to be reduced from all of the current proposed budgets (town and schools) for the 2005-2006 school year. The junior high school's share of this total would mean the elimination of at least 5 teaching positions. This would be equal to eliminating one more team. Average team size could increase to 158, in effect make teaming impossible. The elimination of teaming, however, would not change the fact that teacher caseloads would still average the same 158 students per year. There would not be an additional exploratory teacher required. There would not be additional money provided to the Regional School District to purchase additional technology or replace outdated technology. What choices would you make to eliminate this number of teaching positions from the Junior High? We'd like to hear your thoughts at the State of the Town Meeting, or e-mail the Acton-Boxborough Regional School Committee members at AB_School_Committee@mail.ab.mec.edu.

Acton Public Elementary Schools

How we educate students today

There are 2,500 students in the five elementary schools that make up the Acton Public School District. Douglas and Gates are each located in West Acton, Conant is located off of Taylor Road near route 2, and Merriam and McCarthy-Towne moved into the new Parker Damon Building in 2001. Douglas was built as a 2 section (14 classroom) school in the late 1960s, but now has three sections at each grade level. Three temporary modulars were installed at Douglas five years ago to facilitate this growth. The estimated life of these modulars is 10 years. Last year repairs were made to the Douglas heating system

to improve what had become unacceptably high and low temperatures in classrooms. Douglas, Gates and Conant all have on-going maintenance issues as they are all over 40 years old.

Conant, Douglas and Gates have three sections of each grade level, whereas Merriam and McCarthy-Towne have four sections at some grade levels. Acton continues to have the highest class sizes of any neighboring community, and higher class sizes than most Massachusetts cities and towns. Although the School Committee guidelines recommend no more than 22 students in grades K-3 and no more than 25 students in grades 4-6, we are over guidelines in almost one-half of our classrooms. This year's first grades have 24 students in them, and the kindergartens have 23. These classes will grow as they move through the system. The effects of the large class sizes have been mitigated in previous years by the funding of some classroom assistants in each school. However, that funding has been cut significantly over the last two years and there is now only funding for one half-time classroom assistant in each school. The PTO/PTSOs in each school have worked very hard to raise money to supplement funding for assistants, but have not been able to replace budget reductions.

Cutbacks over the last two years have also resulted in the loss of the only certified librarian and the one technology integration specialist in the five elementary schools. The school libraries are now being run solely by part time assistants without certification. Any further budgetary reductions could remove the little remaining library funding ($75,000 across five schools) or the remaining classroom assistant funding ($75,000 across five schools). Current predicted deficits cannot be resolved by cutting these items, and would have to include reductions in certified teachers.

Staffing in each elementary school is comprised of one Principal, one Nurse, and one School Counselor each of whom oversees the health and well being of the 500+ students in each school. There are between 21 and 24 classroom teachers in each school, and a total of 109 across the five schools. Students receive 45 minutes of instruction per week in the subjects of Art, Music and Physical Education. Each school has one full time Reading Specialist who provides direct reading support to students. The School Committee has reviewed data that has shown significant improvements in students who have worked with these specialists and might have otherwise required Special Education services. Some schools also provide students with instruction in a World Language and/or computer lab instruction, but any teachers in these areas are funded solely by PTO/PTSO's.

What happens to APS with a $7 million override?

If Acton were willing to pass a $7 million override, there would be sufficient resources to restore the librarian and the technology integration specialist, as well as restore some of the classroom assistants that have been cut. Additionally, the schools would be able to perform maintenance and repairs that have been deferred at the three outlying schools over the last few years. Computers that are 8 to 10 years old at Conant, Gates and Douglas could be replaced. An additional section of first and second grade could be added which would bring those class sizes down from 25 per class to 22-23 per class.

What happens to APS with a $4.5 million override?

If Acton were willing to pass a $4.5 million override, the Acton elementary schools would be able to move forward with the current staffing levels, and would be able to restore the certified librarian. Some additional funding would be able to go into classroom assistants, and a study which would allow us to prioritize the maintenance issues of the outlying schools could be funded.

What happens to APS with a $3.5 million override?

If Acton were willing to pass a $3.5 million override, the elementary schools would have to remove between $100,000 and $300,000 from existing staffing levels. With so little funding remaining in non-certified teaching positions, this would have to include up to five certified teachers.

What happens to APS with a $0 override?

If Acton were to vote to stay within the limits of Proposition 2½ during the next school year, a total of $6.5 million would need to be reduced from the combined proposed municipal and school budgets. At the elementary schools, this would include at least 18 certified teachers. These positions would have to come from the 109 classroom teachers, or from the 4 art teachers, 4 music teachers, 4 physical education teachers, or 5 reading specialists. The School Committee would have to decide between eliminating whole programs, or increasing class sizes dramatically for select groups of students. The School Committee needs public input to help define priorities related to these difficult choices.

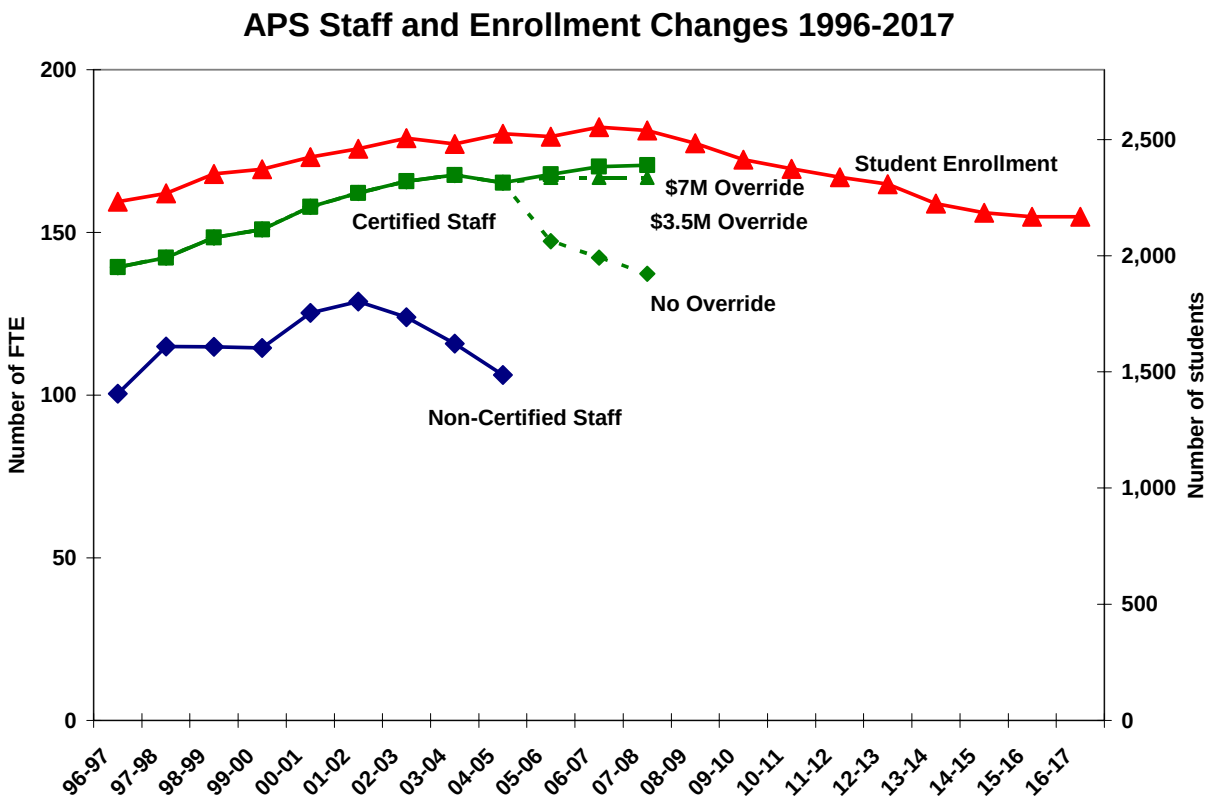
How would it work to cut classroom teachers from Acton's Elementary Schools?

One of the difficulties with eliminating classroom teachers at the elementary schools is that for each teacher you eliminate it affects all of the kids in one grade at one school. As an example, eliminating 10 certified teachers would mean 2 classrooms out of 21 in each school would be eliminated. Since each school has either three or four classrooms of kindergarten through sixth graders, two of those grades would have a reduction of one classroom. It could be 2nd and 5th at one school, 3rd and 6th at another, etc. Of the 10 cuts, seven would result in three classrooms of students being merged into two classrooms and the other three cuts would result in four classrooms of students merging into three. Instead of having three classrooms of 24 students each, there would two classrooms of 36 students each. The three places that have four classrooms in a grade level at a school would go from four classrooms of 24 students to 3 classrooms of 32.

Example: The overall result of removing 10 classroom teachers would be:

Total Sections 2004-2005 109
Average class size 23.3 ranging from 20 to 27
7 Classrooms out of 109 over 25 (7%)

Total Sections 2005-2006 99
Average class size 26 ranging from 22 to 36
14 Classrooms over 35
9 Classrooms 32 students
30 Classrooms out of 99 over 25 (30%)
23 Classrooms out of 99 over 30 (23%)



What are your priorities?

As you can see, staying within the limits of proposition 2 ½ has put extreme pressure on scarce town and school resources. The School Committee needs to know what combination of overrides and cuts you would support. If we need to make additional cuts, what services would you prefer that we reduce? Would you rather see whole programs eliminated, or would you prefer that we eliminate classroom teachers? The State of the Town Meeting is your opportunity to tell us what your priorities are. Please give us your feedback at the State of the Town Meeting, or email the Acton Public School Committee at aps_school_committee@mail.ab.mec.edu.

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Solid Waste Disposal after the September 2005 Termination of the NESWC Contract

Life After NESWC

After 20 years, the contract with Waste Management, known as NESWC (North East Solid Waste Committee), expires at the end of September 2005. In April 2004, Town Meeting appropriated a sum of $100,000 to engage consultants, conduct a public outreach program and pay the legal fees required for Acton to enter into a new contract for the disposal of solid waste.

There are several things that are important to remember about the NESWC contract. The other 22 NESWC-community members have signed contracts to continue to use Waste Management's North Andover facility for their waste disposal. Acton has not. Acton, unlike the other communities, has an asset in its transfer station because it is licensed by the State as a regional collection and dispersal point. Acton has used this asset over the years to lower the costs for trash disposal to the taxpayers. If Town Meeting adopts a "new" Waste Management contract, the Town would be banned from using the Transfer Station as a regional facility.

The termination clause in the current contract provides Waste Management 90 days to respond to any alternative disposal proposal voted by the Town. If Waste Management's counterproposal meets or beats the new Acton plan, we must continue with Waste Management.

Residents should be aware that the Town no legal obligation to deal with trash disposal. Approximately one-half of the single-family residences use the transfer station, while the large generators of trash, business, condos and apartments, do not participate.

Committee activities

There are three basic aspects to the trash problem in Acton: getting the trash and recyclables away from individual homes, getting the trash and recyclables out of Acton, and preventing the further spread of contamination as a result of trash operations prior to 1981.

As the committee tried to determine the best options, it became clear that we could not build a financial model for the Town without firm figures to correspond to the costs of these three basic problems.

The committee engaged Camp Dresser and McKee (CDM) to write a series of Request for Proposals (RFPs; copies available in the Acton Memorial Library) asking contractors for proposals on the three parts of the problem. The RFPs are "out on the street" and five contractors have picked up the paper work for the curbside/recycling options, another five for the use of the transfer station and fifteen for a commercial center on the landfill. These numbers do not mean we will get that many final proposals. It does show that there is interest in the private sector to help Acton solve its waste disposal problems.

Embedded in some of these RFPs is the requirement that the landfill be capped to current Department of Environmental Protection (DEP) standards. Current costs to cap the landfill are estimated in the $2,000,000 range.

Once the proposals are evaluated, the committee will hold public meetings to explain the various options, the costs associated with each, and reduce the number of options so we can come to the April Town Meeting with a solution that voters will pass.

The committee recognizes the use of the landfill/transfer station site as a valuable asset to the Town. In part, our deliberations are focused in providing revenue from this site.

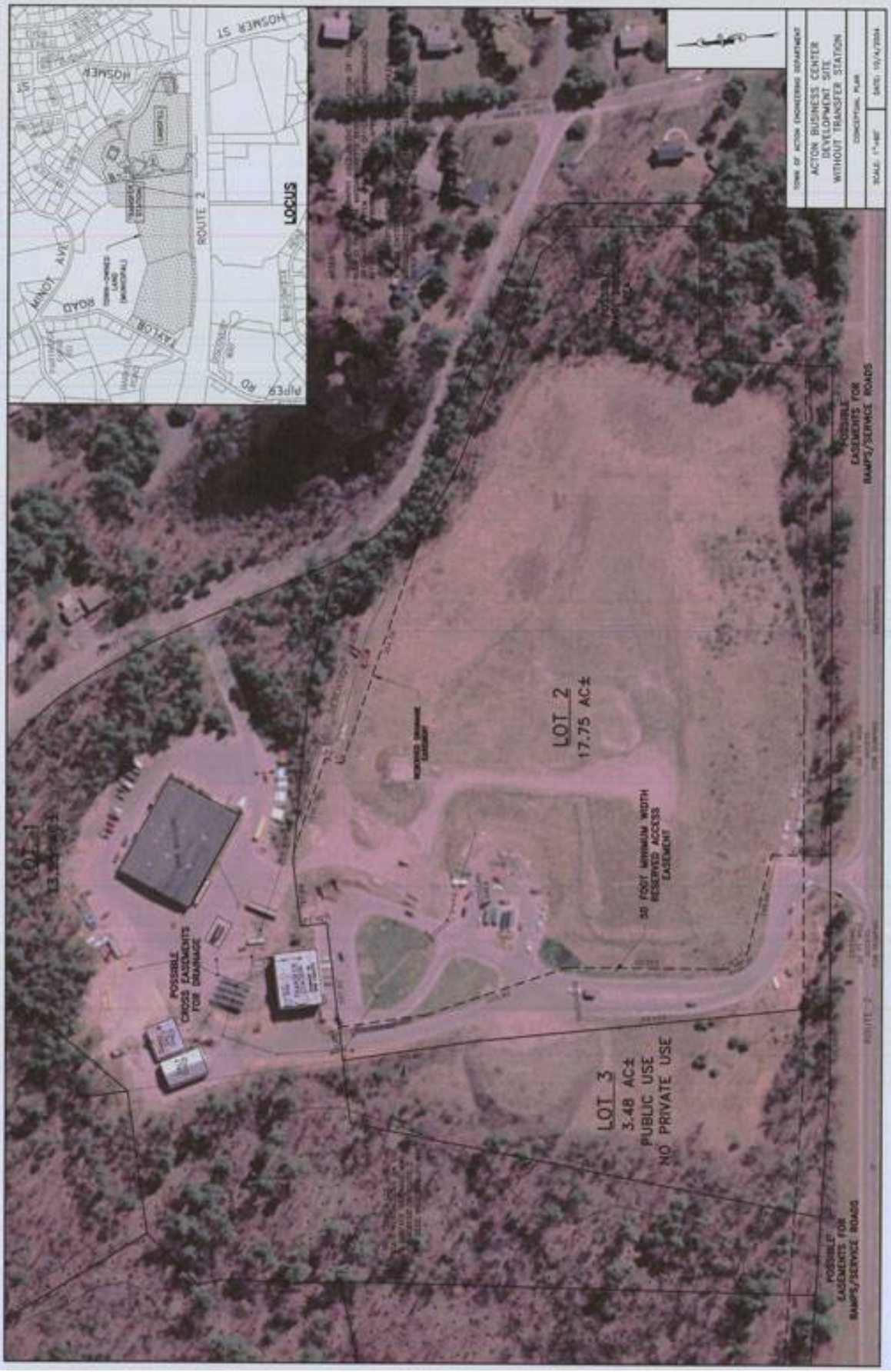
Since we first signed the trash disposal contract nearly 20 years ago, there have been many changes within the disposal industry. Foremost is the way large companies handle recycled materials. Instead of collecting the separated recycled materials at the source (individual homes), the recyclable materials are now separated at the disposal point. This may seem counterintuitive for people dedicated to recycling, but from a labor saving and cost consideration, it makes good sense. The one very clear response from the trash survey of last year was that residents wanted recycling to continue. This request is a committee priority.

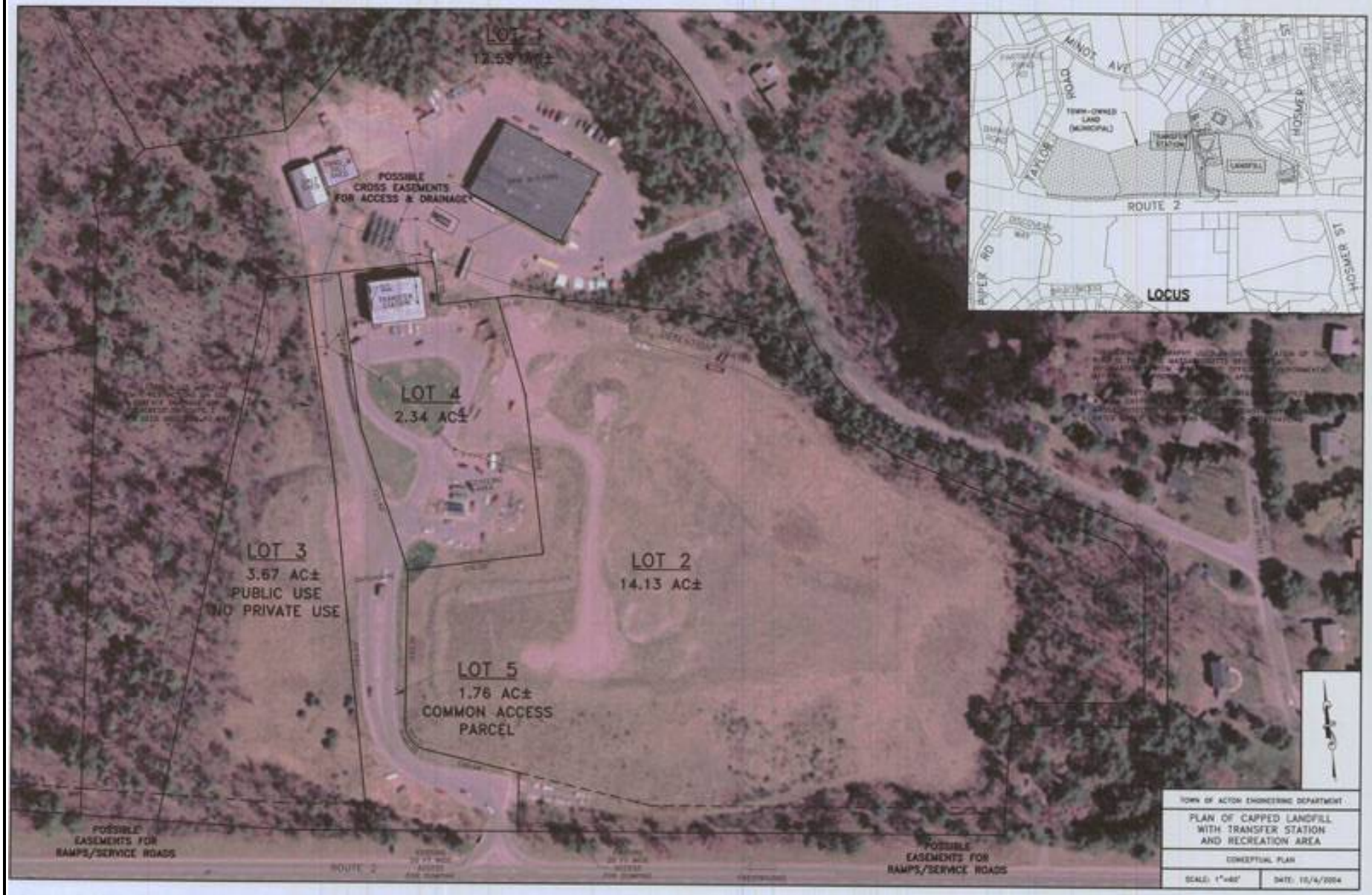
A second change is the use of closed landfills as sites for commercial or recreational purposes. All across the country, closed landfills are being used for commercial, retail or business operations. The same can happen at our site once it is properly capped and, depending on the proposed use, zoning changes are made. The committee believes that a properly capped landfill provides planning and land management opportunities to the Town.

Trash disposal has been a long and costly controversy for Acton. The key to moving forward is the understanding and involvement of the Acton voters. The committee wants to insure that whatever solution is proposed, Acton voters have an ample opportunity to vet the numbers before a proposal is brought to Town Meeting. Our committee meetings are open to the public and we would like to hear from you how best we can keep the community involved and informed during the decision-making process.

In December 2003, the results of the Town-wide "Trash Disposal and Recycling Survey" were compiled into a report distributed at the April 2004 Town Meeting. The results of the survey are available on the Town web site at the following link: **http://www.acton-ma.gov/surveys/survey.htm**

Bob Johnson, Board of Selectmen
Peter Ashton, Board of Selectmen
David Stone, Finance Committee
Carol Holley, Acton Citizens for Environmental Safety (ACES)
Ann Chang, LWV
Pat Clifford, Citizen Representative
John Murray, Assistant Town Manager
Associates, Gary McCarthy & Sally Edwards


TOWN OF ACTON ENGINEERING DEPARTMENT
ACTON BUSINESS CENTER
DEVELOPMENT SITE
WITHOUT TRANSFER STATION
CONCEPTUAL PLAN
SCALE: 1"=60'
DATED: 10/4/2004
LOT 1
LOT 2
17.75 AC±
LOT 3
3.48 AC±
PUBLIC USE
NO PRIVATE USE
50 FOOT MINIMUM WIDTH
RESERVED ACCESS
EASEMENT
POSSIBLE
CROSS EASEMENTS
FOR DRAINAGE
POSSIBLE
EASEMENTS FOR
RAMPS/SERVICE ROADS
POSSIBLE
EASEMENTS FOR
RAMPS/SERVICE ROADS
ROUTE 2
LOCUS
HOSMER ST
PIPER RD
TAYLOR
MINOT AVE
ROAD
LIBRARY


LOT 1
12.59 AC±
POSSIBLE
CROSS EASEMENTS
FOR ACCESS & DRAINAGE
LOT 4
2.34 AC±
LOT 3
3.67 AC±
PUBLIC USE
NO PRIVATE USE
LOT 2
14.13 AC±
LOT 5
1.76 AC±
COMMON ACCESS
PARCEL
POSSIBLE
EASEMENTS FOR
RAMPS/SERVICE ROADS
ROUTE 2
POSSIBLE
EASEMENTS FOR
RAMPS/SERVICE ROADS
MINOT AVE
TOWN-OWNED
LAND
(MUNICIPAL)
TRANSFER
STATION
LANDFILL
ROUTE 2
LOCUS
TOWN OF ACTON ENGINEERING DEPARTMENT
PLAN OF CAPPED LANDFILL
WITH TRANSFER STATION
AND RECREATION AREA
CONCEPTUAL PLAN

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Appendix A – More Affordable Housing Information

Fact Sheet on Chapter 40B
The State's Affordable Housing Zoning Law

[Disclaimer: The following document is provided by the Citizens' Housing and Planning Association (CHAPA) and does not necessarily reflect the views of the Town of Acton or its public officials.]

What is Chapter 40B?

Chapter 40B is a state statute, which enables local Zoning Boards of Appeals (ZBAs) to approve affordable housing developments under flexible rules if at least 25% of the units have long-term affordability restrictions. Also known as the Comprehensive Permit Law, Chapter 40B was enacted in 1969 to help address the shortage of affordable housing statewide by reducing unnecessary barriers created by local approval processes, local zoning, and other restrictions. Its goal is to encourage the production of affordable housing in all communities throughout the Commonwealth.

In most 40B developments, the production of the market rate units subsidizes the reduced prices of the affordable units. Chapter 40B encourages the production of affordable housing units at little or no cost to the state or federal government.

What has Chapter 40B Accomplished?

Many communities have used Chapter 40B to successfully negotiate the approval of quality affordable housing developments. The program is controversial, however, because the developer (nonprofit organizations or limited-dividend companies) has an expedited right of appeal if the local zoning board rejects the project.

Since its inception, Chapter 40B has been responsible for the production of affordable housing developments that otherwise may not have been built under traditional zoning approaches. Developments built through Chapter 40B include church-sponsored housing for the elderly, single-family subdivisions which include affordable units for town residents, multifamily rental housing developments, and mixed income condominium projects.

Since 1970, more than 500 developments have been built in more than 200 communities representing approximately 35,000 units of housing (22,000 of these units are reserved for households below 80% of median income). In recent years, much of this housing was produced with very little local, state or federal monies.

Who is Served by Chapter 40B Housing Developments?

In most cases today, Chapter 40B developments are communities with market rate and affordable homes, apartments or condominiums. The market rate units often serve middle-income singles, seniors and families who make between 100% and 150% of the area median income. The affordable apartments/condominium and homes are reserved for seniors or families who make less than 80% of median household income for the area. Most of the residents in the affordable apartments and homes earn less than $60,000 per year.

Below are the guidelines for the greater Boston area:

Income Eligibility for Affordable Units in Boston Metropolitan Statistical Area

2004 Median Income for a Family of 4: $82,600
Income Guidelines for the affordable units at 80% of median income:

1 PERSON	2 PERSON	3 PERSON	4 PERSON
$46,300	$52,950	$59,550	$66,150

How Does a Development Qualify Under Chapter 40B?

To qualify for Chapter 40B, a development proposal must first be approved under a state or federal housing program, such as MassHousing, MassDevelopment, the Department of Housing and Community Development, or the U.S. Department of Housing and Urban Development. At least 25% of the units must be affordable to lower income households who earn no more than 80% of the area median income Towns are allowed to establish a local preference for residents (currently, up to 70% of the units can be for local preference). Developers (whether for-profit or nonprofit) must also agree to restrict their profit to a maximum of 20% in for-sale developments and 10% per year for rental developments.

After a project has been determined to be eligible, the developer can submit an application for a comprehensive permit to the local Zoning Board of Appeals (ZBA). The ZBA is empowered to grant all local approvals necessary for the project after consulting with other relevant boards, such as the Planning Board, and the Board of Health. This results in a more streamlined review process at the zoning board, although it typically involves a number of hearing sessions. State regulations, such as the Wetlands Protection Act, Title 5, and all building codes, remain fully in effect under the comprehensive permit.

In addition to the streamlined process, the Zoning Board of Appeals is authorized to apply more flexible standards than the strict local zoning by-law requirements. For example, a local zoning code may require two acres of land for each house or prohibit multifamily housing entirely. Under Chapter 40B, the Zoning Board of Appeals can approve a project with greater density, thereby making it financially feasible to develop affordable housing. ZBAs can also require projects to have a greater number of affordable units.

How Does the Local Review Process Work?

A developer acting under Chapter 40B submits a single application to the Zoning Board of Appeals. The zoning board notifies the applicable local boards and requests their recommendations. Within thirty days of the receipt of the application, the zoning board begins a public hearing, which typically continues for several months while concerns are explored and addressed. The zoning board must issue a decision within forty days after ending the public hearing. The zoning board may approve the application as submitted, it can approve the project with conditions or changes, or it can deny the application altogether. If the board denies the application or imposes "uneconomic" conditions, the developer may appeal the decision to the Housing Appeals Committee.

Do Communities Have Control Over the Proposed Development?

Zoning boards and other town officials often work with developers to modify the project. Furthermore, the zoning board may include conditions and requirements on any aspect of the project such as height, density, site plan, utility improvements, or long-term affordability, provided these conditions do not make the development economically unfeasible.

How Does the Appeals Process Work?

If the ZBA rejects the affordable housing development, the developer may be able to appeal the decision to the State Housing Appeals Committee (HAC), which can overrule the local decision unless the proposed development presents serious health or safety concerns that cannot be mitigated. This right of appeal is only available in communities where less than 10% of the year-round housing meets the statute's definition of low and moderate income.

The combination of flexible rules and a right of appeal has meant that the vast majority of Chapter 40B proposals are negotiated at the local level and approved by the local board of appeals. Issues such as density, buffer zones, conservation areas, and infrastructure improvements are typical items for negotiation. For those proposals that go to the State Housing Appeals Committee, the record has generally been in favor of allowing reasonable projects to move forward.

How Do Units Count Toward the State's 10% Affordable Housing Goal?

1) They must be part of a "subsidized" development built or operated by a public agency, non-profit, or limited dividend organization.
2) At least 25% of the units in the development must be income restricted to families with incomes of less than 80% of median and have rents or sale prices restricted to affordable levels. These restrictions must run at least 30 years.
3) The development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
4) Owners must meet affirmative marketing requirements.

What Regulatory Changes Have Been Made to Chapter 40B in the Past Two Years?

Since March, 2001, DHCD has made 16 regulatory changes to Chapter 40B, including:

- Imposing a project size limit of 150-300 units, depending on the size of the community.
- Enabling a municipality to reject a 40B application if a developer submitted an application for the same site for a non-40B development within the previous 12 months.
- Allowing group homes, accessory apartments, locally assisted units, and units funded under the Community Preservation Act to count toward a community's 10% goal.
- Enabling a community to deny a comprehensive permit if that community has made recent progress on affordable housing. This is defined as either: a 2% increase in affordable housing over the previous 12 months or .75% increase plus an approved housing plan over the previous 12 months.
- Allowing units to count on the subsidized inventory as soon as a comprehensive permit is issued rather than having to wait until a building or occupancy permit is issued.
- Requiring DHCD and the local chief elected official to be notified when a developer applies to the ZBA.
- Requiring a 30-day comment period for communities from the time a 40B application is filed. The subsidizing agency must consider the community's comments when issuing a site letter.
- Mandating that site approval letters contain more extensive, standardized information.
- Requiring developers who want to access financing from the New England Fund to obtain a site approval letter from a state agency. The state agency will then monitor and oversee the project.
- Updating of the subsidized housing inventory every two years (communities can submit changes to DHCD at anytime).

What Progress Has Been Made?

- Approximately 35,000 units have been created under 40B statewide since the early 1970s, including approximately 22,000 affordable units for households below 80% of median income. This is more than any other state housing production tool the Commonwealth has had.
- There are more than 5,000 units in 40 developments that have recently been approved under Chapter 40B and are under construction or nearing construction. This will provide homes to approximately 7,500 people in communities where jobs are located.

Source: Citizens' Housing and Planning Association, May 2004

Top Ten Myths of Chapter 40B

[Disclaimer: The following document is provided by the Citizens' Housing and Planning Association (CHAPA) and does not necessarily reflect the views of the Town of Acton or its public officials.]

Myth #1: 40B subverts local planning.
Facts:

- Housing Appeals Committee decisions have always respected local zoning and master plans that legitimately provide for affordable housing
- New regulations give additional weight to local master plans.

Myth #2: Developers make huge profits on 40B developments.
Facts:

- Unlike conventional development, 40B developers are subject to a limited investment return on rental projects and a limited profit in excess of costs for home ownership. A developer's audited financial statements must be provided to the subsidizing agency. Any profit in excess of the limit must be paid to the town.
- Like any other private real estate activity, 40B projects rely on private investment and the prospect of reasonable returns. A well-planned, successful development is usually in the town's and the developer's best interest.

Myth #3: 40B hits the wrong towns, not the "snob" towns.
Facts:

- Restrictive zoning exists in "blue collar" towns, not just in rich towns.
- All Massachusetts communities are subject to 40B. Recent years have seen a wider use of 40B in smaller and more affluent towns.
- Every one of the 10 most affluent towns in greater Boston (Dover, Carlisle, Sherborn, Sudbury, Wellesley, Wayland, Concord, Winchester, Lincoln and Boxford) has approved the construction of low-income housing through 40B or through local zoning adopted as an alternative to 40B.
- Every community within I-495 now has some affordable housing thanks to 40B.

Myth #4: 40B hasn't created much affordable housing and it doesn't serve the people who really need it.
Facts:

- More than 30,000 units in nearly 500 developments have been built without any demonstrated adverse impacts.
- 40B housing serves a broad range of needs and is available to households with incomes up to 80% of median.
- 40B regulations now allow a 70% local resident preference, and many communities have used this provision to provide housing for local employees, displaced former residents, and renters who want to own their home.
- Some towns have negotiated greater affordability from developers. Towns can increase affordability by making land available at little or no cost or by expediting development approvals in exchange for deeper affordability.

Myth #5: 40B allows inappropriate development on environmentally-sensitive land.
Facts:

- 40B developments are subject to the same state environmental rules as all other developments.
- Exemptions from local environmental rules must be justified on a case-by-case basis; 40B projects are not automatically exempt.
- 40B projects are typically subject to more environmental review than conventional subdivision developments. Any legitimate planning, public health, or safety issue may be addressed in the local public hearing process and can be the subject of permit conditions regardless of whether that issue is addressed by local bylaws.

Myth #6: 40B creates unfair financial burdens on towns.
Facts:

- Fiscal impacts from development are not unique to 40B; they reflect on the entire structure of state and local taxation in Massachusetts. In fact, multifamily housing is often more financially beneficial to towns than single-family subdivisions. Local budget and growth management problems result from many factors that are completely unrelated to 40B, including an increase in school-age population due to turnover of existing housing stock from older homeowners to younger families with children.

Myth #7: The Housing Appeals Committee always sides with the developer.
Facts:

- Of the 415 cases at the HAC since 1970, 90 or 22% ruled in favor of the developer. Approximately 70% of the 415 cases were withdrawn or settled without a HAC decision (these weren't ruled in favor of the town or the developer).

Myth #8: Towns have plenty of affordable housing within their borders, it's just not counted on the state's housing inventory.
Facts:

- Even modest suburbs have experienced huge increases in housing costs. There is virtually no town in Eastern Massachusetts in which the median home price is less than $250,000. In most communities, the median home price exceeds $350,000. Rents have increased 40% in Greater Boston since 1998 and average over $1,200.
- 40B developments produce new housing at affordable prices and the units include long-term deed restrictions on affordability. The affordable homeownership units are typically half the price of the market rate units. Older, existing homes have no assurance of affordability into the future, nor are they restricted to lower income households.

Myth #9: Towns would provide affordable housing on their own without 40B.
Facts:

- 40B has recently prompted many towns to develop housing plans or to consider inclusionary zoning measures. It would not have happened if there had not been increased activity under 40B.
- Affordable housing built using 40B accounts for 37% of all affordable housing production in suburban communities. In 85 communities, 40B developments account for more than half of the affordable housing in those communities.
- Over the past five years, 82% of all new affordable housing production in suburban communities was the direct result of 40B.

Myth #10: The 40B process is stacked against towns and they don't get any help.
Facts:

- MHP has made nearly a million dollars in technical assistance grants available for expert consultants to help cities and towns review and respond to applications for comprehensive permits. Communities have received assistance for review of 119 comprehensive permit applications.
- Towns are routinely offered MHP grants and other assistance when site letters are issued.
- Many recent 40B projects have been successfully negotiated in this manner, with reasonable conditions accepted by the developer. Reasonable conditions based on legitimate local concerns are generally upheld by the HAC.

Source: Citizens' Housing and Planning Association, June 2003
http://www.chapa.org/mythsof40b.html

Appendix B – Municipal Department Head Reports on Staffing Deficiencies

Building Department – *Garry Rhodes, Building Commissioner*
I am requesting a return to previous staffing levels. In 1985, the Building Department increased staffing from one full time local inspector to two local inspectors. Building activity in 1985 was approximately 1200 total permits. Professional staffing levels have eroded over the years until now we have one full time local inspector and a 16 hour part-time local inspector while experiencing permit levels approaching 2000. During the same time the complexity of the regulations, both zoning and building, has increased substantially. Prior to 1989, the Zoning Board of Appeals was supported by a part-time independent secretary. During the economic down-turn of early 1990's the secretarial support was absorbed by the Building Department. Further, while new growth figures are down over $100,000,000 of public building construction are not reflected in those numbers but are reflected in our workload.

Council on Aging – *Jean Fleming, Director*
To meet the diverse needs of the growing senior citizen population, now 2400, the Council on Aging requests an additional 10 hours for the Program Coordinator and 5 hours for the Outreach Coordinator. The Program Coordinator (15 hours funded by Town and 4 by a grant) plans all Senior Center programs, hosts day trips and produces the monthly newsletter. Seniors ask for and deserve variety in programs to keep their minds and bodies active and healthy. Ten hours would enable her to develop new programs (e.g. Cable talk show, Walking Club, "Senior Opportunities" Fair) and expand publicity while being on site more hours to oversee programs. The COA Outreach Coordinator offers seniors and family members information and support to deal with Alzheimer's Disease, relocation, increased care needs. Five hours (currently 20 hours funded by the Town in a joint Outreach/Volunteer Coordinator position, 6 hours by a grant) would enable her to offer a variety of "resource and support" workshops while initiating outreach to non-English speaking seniors, visiting more seniors in their homes and expanding intergenerational programs.

As grant hours are uncertain each year, increased hours funded by the Town would provide stability and opportunity for needed growth in these two vital positions.

Engineering Department – *Bruce Stamski, Town Engineer*
The present staffing level in the Engineering Department is not sufficient to meet the engineering needs of the Town. The Departments workload continues to expand due to the increased complexity of regulations and the growth of the Town. Presently the staff consists of the Town Engineer/Director of Public Works, Two Engineering Assistants and a 30 hour per week Secretarial Position shared with the Planning Department. Full staffing would add an additional Engineering Assistant (at the A-12 level) and upgrade the Secretarial position to full time. (1¼ new positions) In the past the Department had up to 5 employees not counting the Secretarial Position. The proposed level of staffing will eliminate the gap in service to the walk in traffic seeking deeds, plans, flood plain information etc. An engineer would be in the office designing various projects (sidewalks, recreation projects, drainage projects, etc.) or providing engineering review services. A two person field crew would be available for construction layout, surveying and inspections. All The Engineering Assistants would be computer literate and work to convert our mapping systems to a GIS base.

Finance Department – *Stephen Barrett, Director*
The Finance Department requires (7) additional staff above and beyond current staffing levels to maintain the high level of services expected of this Department. Our staff is overworked as we continue to meet these high expectations resulting in service interruptions and delays. The Finance Department is responsible for the processing of all financial transactions of the Town. Our dollar volume currently exceeds $130 million annually. Our total FTE count is currently down (2) FTE's from 1983 manning levels. Since 2000 alone, we have added the responsibility for Sewer Betterments, (Estimated and Final), Sewer operation and maintenance, Community Preservation Act, and installed a new financial system-MUNIS.

The underlying reasons for this request are varied. Finance is the final resting ground of literally thousands of individual financial transactions each year with each having certain individual characteristics as well as regulatory demands. This operating environment has placed demands on this department that have outstripped available personnel. We are also responsible for operating all the systems necessary to pay staff and vendors, value properties, generate revenue, and to enforce regulations, to name a few. This system environment has placed demands on this department that have outstripped available personnel. The Finance Department is called upon daily to generate, review, analyze, troubleshoot, and build models as a service to Boards, Committees, Trustees and other Town Departments. Our increased demands in this area have outstripped available personnel.

Fire Department – *Robert Craig, Chief*
The position noted in our understaffing statement is that of the Fire Prevention Officer, which a position that has remained unfilled since 1987. This position becomes more and more critical given the demands, technical expertise, certification, etc, required for and by this position. Since 1987 we have attempted to compensate for the loss of this position through the utilization of the Deputy Chief position and a part-time inspector. However, it becomes increasingly apparent that this is not a satisfactory or adequate alternative.

Health Department – *Douglas Halley, Director*
The Health Department has identified staffing shortages of a forty hour sanitarian and a twenty hour secretary. Both of these positions were previously funded but were eliminated in the budget cuts of the early 90's. At that time the secretarial position was dedicated to the administrative task of tracking septic pumping, notifying homeowners when to pump and ensuring septic pumpers complied with the reporting requirements. The sanitarian position augmented inspections within the department for septic construction, food facilities and hazardous waste/material facilities. When these positions were lost the workload was reprioritized and redistributed among the existing staff. The workload that has been most severely impacted by these reductions has been the septic pumping notification program.

Since those staff reductions were made the State has implemented the new Title 5, a comprehensive food service regulations, camp regulations, swimming regulations and bioterrorism requirements. Each of these new requirements have required the Health Department to reprioritize and redistribute workload in an attempt to meet the requirements established by the State and Federal governments.

Highway Department – *Bruce Stamski, Town Engineer*
For the Department to be at full staffing two additional employees at the H-4 mid range level need to be added. One of these positions would reinstate a position cut in June 2003. The two positions are needed for the following reasons. The Stormwater Management plans require us to sweep the streets and clean out catchbasins in a timely manner. We need at least one person cleaning catchbasins full time. Presently the person assigned to this task is pulled off to fill in on the highway crew. We need this person full time to meet our obligations. The addition of two people would allow us to have two work crews on highway projects during the non snow plowing months. Presently there are times the crew is understaffed due to vacations, selling transfer station stickers, sick time etc and certain tasks such as sidewalk construction or culvert repairs can't be done. This additional manpower will assure the department of having one full crew for critical work and another smaller crew to handle smaller tasks. The Department is undermanned for snow plowing and sanding. We could rely less on contract operators with the increased staffing. We have equipment sitting in the yard due to lack of manpower.

Information Technology – *Mark Hald, Director*
This Department requires four (4) additional employees above the current staff level of two (2) to meet the increasing technology needs of the Town.

A Network Technician is necessary to help with the configuration and security of network and server equipment. In two years, our network has grown from six buildings to thirty, and it is increasingly difficult to devote the necessary time to security and efficiency issues that running a network requires. We are also entrusted with securing the Town & School financial servers, and the addition of this position would allow us to manage in a more proactive fashion our network and servers.

We need a Clerical Assistant to aid with the daily office functions, such as answering phones from an ever-increasing user base, payroll, invoice entry, and other clerical activities. Currently, these office activities are handled at a much lower priority-level than the needs of our users and the network. A Clerical Assistant would help organize end-user problems as they arise, allowing us to better prioritize and keep track of these issues.

A Desktop and Application Technician is needed to meet the increasing needs of our users. With our current staffing resources stretched so thin, they experience an increased wait time to see their problems resolved. This position would not only decrease our response time, but allow us to roll out security and application patches in a more timely manner.

Finally, with our citizens and volunteers demanding more dynamic maps with relation to certain data as well as the need to exchange Geographic Information System (GIS) data with State agencies and engineering firms, a GIS Technician is required. Unlike our current setup where many departments store and access data in different programs and formats, this Technician would allow the Town to implement a more efficient, consistent GIS system with a common set of data to work from.

Memorial Library – *Marcia Rich, Director*
The Memorial Library's current 15 FTE is insufficient. To provide adequate service, 7 more FTEs are needed. These include: 43.5 hrs/wk. to restore FY04 cuts; 1 FTE for children's programming, collection development and school collaboration; 1 FTE for reference desk coverage and computer upkeep; 1 FTE for adult collection development, programming and grant-writing; .75 FTE to catalog materials and update the network database; and 2.2 FTE to support circulation services.

In four years (FY00-04) since the facility re-opened, annual circulation climbed 32.5%, from 329K to 436K (FY05 est.: 480K-500K), but staff size grew only 5%. In FY03, AML circulated 23,274 items per

FTE, the second highest of 54 libraries in its size range. The high usage and low staffing create large service gaps that are intensified by changes in Acton and in the library world. Extra time often is needed to help library users whose primary language is not English. Cuts to school libraries have made students more dependent on Memorial Library. Well-educated people ask more complex reference questions, need additional breadth and depth in collections and expect frequent and varied programming. Technology increases resources available to public and staff but adds enormously to the complexity of employees' tasks. Due to these developments, there must be a significant staff increase for Memorial Library to meet community needs.

Municipal Properties – *Dean Charter, Director*
The Municipal Properties Department requires five (5) employees over and above the presently authorized staffing to deal with increasing workloads due to expanded facilities and or realignment of job duties.

The Grounds crew should be expanded by adding a full time Arborist and a full time Groundskeeper so that a permanent tree crew is created. The Director is spread too thin to act as the Arborist, and a two person crew is a necessity. The request for an Arborist has been made repeatedly in the past.

The Building crew should be expanded by two; one to replace the person laid off in Fiscal '03, and the other to augment the crew, providing vacation coverage and extended hours to cover Town Hall meeting nights and provide seven day coverage at the Public Safety Facility.

The office staff should be expanded by adding a full time Secretary to provide more coverage to the Town Manager's office, procurement issues, and to segregate the extensive workload generated by Conservation with the Wetlands Act and Wetlands Bylaw, which are much more involved than in 1984 when the combined position was created.

Natural Resources/Recreation – *Tom Tidman, Director*
Recreation has experienced continuous growth in the past 6 years. Our capacity to maintain the current level of service, while driving new revenues has reached its limit. In order for our department to continue to offer new programs we need an additional 20 hour/week secretary and an additional 20 hour/week event coordinator. This will allow us the flexibility to increase revenue while maintaining the current level of in-house services.

The Cemetery Department in 1980 was comprised of a superintendent, a foreman, 3 full-time men and seasonal workers dedicated to just cemetery work. By 1995, when the Dept. of Natural Resources was formed integrating Cemeteries and Conservation, the cemeteries had added 3 new sections. In 1998, Recreation was added to the Dept. of Natural Resources, with a promise to the citizens that major improvements to recreation would follow. During the past 8 years, we have increased our playfield maintenance to include over 60 acres of turf (approx. 15 acres irrigated), improved playgrounds and added NARA Park. In addition we will be adding 10+ acres at School Street and a skate park next year; we are also preparing a new three acre section at Mt. Hope Cemetery. Currently, all Natural Resources maintenance is being handled by a crew chief, 4 full-time men and seasonal laborers. To help address our existing maintenance shortfall, we would like to increase the hours of our 29 week position to become a full-time position. In addition, we would like to add another full-time maintenance person in order to maintain our current level of service.

Planning Department – *Roland Bartl, Town Planner*
The requested staffing addition would be an entry-level assistant planner position to allow us to:

1. Do the things that we have neglected for many years. For instance, we rarely or never find the time to look at grant programs; to review State documents with relevance to the Town such as TIP programs, MPO regional transportation plans, MAPC info and programs, proposed legislative changes, DHCD initiatives and regulatory changes. There is no time to read and research planning literature that might help us better address zoning and planning issues in Acton - to be more proactive rather reactive. Some things we pick up by hearsay or accident, and I wonder how much we are missing.

2. Better fulfill some of the functions, which over the years have been identified by residents and boards/committees in the community as things we should be doing or should be doing better, such as stronger economic development support, follow through/implementation of planning efforts, stronger analyses, or public information/education. For instance, we know that there are infrastructure development funding programs that could help us with implementing village center improvement recommendations, but we do not have the time to pursue them.

3. Cope with the additional workload that is thrust upon us periodically, some of which sticks permanently. Over the years, Planning has provided staff support to an increasing number of new committees - some became permanent (EDC, CPC), others come and go (village planning committees, FISG, PCRC study group, OLAC come to mind). Too many times we are simply providing a warm body without doing what staff support should be to help these groups achieve their missions and goals. Meanwhile, the Planning Board is getting the minimum support without any help on the proactive work agenda that they have identified for the last few years. As a result, we are stumbling from one immediate need to the next without being able to see the bigger picture. The recent EAV Planning Committee is a noted exception, which for a long time consumed one FTE to the exclusion of nearly anything else.

I request 1 additional FTE, but even 1/2 FTE would be better than none at all.

Also, note that the Planning Department has never recovered to the 4-FTE staffing level of the late 80's. When I took the position as town planner in 1988, the Department had also two assistant planners and a full-time secretary.

Police Department – *Frank Widmayer, Chief*
The police department is chronically understaffed. This is a problem that will not go away without significant investment in the department. We are authorized 33 police officers but for varied reasons always seem to be down by four to six. Those reasons can include: injured on duty, maternity leave, military activation and inability to fill vacancies on a timely basis. A town with the population of Acton of almost 21,000 should have 40 officers to meet the average department size for the northeastern United States. I am requesting seven officers including a Deputy Chief in order to structure the department properly. Currently there are three non-union officers including the Chief and two lieutenants, plus 30 union officers including the sergeants and patrolmen. The request for another records clerk is due to the work load that continues to increase. The public is more demanding and our records requests are constant since we generate activity on a 24 hour basis. We now have to travel to two courts and documents are required at arraignment or we will lose cases. The technology incorporated in our station is quite amazing and requires more time devoted to operational and state requirements. The current town IT staff is struggling to handle even our existing needs. Once we move into the new Public Safety facility IT staff will be inadequate unless we have someone here devoted to that function.

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Appendix C – APS and ABRSD Enrollment Projections

October 26, 2004

TO: William Ryan
Superintendent of Schools

FROM: Peter K. Ashton

SUBJ: APS and ABRSD Enrollment Projections

At your request, I have reviewed the October 2004 enrollment data, and I have updated the enrollment forecasts for ABRSD and APS based on these new data as well as new data on births and housing starts in each community. This reflects another annual update to the original enrollment projection model developed by the Enrollment Subcommittee of the Building Committee several years ago. The following are a few observations based on these new data and forecasts.

2004 Enrollment vs. 2003 Enrollment

- At the local level, 2004 enrollment increased by 44 students or a 1.8 percent increase relative to 2003. Actual enrollment at kindergarten, 2nd, and 5th grades declined and increases were observed at 1st, 3rd, 4th and 6th grades. The increases at third and sixth grades were quite large as these two grades are the two largest in the Acton elementary schools.

- Enrollment at the Junior High School declined by 1.2 percent (11 students) compared with last year. The 7th grade experienced a decline of 22 students whereas the 8th grade experienced an increase of 11 students.

- At the high school, enrollment increased 3 percent from last year (50 students). The majority of this increase came at 11th grade and enrollment at 12th grade declined by 25. Total enrollment at the region increased by 1.5 percent or 39 students. Boxborough's share of enrollment now accounts for 21.7 percent of the total at the region.

- Total Acton school enrollment (K-12) is now 4,575 students, an increase of 58 students over last year or an increase of 1.2 percent. The rate of growth in enrollment has clearly moderated, and as discussed below there are beginning to be signs that enrollment may decline in the foreseeable future.

2004 Enrollment vs. Prior Projections

- Across all grade levels, last year's projection for 2004 was off by 9 students (0.1 percent) compared to this year's actual total. Grade to grade variations, however, were somewhat more substantial, but for the most part are still within a 1 percent error rate.

- Actual 2004 enrollment for the region is 7 students more than last year's projection. At the junior high school, the projection was high by 2 students and at the high school the projection was low by 14 students primarily at 9th grade. Last year's prediction was within 0.5 percent of actual enrollment for the regional school system.

- At the local level, actual enrollment is 2 students more than projected. This is explained by differences at second and sixth grade. Kindergarten enrollment is 10 less than projected and is the smallest kindergarten class since 2000.

Updated Enrollment Projection

I have updated the enrollment projection for Acton K-6 as well as for the region grades 7-12, based on the new enrollment data, as well as additional data on housing starts, planned housing developments, births, household size, and population projections. I use the eight-year average for grade to grade ratios for Acton and a six-year average for Boxborough.[1] This is generally consistent with what was used last year. In developing the updated projections, a number of interesting trends became apparent:

- The grade to grade ratios remain quite stable, especially at the Acton elementary level. Figure 1 shows the trend in the birth to kindergarten ratio in each community. This ratio is considerably more volatile than the grade to grade ratio. Acton's birth to kindergarten ratio has declined each of the last two years and in 2004 was at the long term average. In Boxborough this ratio has been more volatile, although in the last four years, it has been relatively stable.

- Figure 2 shows that the number of new building permits in Acton has fallen significantly in the last four years compared with prior years. This is a reflection of both the economic downturn and the fact that Acton is nearing buildout. Boxborough's permits increased significantly in 2002, but has declined somewhat and is at a number roughly equal to Acton. These figures are down significantly from the peak years of the early 1990s. As both towns move closer to buildout, the number of new homes being built is likely to decline gradually.

- This year we also examined in more detail planned developments including Ch. 40B projects. Acton currently has one approved 40B project of 12 units with 3 bedrooms each. Four others are pending: one is a senior only project and 2 are small (8 units each). The remaining one is very large: Woodlands at Laurel Hill (Nagog area) which includes 352 units of which 296 are planned for Acton. The application indicates that given the preponderance of one bedroom units, little enrollment impact is expected i.e., between 31 and 46 additional school-age children. We believe that these projections are too low by a significant amount.[2] Finally, the litigation over the development at Robbins Mill has ended and construction of the 90 single family homes there may be expected to commence next spring. That project is likely to generate as many if not more school-age children as the Ch 40B project at Nagog.

- In Boxborough, there are 2 planned 40B projects, although one is a senior-only project. The other, Oak Hill, is comprised of about 60 2-bedroom units.

- Perhaps the most startling trend in recent years is the decline in the birth rate witnessed in Acton and to a lesser extent in Boxborough. Figure 3 presents births by year and shows a significant decline in births in Acton starting in 2002 and continuing in each of the next two years.[3] This trend should begin

[1] Due to extreme volatility on the birth to kindergarten cohort ratio, I used the 8 year median for Boxborough for this ratio.

[2] The demographic study completed by Jack Reetz four years ago indicated that apartment, condo and multi-family units generate on average about 0.25 school-age children per unit. Applying this factor to the 296 units implies 75 additional school-age children which is considerably more than what the applicant claims. Even this figure is likely to be on the low side based on other studies of school-age children per household.

[3] The data for 2003 and 2004 must be viewed as being preliminary as they are based on town data not MDPH data. These two data sets do track reasonably well over time, however, and we have corrected for the towns' general propensity to underreport the number of births.

to affect kindergarten enrollment in 2007, and represents a significant change from last year's enrollment projection. Acton is now showing signs of reverting to a birth rate more in line with the 1980s, which if it continues, will lead to a decline in enrollment in the long run. Boxborough's birth rate has also declined slightly in recent years falling below 50 in each of the last two years for the first time since 1990. Census data confirm a general aging of the female childbearing population which confirms that this decline in births should continue in the future.[1]

- The updated enrollment projections are shown in Tables 1 and 2 and indicate that the peak period of enrollment at the region extends between 2008 and 2011. In each of these years, enrollment at the region exceeds 2,750 students vs. current enrollment of 2,621. At the junior high, the peak year is 2009 at 966 students, declining thereafter. This peak is now lower by 80 students than was projected four years ago At the high school the peak year is 2010 with a slightly lower peak than previously forecast (1,852 vs. 1,904 in the 2001 projection). Table 4 shows that Boxborough's share of enrollment will continue to increase through 2006 and then begin to decline.

- At the elementary level, Acton's enrollment shows an increase again next year with enrollment peaking in 2006 at 2,553. This is due to the relatively large kindergarten class forecast for 2006 based on the very high birth rate in 2001. Enrollment begins to decline thereafter dropping to less than 2,400 by 2010.

- In Acton we are entering a peak period of enrollment for grades K-12 that will last through 2010. These new projections indicate declining enrollment in Acton after 2010, although the expected rate of decline is still relatively small.

- Although the enrollment forecast extends through 2017 for the region and 2016 for the Acton local schools, the degree of accuracy is considerably greater for the years in which students are already in the system, i.e., in kindergarten or higher. Thus, for the region, the predictions through 2010 are likely to be more accurate than for later years and at the elementary level, predictions past 2007 are less likely to be accurate.[2]

[1] This is further confirmed by a recent projection for Acton and Boxborough which shows the median age of the female childbearing population increasing over the next five years.

[2] This is because the forecasts must predict both births and the relationship between births and kindergarten enrollment as well as grade to grade movements. Forecasting births is inherently less reliable than forecasting cohorts already in the population. Therefore, although the projection at the Acton elementary level shows a rather precipitous decline in enrollment after 2010, this is based on a three year trend in births which could reverse itself, in which case, the decline would not be nearly as great.

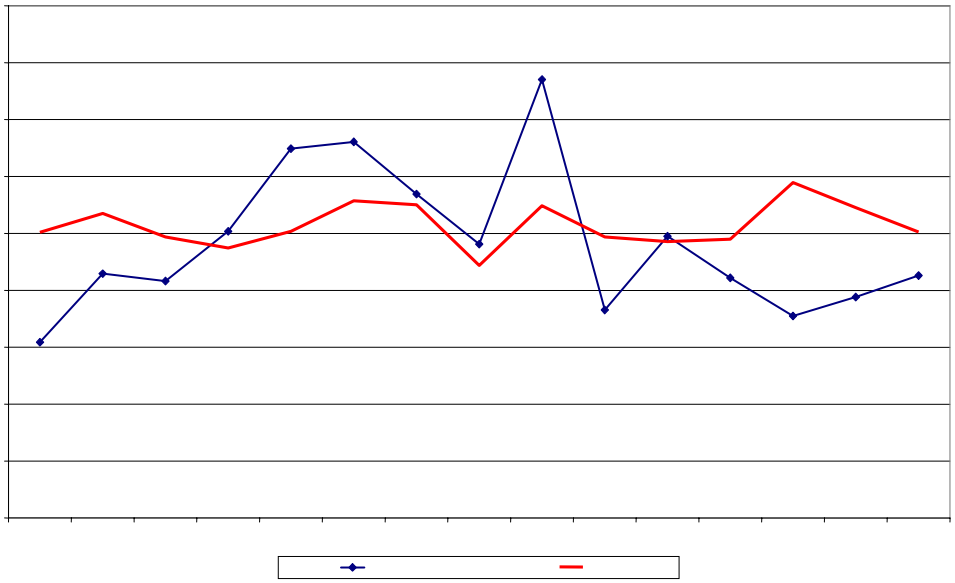


Figure 2
Building Permits by Town
1980-2004*

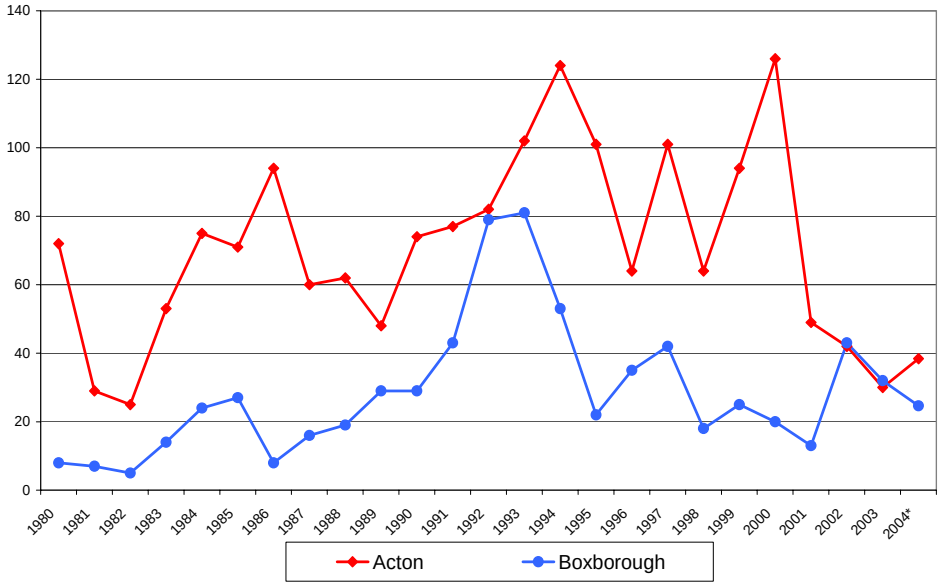
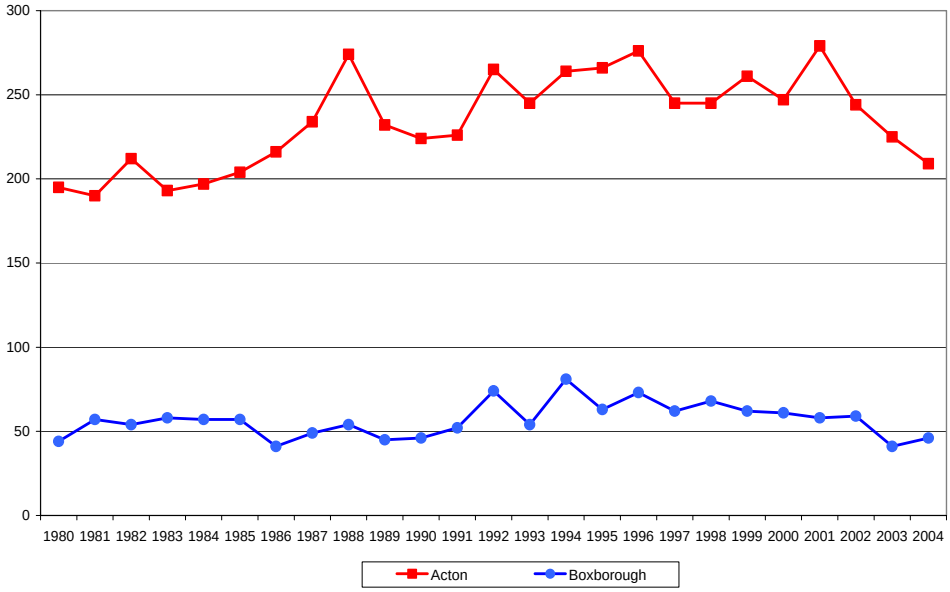


Figure 3
Births in Acton and Boxborough
1980-2004*



Revised Enrollment Projections - 10/04

PUBLIC SCHOOL ENROLLMENT PROJECTIONS
Elementary School
Acton, MA: 1997-2015

Year	K-12	K	1	2	3	4	5	6	Total
1997*	3,751	294	337	334	323	327	327	326	2,268
1998*	3,963	336	319	355	346	334	325	337	2,352
1999*	4,096	326	353	318	359	346	346	324	2,372
2000*	4,215	323	346	358	332	362	359	344	2,424
2001*	4,307	338	345	351	360	335	364	367	2,460
2002*	4,450	361	361	350	353	357	343	381	2,506
2003*	4,517	334	348	369	360	355	365	349	2,480
2004*	4,575	328	352	363	376	365	361	379	2,524
2005	4,628	316	346	360	372	379	373	367	2,512
2006	4,688	357	333	353	368	374	387	379	2,553
2007	4,702	313	377	341	362	371	382	394	2,539
2008	4,668	289	329	385	349	364	379	389	2,484
2009	4,620	268	304	337	394	351	372	386	2,412
2010	4,613	301	283	311	345	397	359	379	2,374
2011	4,576	295	317	289	318	347	405	365	2,337
2012	4,543	289	311	324	296	321	354	413	2,308
2013	4,492	283	305	318	332	298	327	361	2,224
2014	4,422	278	299	311	325	334	304	333	2,185
2015	4,348	272	293	305	319	328	341	310	2,168
2016	4,274	267	287	299	313	321	335	348	2,168

PUBLIC SCHOOL ENROLLMENT PROJECTIONS
Junior School
Acton, MA: 1997-2016

Year	7	8	Total
1997*	316	271	587
1998*	336	307	643
1999*	341	345	686
2000*	315	345	660
2001*	335	333	668
2002*	352	348	700
2003*	375	354	729
2004*	351	368	719
2005	377	356	733
2006	366	382	748
2007	377	370	748
2008	392	382	774
2009	387	397	784
2010	384	392	776
2011	377	389	765
2012	363	382	745
2013	411	368	779
2014	359	416	775
2015	332	364	695
2016	308	336	644
2017	346	312	658

PUBLIC SCHOOL ENROLLMENT PROJECTIONS
High School
Acton, MA: 1997-2016

Year	9	10	11	12	Total
1997*	259	234	199	204	896
1998*	260	268	237	203	968
1999*	282	253	265	238	1038
2000*	329	277	260	265	1131
2001*	323	324	276	256	1179
2002*	325	320	322	277	1244
2003*	343	328	315	322	1308
2004*	362	338	332	300	1332
2005	354	359	336	333	1382
2006	342	352	357	337	1388
2007	368	340	349	358	1415
2008	357	365	338	350	1410
2009	368	354	363	339	1424
2010	382	366	352	364	1463
2011	378	379	363	353	1473
2012	374	375	377	364	1490
2013	368	372	372	378	1489
2014	355	365	369	373	1462
2015	401	352	362	370	1485
2016	350	398	350	364	1461
2017	324	348	395	351	1417

Excludes choice
* Actual data

Sources: Acton-Boxborough School System
Acton Town Clerk & Building Commissioner
Mass. Department of Public Health

NOTE: This scenario is a result of utilizing **8 year averages** for the kindergarten to births and grade to grade ratios.

Revised Enrollment Projections - 10/04

PUBLIC SCHOOL ENROLLMENT PROJECTIONS
Elementary School
Boxborough, MA: 1997-2015

Year	K-12	K	1	2	3	4	5	6	Total
1997*	901	89	84	87	82	88	72	77	579
1998*	1,007	104	96	88	91	88	96	79	642
1999*	1,029	74	106	94	85	93	90	102	644
2000*	1,067	78	81	105	91	83	94	93	625
2001*	1,109	77	83	85	105	94	89	100	633
2002*	1,113	55	82	87	82	109	95	89	599
2003*	1,146	66	68	91	87	86	108	95	601
2004*	1,151	66	70	74	98	79	85	109	581
2005	1,157	65	72	73	74	98	80	87	549
2006	1,143	61	70	75	73	74	100	83	536
2007	1,123	63	67	74	75	73	75	102	528
2008	1,060	43	68	70	73	75	74	77	481
2009	1,047	49	47	71	70	73	76	76	463
2010	1,025	61	53	49	71	70	74	78	457
2011	988	53	67	56	49	71	71	77	443
2012	948	57	58	70	55	49	72	73	435
2013	923	49	62	60	70	55	50	74	421
2014	903	55	53	65	60	70	56	51	411
2015	878	46	60	55	65	60	71	58	415
2016	857	53	50	63	55	65	61	73	419

PUBLIC SCHOOL ENROLLMENT PROJECTIONS
Junior High
Boxborough, MA: 1997-2016

Year	7	8	Total
1997*	66	53	119
1998*	78	71	149
1999*	78	78	156
2000*	98	76	174
2001*	91	104	195
2002*	99	95	194
2003*	97	99	196
2004*	99	96	195
2005	110	100	210
2006	88	111	199
2007	83	89	172
2008	103	84	187
2009	78	104	182
2010	77	79	155
2011	79	78	156
2012	77	80	157
2013	73	78	152
2014	75	74	149
2015	52	76	127
2016	58	53	111
2017	73	59	132

PUBLIC SCHOOL ENROLLMENT PROJECTIONS
High School
Boxborough, MA: 1997-2016

Year	9	10	11	12	Total
1997*	52	51	54	46	203
1998*	56	56	49	55	216
1999*	67	65	50	47	229
2000*	78	72	64	54	268
2001*	70	79	65	67	281
2002*	100	73	79	68	320
2003*	97	100	74	78	349
2004*	97	102	101	75	375
2005	93	103	99	103	398
2006	97	99	99	101	396
2007	108	103	95	101	407
2008	87	114	99	97	397
2009	82	91	110	102	385
2010	101	86	88	113	389
2011	76	107	84	90	357
2012	75	81	104	85	345
2013	77	80	78	106	341
2014	76	82	77	80	314
2015	72	80	79	79	310
2016	73	76	78	81	308
2017	51	78	74	79	281

Excludes choice
* Actual data

NOTE: This scenario is a result of utilizing **6 year average or median** for grade to grade ratios and 8 year median for kindergarten to birth ratio

Sources: Acton-Boxborough School System
Boxborough Town Clerk & Town Planner
Mass. Department of Public Health

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Appendix D – Board of Selectmen Five-Year Municipal Capital Recommendations

Board of Selectmen
5 Year Capital Recommendation
(FY '06 - FY '10)
Approved June 14, 2004

FY	C/s	Department	Project	Requested Full Cost	Project Status	Recommended Budgetary Impact	To be Bonded	Bonding 1st Year Cost	MGL Chap 44, Section	Maximum Bonding Term in Years	Comments / Funding
2006	B	Engineering	Sidewalks	$ 250,000	Approved	$ -	no	$ 58,150	7 (6)	5	Alternate Funding at $100,000 - Gift Funds
2006	B	Fire	Protective Clothing	$ 40,000	Approved	**$ 10,000**	no				$30,000 In Existing Budget
2006	B	Highway	Sign Machine	$ 15,000	Not Capital	$ -	no	$ 3,489	7 (9)	5	
2006	B	Information Technology	Network Testing/Monitoring Tools	$ 25,000	Approved	$ -	no	$ 5,815	7 (9)	5	Alternate Funding - Cable Fund
2006	B	Municipal Properties	CD Building Fire Alarm	$ 10,000	Not Approved	$ -	no	$ 1,414	7 (5)	10	
				$ 340,000		**$ 10,000**					
2006	C	Council on Aging	Expanded Parking	$ 25,000	Approved	**$ 25,000**	no	$ 3,535	7 (5)	10	
2006	C	Engineering	Traffic Signal - Hayward & Main	$ 270,000	Not Approved	$ -	no	$ 38,178	7 (14)	10	
2006	C	Engineering	GPS Equipment	$ 42,000	Approved	**$ 42,000**	no	$ 9,769	7 (9)	5	
2006	C	Engineering	Scales at Transfer Station	$ 55,000	Approved	$ -	no	$ 12,793	7 (9)	5	Alternate Funding - NESWC
2006	C	Health	West Acton Wastewater Preliminary Design	$ 2,500,000	Approved	$ -	**yes**	$ 581,500	7 (22)	5	Alternate Funding -Bonding & Betterments
2006	C	Health	Vehicle Wash	$ 85,000	Approved	$ -	no	$ 8,458	7 (3)	20	Alternate Funding - Grant Only
2006	C	Health	Pine Hawk Archaeology	$ 50,000	Approved	$ -	no				Alternate Funding - CPA or grant
2006	C	Health	Video Pipe Inspection	$ 30,000	Not Approved	$ -	no	$ 6,978	7 (9)	5	
2006	C	Highway	Landfill Cap	$ 2,500,000	Approved	$ -	**yes**	$ 226,250	8 (24)	25	Alternate Funding - NESWC at bond cost of $226,250
2006	C	Natural Resources	2A/27 Parking lot expansion	$ 30,000	Not Approved	$ -	no	$ 4,242	7 (5)	10	
2006	C	Natural Resources	Storage Building/Woodlawn Cemetery	$ 70,000	Not Approved	$ -	no	$ 6,965	7 (3)	20	Rescind borrowing authorization
2006	C	Natural Resources	School Street Field Development	$ 250,000	Approved	$ -	no	$ 28,029	7 (25)	15	Alternate Funding - CPA
2006	C	Natural Resources	Open Space Acquisition	$ 250,000	Approved	$ -	no	$ 24,875	7 (3)	20	Alternate Funding - CPA
2006	C	Planning	Route 2/Interchange Design	$ 640,000	Not Approved	$ -	no	$ 90,496	7 (5)	10	
2006	C	Planning	Main Street Crosswalks	$ 82,000	Not Approved	$ -	no				
2006	C	Planning	Main Street Sidewalk	$ 166,000	Not Approved	$ -	no	$ 23,472	7 (6)	10	May be constructed within the annual sidewalk appropriation request
2006	C	Planning	EAV Green	$ 100,000	Approved	$ -	no	$ 11,212	7 (25)	15	Alternate Funding - CPA
2006	C	Planning	Traffic Signal, Great Rd at Concord Rd	$ 445,000	Approved	$ -	no	$ 62,923	7 (14)	10	Alternate Funding - Brookside site plan or TIP
				$ 7,590,000		**$ 67,000**					

Board of Selectmen
5 Year Capital Recommendation
(FY '06 - FY '10)
Approved June 14, 2004

FY	Cls	Department	Project	Requested Full Cost	Project Status	Recommended Budgetary Impact	To be Bonded	Bonding 1st Year Cost	MGL Chap 44, Section	Maximum Bonding Term in Years	Comments / Funding
2006	M	Engineering	Road Drainage, Maintenance - Quarry & Main St.	$ 80,000	Approved	**$ 80,000**	no	$ 6,787	7 (1)	30	
2006	M	Engineering	Road Drainage, Maintenance & Repair	$ 50,000	Approved	**$ 50,000**	no	$ 4,242	7 (1)	30	
2006	M	Finance	Triennial Certification	$ 175,000	Approved	**$ 175,000**	no	$ 175,000		0	
2006	M	Fire	Fire Alarm Panel-Station 2	$ 21,000	Not Approved	**$ -**	no	$ 2,969	7 (14)	10	
2006	M	Health	Stormwater	$ 30,000	Approved	**$ -**	no				In Existing Budget
2006	M	Highway	Paving	$ 400,000	Approved	**$ 200,000**	no	$ 93,040	7 (6)	5	$200,000 Existing Budget, $200,000 Additional
2006	M	Highway	Bulldozer Tracks	$ 25,000	Approved	**$ 25,000**	no	$ 5,815	7 (9A)	5	
2006	M	Information Technology	Desktop & Server Replacement Program	$ 29,000	Approved	**$ 29,000**	no	$ 6,745	7 (28)	5	
2006	M	Information Technology	MUNIS Software Maintenance	$ 93,286	Approved	**$ 12,164**	no				Existing Budget - $81,121 plus $7,500 Munis Portal plus 5% contract increase
2006	M	Information Technology	Copier Lease	$ 39,900	Approved	**$ 1,900**	no				Existing Budget plus $1,900
2006	M	Municipal Properties	Paint Town Hall	$ 47,250	Approved	**$ 47,250**	no				
2006	M	Natural Resources	NARA Park improvements	$ 95,000	Approved	**$ -**	no				Alternate Funding - CPA
2006	M	Natural Resources	Pave path around NARA pond	$ 10,000	Approved	**$ -**	no	$ 2,326	7 (6)	5	Alternate Funding - CPA
2006	M	Planning	EAV Circulation Improvements	$ 185,000	Not Approved	**$ -**	no	$ 26,159	7 (5)	10	
				$ 1,280,436		**$ 620,314**					
2006	V	Health	Vehicle	$ 17,000	Approved	**$ -**	no	$ 3,954	7 (9)	5	Alternate Funding - Health
2006	V	Highway	Front End Loader	$ 150,000	Approved	**$ 150,000**	no	$ 34,890	7 (9A)	5	
2006	V	Highway	Two 1-Ton Trucks	$ 80,000	Approved	**$ 80,000**	no	$ 18,608	7 (9A)	5	
2006	V	Highway	Mechanics Truck	$ 37,000	Approved	**$ 37,000**	no	$ 8,606	7 (9)	5	
2006	V	Municipal Properties	Replace truck 100	$ 52,500	Approved	**$ 52,500**	no	$ 12,212	7 (9)	5	
2006	V	Natural Resources	1-Ton Dump Truck	$ 40,000	Approved	**$ 40,000**	no	$ 9,304	7 (9)	5	
2006	V	Police	Police Cruisers	$ 105,000	Approved	**$ 105,000**	no	$ 24,423	7 (9)	5	
				$ 481,500		**$ 464,500**					
			Total 2006	**$ 9,691,936**		**$ 1,161,814**					

Board of Selectmen
5 Year Capital Recommendation
(FY '06 - FY '10)
Approved June 14, 2004

FY	Cls	Department	Project	Requested Full Cost	Project Status	**Recommended Budgetary Impact**	To be Bonded	Bonding 1st Year Cost	MGL Chap 44, Section	Maximum Bonding Term in Years	Comments / Funding
2007	B	Engineering	Sidewalks	$ 250,000	Approved	**$ -**	no	$ 58,150	7 (6)	5	Alternate Funding at $100,000 - Gift Funds
2007	B	Highway	Berm Machine	$ 12,000	Not Approved	**$ -**	no	$ 2,791	7 (9)	5	
2007	B	Highway	Plate Compactor	$ 12,000	Not Approved	**$ -**	no	$ 2,791	7 (9)	5	
2007	B	Highway	Sidewalk Roller	$ 13,000	Not Approved	**$ -**	no	$ 3,024	7 (9)	5	
2007	B	Municipal Properties	Cemetery Burglar alarm	$ 6,000	Not Approved	**$ -**	no				
				$ 293,000		**$ -**					
2007	C	Municipal Properties	DPW Building renovations	$ 131,250	Not Approved	**$ -**	no	$ 13,059	7 (3A)	20	
2007	C	Municipal Properties	North Acton Fire Station Design & Center Station Reuse Plan	$ 400,000	Approved	**$ 93,040**	**yes**	$ 93,040	7 (22)	5	Moved from 2006
2007	C	Natural Resources	Gardner Field Project	$ 190,000	Approved	**$ -**	no	$ 21,302	7 (25)	15	Alternate Funding - CPA
2007	C	Natural Resources	Bruce Freeman Rail Trail	$ 450,000	Approved	**$ -**	no	$ 50,453	7 (25)	15	Alternate Funding - CPA
2007	C	Natural Resources	NARA Park Picnic Pavilion	$ 150,000	Approved	**$ -**	no	$ 16,818	7 (25)	15	Alternate Funding - CPA
2007	C	Natural Resources	Morrison Property Phase 1 Development	$ 150,000	Approved	**$ -**	no	$ 16,818	7 (25)	15	Alternate Funding - CPA
2007	C	Natural Resources	Heath Hen Projects	$ 8,000	Not Approved	**$ -**	no				
2007	C	Natural Resources	Arboretum Development	$ 25,000	Approved	**$ -**	no	$ 5,815	7 (6)	5	Alternate Funding - CPA
2007	C	Natural Resources	Open Space Acquisition	$ 250,000	Approved	**$ -**	no	$ 24,875	7 (3)	20	Alternate Funding - CPA
2007	C	Planning	Circulation Improvements in EAV	$ 335,000	Not Approved	**$ -**	no	$ 47,369	7 (5)	10	
				$ 2,089,250		**$ 93,040**					
2007	M	Engineering	Road Drainage, Maintenance & Repair	$ 50,000	Approved	**$ -**	no	$ 4,242	7 (1)	30	In Existing Budget
2007	M	Health	Stormwater	$ 30,000	Approved	**$ -**	no				In Existing Budget
2007	M	Highway	Paving	$ 437,000	Approved	**$ 37,000**	no	$ 101,646	7 (6)	5	Partially in Existing Budget
2007	M	Information Technology	Server Storage Improvements	$ 25,000	Approved	**$ 25,000**	no	$ 3,535	7 (28)	10	

Board of Selectmen
5 Year Capital Recommendation
(FY '06 - FY '10)
Approved June 14, 2004

FY	Cls	Department	Project	Requested Full Cost	Project Status	Recommended Budgetary Impact	To be Bonded	Bonding 1st Year Cost	MGL Chap 44, Section	Maximum Bonding Term in Years	Comments / Funding
2007	M	Information Technology	Desktop & Server Replacement Program	$ 30,050	Approved	**$ 50**	no	$ 4,249	7 (28)	10	Partially In Existing Budget
2007	M	Information Technology	MUNIS Software Maintenance	$ 97,950	Approved	**$ 4,652**	no				Partially in Existing Budget - $93,052 plus 5% increase
2007	M	Information Technology	Copier Lease	$ 41,895	Approved	**$ 1,995**	no				Partially in Existing Budget - $39,900 plus 5% increase
2007	M	Municipal Properties	Pave Town Hall parking lot	$ 25,000	Not Approved	**$ -**	no	$ 5,815	7 (6)	5	
2007	M	Municipal Properties	Windsor Building heat	$ 15,000	Approved	**$ 15,000**	no	$ 2,121	7 (3B)	10	
2007	M	Municipal Properties	Re-roof Windsor Building	$ 12,000	Approved	**$ 12,000**	no	$ 1,194	7 (3A)	20	
2007	M	Natural Resources	Playground replacement project	$ 100,000	Not Approved	**$ -**	no	$ 11,212	7 (25)	15	
2007	M	Natural Resources	Elm Street ball field light replacement	$ 70,000	Not Approved	**$ -**	no	$ 9,898	7 (14)	10	
				$ 933,895		**$ 95,697**					
2007	V	Building	Replace Existing Vehicle	$ 17,000	Approved	**$ -**	no	$ 3,954	7 (9)	5	Alternate Funding - Building
2007	V	Fire	Brush Fire Truck	$ 75,000	Approved	**$ 75,000**	no	$ 17,445	7 (9A)	5	
2007	V	Fire	Car 31	$ 35,000	Approved	**$ 35,000**	no	$ 8,141	7 (9)	5	
2007	V	Fire	Ambulance	$ 190,000	Not Approved	**$ -**	no	$ 44,194	7 (9A)	5	
2007	V	Health	Vehicle	$ 17,000	Approved	**$ -**	no	$ 3,954	7 (9)	5	Alternate Funding - Health
2007	V	Highway	Roadway Snow blower	$ 125,000	Approved	**$ 125,000**	no	$ 29,075	7 (9A)	5	
2007	V	Highway	Dump Trailer	$ 45,000	Approved	**$ 45,000**	no	$ 10,467	7 (9)	5	
2007	V	Highway	DPW Inspector's Vehicle	$ 17,000	Approved	**$ 17,000**	no	$ 3,954	7 (9)	5	
2007	V	Municipal Properties	Replace Truck 108	$ 29,925	Approved	**$ 29,925**	no	$ 6,961	7 (9)	5	
2007	V	Natural Resources	Tractor w/tow behind mowers	$ 40,202	Approved	**$ 40,202**	no	$ 9,351	7 (9A)	5	
2007	V	Natural Resources	2 Turf Tiger riding mowers	$ 22,650	Approved	**$ 22,650**	no	$ 5,268	7 (9)	5	
2007	V	Police	Police Cruisers	$ 110,250	Approved	**$ 110,250**	no	$ 25,644	7 (9)	5	
				$ 724,027		**$ 500,027**					
			Total 2007	**$ 4,040,172**		**$ 688,764**					

Board of Selectmen
5 Year Capital Recommendation
(FY '06 - FY '10)
Approved June 14, 2004

FY	Cls	Department	Project	Requested Full Cost	Project Status	Recommended Budgetary Impact	To be Bonded	Bonding 1st Year Cost	MGL Chap 44, Section	Maximum Bonding Term in Years	Comments / Funding
2008	B	Engineering	Sidewalks	$ 250,000	Approved	**$ 100,000**	no	$ 58,150	7 (6)	5	Level Funded but gifts are fully spent
2008	B	Highway	Air Compressor	$ 18,000	Not Approved	**$ -**	no	$ 4,187	7 (9)	5	
				$ 268,000		**$ 100,000**					
2008	C	Municipal Properties	North Acton Fire Station Construction & Construction for Reuse of Acton Center Fire	$ 4,000,000	Approved	**$ 398,000**	**yes**	$ 398,000	7 (3)	20	Bonded moved from 2006
2008	C	Fire	Radio System Upgrade	$ 110,000	Approved	**$ 110,000**	no	$ 15,554	7 (14)	10	Moved from 2007
2008	C	Fire	SCBA Units & Air Compressor	$ 142,000	Approved	**$ 142,000**	no	$ 33,029	7 (9)	5	Subject to further review
2008	C	Health	West Acton Wastewater Construction	$ 20,000,000	Approved	**$ -**	**yes**	$ 1,696,667	8 (15)	30	Completes W.A. project. Alternate Funding-- Bonding and Betterments
2008	C	Health	Water Lab	$ 25,000	Not Approved	**$ -**	no	$ 5,815	7 (9)	5	
2008	C	Information Technology	IP Telephony	$ 100,000	Not Approved	**$ -**	no	$ 23,260	7 (9)	5	
2008	C	Information Technology	On-Line Billing and Collection	$ 30,000	Approved	**$ 30,000**	no	$ 6,978	7 (29)	5	
2008	C	Information Technology	Geographic Information System	$ 250,000	Approved	**$ 35,350**	**yes**	$ 35,350	7 (18)	10	Moved from 2007, Bonded
2008	C	Information Technology	Intrusion Detection/Decoy System	$ 35,000	Approved	**$ 35,000**	no	$ 4,949	7 (28)	10	Moved from 2007
2008	C	Municipal Properties	DPW Storage Shed	$ 210,000	Not Approved	**$ -**	no	$ 20,895	7 (3A)	20	
2008	C	Municipal Properties	17 Woodbury Lane renovations	$ 400,000	Approved	**$ -**	no	$ 39,800	7 (3A)	20	Alternate Funding - CPA
2008	C	Natural Resources	NARA parking lot expansion	$ 60,000	Not Approved	**$ -**	no	$ 8,484	7 (5)	10	
2008	C	Natural Resources	NARA irrigation	$ 40,000	Not Approved	**$ -**	no	$ 9,304	7 (9)	5	
2008	C	Natural Resources	NARA Park Sprayground	$ 120,000	Not Approved	**$ -**	no	$ 13,454	7 (25)	15	
2008	C	Natural Resources	Camp Acton - Parking & Driveway Improvement	$ 5,000	Not Approved	**$ -**	no	$ 1,163	7 (6)	5	
2008	C	Natural Resources	Arboretum Development	$ 30,000	Not Approved	**$ -**	no	$ 6,978	7 (9)	5	

Board of Selectmen
5 Year Capital Recommendation
(FY '06 - FY '10)
Approved June 14, 2004

FY	Cls	Department	Project	Requested Full Cost	Project Status	Recommended Budgetary Impact	To be Bonded	Bonding 1st Year Cost	MGL Chap 44, Section	Maximum Bonding Term in Years	Comments / Funding
2008	C	Natural Resources	Heath Hen Project	$ 20,000	Not Approved	$ -	no	$ 2,242	7 (25)	15	
2008	C	Natural Resources	Open Space Acquisition	$ 250,000	Approved	$ -	no	$ 24,875	7 (3)	20	Alternate Funding - CPA
2008	C	Planning	East Acton Village Gateways	$ 55,000	Not Approved	$ -	no	$ 7,777	7 (5)	10	
2008	C	Planning	Acton Center Historic District Gateways	$ 40,000	Not Approved	$ -	no	$ 5,656	7 (5)	10	
				$ 25,922,000		**$ 750,350**					
2008	M	Engineering	Road Drainage, Maintenance & Repair	$ 50,000	Approved	$ -	no	$ 4,242	7 (1)	30	In Existing budget
2008	M	Health	Stormwater	$ 30,000	Approved	$ -	no				In Existing budget
2008	M	Highway	Paving	$ 477,000	Approved	**$ 40,000**	no	$ 110,950	7 (6)	5	Partially In Existing budget
2008	M	Information Technology	Desktop & Server Replacement Program	$ 31,153	Approved	$ -	no	$ 4,405	7 (28)	10	In Existing budget
2008	M	Information Technology	MUNIS Software Maintenance	$ 102,848	Approved	**$ 4,885**	no				Partially in Existing Budget - $97,704 plus 5% increase
2008	M	Information Technology	Copier Lease	$ 43,990	Approved	**$ 2,094**	no				Partially in Existing Budget - $41,895 plus 5% increase
2008	M	Municipal Properties	Paint various buildings	$ 43,670	Approved	**$ 43,670**	no				
2008	M	Municipal Properties	Cemetery Buildings roofs	$ 15,750	Approved	$ -	no	$ 1,567	7 (3A)	20	Alternate Funding - Cemetery
2008	M	Natural Resources	Arboretum Parking Lot	$ 30,000	Not Approved	$ -	no	$ 4,242	7 (5)	10	
2008	M	Natural Resources	Leaf Vac	$ 10,150	Approved	**$ 10,150**	no	$ 2,361	7 (9)	5	
2008	M	Planning	Master Plan	$ 180,000	Approved	**$ 180,000**	no				Moved from 2006
				$ 834,561		**$ 280,799**					
2008	V	Fire	Rescue Truck	$ 250,000	Approved	$ -	no	$ 58,150	7 (9)	5	Alternate Funding - Ambulance Fund
2008	V	Highway	Dump Truck	$ 75,000	Approved	**$ 75,000**	no	$ 17,445	7 (9)	5	
2008	V	Highway	Sidewalk Tractor	$ 80,000	Approved	**$ 80,000**	no	$ 18,608	7 (9)	5	
2006	V	Municipal Properties	Replace brush chipper	$ 27,300	Approved	**$ 27,300**	no	$ 6,350	7 (9)	5	Moved from 2006
2008	V	Municipal Properties	Replace Truck 109	$ 41,000	Approved	**$ 41,000**	no	$ 9,537	7 (9)	5	
2008	V	Natural Resources	3 Walk-Behind Mowers	$ 15,424	Approved	$ -	no	$ 3,588	7 (9)	5	Alternate Funding - Recreation
2008	V	Police	Police Cruisers	$ 140,763	Approved	**$ 140,763**	no	$ 32,741	7 (9)	5	
				$ 629,487		**$ 364,063**					
			Total 2008	**$ 27,654,048**		**$ 1,495,212**					

Board of Selectmen
5 Year Capital Recommendation
(FY '06 - FY '10)
Approved June 14, 2004

FY	Cls	Department	Project	Requested Full Cost	Project Status	Recommended Budgetary Impact	To be Bonded	Bonding 1st Year Cost	MGL Chap 44, Section	Maximum Bonding Term in Years	Comments / Funding
2009	B	Engineering	Sidewalks	$ 250,000	Approved	**$ 50,000**	no	$ 58,150	7 (6)	5	Funded at $150,000. Partially Funded In Existing Budget
				$ 250,000		**$ 50,000**					
2009	C	Health	East Acton Wastewater Construction	$ 20,000,000	Not Approved	**$ -**	no	$ 1,696,667	8 (15)	30	Design moved to 2011. Finish West Acton Construction First
2009	C	Health	Monitoring Wells	$ 25,000	Not Approved	**$ -**	no	$ 3,535	8 (3A)	10	
2009	C	Highway	Replace Sand Shed	$ 225,000	Approved	**$ 22,388**	**yes**	$ 22,388	7 (3A)	20	
2009	C	Municipal Properties	Fire Stations renovations plans	$ 315,000	Approved	**$ 73,269**	**yes**	$ 73,269	7 (22)	5	Moved from 2008
2009	C	Natural Resources	NARA Field Lighting	$ 150,000	Not Approved	**$ -**	no	$ 21,210	7 (14)	10	
2009	C	Natural Resources	Town Forest/Interior NARA lighting	$ 60,000	Not Approved	**$ -**	no	$ 8,484	7 (14)	10	
2009	C	Natural Resources	Dek Hockey Rink	$ 200,000	Not Approved	**$ -**	no	$ 22,423	7 (25)	15	
2009	C	Natural Resources	Quarry Road Tennis Courts	$ 150,000	Not Approved	**$ -**	no	$ 16,818	7 (23)	15	
2009	C	Natural Resources	Arboretum Development	$ 800,000	Not Approved	**$ -**	no	$ 79,600	7 (3)	20	
2009	C	Natural Resources	Open Space Acquisition	$ 250,000	Approved	**$ -**	no	$ 24,875	7 (3)	20	Alternate Funding - CPA
2009	C	Planning	Village Centers - Market Study	$ 67,000	Not Approved	**$ -**	no				
2009	C	Planning	Bikeway Kelley's Corner to West Acton	$ 1,000,000	Not Approved	**$ -**	no	$ 141,400	7 (5)	10	
				$ 23,242,000		**$ 95,657**					
2009	M	Engineering	Road Drainage, Maintenance & Repair	$ 50,000	Approved	**$ -**	no	$ 4,242	7 (1)	30	In Existing Budget
2009	M	Highway	Paving	$ 518,000	Approved	**$ 41,000**	no	$ 120,487	7 (6)	5	Partially in Existing Budget
2009	M	Information Technology	Desktop & Server Replacement Program	$ 32,310	Approved	**$ -**	no	$ 4,569	7 (28)	10	In Existing Budget
2009	M	Information Technology	MUNIS Software Maintenance	$ 107,990	Approved	**$ 5,129**	no				Partially in Existing Budget - $102,589 plus 5% increase
2009	M	Information Technology	Copier Lease	$ 46,189	Approved	**$ 2,199**	no				Partially in Existing Budget - $43,989 plus 5% increase
2009	M	Municipal Properties	Town Hall Roof Replacement	$ 300,000	Approved	**$ -**	no	$ 29,850	7 (3A)	20	Alternate Funding - CPA
				$ 1,054,489		**$ 48,328**					

Board of Selectmen
5 Year Capital Recommendation
(FY '06 - FY '10)
Approved June 14, 2004

FY	Cls	Department	Project	Requested Full Cost	Project Status	**Recommended Budgetary Impact**	To be Bonded	Bonding 1st Year Cost	MGL Chap 44, Section	Maximum Bonding Term in Years	Comments / Funding
2009	V	Highway	Low Bed Trailer	$ 55,000	Approved	**$ 55,000**	no	$ 12,793	7 (9)	5	Moved from 2008
2009	V	Highway	Replace Backhoe	$ 150,000	Approved	**$ 150,000**	no	$ 34,890	7 (9A)	5	
2009	V	Highway	Dump Truck	$ 78,000	Approved	**$ 78,000**	no	$ 18,143	7 (9)	5	
2009	V	Municipal Properties	Replace truck 103	$ 43,000	Approved	**$ 43,000**	no	$ 10,002	7 (9)	5	
2009	V	Natural Resources	New Backhoe	$ 75,000	Approved	**$ -**	no	$ 17,445	7 (9A)	5	Alternate Funding - Cemetery
2009	V	Police	Police Cruisers	$ 146,551	Approved	**$ 146,551**	no	$ 34,088	7 (9)	5	
				$ 547,551		**$ 472,551**					
			Total 2009	**$ 25,094,040**		**$ 666,536**					

Board of Selectmen
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(FY '06 - FY '10)
Approved June 14, 2004

FY	Cls	Department	Project	Requested Full Cost	Project Status	Recommended Budgetary Impact	To be Bonded	Bonding 1st Year Cost	MGL Chap 44, Section	Maximum Bonding Term in Years	Comments / Funding
2010	B	Engineering	Sidewalks	$ 250,000	Approved	$ -	no	$ 58,150	7 (6)	5	In Existing Budget
				$ 250,000		**$ -**					
2010	C	Municipal Properties	Town Common underground utilities	$ 787,500	Not Approved	$ -	no	$ 111,353	7 (14)	10	
2010	C	Municipal Properties	Fire Stations Renovations	$ 3,000,000	Approved	**$ 298,500**	**yes**	$ 298,500	7 (3A)	20	Moved from 2009
2010	C	Natural Resources	Storage Area at NARA Amphitheater	$ 200,000	Not Approved	$ -	no	$ 19,900	7 (3)	20	
2010	C	Natural Resources	3-hole instruction golf course	$ 250,000	Not Approved	$ -	no	$ 24,875	8 (16)	20	
2010	C	Natural Resources	Camp Acton - Composting Toilet	$ 30,000	Not Approved	$ -	no	$ 6,978	7 (9)	5	
2010	C	Natural Resources	Open Space Acquisition	$ 250,000	Approved	$ -	no	$ 24,875	7 (3)	20	Alternate - CPA
2010	C	Planning	Realignment Brook St./Main St.	$ 42,000	Approved	**$ 42,000**	no	$ 5,939	7 (5)	10	Moved from 2008
2010	C	Planning	East Acton Village On-Street Parking	$ 750,000	Not Approved	$ -	no	$ 106,050	7 (5)	10	
				$ 5,309,500		**$ 340,500**					
2010	M	Engineering	Road Drainage, Maintenance & Repair	$ 50,000	Approved	$ -	no	$ 4,242	7 (1)	30	In Existing Budget
2010	M	Highway	Paving	$ 562,000	Approved	**$ 44,000**	no	$ 130,721	7 (6)	5	
2010	M	Information Technology	Desktop & Server Replacement Program	$ 33,525	Approved	$ -	no	$ 4,740	7 (28)	10	In Existing Budget
2010	M	Information Technology	MUNIS Software Maintenance	$ 113,390	Approved	**$ 5,385**	no				Partially in Existing Budget - $107,718 plus 5% increase
2010	M	Information Technology	Copier Lease	$ 48,498	Approved	**$ 2,309**	no				Partially in Existing Budget - $46,188 plus 5% increase
2010	M	Town Clerk	Replace Voting Machines	$ 40,000	Approved	**$ 40,000**	no	$ 9,304	7 (9)	5	
				$ 847,413		**$ 91,694**					

Board of Selectmen
5 Year Capital Recommendation
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Approved June 14, 2004

FY	Cls	Department	Project	Requested Full Cost	Project Status	**Recommended Budgetary Impact**	To be Bonded	Bonding 1st Year Cost	MGL Chap 44, Section	Maximum Bonding Term in Years	Comments / Funding
2010	V	Building	Replace Existing Vehicle	$ 17,000	Approved	**$ -**	no	$ 3,954	7 (9)	5	Alternate Funding - Building
2010	V	Engineering	Engineering Van	$ 40,000	Approved	**$ 40,000**	no	$ 9,304	7 (9)	5	
2010	V	Highway	Replace Loader	$ 175,000	Approved	**$ 175,000**	no	$ 40,705	7 (9A)	5	
2010	V	Highway	Dump Truck	$ 80,000	Approved	**$ 80,000**	no	$ 18,608	7 (9A)	5	
2010	V	Highway	Replace Superintendent Vehicle	$ 30,000	Approved	**$ 30,000**	no	$ 6,978	7 (9)	5	
2010	V	Municipal Properties	Replace tractor 102	$ 20,000	Approved	**$ 20,000**	no	$ 4,652	7 (9A)	5	
2010	V	Natural Resources	1-Ton Dump Truck	$ 55,000	Approved	**$ 55,000**	no	$ 12,793	7 (9A)	5	
2010	V	Police	Police Cruisers	$ 127,628	Approved	**$ 127,628**	no	$ 29,686	7 (9)	5	
				$ 544,628		**$ 527,628**					
			Total 2010	**$ 6,951,541**		**$ 959,822**					

Board of Selectmen
5 Year Capital Recommendation
(FY '06 - FY '10)
Approved June 14, 2004

FY	Cls	Department	Project	Requested Full Cost	Project Status	**Recommended Budgetary Impact**	To be Bonded	Bonding 1st Year Cost	MGL Chap 44, Section	Maximum Bonding Term in Years	Comments / Funding
2011	C	Health	East Acton Wastewater Preliminary Design	$ 2,500,000	Approved	**$ 581,500**	**yes**	$ 581,500	7 (22)	5	Moved from 2007. Other 2011 items have not been included as of this printing.
				$ 2,500,000		**$ 581,500**					
			Total 2011	**$ 2,500,000**		**$ 581,500**					
			Grand Total	**$ 75,931,737**		**$ 5,553,648**					

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Appendix E – Department of Revenue Primer on Proposition 2½

Massachusetts Department of Revenue *Division of Local Services*
Alan LeBovidge, *Commissioner* Gerard D. Perry, *Deputy Commissioner*

Levy Limits: A Primer on Proposition 2½

Introduction

The Division of Local Services has developed this primer to guide local officials through the mechanics of Proposition 2½. Proposition 2½ revolutionized property tax administration and is a fundamental feature of the Massachusetts municipal fiscal landscape. Yet there is still some confusion about its meaning for cities and towns, particularly because the law is complex and has undergone a number of changes since Proposition 2½ was enacted in 1980.

The purpose of this primer is to explain, as simply as possible, the basic provisions of Proposition 2½. We focus in particular on those aspects of the law that we have found to cause the most confusion, for example: the ways in which Proposition 2½ limits the property tax, how the levy limit is calculated, how an override differs from a debt exclusion or capital outlay expenditure exclusion, and how new growth works.

With the help of this primer, a local official should be able to understand the fundamentals of Proposition 2½. However, this primer is not intended as a substitute for legal guidance on a community's options and obligations under the law. If you have any questions, please refer to the Resources section included in this primer and contact the Division of Local Services for assistance and information. In addition, an order form is provided with a list of publications and instructions for obtaining copies.

We hope this primer will help you grasp the basic concepts of Proposition 2½ and act on behalf of your community with a better understanding of the law. We welcome questions and comments on this publication.

What is a Levy?

The property tax levy is the revenue a community can raise through real and personal property taxes. We will refer to the property tax levy simply as the **levy**. In Massachusetts, municipal revenues to support local spending for schools, public safety and other public services are raised through the property tax levy, state aid, local receipts and other sources. The property tax levy is the largest source of revenue for most cities and towns.

What is a Levy Ceiling? What is a Levy Limit?

Proposition 2½ places constraints on the amount of the levy raised by a city or town and on how much the levy can be increased from year to year.

A levy limit is a restriction on the amount of property taxes a community can levy. Proposition 2½ established two types of levy limits:

First, a community cannot levy more than 2.5 percent of the total full and fair cash value of all taxable real and personal property in the community. In this primer we will refer to the full and fair cash value limit as the **levy ceiling**.

Second, a community's levy is also constrained in that it can only increase by a certain amount from year to year. We will refer to the maximum amount a community can levy in a given year as the **levy limit**. The levy limit will always be below, or at most, equal to the levy ceiling. The levy limit may not exceed the levy ceiling.

Proposition 2½ does provide communities with some flexibility. It is possible for a community to levy above its levy limit or its levy ceiling on a temporary basis, as well as to increase its levy limit on a permanent basis. These options are discussed in more detail in other sections of this primer. The concepts of levy ceiling and levy limit are illustrated in *Figure 1*.

How is a Levy Ceiling Calculated?

The levy ceiling is determined by calculating 2.5 percent of the total full and fair cash value of taxable real and personal property in the community:

Full and Fair Cash Value x 2.5% = LEVY CEILING
Full and Fair Cash Value = $100,000,000
$100,000,000 x 2.5% = $2,500,000

In this example, the levy ceiling is $2,500,000.

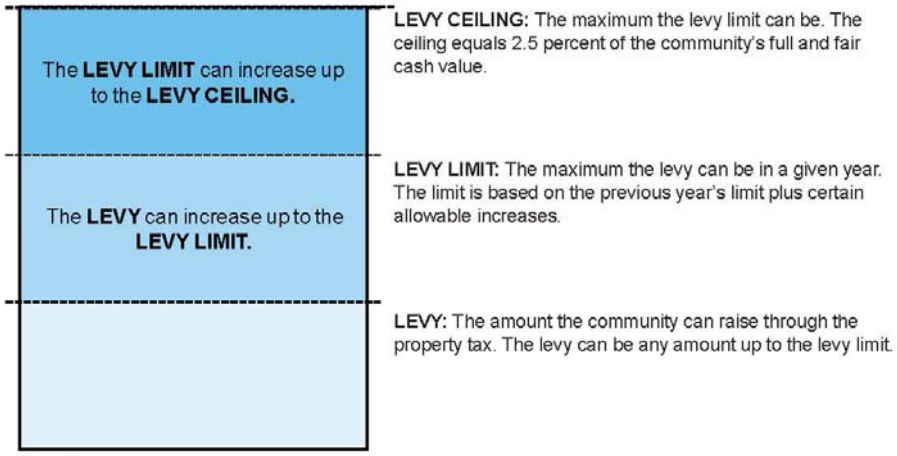

Figure 1

How is a Levy Ceiling Changed?

The total full and fair cash value of taxable real and personal property in a community usually changes each year as properties are added or removed from the tax roll and market values increase or decrease. This also changes the levy ceiling. See *Figure 2*.

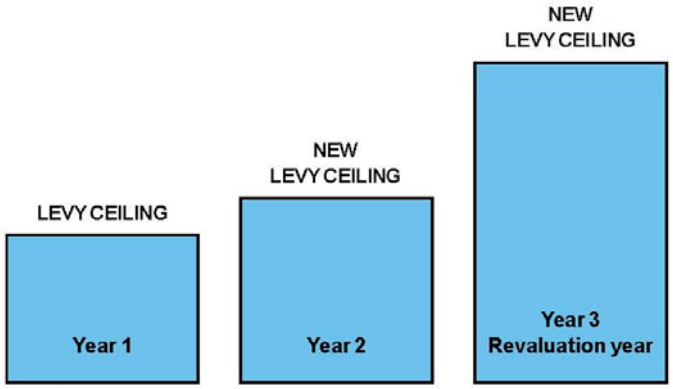

Figure 2

How is a Levy Limit Calculated?

A levy limit for each community is calculated annually by the Department of Revenue. It is important to note that a community's levy limit is based on the previous year's levy limit and not on the previous year's actual levy.

Each step in the example below is detailed in other sections of this primer. A levy limit is calculated by:

Taking the previous year's levy limit and increasing it by 2.5%:

A. FY2000 Levy Limit		**$1,000,000**
B. (A) x 2.5%	**+**	**$25,000**

Adding to the levy limit amounts of certified new growth added to the community's property tax base:

C. FY2001 New Growth	**+**	**$15,000**

Adding to the levy limit amounts authorized by override votes:

D. FY2001 Override	**+**	**$100,000**
E. FY2001 Subtotal (A+B+C+D)	**=**	**$1,140,000**

Comparing the FY2001 levy limit to the FY2001 levy ceiling and applying the lesser number (compare E and F):

F. FY2001 Levy Ceiling	**$2,500,000**

$1,140,000
Applicable FY2001 Levy Limit
(Lesser of E and F)

This community's levy limit, the maximum amount in real and personal property taxes it can levy, is $1,140,000 for FY2001. How much of this amount the community actually wants to use — that is, the amount of the levy — is up to the discretion of local officials. The community can levy up to or at any level below the entire levy limit amount, regardless of what its levy was in the previous year. Levy increases are discussed on page 13.

How is a Levy Limit Increased?

The levy limit is increased from year to year as long as it remains below the levy ceiling. Permanent increases in the levy limit result from the following:

Automatic 2.5 percent increase. Each year, a community's levy limit automatically increases by 2.5 percent over the previous year's levy limit. This does not require any action on the part of local officials; the Department of Revenue calculates this increase automatically.

New Growth. A community is able to increase its levy limit each year to reflect new growth in the tax base. Assessors are required to submit information on growth in the tax base for approval by the Department of Revenue as part of the tax rate setting process. New growth is discussed on page 8.

Overrides. A community can permanently increase its levy limit by successfully voting an override. The amount of the override becomes a permanent part of the levy limit base. Overrides are discussed on page 9.

Please note: Debt exclusions, capital outlay expenditure exclusions and overrides are all often referred to as "overrides" and enable a community either to permanently increase its levy limit or temporarily levy above its levy limit or levy ceiling. This primer makes a distinction between an override and a debt or capital outlay expenditure exclusion, because there is a significant difference in the impact of each on a community's levy limit. An override enables a community to permanently increase its levy limit, while an exclusion only allows for a temporary increase in taxes over a community's levy limit. Overrides, debt exclusions and capital outlay expenditure exclusions are discussed in greater detail in other sections of this primer.

In summary, the levy limit can increase from year to year in these ways: automatic 2.5 percent increase, new growth and overrides. Once the levy limit is increased in any of these ways, the increased levy limit amount becomes the base upon which levy limits are calculated for future years. See *Figure 3*.

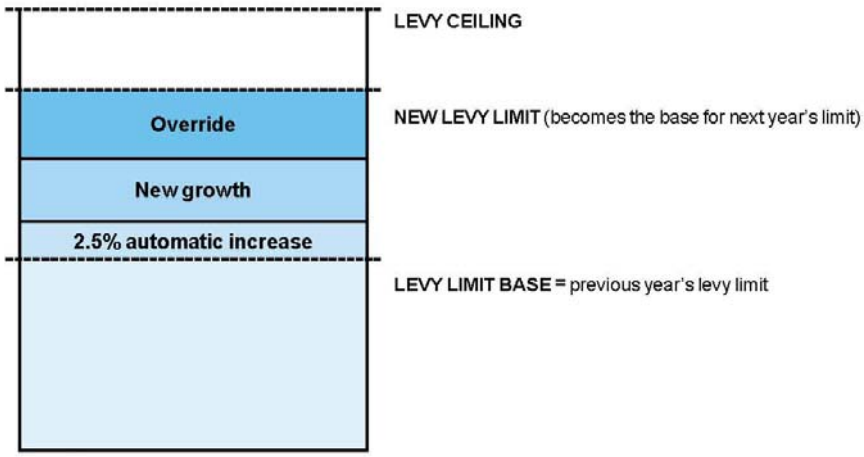

Figure 3

How Can a Community Levy Taxes in Excess of its Levy Limit or Levy Ceiling?

A community can assess taxes in excess of its levy limit or levy ceiling by successfully voting a debt exclusion or capital outlay expenditure exclusion. The amount of the exclusion does not become a permanent part of the levy limit base, but allows a community to assess taxes for a certain period of time in excess of its levy limit or levy ceiling for the payment of certain debt service costs or for the payment of certain capital outlay expenditures. See *Figures 4a and 4b.*

In *Figure 4a* the debt exclusion or capital outlay expenditure exclusion gives the community temporary additional taxing capacity over and above its levy limit, but below its levy ceiling.

In *Figure 4b* the debt exclusion or capital outlay expenditure exclusion gives the community temporary additional taxing capacity that is over and above not only its levy limit, but also its levy ceiling.

For more information on debt exclusions and capital outlay expenditure exclusions, see page 10.

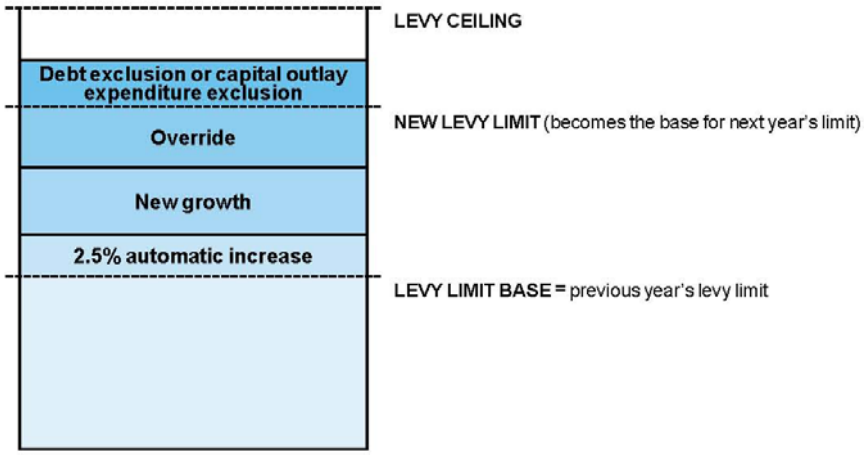

Figure 4a

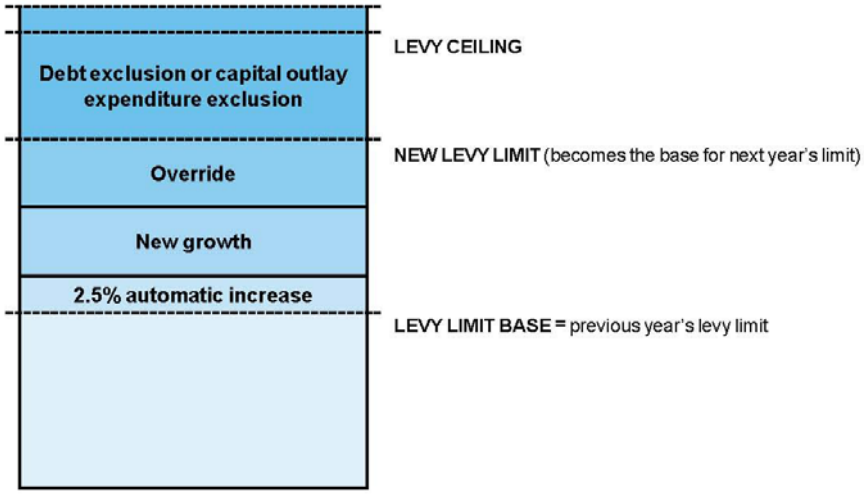

Figure 4b

What is New Growth?

Proposition 2½ allows a community to increase its levy limit annually by an amount based on the increased value of new development and other growth in the tax base that is **not** the result of revaluation. The purpose of this provision is to recognize that new development results in additional municipal costs; for instance, the construction of a new housing development may result in increased school enrollment, public safety costs, and so on. New growth under this provision includes:

- Properties that have increased in assessed valuation since the prior year because of development or other changes.
- Exempt real property returned to the tax roll and new personal property.
- New subdivision parcels and condominium conversions.

New growth is calculated by multiplying the increase in the assessed valuation of qualifying property by the prior year's tax rate for the appropriate class of property. **Any increase in property valuation due to revaluation is not included in the calculation.**

Below we highlight how new growth is calculated:

Increases in Assessed Valuation
x Prior Year's Tax Rate for Particular Class of Property
= New Growth Addition to Levy Limit

For example, for a community that applies the same tax rate to all classes of property:

Increases in Assessed Valuation = $1,000,000
Prior Year's Tax Rate = $15.00/1000
$1,000,000 x ($15.00/1000) = $15,000
New Growth Addition to Levy Limit = $15,000

Below we highlight where the addition of new growth occurs in the calculation of the levy limit:

Taking the previous year's levy limit and increasing it by 2.5%:

A. FY2000 Levy Limit		**$1,000,000**
B. (A) x 2.5%	**+**	**$25,000**

Adding to the levy limit amounts of certified new growth added to the community's property tax base:

C. FY2001 New Growth	**+**	**$15,000**

Adding to the levy limit amounts authorized by override votes:

D. FY2001 Override	**+**	**$100,000**
E. FY2001 Subtotal (A+B+C+D)	**=**	**$1,140,000**

Comparing the FY2001 levy limit to the FY2001 levy ceiling and applying the lesser number (compare E and F):

F. FY2001 Levy Ceiling	**$2,500,000**

$1,140,000
Applicable FY2001 Levy Limit
(Lesser of E and F)

New growth becomes part of the levy limit base, and thus increases at the rate of 2.5 percent each year as the levy limit increases. Reporting of new growth provides a community with an opportunity to increase its levy limit, which can provide for added budget flexibility in the future. Boards of Assessors are required to report new growth each year as a part of setting the tax rate.

What is an Override?

Proposition 2½ allows a community to assess taxes in excess of the automatic annual 2.5 percent increase and any increase due to new growth by passing an **override**. A community may take this action as long as it is below its levy ceiling, or 2.5 percent of full and fair cash value. An override cannot increase a community's levy limit above the level of the community's levy ceiling.

When an override is passed, the levy limit for the year is calculated by including the amount of the override. The override results in a permanent increase in the levy limit of a community, which as part of the levy limit base, increases at the rate of 2.5 percent each year.

A majority vote of a community's selectmen, or town or city council (with the mayor's approval if required by law) allows an override question to be placed on the ballot. Override questions must be presented in dollar terms and must specify the purpose of the override. Overrides require a majority vote of approval by the electorate.

Below we highlight where the amount of an override is added in the calculation of the levy limit:

Taking the previous year's levy limit and increasing it by 2.5%:

A. FY2000 Levy Limit		**$1,000,000**
B. (A) x 2.5%	**+**	**$25,000**

Adding to the levy limit amounts of certified new growth added to the community's property tax base:

C. FY2001 New Growth	**+**	**$15,000**

Adding to the levy limit amounts authorized by override votes:

D. FY2001 Override	**+**	**$100,000**
E. FY2001 Subtotal (A+B+C+D)	**=**	**$1,140,000**

Comparing the FY2001 levy limit to the FY2001 levy ceiling and applying the lesser number (compare E and F):

F. FY2001 Levy Ceiling	**$2,500,000**

$1,140,000

Applicable FY2001 Levy Limit (Lesser of E and F)

The community can levy up to its levy limit of $1,140,000 in FY2001.

What is a Debt Exclusion? What is a Capital Outlay Expenditure Exclusion?

Proposition 2½ allows a community to raise funds for certain purposes above the amount of its levy limit or levy ceiling. A community can assess taxes in excess of its levy limit or levy ceiling for the payment of certain capital projects and for the payment of specified debt service costs. An exclusion for the purpose of raising funds for debt service costs is referred to as a **debt exclusion,** and an exclusion for the purpose of raising funds for capital project costs is referred to as a **capital outlay expenditure exclusion**. Both exclusions require voter approval with very limited exceptions. These exceptions are explained on page 12.

The additional amount for the payment of debt service is added to the levy limit or levy ceiling for the life of the debt only. The additional amount for the payment of the capital project cost is added to the levy limit or levy ceiling only for the year in which the project is being undertaken. Unlike overrides, exclusions do not become part of the base upon which the levy limit is calculated for future years.

Reimbursements such as state reimbursements for school building construction are subtracted from the amount of the exclusion.

A capital outlay expenditure exclusion or debt exclusion is effective even in the rare case when the exclusion would bring the community's levy above its levy ceiling.

Both of these exclusions require a two-thirds vote of the community's selectmen, or town or city council (with the mayor's approval if required by law) in order to be presented to the voters. A majority vote of approval by the electorate is required for both types of exclusion.

Questions presented to exclude a debt obligation must state the purpose or purposes for which the monies from the debt issue will be used. Questions presented to exclude a capital outlay expenditure exclusion must state the amounts and purposes of the expenditures.

Below we highlight how exclusions are added to the levy limit:

Taking the previous year's levy limit and increasing it by 2.5%:

A. FY2000 Levy Limit	**$**	**1,000,000**
B. (A) x 2.5%	**+**	**$25,000**

Adding to the levy limit amounts of certified new growth added to the community's property tax base:

C. FY2001 New Growth	**+**	**$15,000**

Adding to the levy limit amounts authorized by override votes:

D. FY2001 Override	**+**	**$100,000**
E. FY2001 Subtotal (A+B+C+D)	**=**	**$1,140,000**

Comparing the FY2001 levy limit to the FY2001 levy ceiling and applying the lesser number (compare E and F):

F. FY2001 Levy Ceiling	**$2,500,000**

$1,140,000
Applicable FY2001 Levy Limit
(Lesser of E and F)

Calculating FY2001 levy limit with debt exclusion or capital outlay expenditure exclusion:

H. FY2001 Levy Limit	**$**	**1,140,000**
I. Add FY2001 Debt Exclusion or Capital Outlay Expenditure Exclusion	**+**	**$50,000**

$1,190,000
Applicable FY2001 Levy Limit with Debt Exclusion or Capital Outlay Expenditure Exclusion

In FY2001, this community can levy up to $1,190,000, its applicable levy limit with this debt exclusion or capital outlay expenditure exclusion.

What is a Special Exclusion?

For a few limited capital purposes, a community may assess taxes above the amount of its levy limit or levy ceiling without voter approval. Otherwise, special debt and capital outlay expenditure exclusions are like voter approved exclusions. The amount of the special exclusion is only added to the levy limit or ceiling for a temporary period of time, and does not become part of the base upon which the levy limit is calculated for future years.

One special debt exclusion allows a community to add water and sewer project debt service costs to its levy limit or levy ceiling for the life of the debt, as long as it reduces water and sewer rates by the same amount. The water and sewer debt exclusion is adopted by a majority vote of the community's selectmen, or town or city council (with the mayor's approval if required by law) and may include all or part of existing and subsequently authorized water and sewer debt or just the residential share of that debt.

Another special debt or capital outlay expenditure exclusion applies if a community has a program to assist homeowners to repair or replace faulty septic systems, remove underground fuel storage tanks or remove dangerous levels of lead paint in order to meet public health and safety code requirements. Under the program, the board of health and the homeowner agree that the board may contract with third parties to perform the work, and the homeowner will repay the community for all project costs. Homeowners may make the repayment by having a portion of the repair costs, with interest, added to their property tax bills for up to 20 years. The community may automatically add to its levy limit or levy ceiling the amount appropriated, or the amount of the debt service costs on any borrowing for the program.

What is an Underride?

Proposition 2½ allows a community to reduce its levy limit by passing an **underride**. When an underride is passed, the levy limit for the year is calculated by subtracting the amount of the underride. The underride results in a permanent decrease in the levy limit of a community because it reduces the base upon which levy limits are calculated for future years.

A majority vote of a community's selectmen, or town or city council (with the mayor's approval if required by law) allows an underride question to be placed on the ballot. An underride question may also be placed on the ballot by the people using a local initiative procedure, if one is provided by law. Underride questions must state a dollar amount and require a majority vote of approval by the electorate.

Below we highlight where the amount of an underride is subtracted in the calculation of the levy limit:

Taking the previous year's levy limit and increasing it by 2.5%:

A. FY2000 Levy Limit		**$1,000,000**
B. (A) x 2.5%	**+**	**$25,000**

Adding to the levy limit amounts of certified new growth added to the community's property tax base:

C. FY2001 New Growth	**+**	**$15,000**

Subtracting from the levy limit amounts authorized by underride votes:

D. FY2001 Underride	**–**	**$ 40,000**
E. FY2001 Subtotal (A+B+C–D)	**=**	**$1,000,000**

$1,000,000
Applicable FY2001 Levy Limit

The community can levy up to its levy limit of $1,000,000 in FY2001.

Levy Increases

Once a community's levy limit is established for a particular year, the community can determine what its levy will be. The community may set its levy at any amount up to the levy limit. (Or, if it has voted a debt exclusion or capital outlay expenditure exclusion, it may levy up to the levy limit plus the additional temporary capacity resulting from the exclusion.)

It is important to note that as long as a community levies no more than its levy limit, there is no restriction on the dollar increase or percentage increase in its levy from year to year. Proposition 2½ restricts increases in the levy limit, not the levy. A community is permitted to tax up to its levy limit, even if it must raise its levy by a large percentage over the previous year's levy.

For example, a community could decide to increase its levy between FY2000 and FY2001 because the people of the community feel that the town should respond to some unmet local needs. Below we highlight the community's FY2000 and FY2001 levy limits and levies:

FY2000 Levy Limit = $1,000,000
FY2000 Levy = $900,000

FY2001 Levy Limit = $1,025,000
FY2001 Levy = $1,025,000

Percentage Change In Levy Limit = 2.5%
Percentage Change In Levy = 13.8%

From FY2000 to FY2001, the community's levy limit only increases by the allowed 2.5 percent. (In this example assume the community has no new growth and has not voted an override.) The community's levy increases from the FY2000 amount of $900,000 up to its FY2001 levy limit of $1,025,000. This is a total dollar increase in the actual levy of $125,000 — and a percentage increase in the actual levy of 13.8 percent. From FY2000 to FY2001, the actual levy increases by 13.8 percent while the levy limit only increases by the allowed 2.5 percent.

It is important to note that the 13.8 percent increase described here is allowable under the provisions of Proposition 2½. As long as the levy limit only increases each year by the amount allowed under Proposition 2½, the actual levy can increase or decrease within the levy limit established each year, as decided by the community. The community may increase its levy up to its new levy limit regardless of the percentage increase in the levy. This concept is illustrated in *Figure 5*.

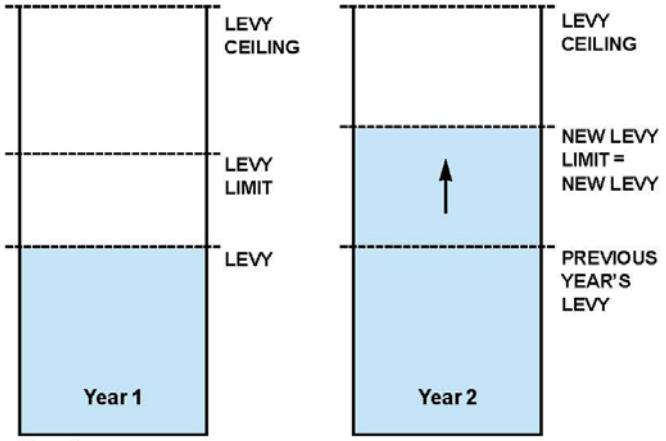

Figure 5

In Year 1, the community levies well below its levy limit.

In Year 2, the community's levy limit increases by the amount permitted under Proposition 2½. The community decides to levy all the way up to its new levy limit. The increase in the levy in Year 2 over Year 1 is indicated by the arrow. This increase is permissible under Proposition 2½.

Excess Levy Capacity

As discussed in the previous section, a community may choose to set its levy at any amount below or equal to its levy limit. When a community sets its levy below the limit, the difference between the levy and the levy limit is commonly referred to as **excess levy capacity**. This is an additional amount the community could, but chose not to, levy.

Levy Limit – Levy = Excess Levy Capacity

The concept of excess levy capacity is not a part of the Proposition 2½ law, as are the levy limit and levy ceiling. However, excess levy capacity is an important factor in municipal finance, and local officials should understand this concept.

There are two common misconceptions about excess levy capacity. The first misconception is that if a community has excess levy capacity in one year, then its ability to levy up to its levy limit in succeeding years is negatively affected. This misconception is based on the fact that Proposition 2½ limits the amount a community can increase its property taxes from year to year. Many think this means that a community cannot raise its levy all the way up to the levy limit to use all its excess capacity in just one year.

This is not true. As we have already seen, Proposition 2½ limits increases from year to year in the levy limit, not the levy. Before the tax rate is set, the full amount of the levy limit is always available to the community, **regardless** of how much of the limit the community has chosen to levy in previous years. It is within the law under Proposition 2½ for a community to have excess levy capacity in one year and, in the following year, to levy right up to the full amount of its new levy limit. This is true no matter what the percentage increase in the levy would be in order to achieve this result.

The second misconception about excess levy capacity is that a community is able to go back and "capture" excess levy capacity from a previous year. This is also not true. Once the community sets its tax rate for a given year, any revenues foregone because of excess levy capacity in that year are lost forever. This is only a one-time loss, however. In the following year, the community may levy up to its new levy limit, regardless of its levy in the previous year. See the example below:

FY2000 Levy Limit = $1,000,000
FY2000 Levy = $900,000
FY2000 Excess Levy Capacity = $100,000

FY2001 Levy Limit = $1,025,000
FY2001 Levy = $1,025,000
FY2001 Excess Levy Capacity = $0

Increase In Levy Limit = $25,000
Increase In Levy = $125,000

In FY2000, the town levies only $900,000 of its levy limit of $1,000,000, foregoing $100,000 of tax revenue it could have collected. In FY2001, the town's levy limit increases by the automatic 2.5 percent allowed by Proposition 2½, or up by $25,000 to $1,025,000. The town decides to levy all the way up to its new levy limit, so it has no excess capacity in FY2001. Its FY2001 levy is $125,000 higher than its FY2000 levy. The town cannot also levy an additional amount to capture the $100,000 foregone in FY2000. In other words, it cannot levy up to $1,125,000 for a total levy increase of $225,000. The $100,000 foregone in FY2000 is lost forever. This is a one-time loss, since the community can, in FY2001, levy all the way up to its new levy limit. This is highlighted in *Figure 6*.

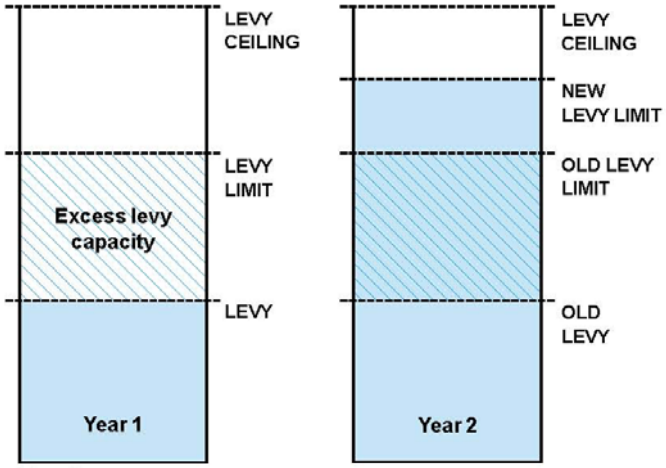

Figure 6

In Year 1, the community levies below its levy limit and as a result has excess levy capacity, represented by the area indicated.

In Year 2, the community may levy all the way up to its new levy limit. By levying up over its "old" levy limit (that is, its levy limit in Year 1), the community "uses" the excess capacity accrued in Year 1, shown by the area indicated. The community may increase its levy up to the new levy limit regardless of the percentage increase in the levy that is required to do so.

However, in Year 2 the community may not go back and recover the actual dollars of excess levy capacity foregone in Year 1 (the area indicated in the Year 1 diagram). That tax revenue is lost forever. It is only a one-time loss since the community can tax up to or above that level in Year 2.

Resources

For information on levy limits, levy ceilings, new growth and ballot questions (overrides, debt exclusions and capital outlay expenditure exclusions), contact DOR's Division of Local Services at:

- (617) 626-2300 by phone;
- (617) 626-2330 by fax; or
- the DLS webite at **www.state.ma.us/dls**.

To order copies of resources please use the order form on page 17.

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