

Great Barrington Budget & Financial Policy for Fiscal Year 2027

Budget & Financial Policy

The Town of Great Barrington will manage municipal finances wisely. This will include planning for adequate funding to:

- 1) Provide and maintain public services and facilities at a level that will ensure public well-being and safety;
- 2) Comply with all State and local by-laws, rules, and regulations; and
- 3) Meet the strategic priorities of the Town.

The budget and financial goals set forth by the Town Selectboard and the Finance Committee in the policy document outline the priorities and objectives of the Town and provide agreed-upon financial guidelines to be used in the preparation and review of the annual budget.

STRATEGIC PRIORITIES

- Ensure public safety.
- Ensure public health.
- Maintain a strong local economy.
- Strive for a high quality of life.
- Seek environmental sustainability.
- Ensure the fiscal stability of the Town.
- Maintain public infrastructure.
- Support affordable housing.
- Follow Great Barrington's Master Plan.

FINANCIAL GOALS

- Maintain adequate financial resources to sustain municipal services in the short and long term.
- Respond to the changes in the economy and meet the priority needs of the Town.
- Provide quality services efficiently and on a cost-effective basis.
- Maintain our top-level bond rating.
- Work to keep the overall tax levy reasonable in consideration of other priorities and goals.¹

FINANCIAL MANAGEMENT POLICY

Revenue

- Services provided may not exceed available resources.
- Process must provide quality estimates of anticipated revenue.
- Process must anticipate any changes in revenue in upcoming years.
- Seek to diversify revenue sources.
- Estimate available resources including state funds, local funds, fees, grants and other sources.

Real Estate Tax

- Town should restrict levy to a 2.5% increase over the prior year levy limit adjusted for new construction growth and net debt and capital exclusions, as per Mass General Law.
- Proposed budget to not exceed legal property tax levy. Evaluate estimated tax rate based on level of affordability including average and median income; average and median value of real property and the cost of living.

¹ For further information, see 'Tax Levy Considerations' in Financial Policy Manual, Town of Great Barrington, Prepared by Division of Local Services Technical Assistance Bureau, June 2020, page 2:
<https://www.mass.gov/doc/greatbarrington-ccc-policies-june-2020/download>

Free Cash and Reserves

- The Town will monitor overall general fund reserves (free cash and stabilization funds) as a percentage of the annual operating budget. The relative percentage and sufficiency of these will be evaluated relative to guidance from the state, historical trends and other factors.
- If the Town generates free cash consistently higher than historical trends and guidance from the state, the Town Manager will closely examine future budget proposals to determine if adjustments are appropriate.

User Fees

- Establish user fees and other non-property tax revenues to recoup, to the extent possible, the costs of supplying a particular service.
- Review current department fee structures and charges for services periodically to determine if they reflect the cost of the service and are also reasonable and affordable fees.

Debt Management

- Allow no borrowing to fund operational programs
- Debt service payments may not require the elimination of essential Town services
- Within each 5-year period, make every effort to limit the average yearly long-term general fund borrowing to 3.5 million or less (the Town's historical average).
- Ensure that the Town's general obligation debt ratio not exceed 50% of statutory limit (5% of equalized valuation).
- Exempt from Proposition 2½ any long-term capital debt for any capital purpose for which a city or town is authorized to borrow, including but not limited to capital debt for municipal buildings, WWTP improvements, fire apparatus acquisition, and school facilities improvement; and capital expenditures for any purchase of equipment and vehicles with a shorter useful life.

Service Delivery

- Manage financial resources through internal controls.
- Establish operation practices that minimize the cost of government and financial risk.
- Provide efficient public services.
- Minimize the cost of administration.
- Identify and measure performance outcomes.
- Review the level of services and standards annually.

Guidelines for The Budget Preparation Process

- The Town budget will be estimated in accordance with municipal code and applicable state law. The budget is based on separate funds set forth from anticipated revenues and expenditures for the General Fund and the Enterprise Fund.
- The annual operating budget will contain complete financial statements that show outstanding obligations of the municipality, cash on hand to the credit of each fund, funds received from all sources during the preceding year, funds available from all sources during the ensuing year, revenue estimates to cover expenses in the proposed budget and the estimated tax rate required to fund the proposed budget.

The budget preparation and review process shall include the following steps:

1. Review and approve Finance Policy
2. Distribute Budget Books:
 - a. Forecast Revenues.
 - b. Updated Capital Plan.
 - c. Review Department Budgets.
3. Recommended Projects Proposed for CPA Funds.
4. Participate in BHRSD joint budget meeting with Stockbridge and West Stockbridge.
5. Hold Budget Workshop Meetings. Hold Public Hearing.

The Selectboard and the Finance Committee will jointly set the dates for the above budget meetings. The following will be done to ensure there is community engagement in the budget process:

- 1) Provide on-line access to budget information.
- 2) Provide printed budget books for the public at the libraries.
- 3) Provide a digital budget book on the Town website.
- 4) Hold open meetings and hearing.

LOCAL GOVERNMENT SERVICES

- The Town Manager will prepare the budget for review by the Selectboard and the Finance Committee.
- The Town Manager may propose significant reorganizational changes and provide alternative ways to deliver services within the proposed budget.
- Performance objectives and goals will be identified and assessed.
- The Town Manager may propose elimination of services in the budget if it is not needed or cost-effective and/or propose new services as needed.
- Any service reductions shall be noted in the budget presentation.
- Salaries and employee insurance contributions shall be set in the Fiscal Year budget pursuant to the Town's collective bargaining units and/or those already approved via a negotiated settlement and for non-represented personnel as authorized by the Town Manager.

For any proposed new initiatives, the Town Manager will:

- 1) Explain and justify the new needs(s).
- 2) Identify alternatives to what is being proposed and the pros and cons.
- 3) Identify the cost and benefit of the proposed alternative.
- 4) Identify financing source(s) to pay for new need.
- 5) New need(s) include: any expansion of municipal services necessary; any additional staff and any additional resources needed to meet service needs or expanded service needs.

TOWN BUDGET FORMAT

The following will be done to ensure that the budget information is provided in a format that is clear, accurate and complete.

1. Operating Budget Process:

- The Town Manager will request that Departments submit proposed budgets with operational plans and reports. Background information will include department goals and objectives, strategic initiatives, summary of activities, and level of service.
- The Town Manager will review methods of operation, program service delivery, and expenditure of resources inclusive of manpower allocation to ensure maximum efficiency of the Town.

2. The Budget Book:

- The Town Manager will provide complete **financial statements** in the Budget Book to include:
 - Outstanding obligations and anticipated new borrowings.
 - Cash on hand.
 - Funds received from prior year.
 - Sources of funds from prior year.
 - Estimated revenues.
 - Estimated expenses.
 - Estimated tax levy.
 - Estimated tax rate.
 - Estimated user fees for services.
- The Town Manager will also provide a **Capital Budget Report** to include:

- The Town defines a capital project as having an overall expenditure of \$15,000 and a life expectancy in excess of 3 years.
- The Town’s annual budget will include a capital plan that identifies work to be started within that fiscal year.
- The budget shall include a five-year Capital Improvement Plan for all Town assets.
- Each year, the Selectboard and the Finance Committee will review the five-year Capital Improvement Plan to identify the future upcoming needs, review any changes to the schedule, cost estimate or sources of funding.
- Operational costs associated with any new equipment or infrastructure will be identified.
- The capital budget report will include the Debt Schedule broken down by department and function and a 10-year history be provided if possible.
- Identify a funding plan that reflects available State funds, grants, bonds and tax levy dollars to finance each project.
- The Town Manager shall prepare a budget for the **Enterprise Fund** that maintains it as a self-supporting fund, without a property tax transfer.
 - The Enterprise Fund budget will include a report on sewer fees and rate structure.

3. Other Information/Reports

- If deemed necessary and appropriate for adequate review of the proposed budget, the Finance Committee and/or Selectboard may request that the Town Manager include, if possible, supplemental materials either in the Budget Book or in a separate report/document presented at a budget meeting or at a separate meeting. These may include, but are not limited to:
 - Historical Financial Information
 - Estimated Local Receipts
 - Free Cash sources and uses
 - Tax Levy and Tax Rate
 - Special Articles, individual and totals
 - Aggregated data regarding property tax collections, such as collected/payment plan/delinquencies for last 3-5 years
 - History of various reserve accounts, i.e., stabilization, capital stabilization, “health insurance”.
 - Five-year history of long-term and short-term debt
 - Schedule of Authorized but Unissued Debt, including changes from prior years
 - Financial Projections
 - Show 5-year projections of LT debt including approved future borrowings
 - Projected Debt Service payments
 - Summary Report on Expenditures for Employee Medical (current and Retired “OPEB”) and Pension Benefits
 - Five year history and projected (if available)
 - Review funding for future retiree medical benefits (OPEB Trust)
 - Pension Fund summary report
 - What percentage of the obligation is funded

**Approved December 2, 2024 by the Finance Committee*

**Approved at the December 19, 2024 Selectboard Meeting*

TOWN OF GREAT BARRINGTON
SELECTBOARD
STRATEGIC PRIORITIES PLAN
FY26-27



ADOPTED DECEMBER 1, 2025

The Town of Great Barrington’s FY26–27 Select Board Strategic Priorities Plan builds upon the community’s shared vision of progress, collaboration, and accountability. This plan serves as a guiding framework for decision-making, budget development, and project management across all Town departments. It reflects both ongoing commitments and new opportunities identified through public input, Select Board discussion, and staff collaboration. Organized into six Areas of Focus, the plan emphasizes alignment between policy direction and implementation—ensuring that resources, time, and effort are concentrated on the initiatives with the greatest significance and community impact. Through this structured and transparent approach, the Select Board reaffirms its commitment to maintaining Great Barrington’s vitality, enhancing quality of life, and strengthening the foundation for a sustainable and resilient future.

Mission Statement

Committed to providing quality services to the entire community through good planning and cost-effective measures.

Areas of Focus



The Select Board’s strategic priorities are organized into six Areas of Focus, each representing a core function of local government and a vital part of community life in Great Barrington. Together, they reflect the Board’s commitment to investing in infrastructure, supporting public health and safety, expanding housing opportunities, advancing sustainability, fostering economic vitality, and ensuring high-quality municipal services.



Within each Area of Focus, projects and initiatives are grouped according to their significance and community impact using a three-tiered framework. This structure allows the Select Board and staff to distinguish between initiatives that address essential or high-impact needs, those that advance strategic goals, and those that lay important groundwork for the Town’s long-term vision.



The tiered system enhances clarity and accountability by helping the community understand how resources and attention are directed. It also ensures that staff are set up for success, aligning their efforts with the Select Board’s guidance, available capacity, and shared priorities. By organizing the work in this way, the Town can maintain focus on what matters most while continuing to make progress across a broad range of community initiatives.



Areas of Focus



Areas of Focus



Infrastructure & Assets

Invest in, maintain, and modernize the Town's infrastructure and public assets to ensure long-term reliability, accessibility, and resilience. Ensure that roads, facilities, utilities, and technology systems are safe, efficient, and capable of supporting current and future community needs.

Public Health & Safety

Promote a safe, healthy, and prepared community through proactive public safety services, emergency readiness, and access to health and wellness resources. Strengthen collaboration among police, fire, public health, and social services to enhance safety, equity, and wellbeing.



Housing

Expand access to diverse, affordable, and attainable housing options that support residents at all income levels and life stages. Address housing affordability and availability through strategic partnerships, zoning tools, and targeted development initiatives.

Sustainability & Environment

Advance environmental stewardship and community resilience through sustainable practices, resource conservation, and climate action. Integrate sustainability into municipal operations, land use decisions, and community initiatives to protect natural assets and prepare for future challenges.



Economic Development

Foster a vibrant, resilient local economy that supports small businesses, creative industries, and equitable opportunities for growth. Strengthen the local economic base by investing in workforce development, infrastructure, and partnerships that align with Great Barrington's values and identity.

Municipal Service Delivery

Foster a vibrant, resilient local economy that supports small businesses, creative industries, and equitable opportunities for growth. Strengthen the local economic base by investing in workforce development, infrastructure, and partnerships that align with Great Barrington's values and identity.





Infrastructure & Assets

Goal

Invest in, maintain, and modernize the Town's infrastructure and public assets to ensure long-term reliability, accessibility, and resilience.

Intent

Ensure that roads, facilities, utilities, and technology systems are safe, efficient, and capable of supporting current and future community needs.

Tier 1 – Highest Impact / Core Priorities

HOUSATONIC WATER WORKS

- Continuing exploration of acquisition
- Continue identifying clean water opportunities
- Continue, and increase efforts to connect property owners to grant funding, for filtration and other improvements.
- Increase and strengthen being proactive with timing of information and outreach between the Housatonic Water Works and customers, on service impacts and other content.
- Increase relationship with the Housatonic Water Works on accountability of services being delivered.
- Update on filling station being available to users.
- Strengthen relationship with DEP, and sharing of communication to customers.
- Work with stakeholders on efforts to disseminate information and available resources.

BRIDGES / ROADS / SIDEWALKS / COMPLETE STREETS

- Schedule updates quarterly from Staff
- Continue implementation of Complete Streets Plan
- Create a sidewalk policy, establishing a standard for decision making of selected materials, areas for investing in new or upgrades, maintenance/repair expectations, and financial review prior to decisions being made.

ELEVATOR REPAIRS

- Ensure all elevators in town buildings are operating properly to ensure accessibility for all.



Infrastructure & Assets

Tier 2 – Strategic Priorities

HOUSATONIC COMMUNITY CENTER IMPROVEMENTS

- Continue, on an on-going basis, to look for grants to assist with continued improvements in identified areas of need.

RAMSDELL LIBRARY PROJECT

- Dedicate appropriate staff for continued assistance to the Building Committee with planning efforts.

Tier 3 – Foundational/Supportive Priorities

FIRE STATION/20 CASTLE EASEMENT- TELEPHONE POLE/UTILITY

- Continue to efforts for Utility Pole relocation to be finalized.

5G TECHNOLOGY

- Continue, on an on-going basis, effort to connect portions of the town, in collaboration with utilities.
- Drafting and implementing regulations to control location of 5G antennas in town





Public Health & Safety

Goal

Promote a safe, healthy, and prepared community through proactive public safety services, emergency readiness, and access to health and wellness resources.

Intent

Strengthen collaboration among police, fire, public health, and social services to enhance safety, equity, and wellbeing.

Tier 1 – Highest Impact / Core Priorities

AMBULANCE SERVICE STUDY

- Retain staff participation, and receive updates on the Regionalization Study
- Remain consistently engaged with Southern Berkshire Ambulance services supporting staff and the community; receive updates on future forecasts, level of services and financial impacts.

HEATING AND COOLING CENTERS

- Assure Town facilities are properly equipped to appropriately support the community needs of being heating/cooling centers.
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Tier 2 – Strategic Priorities

FIRE DEPARTMENT STUDY

- Continue efforts to consider recommendations in the 2018 Fire Service Study by Manitou, including the roadmap to adding career staff and increasing stand-by details to assure improved coverage while forecasting funding impacts on such decisions.

SPEED CALMING MEASURES / TRAFFIC MANAGEMENT

- Continue to identify areas of need for reducing vehicle impacts, including East Street Corridor, South Main Street, and connecting thoroughfares from abutting communities.
- Staff to examine options for solutions with cost analysis and recommendations



Public Health & Safety

Tier 3 – Foundational/Supportive Priorities

CHILDCARE ACCESSIBILITY ASSESSMENT

- Continue staff support for the Child Care Committee on identifying needs and recommendations.
- Receive update on Report from Child Care Committee once complete.





Housing

Goal

Expand access to diverse, affordable, and attainable housing options that support residents at all income levels and life stages.

Intent

Address housing affordability and availability through strategic partnerships, zoning tools, and targeted development initiatives.

Tier 1 – Highest Impact / Core Priorities

AFFORDABLE & WORKFORCE HOUSING – AGING IN PLACE

- Continue on-going support for the Affordable Housing Trust with available resources to advance redevelopment and development opportunities.
- Explore and examine Workforce Housing options and opportunities currently being done by other communities, in the state and nationally, including Seasonal Community designation and Residential Tax Exemptions, and how those may benefit or impact if chosen to incorporate.
- Create a plan for promoting and making accessible all Tax Exemptions currently available for eligible residents to apply for and consider.

Tier 2 – Strategic Priorities

ZONING FOR MISSING-MIDDLE HOUSING OPTIONS

- Remain open to feedback from various stakeholders on how current regulations could be improved to assist with evolving needs and housing goals through zoning and regulatory changes.
- Examine ways to assist with promoting parcels that support housing reinvestment and reuse opportunities in the community.



Housing

Tier 3 – Foundational/Supportive Priorities

HOMEOWNER AND RENTERS' RETENTION

- Develop strategies to expand resident access to homeowner and renter retention resource, in partnership with outside agencies and non-profits
- Continue programs to support preservation of existing affordable housing options, including housing rehabilitation programs

PUBLIC-PRIVATE PARTNERSHIP OPPORTUNITIES

- Continue cooperating and collaborating with various organizations in the region working towards promoting workforce housing
- Continue to remain active with Simon's Rock and other available parcels on workforce housing reinvestment and reuse opportunities.





Sustainability & Environment

Goal

Advance environmental stewardship and community resilience through sustainable practices, resource conservation, and climate action.

Intent

Integrate sustainability into municipal operations, land use decisions, and community initiatives to protect natural assets and prepare for future challenges.

Tier 1 – Highest Impact / Core Priorities

REID CLEANERS PROPERTY

- Create a plan for future of parcel, after testing report has been finalized.

SUSTAINABLE WASTE MANAGEMENT

- Receive an update from Board of Health on the Composting Pilot Program, and assess next steps if value of continuing.

Tier 2 – Strategic Priorities

OPEN SPACE AND RECREATION PLAN UPDATE

- Continue to provide necessary staff support for the plan's update, and implementation.

Tier 3 – Foundational/Supportive Priorities

REST OF RIVER STATUS MONITORING

- Retain staff resources to assist with monitoring and evaluation.





Economic Development

Goal

Foster a vibrant, resilient local economy that supports small businesses, creative industries, and equitable opportunities for growth.

Intent

Strengthen the local economic base by investing in workforce development, infrastructure, and partnerships that align with Great Barrington's values and identity.

Tier 1 – Highest Impact / Core Priorities

426 PARK STREET (COOK'S GARAGE PROPERTY)

- Building on efforts of the Housatonic Improvement Committee, develop and issue RFP and market the property for redevelopment.

SIGN BY-LAW

- Review current bylaw with stakeholders and present reform recommendations focused on simplifying the process and ensuring compliance is simplifying the process
- Improving management and enforcement of the bylaw.

Tier 2 – Strategic Priorities

DOWNTOWN PARKING STRATEGY

- Reevaluate previous studies and plans for opportunities that may be of value to consider aiding in future management including wayfinding signage.
- Survey businesses, residents and visitors to ensure current experiences and usage are incorporated into ongoing short and long-term strategies.
- Examine Special Permit process within meeting parking strategies.





Economic Development

Tier 3 – Foundational/Supportive Priorities

SMALL BUSINESS ASSISTANCE & JOB CREATION PROGRAM

- Continue efforts to improve the permitting processes and coordinate user-friendly guidance.
- Evaluate existing tools, effectiveness from an internal and external perspective.
- Create ways for on-going feedback to be collected and incorporated into improvement decisions.
- Utilize community resources and stakeholders such as the Chamber for improving education, access to services, etc.





Municipal Service Delivery

Goal

Provide efficient, transparent, and high-quality municipal services that meet community expectations and support staff success.

Intent

Streamline operations, leverage technology, and cultivate an engaged workforce to continuously improve service delivery and customer experience.

Tier 1 – Highest Impact / Core Priorities

EMPLOYEE RECRUITMENT & RETENTION

- Expanding professional development opportunities to encourage advancement and elevation of staff within the organization.
- Creating an organizational culture that hires, trains and recognizes staff as valuable contributors to the community.

TOWN WEBSITE

- Continue, on an on-going basis, efforts to have up to date, and accurate information on the website as an essential tool for transparency and engagement.
- Ensure all Committee pages are updated with current members, minutes, and agendas.
- Increase awareness of committee vacancies and opportunities for the community to participate.

COMMUNICATION

- Conduct a baseline assessment of existing communication channels, practices, and capacities to understand current strengths, weaknesses, and unmet needs.





Municipal Service Delivery

Tier 2 – Strategic Priorities

PUBLIC SAFETY STAFFING PLAN

- Explore, on an ongoing basis, options for retention opportunities

UPDATE SELECT BOARD POLICIES

- Create an on-going review schedule for policies to be reviewed to ensure necessary updates, and/or effectiveness remains properly aligned to best achieve intent.

INCLUSIVENESS / DIVERSITY INITIATIVES

- Research, develop, recommend, and execute strategies to foster a staff, organizational programs and services that reflect the value of the Town's diversity.
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Tier 3 – Foundational/Supportive Priorities

MASTER PLAN REVIEW WITH PLANNING BOARD

- Continue supporting Planning Board with updating the 2013 Master Plan.
- Continue receiving updates on the progress of the Plan's update.

REGULATORY PROCESS AND PERFORMANCE

- Examine the Special Permit process, as well as conditions being placed on a parcel's use, and if compliance can be properly monitored and enforced by staff.





Town of Great Barrington Town Manager's Office



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Liz Hartsgrove
Town Manager

Chris Rembold
Assistant Town Manager

FY27 Budget Submission Guidance and Expectations

To: All Department Heads

From: Liz Hartsgrove, Town Manager

Date: December 5, 2025

- Attachments:
- ❖ FY27 Budget Action Calendar, dated December 5, 2025
 - ❖ Draft FY27 Budget Policy
 - ❖ FY26-27 Select Board Strategic Priorities Plan
 - ❖ Organizational Commitments

The Town of Great Barrington enters the FY27 budget development process with a continued commitment to fiscal stewardship, service excellence, and community value.

The Financial Policy, soon to be adopted by the Select Board and Finance Committee on December 15th, provides a disciplined framework through which we will evaluate needs, allocate resources, and plan strategically for long-term sustainability. It reinforces our shared priorities of maintaining essential services, supporting infrastructure and public facilities, investing in organizational capacity, and keeping the tax levy within statutory and affordability limits. These expectations mirror our organizational mission and staff-developed commitments around professionalism, accountability, respect, communication, consistency, and customer-focused service delivery.

Aligned with these principles, the Select Board's FY26–27 priorities of **Infrastructure & Assets, Public Health & Safety, Housing, Sustainability & Environment, Economic Development, and Municipal Service Delivery** must be clearly visible in every departmental request.

Departments are expected to submit their materials in alignment with milestone deadlines established in the FY27 Budget Action Calendar, including:

REQUIRED TASK	FINAL DATE OF SUBMISSION
Proposed FY27 Position Changes	January 7, 2026
Operating Budgets and Narratives	January 9, 2026
FY27-31 Capital Project Requests	January 15, 2026
Fee Proposals*	January 15, 2026

*Guidance on Fee Proposal Submissions coming soon.

These steps are critical in allowing adequate time for internal analysis, prioritization discussions, joint budget presentations in February and March, warrant article preparation in March and April, and hearing preparation ahead of Town Meeting.

BUDGET FORMS & SUBMISSION INSTRUCTIONS

OPERATING BUDGET

The Town Accountant will issue guidance on the Departmental Operating Budget spreadsheets that will be sent in a separate email next week. Similar to years past, these spreadsheets must be used to detail expenditure requests for the upcoming FY27.

As a starting point, **all FY27 operating budgets are to be initially submitted as level-funded**, with increases permitted only where they reflect existing, documented contractual obligations (e.g., collective bargaining agreements, mandated rate changes, or previously approved commitments).

Departments are reminded not to alter the spreadsheet's structure unless instructed. These forms ensure standardized entry, support our Budget Book development, and create a direct connection between the information departments provide and what is presented to the Select Board, Finance Committee, and the public.

BUDGET NARRATIVE SUBMISSION

The Budget Narrative is one of the most important elements of your FY27 submission. It is more than a supporting document; it is the mechanism through which each department demonstrates how operations, resources, and service delivery meaningfully advance the community's priorities from one year to the next. Intended to be the introduction of each department within the budget book, the narrative will help decision-makers and residents understand the value of your work.

A complete Budget Narrative, must be submitted via the online portal form for each department and division:

FY27 OPERATING BUDGET NARRATIVE FORM

www.cognitofrms.com/TownOfGreatBarrington/FY27BudgetNarrative

The narrative is your opportunity to explain how each department and division's resources translate into service outcomes and advances community priorities. It should:

- Summarize FY26 accomplishments, challenges, and service delivery patterns.
- Identify FY27 objectives and alignment with Select Board strategic priorities.
- Describe key workload drivers, demand changes, or efficiency opportunities.
- Identify risks, regulatory requirements, or emerging needs.
- Present performance indicators for evaluating departmental outcomes.

As this narrative will inform internal review, budget presentations, the published FY27 Budget Book and ultimately Town Meeting Voters, departments are encouraged to treat this exercise as a critical opportunity to communicate their value and stewardship role to the community, and to demonstrate that their work and resource requests contribute to Great Barrington's priorities and mission.

PERSONNEL REQUEST SUBMISSIONS

Personnel requests play a critical role in shaping service delivery and organizational capacity. Consistent with our financial policy and long-term planning philosophy, staffing proposals must reflect demonstrated need, measurable benefit, and alignment with community priorities rather than routine or incremental growth.

Any proposed addition, reduction, reclassification, or restructuring of positions must be submitted using the online portal form:

FY27 PERSONNEL / POSITION CHANGE REQUEST FORM

www.cognitofrms.com/TownOfGreatBarrington/FY27PersonnelRequestForm

This narrative is your opportunity to explain:

- The service gap or operational issue prompting the request such as workload pressures, regulatory requirements, compliance mandates, response expectations, or emerging community needs.
- How the proposed change improves service delivery, customer experience, or organizational capacity whether through efficiency gains, cost avoidance, quality improvement, risk reduction, responsiveness, or innovation.
- Alternatives examined such as reassignment of duties, technology or process redesign, contracted services, seasonal staffing, or training and why those options are insufficient or less cost-effective.
- Operational and financial impacts including salary, benefits, training, equipment, supervision, workspace, onboarding considerations, and long-term cost implications.

FUNDING STRATEGY REQUIREMENT

Departments are responsible for proposing how requested positions will be paid for and sustained over time. This includes identifying:

- Whether the position is to be absorbed within existing appropriations through reallocation or efficiencies;
- Whether the request requires additional funding and, if so, how the department proposes that need be addressed (e.g., fee revenue, reduced spending elsewhere, external reimbursement, grant support, or a phased approach);
- Any offsetting savings or risk mitigation that the position provides;
- Whether the position is temporary, contingent on a grant cycle, intended for startup then transition to local funding, or tied to a mandate.

A position request that does not include a clear, feasible funding strategy will be considered incomplete. Departments should approach personnel planning as a strategic exercise as staffing is the Town's greatest ongoing cost and must be justified through evidence, future planning, and alignment with service outcomes.

FY27-31 CAPITAL REQUEST SUBMISSION

Capital planning is integral to maintaining the Town's physical assets, service capability, and long-term financial stability. As noted in our Financial Policy, the Town's Capital Improvement Plan (CIP) is not just a list of projects; it is a strategic roadmap for responsibly managing infrastructure, equipment, technology, facilities, and public spaces over time. Departments therefore play a critical role in identifying capital needs, prioritizing investments, and communicating how those investments advance community value.

Capital requests must be submitted using the online portal form:

FY27–31 CAPITAL REQUEST FORM

www.cognitofrms.com/TownOfGreatBarrington/FY2731CapitalRequestForm

Each request must include a clear narrative explaining:

- Why the investment is necessary such as deterioration, risk, regulatory requirement, customer service improvements, service delivery capacity, technology modernization, or planned replacement cycle.
- How the project aligns with the Select Board's priorities including infrastructure, public safety, access, sustainability, service delivery, quality of life, or other FY26–27 strategic priorities.
- Consequences of delay or inaction such as operating risk, higher future costs, reduced service capability, safety implications, or failing to meet regulatory expectations.

Following best practices, requests should be framed within a lifecycle stewardship perspective meaning investments are evaluated not just on need today, but ongoing maintenance, timing, and useful life.

To support informed review, **each submission will be required to include:**

- Preliminary or formal cost estimates (with basis of estimate where known)
- Photos, diagrams, assessment reports, vendor quotes, study results, or engineering work as applicable
- Proposed timing (whether FY27 or later within the 5-year window)
- Funding strategy (levy support, grant opportunity, enterprise fund, capital stabilization, or debt exclusion)
- Operating impacts after implementation including staffing, maintenance, utilities, training, efficiencies, or cost avoidance

Departments should view capital planning as a competitive prioritization process. Projects will be evaluated not only on need but also on readiness, strategic alignment, financial feasibility, community impact, and how they contribute to maintaining Great Barrington's infrastructure portfolio over time. *Departmental Peer Review will be held on January 27, 2026 where each Capital Request proposal will be evaluated and rated.*

Requests that are vague, unsupported, or lack documentation will be difficult to evaluate and may not advance for prioritization.

Strong submissions:

- Demonstrate disciplined analysis,
- Provide evidence of organizational due diligence,
- Show how investments contribute to service reliability and long-term asset care,
- Help residents and officials understand the value of capital dollars spent.

Further, Capital requests are reviewed in concert with operating budgets and personnel proposals to create a holistic view of service delivery capacity and long-term affordability. The CIP is not simply a listing of wants; it is a long-range implementation tool that must reflect need, planning maturity, and fiscal responsibility.

Remember, this process is not about filling out forms. It is about telling the story of how your department delivers value, how resources translate into service outcomes, and how each of us advance the community's priorities. It is also an opportunity to elevate transparency, improve financial planning, strengthen internal collaboration, and demonstrate our shared professionalism.

Thank you for investing the time to develop meaningful submissions, as it is a clear indication and understanding that municipal budgeting is not a technical exercise... it is a reflection of our promise to Great Barrington that the community's resources are being used responsibly to improve and plan for its future.

If assistance is needed in completing materials or interpreting expectations, please reach out to me prior to submission deadlines so I can provide guidance and ensure consistency.

LH



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Town Manager

Chris Rembold
Assistant Town Manager

DRAFT FY27 Budget Action Calendar (Last Updated December 11, 2025)

Date	Action Item
Monday, Nov. 3, 2025	FY27 Financial Policy Draft Approved by Select Board
Wednesday, Nov. 5, 2025	Community Preservation Step 1 Applications Due
Monday, Nov. 10, 2025	Community Preservation Step 1 Review of FY27 Proposals
Monday, Nov. 17, 2025	FY26 Tax Classification Select Board Public Hearing
Dec 2-19, 2025	Department Heads meet with Town Manager on Prelim Budget Review - FY26 Status and conceptual FY27 Operating, Capital (over \$15k), and any changes
Wednesday, Dec. 3, 2025	Community Preservation Step 2 Applications Due
Friday, Dec. 5, 2025	Town Manager issues instructions and forms to Municipal Departments for FY27 Operating & Capital budgets
Dec 9-10, 18, 2025	Community Preservation Step 2 Review of FY27 Proposals
Monday, Dec. 15, 2025	Select Board and Finance Committee joint Mtg to approve FY27 Financial Policy
Wednesday, Jan. 7, 2026	Department Heads submit any proposed FY27 position changes with supporting justification to Town Manager
Friday, Jan. 9, 2026	Department Heads submit proposed FY27 Operating Budgets
Monday, Jan 12, 2026	Select Board designate Annual Town Meeting date, time and place, opening Citizen Petition Time, and designating Annual Town Election date, time and place. (Deadline: March 1st - §41-1, §41-2 Town By-laws)
Thursday, Jan. 15, 2026	Departments submit FY27 Capital Requests with supporting forms, photos, cost estimates, and FY27-31 Capital Improvements Projects (CIP) to Town Manager
	Department Heads submit proposed FY27 fee change requests to Town Manager
Tuesday, Jan 27, 2026	Town Manager and Department Head CIP Review Workshop
TBD mid-late Jan 2026	External assessments submitted to the Town Manager (school, retirement board, health insurance, dist. dept. of veterans' services, voc-ed tuition estimate, southern Berkshire volunteer ambulance, etc.)
Monday, Feb. 2, 2026	Community Preservation submits list of recommended FY27 grant appropriations to Town Manager.
Tuesday, Feb. 3, 2026	Joint Meeting with Select Board and Finance Cmte. Town Manager presents FY26 Financial Standing and FY27 Forecast, to-date.
Tuesday, Feb. 10, 2026	Citizen Petition Deadline. (No less than 30 calendar days - §41-15 Town By-laws)
Friday, Feb. 13, 2026	Town Manager submits proposed FY27 Budget to Select Board and Finance Cmte.
February 24-25, 2026	1 st Round Budget Presentations – Joint with Select Board and Finance Cmte. (Operating)
March 3-4, 2026	2 nd Round Budget Presentations – Joint with Select Board and Finance Cmte. (Capital)
Monday, Mar. 23, 2026	1 st Round Town Meeting Warrant Article Presentations incld. CPC Rec. Articles
Tuesday, April 14, 2026	Joint Budget Public Hearing, and cont. Town Meeting Warrant Article Presentations. **Finalize the Warrant**
Friday, April 24, 2026	Attested copy of ATM warrant posting at least 7 days before ATM (§41-5 Town By-laws)
Saturday, May 2, 2026	Annual Town Meeting
Tuesday, May 12, 2026	Annual Town Election
Monday, May 18, 2026	Tentative FY27 Select Board Fee Public Hearing

SB/FINCOM Action	Town Mgr Action	Town Staff Action	External Agency Action	CPC Action	GB Citizen Action
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TOWN OF GREAT BARRINGTON



FY26 REVIEW AND FY27 FORECAST

Presented by Town Manager Liz Hartsgrove

Assistant Town Manager Chris Rembold and Town Accountant Allison Crespo

February 3, 2026

AGENDA



Overview of Budget Model



Financial Policy Review



FY26 Review

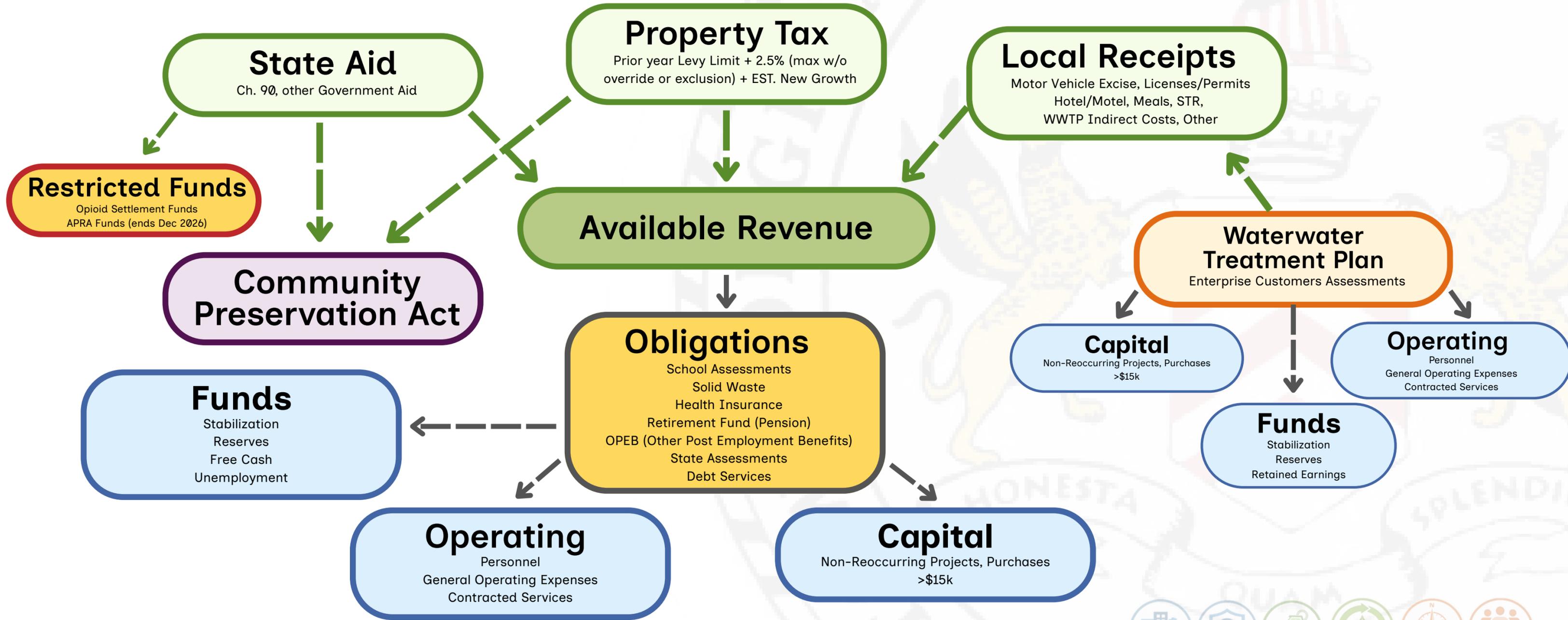


FY27 Forecast





BUDGET MODEL





BUDGETING FORMATS

1. Policy Budgeting

Primary Driver

- Aligns with Select Board's Strategic Priorities
- Ties decisions directly to Financial Policy
- Asks why a request matters, not just the costs

2. Performance Budgeting

Measuring

- Objectives and Service impacts
- Workload drivers
- Outcomes and performance indicators

3. Program Budgeting

Layering Framework

- Community impact areas
- Services and functions
- Not just departments or accounts.

4. Line-Item Budgeting

Fiscal Control

- Tracks spending
- Provides transparency and legal compliance
- Ensures within approved appropriations.

5. Zero-Based Budgeting

Justification

- Challenges Every Dollar
- Eliminates Automatic Growth
- Resets Spending Priorities





MISSION STATEMENT

Committed to providing quality services to the entire community through good planning and cost-effective measures.





FINANCIAL POLICY REVIEW



The Town of Great Barrington will manage municipal Finances wisely. This will include planning for adequate funding to:

- Provide and maintain public services and facilities at a level that will ensure public well-being and safety;
- Comply with all State and local by-laws, rules and regulations; and
- Meet the strategic priorities of the Town.





STRATEGIC PRIORITIES OF THE TOWN

FP's Strategic Priorities

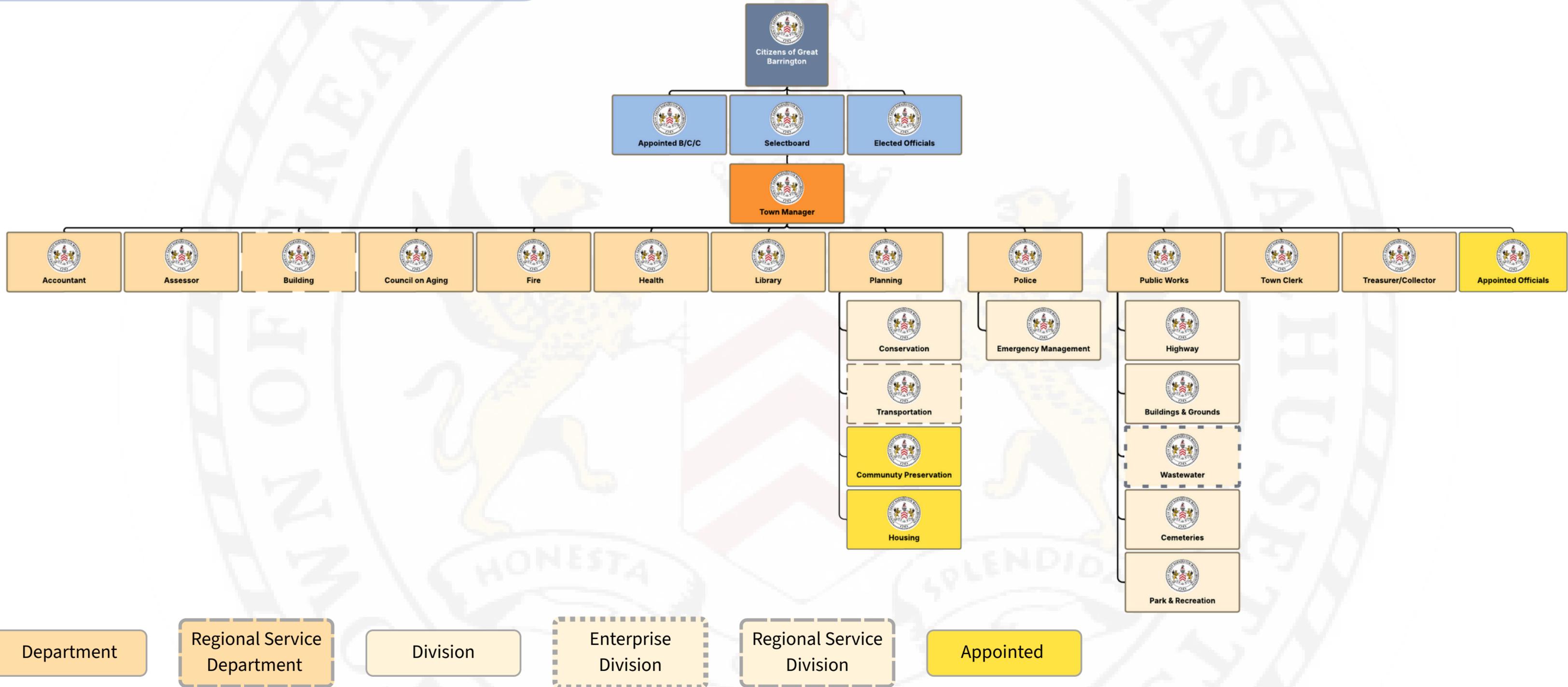
- Ensure Public Safety
- Ensure Public Health
- Maintain a strong local economy
- Strive for a high quality of life
- Seek environmental sustainability
- Ensure the fiscal stability of the Town
- Maintain public infrastructure
- Support affordable housing
- Follow Great Barrington's Master Plan

Selectboard Strategic Priorities





ORGANIZATIONAL CHART





CORE FINANCIAL PRINCIPLES



Services cannot exceed available revenue

Spend only what we can sustainably support



Revenue projections must be realistic

Plan for both today and the future



All funding sources must be identified

Protect taxpayers from volatility



Maintain structural balance

Keep the budget sustainable year over year



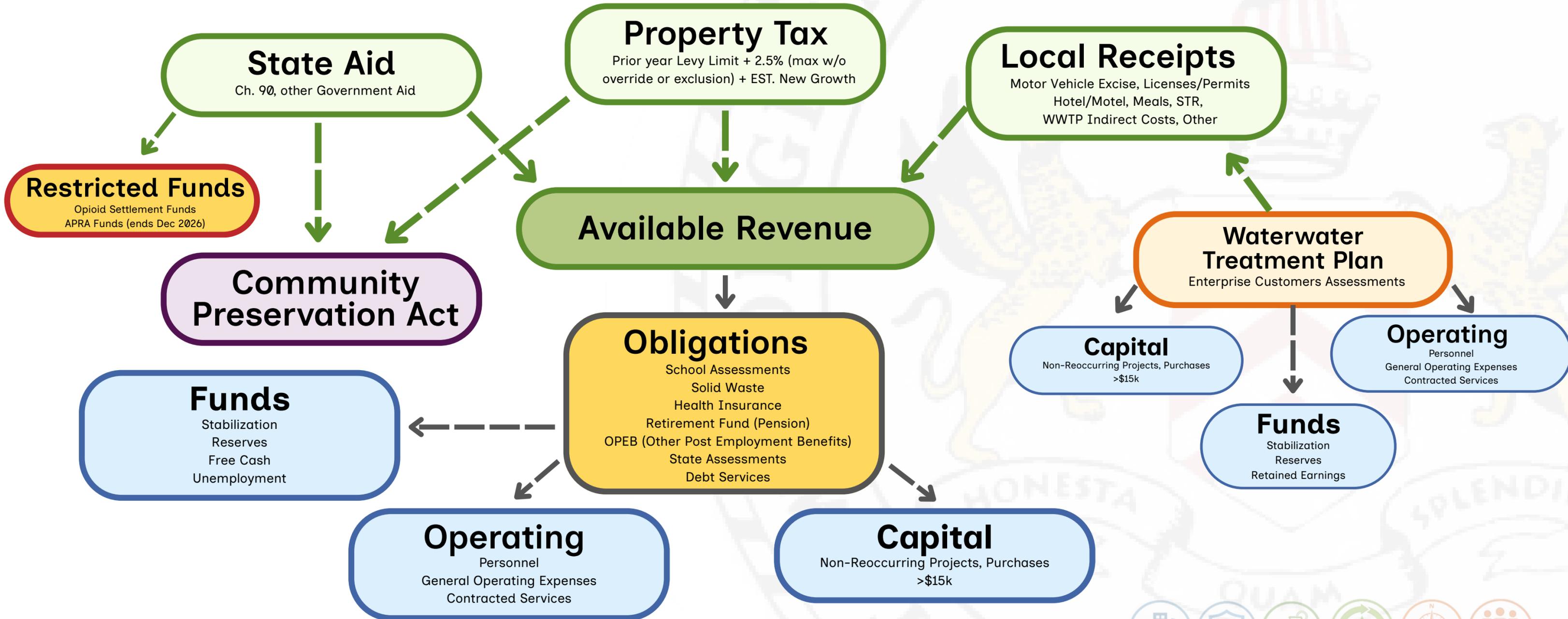
Responsible debt management

Use debt strategically, not casually





FY26 BUDGET REVIEW





APPROPRIATED FUNDS



General Fund



Wastewater Enterprise Fund



Community Preservation Act Fund





CERTIFIED FREE CASH

\$11,245,266

Free Cash Calculation - Fiscal Year 2026	
Begin:	
Unreserved Undesignated Fund Balance	11,648,277.00
Subtract:	
Personal Property Tax Receivable	96,913.00
Real Estate Tax Receivable	550,038.00
Other Receivables in Deferred Revenue	
	0.00
Total	0.00
Other Receivables, Overdrawn Accounts, Deficits	
Cash Variance	11,935.00
GF WH: State Tax	94.00
GF WH: Union Dues	833.00
GF WH: Union Dues - Police	390.00
GF WH: Union Dues - Library	155.00
SRF: FY24 Bulletproof Vest Program	498.00
SRF: FY25-27 Green Communities Grant	40,328.00
Refunds	2,739.00
Total	56,972.00
Free Cash Voted from Town Meeting Not Recorded	0.00
Add:	
Circuit Breaker, Other Closed Accounts, Adjustments:	
	0.00
Total	0.00
Deferred Revenue (Credit Balance+, Debit Balance-)	300,912.00
Free Cash Calculation for 2025	11,245,266.00

Free cash represents funds remaining from the operations of the previous fiscal year which are certified by the Department of Revenue’s Director of Accounts as available for appropriation. Remaining funds include unexpended free cash from the previous year, receipts in excess of estimates shown on the tax recapitulation sheet and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount of remaining funds which can be certified as free cash.



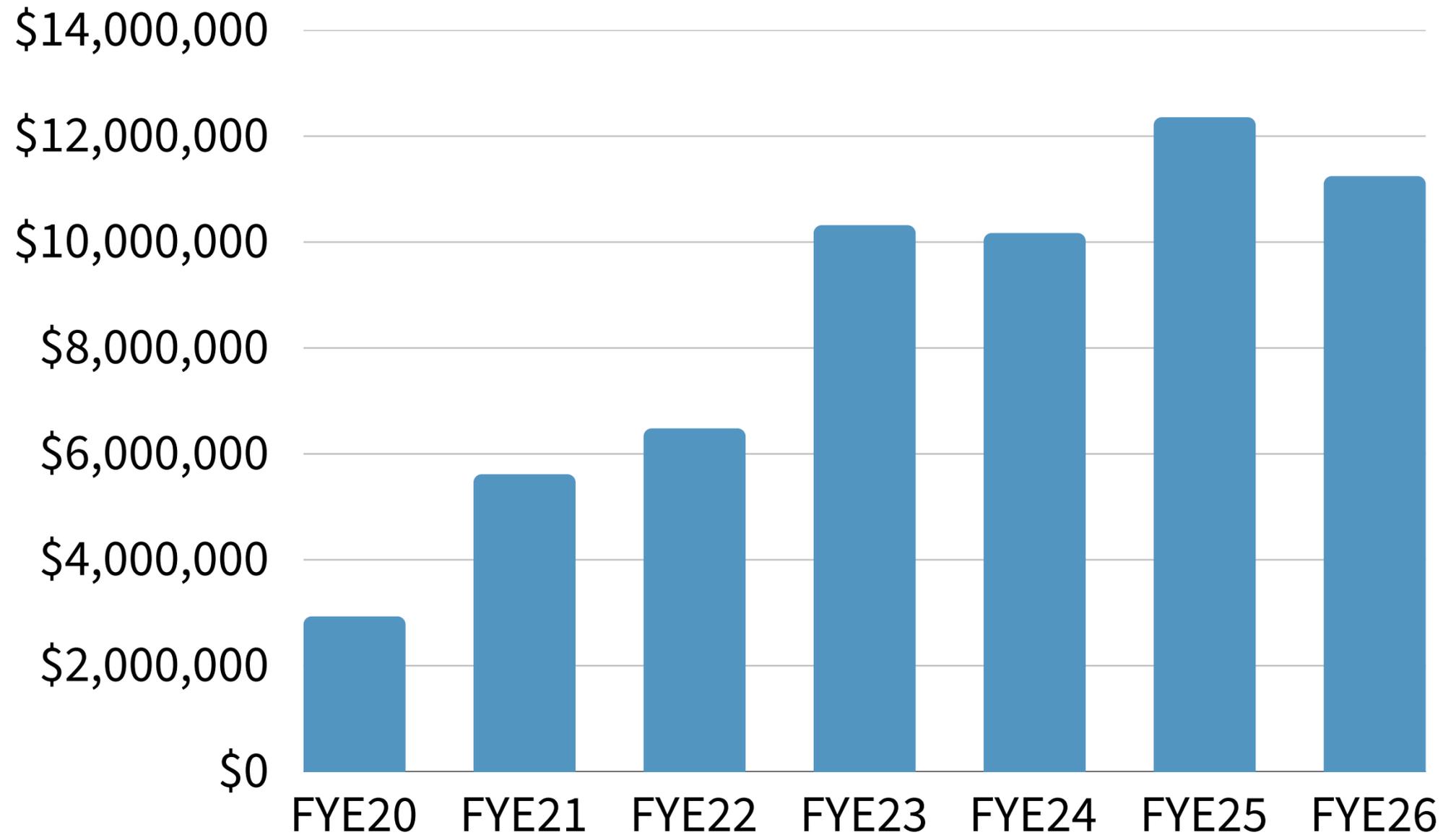


S&P Free Cash Best Practices

- Use Free Cash for capital and reserves, not routine operations
- Do not rely on it to balance the operating budget
- Maintain a portion unallocated for flexibility
- Use it to protect the bond rating
- Treat it as one-time and non-recurring

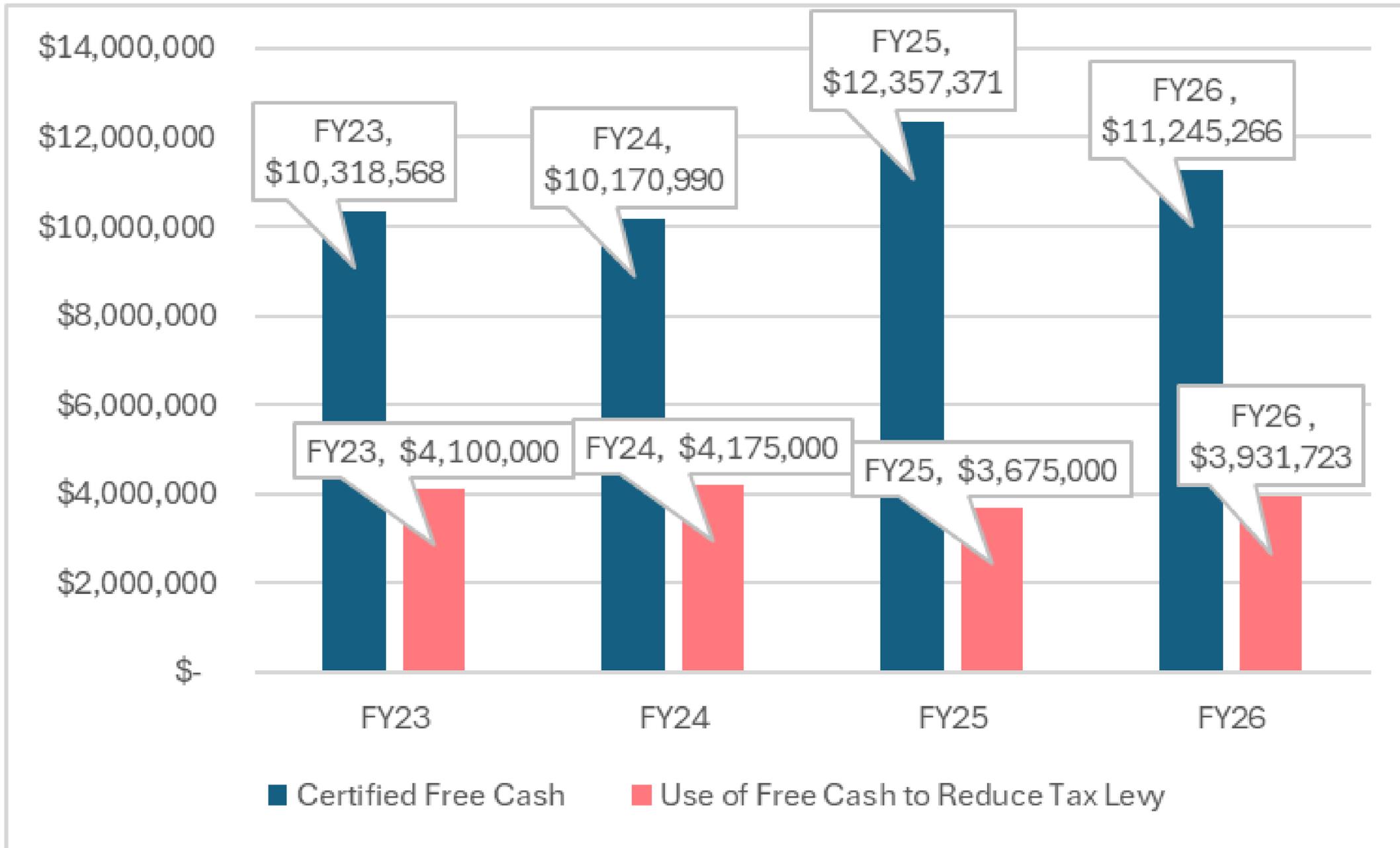
FREE CASH - CERTIFICATION HISTORY

General Fund





FREE CASH SPENDING BEHAVIOR



Retained Free Cash

One Time Cost -
Cannabis Community
Impact Fund

\$5,063,227.86



Offset Operating

4yr Average = \$3.9M

- Spending tomorrow's reserves on today's tax rate
- Masking the true cost of services
- Increases long-term tax volatility
- Weakening bond profile





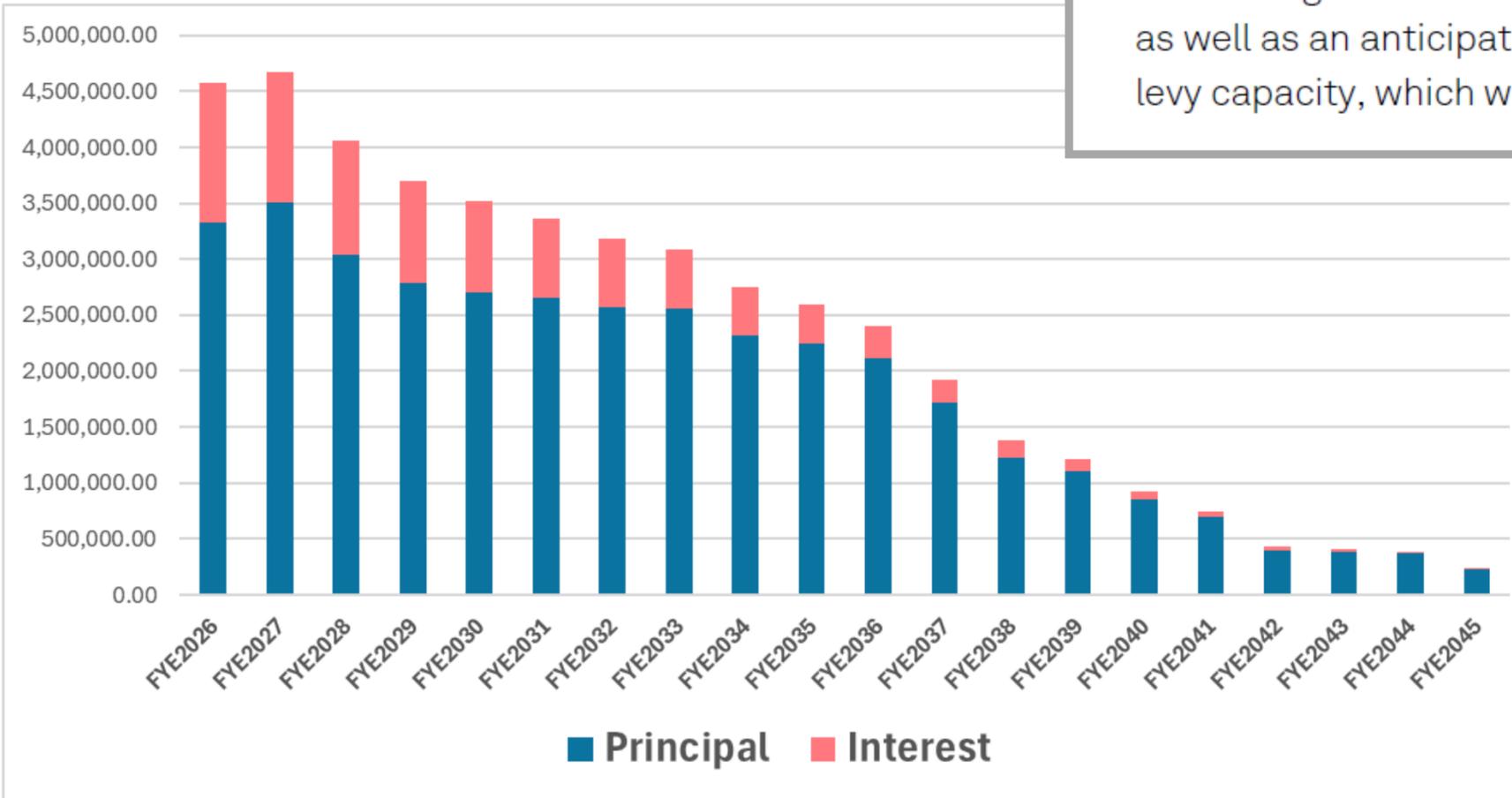
June 2025 Standard & Poors Report

S&P Debt Standards

5-7% of Operating revenues range healthy benchmark for municipal debt service.

- S&P Global Ratings lowered its long-term rating on Great Barrington, Mass.' outstanding general obligation (GO) debt to 'AA+' from 'AAA'.
- At the same time, we assigned our 'AA+' long-term rating to the town's \$5.565 million series 2025 GO municipal purpose loan bonds.
- The outlook is stable.
- The downgrade reflects Great Barrington's weakened economic metrics relative to the nation, as well as an anticipated decrease in the town's reserve position and exhaustion of its unused levy capacity, which we believe will increase operating pressure.

Aggregated Debt Schedule



FY26 General Fund Debt Service

(P&I)

\$3,186,186.97

FY26 Operating Revenues

\$35,367,714

Based on Total Revenue

= 9.01%

Town's Operating Expenses

\$16,692,744

Based on Town Operating

= 19.08%





AUTHORIZATIONS AND OBLIGATIONS

Authorized Capital

31 Projects Authorized

Authorized (Borrow, Appropriate)	\$18,550,300.00
Bonded	\$10,191,930.00
Not Yet Funded	\$8,358,370.00

Bonded Projects with Deficits (Open PO or over spent)	\$728,620.82
Enterprise Capital needed for Pump Station Upgrades	\$1,182,000.00
Required Bonding	\$1,910,620.82

Outstanding Obligations

Must be included in FY27

Outstanding Obligations	Amount
Prior Year Unpaid Bills (FY25)	-\$50,000.00
Unauthorized, unappropriated Projects***	-\$800,000.00
Total Est. Outstanding Bills	-\$850,000.00

*** Estimated \$, as results from Procurement Audit will assist with determining financial scope of liability





1. FY26 reliance on Free Cash to offset General Operating = \$3.9M or 22%
2. BHRSD Assessment increasing above 7% for FY27
3. Health Insurance increasing above 8% for FY27
4. General Liability increasing above 3% for FY27
5. SBAmbulance Service proposing 125% increase for FY27 subsidy
6. Required borrowing for FY27, increasing % ratio to General Operating
7. FY27-FY32 Capital Improvement Plan ranges \$2.5M - \$5.6M/yr
8. Deferred Projects and maintenance costs increase each delayed year
9. Inconsistent expenses (Snow & Ice, HWW Legal, Overtime)
10. Minimal excess levy capacity = Minimal room for emergencies including Snow & Ice deficit





FY27 BUDGET FORECAST



Town of Great Barrington
Town Manager's Office

www.townofgbma.gov
(413) 528-1619

334 Main Street,
Great Barrington, MA 01230
lhartsgrove@townofgbma.gov

Liz Hartsgrove
Town Manager
Chris Rembold
Assistant Town Manager

FY27 Budget Submission Guidance and Expectations

To: All Department Heads
From: Liz Hartsgrove, Town Manager
Date: December 5, 2025
Attachments: ❖ FY27 Budget Action Calendar, dated December 5, 2025
❖ Draft FY27 Budget Policy
❖ FY26-27 Select Board Strategic Priorities Plan
❖ Organizational Commitments

The Town of Great Barrington enters the FY27 budget development process with a continued commitment to fiscal stewardship, service excellence, and community value.

The Financial Policy, soon to be adopted by the Select Board and Finance Committee on December 15th, provides a disciplined framework through which we will evaluate needs, allocate resources, and plan strategically for long-term sustainability. It reinforces our shared priorities of maintaining essential services, supporting infrastructure and public facilities, investing in organizational capacity, and keeping the tax levy within statutory and affordability limits. These expectations mirror our organizational mission and staff-developed commitments around professionalism, accountability, respect, communication, consistency, and customer-focused service delivery.

Aligned with these principles, the Select Board's FY26-27 priorities of *Infrastructure & Assets, Public Health & Safety, Housing, Sustainability & Environment, Economic Development, and Municipal Service Delivery* must be clearly visible in every departmental request.

Departments are expected to submit their materials in alignment with milestone deadlines established in the FY27 Budget Action Calendar, including:

REQUIRED TASK	FINAL DATE OF SUBMISSION
Proposed FY27 Position Changes	January 7, 2026
Operating Budgets and Narratives	January 9, 2026
FY27-31 Capital Project Requests	January 15, 2026
Fee Proposals*	January 15, 2026

*Guidance on Fee Proposal Submissions coming soon.

These steps are critical in allowing adequate time for internal analysis, prioritization discussions, joint budget presentations in February and March, warrant article preparation in March and April, and hearing preparation ahead of Town Meeting.

BUDGET BUILDING EXPECTATIONS

All operating budgets must be level-funded as the starting point.

Increases are only allowed for:

- Existing contractual obligations
- Mandated rate changes
- Previously approved commitments

The Capital Improvement Plan is a strategic roadmap, not a wish list.





COMMUNITY PRESERVATION

CPA REVENUE AND EXPENSES								
	A.	B.	C.	D.	E.	F.	G.	H.
	REVENUES			EXPENSES				
FY	CPA Local	CPA State	Total	Debt Service	Administrative	Projects Awarded	Total expenses	Running Balance
22	\$566,336.00	\$409,878.00	\$976,214.00		\$9,625.00	\$652,959.00	\$662,584.00	\$810,099.66
23	\$617,000.00	\$370,156.00	\$987,156.00		\$8,162.00	\$917,000.00	\$925,162.00	\$872,093.66
24	\$668,449.00	\$216,338.00	\$884,787.00	\$62,000.00	\$10,200.00	\$1,192,400.00	\$1,264,600.00	\$492,280.66
25	\$731,000.00	\$200,005.00	\$931,005.00	\$70,100.00	\$8,140.00	\$800,000.00	\$878,240.00	\$545,045.66
26	<i>\$625,000.00</i>	\$201,627.00	<i>\$826,627.00</i>	\$55,300.00	<i>\$8,000.00</i>	\$905,800.00	\$969,100.00	\$402,572.66
27	<i>\$625,000.00</i>	<i>\$95,000.00</i>	<i>\$720,000.00</i>	\$53,550.00	<i>\$8,000.00</i>			
				Estimated amount for FY27 projects = H+C, -D.-E.				<i>\$1,061,022.66</i>
	<i>Blue italics =</i>	<i>estimates</i>						





COMMUNITY PRESERVATION

Category	Project Title	Town Property	Applicant	Request	CPC Recommend
Historic	UU Mtg House of South Berkshire Preservation	No	UUMSB	\$37,000.00	\$37,000.00
	Preserving the Historic Clinton A.M.E. Zion Church – Phase 1B Basement	No	The Du Bois Freedom Center	\$250,000.00	\$200,000.00
	Monument Mills Office/HQ Rehab.	No	1100 Main Street, LLC	\$400,000.00	
	Historic Document Preservation and Digitization	Yes	Town Clerk	\$50,000.00	\$50,000.00
	Mason Library Painting	Yes	Public Works	\$265,000.00	
	Elmwood Cemetery Monument restting	Yes	Public Works	\$75,000.00	\$75,000.00
	Water St & Mahawie Cemetery Preservation	Yes	Public Works	\$155,000.00	
	Brown Mausoleum Roof	Yes	Public Works	\$91,000.00	\$91,000.00
	Ramsdell Library Rennovation*	Yes	Library	\$1,500,000.00	Paused
Open Space/Rec	Old Maid's Park Design & Engineering	Yes	Planning Dept.	\$50,000.00	\$50,000.00
	Housatonic Playground	Yes	Public Works	\$165,000.00	\$165,000.00
	Skatepark Sail Shades	Yes	Public Works	\$101,000.00	
Housing	Affordable Housing Trust	No	AHT	\$675,000.00	\$325,000.00
GRAND TOTAL				\$3,814,000.00	\$993,000.00





WASTEWATER ENTERPRISE

	(a) FY 2026	(b) FY 2027	
	Actual Revenues	Estimated Revenues	Percent Change
1. Enterprise revenues and available funds			
a. User charges	3,559,295.00	3,877,561.00	8.94
Other departmental revenue	0.00	0.00	0.00
Investment income	30,449.00	30,000.00	-1.47
Total revenues	3,589,744.00	3,907,561.00	
Retained earnings appropriated from July 1, 2025 Certification		465,000.00	**
Retained earnings appropriated from July 1, 2026 Certification		0.00	**
Other enterprise available funds <input type="text"/>		0.00	
Total revenues and available funds	3,589,744.00	4,372,561.00	(To Recap Pg 2, Part III B, line 3)

* Written documentation should be uploaded to support increases of estimated vs actual revenues

** Retained earnings must be certified by the Director of Accounts prior to appropriation

2. Total costs appropriated

a. Costs appropriated in the enterprise fund

Salaries, wages and expenses	1,688,703.00		
Capital Outlay	989,649.00		
Other <input type="text"/>	1,694,209.00		
Total costs appropriated in the enterprise fund		4,372,561.00	2a

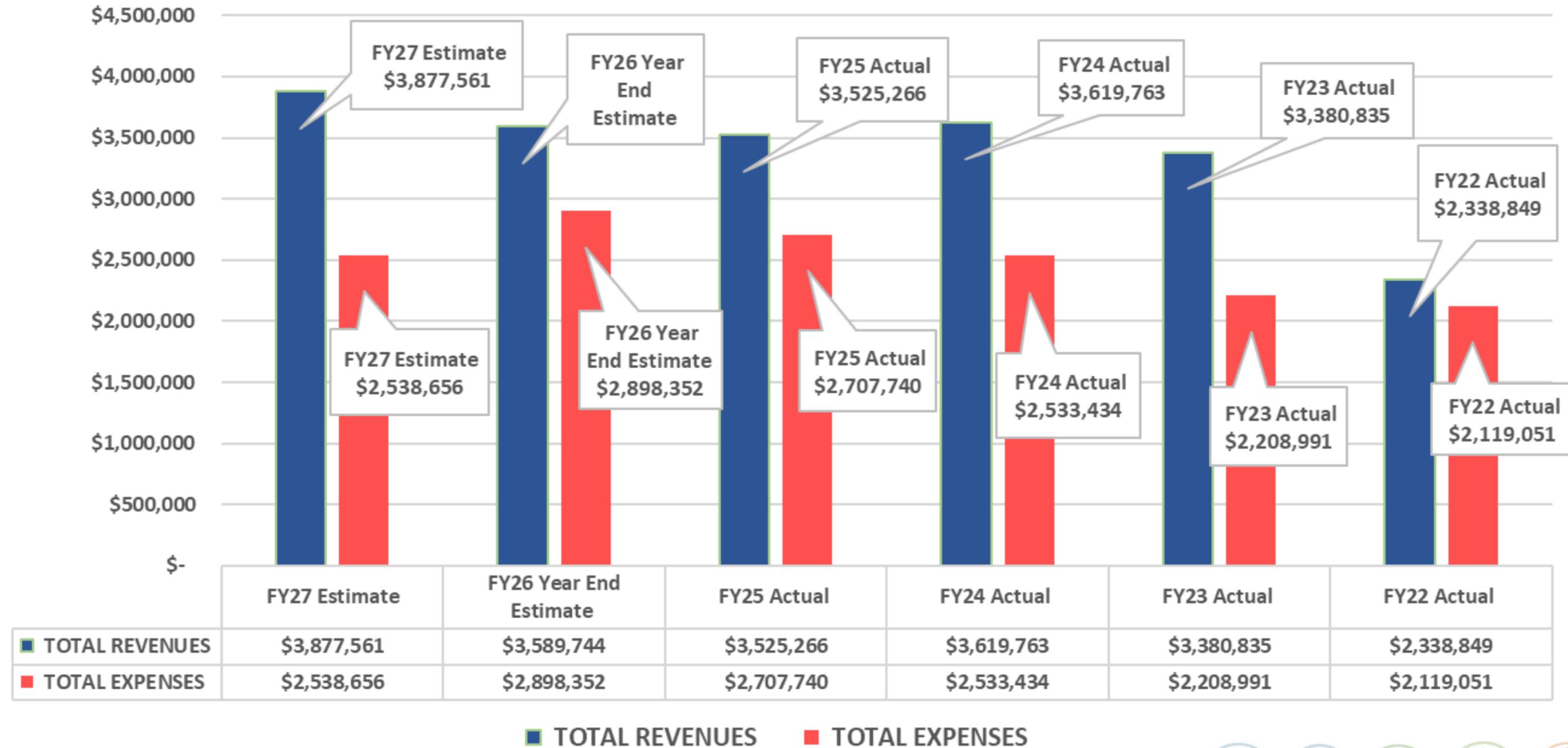
Retained Earnings Certified	Date Certified	Amount Certified
FY 2025 Retained Earnings (as of 06/30/2024)	3/5/2025	6,428,838
FY 2026 Retained Earnings (as of 06/30/2025)	1/29/2026	6,067,855





WASTEWATER ENTERPRISE

WASTEWATER REVENUES VS EXPENSES 5 YEAR COMPARISON





WASTEWATER ENTERPRISE

Proposed Capital

	Project Title	FY2027
WWTP	Sewer Infrastructure Work	\$100,000.00
	Sludge Loadout Upgrade	\$145,000.00
	TOTAL WASTEWATER	\$245,000.00





TOWN MANAGER'S BUDGET OBJECTIVES

STRATEGY-ALIGNED BUDGETING Align funding with the Town's Financial Policy and Selectboard priorities.

SERVICE ENHANCEMENT GRANTS Fund \$150k one-time improvement projects outside the capital threshold.

CONTROL PERSONNEL COSTS Limit personnel growth to 2%-2.5% to protect affordability.

WORKFORCE INCENTIVES Offer benefit alternatives (e.g., health opt-out stipends) to reduce insurance costs.

CAPITAL WITHIN MEANS Prioritize projects funded with Non-borrowed funding sources.

DEDICATED ROADS AND BRIDGES FUNDING Establish \$2M+/- from recurring funds

DEDICATED NON-ROAD CAPITAL FUNDING Commit \$1M+/- annually for non-road capital.

BUILD STABILIZATION CAPACITY Dedicate 5% of Free Cash annually to Stabilization

STRENGTHEN RESERVE FUND Increase annual Reserve Fund to \$200,000





FY27 PERSONNEL CHANGES

Restructuring

- ✓ 1. Human Resources duties reassigned between offices of Town Manager and Treasurer Departments
 - Elevating TM/SB Administrative Assistant to Executive Assistant
 - Creating Compensation & Benefits Coordinator in Treasurers Office
- ✓ 2. Removing IT Support from Assistant Accountant Position
- ✓ 3. Assigning IT Support to Office Assistant position in Town Manager Department
- ⌚ 4. Establishing “South County Connector” Transportation as Enterprise Account





DEPT. CAPITAL REQUESTS

	FY27	FY28	FY29	FY30	FY31	TOTAL CIP
Police	\$272,201.44	\$150,163.10	\$157,826.88	\$ -	\$ -	\$580,191.42
Fire	\$125,800.00	\$54,385.18	\$ -	\$ -	\$ -	\$180,185.18
DPW Facilities	\$3,700,000.00	\$280,000.00	\$ -	\$ -	\$ -	\$3,980,000.00
DPW Highway	\$11,025,451.00	\$ -	\$ -	\$ -	\$ -	\$11,025,451.00
Emergency Mgmt	\$169,842.00	\$ -	\$ -	\$ -	\$ -	\$169,842.00
Informational Technology	\$133,000.00	\$ -	\$ -	\$ -	\$ -	\$133,000.00
Town Clerk	\$75,000.00	\$ -	\$ -	\$ -	\$ -	\$75,000.00
Health	\$33,300.00	\$ -	\$ -	\$ -	\$ -	\$33,300.00
Council On Aging	\$53,000.00	\$ -	\$ -	\$ -	\$ -	\$53,000.00
Parks & Rec	\$174,000.00	\$ -	\$ -	\$ -	\$ -	\$174,000.00
Planning	\$200,000.00	\$200,000.00	-	-	-	\$400,000.00
Transportation	\$36,410.00	\$ -	\$ -	\$ -	\$ -	\$36,410.00
TOTAL GENERAL	\$15,998,004.44	\$684,548.28	\$157,826.88	\$ -	\$ -	\$16,840,379.60
Wastewater	\$245,000.00	\$ -	\$ -	\$ -	\$ -	\$245,000.00
Community Preservation	\$993,000.00					\$993,000.00
Grand Total DH CIP	\$17,272,414.44	\$684,548.28	\$157,826.88	\$ -	\$ -	\$18,114,789.60





TOWN MANAGER CAPITAL RECOMMENDATIONS

	FY27	FY28	FY29	FY30	FY31	TOTAL CIP
Police	\$133,201.44	\$150,163.10	\$157,826.88	\$140,000.00	\$ -	\$581,191.42
Fire	\$125,800.00	\$54,385.18	\$ -	\$ -	\$ -	\$180,185.18
DPW Facilities	\$150,000.00	\$280,000.00	\$ -	\$2,500,000.00	\$1,050,000.00	\$3,980,000.00
DPW Highway	\$3,959,500.00	\$1,559,793.00	\$2,734,206.00	\$1,447,084.00	\$1,874,868.00	\$11,575,451.00
Emergency Mgmt	\$129,842.00	\$ -	\$ -	\$ -	\$42,000.00	\$171,842.00
Informational	\$133,000.00	\$ -	\$ -	\$ -	\$ -	\$133,000.00
Town Clerk	\$50,000.00	\$ -	\$ -	\$ -	\$ -	\$50,000.00
Health	\$35,000.00	\$ -	\$ -	\$ -	\$ -	\$35,000.00
Council On Aging	\$53,000.00	\$ -	\$ -	\$ -	\$ -	\$53,000.00
Parks & Rec	\$25,000.00	\$ -	\$ -	\$151,000.00	\$ -	\$176,000.00
Planning	\$50,000.00	\$200,000.00	\$ -	\$200,000.00	\$ -	\$450,000.00
Transportation	\$18,205.00	\$ -	\$ -	\$ -	\$ -	\$18,205.00
TOTAL GENERAL	\$4,862,548.44	\$2,244,341.28	\$2,892,032.88	\$4,438,084.00	\$2,966,868.00	\$17,403,874.60
Wastewater	\$245,000.00	\$ -	\$ -	\$ -	\$ -	\$245,000.00
Community Preservation	\$993,000.00					\$993,000.00
Grand Total DH CIP	\$6,100,548.44	\$2,244,341.28	\$2,892,032.88	\$4,438,084.00	\$2,966,868.00	\$18,641,874.60





PROPOSED GENERAL CAPITAL

Dept	Project Title	FY2027	Source
Police	Cruiser Replacement (1-2/yr)	\$85,000.00	Free Cash
	Body Camera	\$48,201.44	Free Cash
	TOTAL POLICE	\$133,201.44	
Fire	Plymovent System (Facilities)	\$80,000.00	Free Cash
	Back up set of Turnout Gear	\$45,800.00	Free Cash
	TOTAL FIRE	\$125,800.00	
Facilities	Town Building Water Infiltration Testing	\$150,000.00	Free Cash
	TOTAL FACILITIES	\$150,000.00	
Highway	Bridge Street Bridge Rehab	\$426,000.00	Free Cash
	Shaw Bridge Rehab	\$1,603,000.00	Free Cash
	Crosswalk Install & Replace, 5 Locations	\$171,000.00	C.S.
	Brush Hill Road Culvert	\$777,500.00	Grant
	Roadway Improvements (2 of 6)	\$410,000.00	Chapter 90
	Roadwork Engineering (4 projects)	\$550,000.00	Chapter 90 & C.S
	Manhole Installation Pearl St.	\$22,000.00	Free Cash
	TOTAL DPW - Highway	\$3,959,500.00	
Emerg. Mgmt	Trailer Mounted 75KW Generator	\$75,000.00	Free Cash
	Message Board Purchase	\$54,842.00	Free Cash
	TOTAL EMERGENCY MGMT	\$129,842.00	

Dept	Project Title	FY2027	Source
IT	Online Permitting Software	\$90,000.00	Free Cash
	Upgrade Assessors Software	\$43,000.00	Free Cash
	TOTAL IT	\$133,000.00	
Clerk	Archival Storage Feasibility Study	\$50,000.00	Free Cash
	TOTAL TOWN CLERK	\$50,000.00	
Health	Inspector Vehicle	\$35,000.00	Free Cash
	TOTAL HEALTH	\$35,000.00	
COA	COA Van	\$53,000.00	Free Cash
	TOTAL COA	\$53,000.00	
Parks & Rec	Bird Mgmt - Lake Mansfield	\$25,000.00	Free Cash
	TOTAL PARKS & REC	\$25,000.00	
Planning	Master Plan	\$50,000.00	Free Cash
	TOTAL PLANNING	\$50,000.00	
Transit	Accessible Electric Vehicles	\$18,205.00	Free Cash
	TOTAL TRANSPORTATION	\$18,205.00	

Total General Capital **\$4,862,548.44**

(without borrowing)





PROPOSED SERVICE ENHANCEMENTS

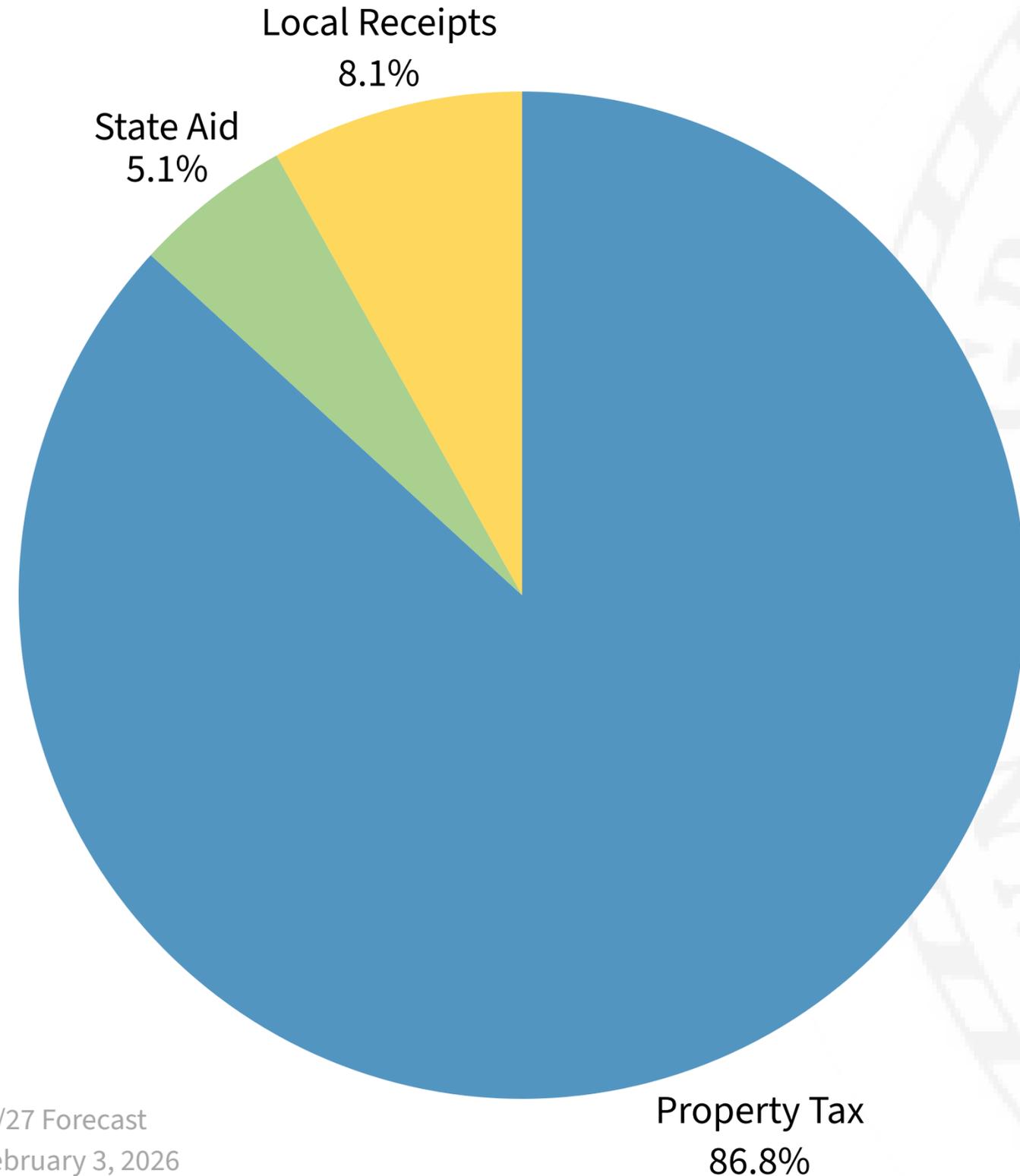
Health/Water Quality Intern	\$25,000.00
Human Service Grants to local non-profits	\$53,000.00
Arts & Culture	\$30,000.00
Employee Prof. Dev.	\$30,000.00
Fire Department Washer & Dryer	\$2,000.00
Computer Replacement Program	\$10,000.00
Total Service Enhancement Grants	\$150,000.00

- Identified in Budget Mtgs
- Does not qualify as Capital either in cost or life expectancy
- Non-Reoccurring, One Time Expenses
- Paid from Free Cash





ESTIMATED GENERAL REVENUES



\$36,564,003

Property Tax	\$31,736,345
State Aid	\$1,862,408
Local Receipts	\$2,965,250





GENERAL FUND - CALCULATING LEVY

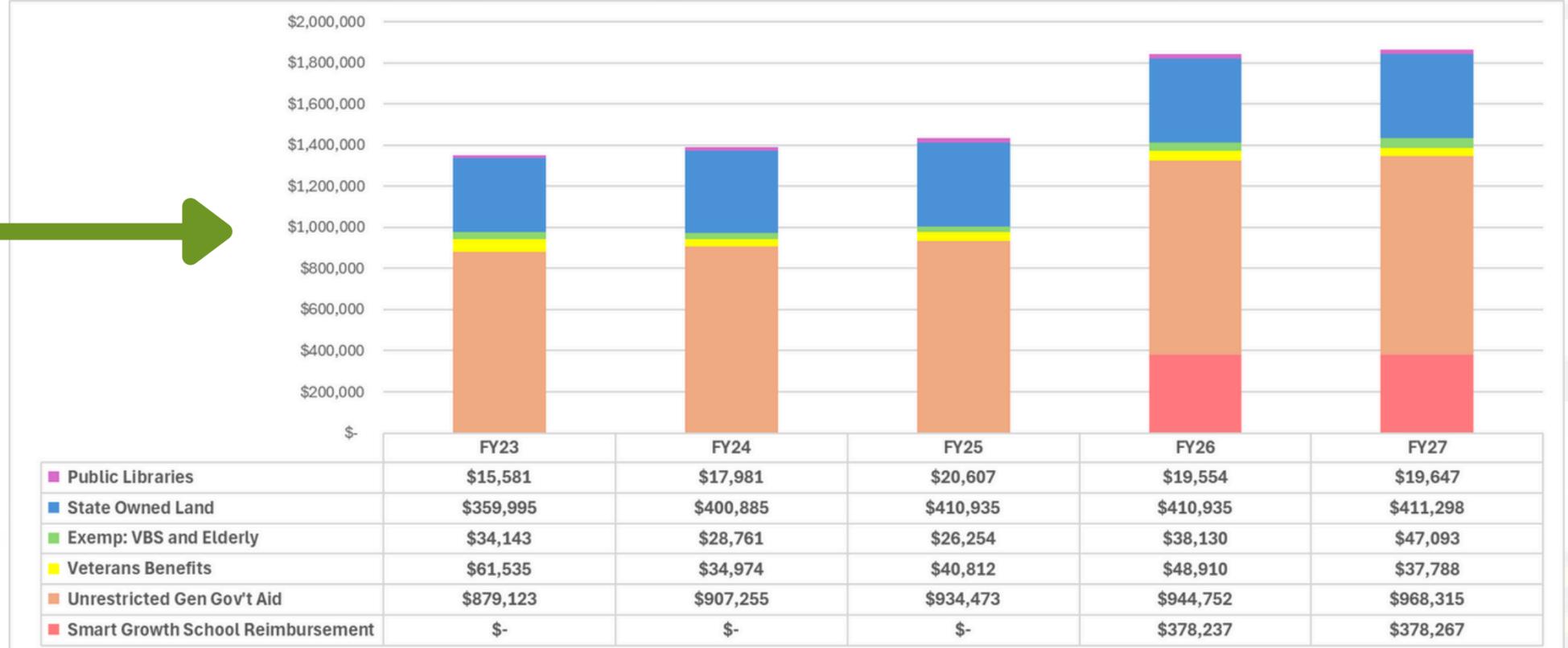
FY2027		
A. Levy	FY26 Levy Limit	\$29,742,776
	2.5% Increase	\$743,569
	Est. New Growth	\$100,000
	FY27 LEVY LIMIT	\$30,586,345
	Debt Exclusions	\$1,150,000
	MAX FY27 Levy Limit	\$31,736,345





GENERAL FUND - REVENUE

Cherry Sheet/State Aid
\$1,862,408



	FY27
MOTOR VEHICLE EXCISE	\$822,000.00
ROOM OCCUPANCY TAX	\$750,000.00
MEALS TAX	\$215,000.00
PENALTY & INT. ON TAXES	\$135,000.00
PAYMENTS IN LIEU OF TAXES	\$10,000.00
FEES	\$199,200.00
RENTALS	\$125,000.00
OTHER DEPT REVENUE	\$65,500.00
LICENSES AND PERMITS	\$431,550.00
FINES & FOREFEITURES	\$37,000.00
INVESTMENT INCOME	\$175,000.00
TOTAL	\$2,965,250.00

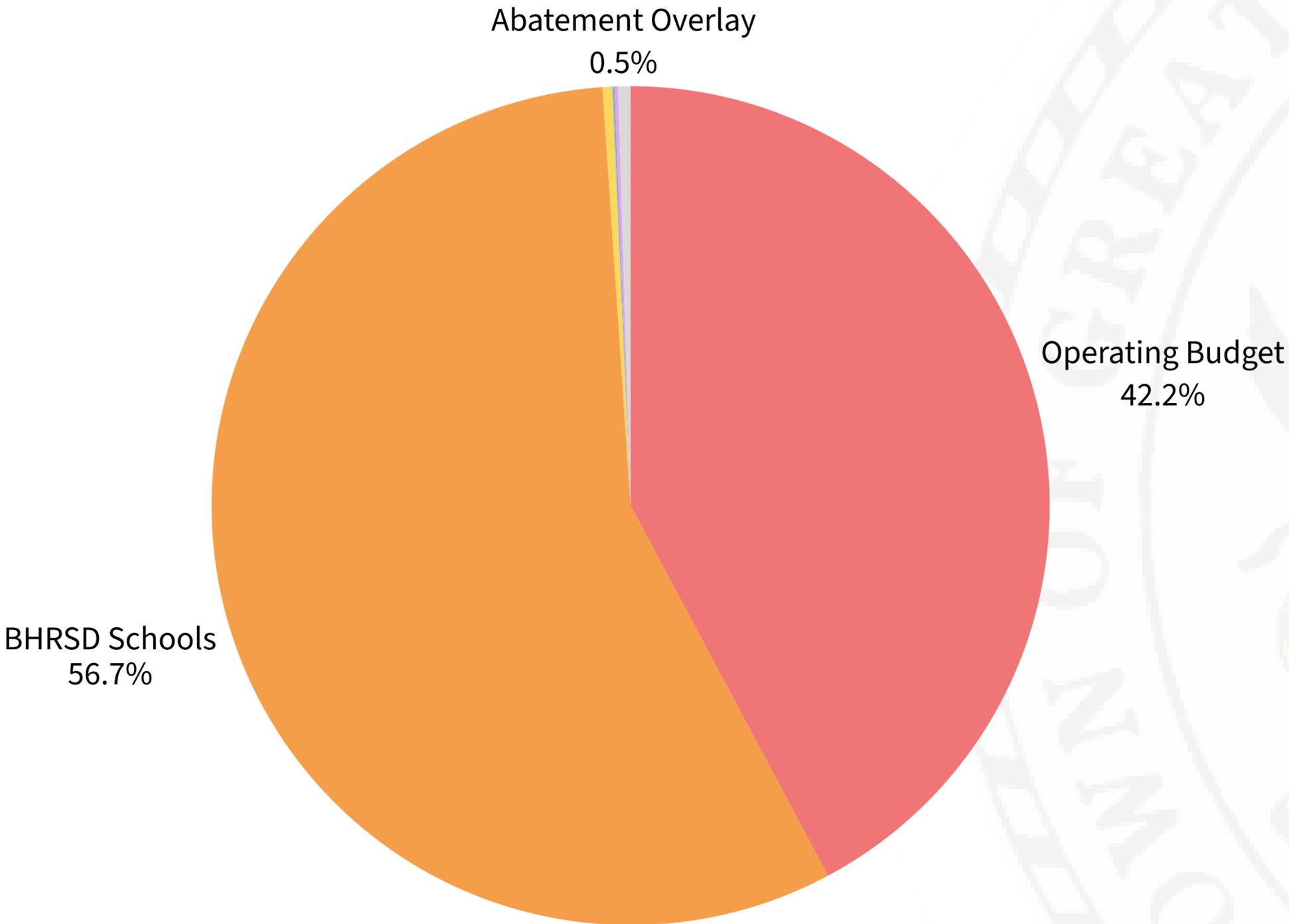
Est. Local Receipts
\$2,965,250





ESTIMATED GENERAL EXPENSES

\$42,066,570



Operating Budget	\$17,673,695
BHRSD Schools	\$23,764,216
Voc School	\$150,000
State Offsets (Library)	\$19,647
Snow & Ice Deficit	\$200,000
State Assessments	\$59,607
Abatements/Exemption Overlays	\$200,000





FY27 GENERAL BUDGET

A. Levy	FY 26 Levy Limit	\$29,742,776
	2.5% Increase	\$743,569
	New Growth	\$100,000
	FY27 LEVY LIMIT	\$30,586,345
	Debt Exclusions	\$1,150,000
	MAX Levy Limit	\$31,736,345
B. Revenues	Cherry Sheet/State Aid	\$1,862,408
	Local Receipts (Est.)	\$2,965,250
	Total	\$4,827,658
C. Expenses	Operating Budget	\$17,673,695
	BHRSD Schools	\$23,764,216
	Voc School	\$150,000
	State Offsets (Library)	\$19,647
	Snow & Ice Defict	\$200,000
	State Assessments	\$59,607
	Abatements/Exemption Overalys	\$200,000
	Total Expenses	\$42,066,570
	C.Expenses - B. Revenues = Amount to be Raised	\$37,238,912
	A. Levy Limit	\$31,736,345
	GRAND TOTAL DEFICT	\$ (5,502,566)

Achieves most of Financial Policy

General Operating Increase

6.23%

- Does not rely on Free Cash for reoccurring costs
- \$200,000 in Reserves
- 5% Free Cash to Stabilization or OPEB
- Reflects anticipated benefits increases (Insurance, etc)
- No reduction to workforce.
- Applies 2% Cost of Living (COLA) for all town employees and meets Contractual Obligations
- New Borrowing restricted to obligated \$728,620.82
- Free Cash for:
 - FY27 Capital without Borrowing = \$3.5M
 - Outstanding Obligations = \$850,000
 - SBAmbulance Subsidy = \$289,681
 - Abatements, Exemptions Overlay = \$225,000

\$ (5,502,566)





FY27 GENERAL BUDGET

A. Levy	FY 26 Levy Limit	\$29,742,776
	2.5% Increase	\$743,569
	New Growth	\$100,000
	FY27 LEVY LIMIT	\$30,586,345
	Debt Exclusions	\$1,150,000
	MAX Levy Limit	\$31,736,345
B. Revenues	Cherry Sheet/State Aid	\$1,862,408
	Local Receipts (Est.)	\$2,965,250
	Total	\$4,827,658
C. Expenses	Operating Budget	\$17,047,695
	BHRSD Schools	\$23,764,216
	Voc School	\$150,000
	State Offsets (Library)	\$19,647
	Snow & Ice Deficit	\$200,000
	State Assessments	\$59,607
	Abatements/Exemption Overalys	\$200,000
	Total Expenses	\$41,441,165
	C.Expenses - B. Revenues = Amount to be Raised	\$36,613,507
	A. Levy Limit	\$31,736,345
	GRAND TOTAL DEFICIT	\$ (4,877,162)

Minimally achieves Financial Policy

General Operating Increase

2.45%

- Does not rely on Free Cash for reoccurring costs
- \$150,000 in Reserves
- Reflects anticipated benefits increases (Insurance, etc)
- No reduction to workforce.
- Applies 0% Cost of Living (COLA) for all town employees
- Does not meet contractual obligations
- New Borrowing restricted to obligated \$728,620.82
- Includes in Free Cash
 - FY27 Capital without Borrowing = \$3.5M
 - Outstanding Obligations = \$850,000
 - SBAmbulance Subsidy = \$289,681
 - Abatements, Exemptions Overlay = \$200,000
 - Celebrations = \$15,000
 - VFW & American Legion Leases = \$53,000
 - HWW Legal Fees = \$50,000

\$ (4,877,162)





FY27 GENERAL BUDGET

A. Levy	FY 26 Levy Limit	\$29,742,776
	2.5% Increase	\$743,569
	New Growth	\$100,000
	FY27 LEVY LIMIT	\$30,586,345
	Debt Exclusions	\$1,150,000
	MAX Levy Limit	\$31,736,345
B. Revenues	Cherry Sheet/State Aid	\$1,862,408
	Local Receipts (Est.)	\$2,965,250
	Offset from Free Cash	\$4,669,577
	Total	\$9,497,235
C. Expenses	Operating Budget	\$17,047,695
	BHRSD Schools	\$23,764,216
	Voc School	\$150,000
	State Offsets (Library)	\$19,647
	Snow & Ice Deficit	\$200,000
	State Assessments	\$59,607
	Abatements/Exemption Overalys	\$200,000
	Total Expenses	\$41,441,165
	C.Expenses - B. Revenues = Amount to be Raised	\$31,943,930
	A. Levy Limit	\$31,736,345
	GRAND TOTAL DEFICIT	\$ (207,585)

Does not meet Financial Policy

General Operating Increase

2.45%

- Offset Operating Deficit with Free Cash = \$4,669,577
- \$150,000 in Reserves
- Reflects anticipated benefits increases (Insurance, etc)
- No reduction to workforce.
- Applies 0% Cost of Living (COLA) for all town employees
- Does not meet contractual obligations
- New Borrowing restricted to obligated \$728,620.82
- Also includes in Free Cash
 - Outstanding Obligations = \$850,000
 - SBAmbulance Subsidy = \$289,681
 - Abatements, Exemptions Overlay = \$200,000
- Does NOT include
 - Celebrations = \$15,000
 - VFW & American Legion Leases = \$53,000
 - HWW Legal Fees = \$50,000

\$ (207,585) or 1.22%





IMPORTANT UPCOMING DATES

Date	Action Item
Tuesday, Feb. 10, 2026	Citizen Petition Deadline. (No less than 30 calendar days - §41-15 Town By-laws)
Friday, Feb. 13, 2026	Town Manager submits proposed FY27 Budget to Select Board and Finance Cmte.
February 24-25, 2026	1st Round Budget Presentations – Joint with Select Board and Finance Cmte. (Operating)
March 3-4, 2026	2nd Round Budget Presentations – Joint with Select Board and Finance Cmte. (Capital)
Monday, Mar. 23, 2026	1st Round Town Meeting Warrant Article Presentations incld. CPC Rec. Articles
Tuesday, April 14, 2026	Joint Budget Public Hearing, and cont. Town Meeting Warrant Article Presentations. **Finalize the Warrant**





Q&A



MUNICIPAL BUDGET GLOSSARY

The following definitions explain the meaning of some of the terms frequently used in documents and discussions related to the Town's financial matters.

ABATEMENT	A reduction or elimination of a real or personal property tax, motor vehicle excise, fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.
ADVANCE REFUNDING OF DEBT	This occurs when new debt is issued to replace or redeem old debt before the maturity or call date of the old debt. Under these circumstances, the proceeds of the new debt must be placed in escrow and used to pay interest on old, outstanding debt as it becomes due and to pay the principal on the old debt, either as it matures or at an earlier call date. (See Refunding of Debt, Current Refunding of Debt)
AMENDED NEW GROWTH	When the assessors discover inadvertently omitted properties that would have been new growth, they may submit an Amended Tax Base Growth Report (Form LA-13A) to BLA before setting the tax rate for the next fiscal year. BLA will certify the amount of any additional tax base growth and notify BOA. BOA will then recalculate the community's levy limit and notify the assessors of the new base for the purposes of calculating the succeeding year's levy limit.
AMORTIZATION	The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.
APPELLATE TAX BOARD (ATB)	Appointed by the governor, the ATB has jurisdiction to decide appeals from local decisions relating to property taxes, motor vehicle excises, state-owned land valuations, exemption eligibility, property classification, and equalized valuations.
APPROPRIATION	An authorization granted by a town meeting, city council or other legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.
ARBITRAGE	As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

ASSESSED VALUATION	A value assigned to real estate or other property by a government as the basis for levying taxes. In Massachusetts, assessed valuation is based on the property's full and fair cash value as set by the Assessors. (See Full And Fair Cash Value)
ASSESSMENT DATE	The date property tax liability is fixed. In Massachusetts, property taxes are assessed as of the January 1 prior to the fiscal year. Assessors determine the physical status of taxable real and personal property, its ownership, fair cash value, and usage classification as of that date. By local option (MGL c. 59 § 2D), the physical status of real property on June 30 is deemed to be its condition on the previous January 1.
ASSESSMENT SALE RATIO (ASR)	Property assessed value divided by sales price. Expresses the relationship between the assessed value of a sold property and its most recent sales price. The ASR is instrumental in BLA's certification of municipal property values completed every five years.
AUDIT	An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor) resulting in a report on the fairness of financial statements and local compliance with statutes and regulations. The audit serves as a valuable management tool for evaluating a community's fiscal performance.
AUDIT MANAGEMENT LETTER	An independent auditor's written communication to government officials, separate from the community's audit. It generally identifies deficient areas, if any, and presents recommendations for improving accounting procedures and other internal controls.
AUDIT REPORT	Prepared by an independent auditor, an audit report includes: (a) a statement of the audit's scope; (b) explanatory comments as to the application of auditing procedures; (c) findings and opinions; (d) financial statements and schedules; and (e) supplementary comments, recommendations and statistical tables. It is very often accompanied by a management letter.
AVAILABLE FUNDS	Balances in the various fund types that represent nonrecurring revenue sources. As a matter of sound practice, they are frequently appropriated for unforeseen expenses, capital expenditures, or other one-time costs. Examples of available funds include free cash, stabilization funds, overlay surplus, water surplus, and retained earnings.
BALANCE SHEET	A statement that discloses the assets, liabilities, reserves, and equities of a fund or governmental unit as of a specified date.
BALANCED BUDGET	A budget where estimated revenues equal estimated expenditures.

BANK QUALIFIED

When a municipality issues \$10,000,000 or less in bonds or notes in a calendar year, these issuances are designated as “bank qualified.” The bank that purchases the security receives a tax deduction (80% of the interest cost) for this type of purchase. This deduction makes bank qualified bonds and notes attractive purchases.

BETTERMENTS (SPECIAL ASSESSMENTS)

Whenever part of a community benefits from a public improvement or betterment (e.g., water, sewer, sidewalks, etc.), special property taxes may be assessed to that area’s property owners to reimburse the governmental entity for all or part of the costs it incurred to complete the project. Each property parcel receiving the benefit is assessed a proportionate share of the cost, which may be paid in full or apportioned over a period of up to 20 years. If spread over the years, the community adds one year’s apportionment along with one year’s committed interest computed from October 1 to October 1 to the associated tax bills until the betterment has been paid.

BLA

Bureau of Local Assessment

BLOCK GRANT

A federal grant of money awarded by formula under very general guidelines that allow grantees broad latitude in spending activities.

BOA

Bureau of Accounts

BOND

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

BOND ANTICIPATION NOTE (BAN)

Short-term debt instrument used to generate cash for initial project costs with the expectation the debt will be replaced later by permanent bonding. Typically issued for a term of less than one year, BANs may be reissued for up to 10 years, provided principal repayment begins after two years ([MGL c. 44 § 17](#)).

BOND AUTHORIZATION

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

BOND COUNSEL

An attorney or law firm engaged to review and submit an opinion on the legal aspects of a municipal bond or note issue.

BOND ISSUE

The actual sale of the entire, or portion of, the bond amount authorized by a town meeting or city council.

BOND PREMIUM

The difference between the market price of a bond and its face value (when the market price is higher). A premium occurs when the bond's stated interest rate is set higher than its true interest cost (the market rate). Premiums received at the time of sale must be used to pay project costs and reduce the amount borrowed by the same amount or be reserved for appropriation for purposes for which debt has or may be authorized for an equal or longer period than the original loan. Additions to the levy limit for a Proposition 2 ½ debt exclusion are restricted to the true interest cost incurred to finance the excluded project. If the premium is not used to pay project costs and reduce the amount of a debt-excluded borrowing, the annual debt exclusion must be adjusted to reflect the true interest rate.

BOND RATING (MUNICIPAL)

A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard & Poor's, use rating systems that designate a letter or a combination of letters and numerals, where AAA is the highest rating and C1 is very low.

BONDS AUTHORIZED AND UNISSUED

Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes but must be rescinded by town meeting or the city council to be removed from community's books.

BUDGET POLICY

The document annually adopted by the Finance Committee and Selectboard establishing the guidelines under which the Town Manager shall follow in the development of the Town budget.

BUREAU OF ACCOUNTS (BOA)

A bureau within the Division of Local Services charged with overseeing municipal execution of financial management laws, rules and regulations.

BUREAU OF LOCAL ASSESSMENT (BLA)

Bureau within the Division of Local Services charged with overseeing municipal execution of state laws, rules and regulations involving real and personal property assessments. BLA is also responsible for determining equalized valuations and overseeing the valuation of state-owned land.

CAPITAL ASSET

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

CAPITAL BUDGET	An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method to finance each recommended expenditure (e.g., tax levy or rates) and identify those items that were not recommended.
CAPITAL IMPROVEMENTS	Expenditures which result in the acquisition of land, construction costs or improvements to land, buildings, or equipment valued at \$10,000 and with useful lives of at least 2 years.
CAPITAL IMPROVEMENT PROGRAM	A blueprint for planning a community's capital expenditures that comprises an annual capital budget and a five-year capital plan. It coordinates community planning, fiscal capacity, and physical development. While all the community's needs should be identified in the program, there is a set of criteria that prioritize the expenditures.
CAPITAL OUTLAY	The exchange of one asset (cash) for another (capital asset) with no ultimate effect on net assets. Also known as "pay as you go," it is the appropriation and use of available cash to fund a capital improvement, as opposed to incurring debt to cover the cost.
CASH BOOK	A source book of original entry that a treasurer is required to maintain for the purpose of recording municipal receipts, adjustments to balances, deposits to municipal accounts, and disbursements through warrants.
CHAPTER 90 HIGHWAY FUNDS	State funds derived from periodic transportation bond authorizations and apportioned to communities for highway projects (MGL c. 90 § 34).
CHAPTER LAND	Forest, agricultural/horticultural, and recreational lands classified, valued, and taxed according to MGL c. 61 , 61A , and 61B . Land is valued at its current use rather than the full and fair cash value. The commercial property tax rate is applicable for land defined under these chapters, unless the community adopts a local option provision within each chapter to apply the open space rate.
CHARTER	An act establishing the Selectboard/Town Manager form of administration in the Town of Great Barrington enacted by the General Court as Ch. 184, Act of 1992 .
CHERRY SHEET	Named for the cherry-colored paper on which they were originally printed, the Cherry Sheet is the official notification to cities, towns, and regional school districts of the next fiscal year's state aid and assessments. The aid is in the form of distributions, which provide funds based on formulas and reimbursements that provide funds for costs incurred during a prior period for certain programs or services.
CHERRY SHEET ASSESSMENTS	Estimates of annual charges to cover the costs of certain state and county programs.

CHERRY SHEET OFFSET ITEMS

Local aid that may be spent without appropriation in the budget but which must be spent for specific municipal and regional school district programs. Current offset items include racial equality grants, school lunch grants, and public library grants.

CLASSIFICATION OF REAL PROPERTY

Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified the real property, local officials are permitted to determine locally, within limits established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by personal property owners.

CLASSIFICATION OF THE TAX RATE

Each year, the select board or city council vote whether to exercise certain tax rate options. Those options include choosing a residential factor ([MGL c. 40 § 56](#)), and determining whether to offer an open space discount, a residential exemption ([c. 59, § 5C](#)), and/or a small commercial exemption ([c. 59, § 5I](#)) to property owners.

CODE OF ETHICS

The provisions and requirements of [MGL c. 286A](#) pertaining to the standards of behavior and conduct to which all public officials and employees are held. (See State Ethics Commission)

COLLECTIVE BARGAINING

The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union.

COMMITMENT

This establishes the liability for individual taxpayers. For example, the assessors' commitment of real estate taxes fixes the amount the collector will bill and collect from property owners.

COMMUNITY PRESERVATION ACT (CPA)

Enacted as [MGL c. 44B](#) in 2000, the CPA permits cities and towns accepting its provisions to establish a restricted fund from which monies can be appropriated only for a) the acquisition, creation and preservation of open space; b) the acquisition, preservation, rehabilitation, and restoration of historic resources; c) the acquisition, creation, preservation, rehabilitation, and restoration of land for recreational use; d) the acquisition, creation, preservation and support of community housing; e) the rehabilitation and restoration of open space or community housing that is acquired or created using monies from the fund; and (f) a municipal affordable housing trust. Acceptance requires town meeting or city council approval or a citizen petition, together with referendum approval by majority vote. The local program is funded by a local surcharge up to 3 percent on real property tax bills and matching dollars from the state generated from registry of deeds fees.

COMMUNITY PRESERVATION FUND	A special revenue fund established pursuant to MGL c. 44B to receive all monies collected to support a CPA program, including but not limited to, tax surcharge receipts, proceeds from borrowings, funds received from the state, and proceeds from the sale of certain real estate.
COST APPROACH	A method used to estimate the present market value of an existing property by calculating the current cost to rebuild it, then adjusting the cost downward for depreciation based on the property's actual age. Land is valued separately and added to the depreciated replacement cost.
CURRENT REFUNDING OF DEBT	The process of immediately applying proceeds of refunding debt to redeem the old debt. That is, the maturity date on the old debt coincides with the issuance date of the new borrowing obligation. (See Refunding of Debt and Advance Refunding of Debt)
CYCLICAL INSPECTION PROGRAM	A cyclical reinspection program involves completing an interior and exterior inspection of all property over a multiyear period, not exceeding nine years.
DATA COLLECTION	Process of inspecting real and personal property and recording its attributes, quality, and condition.
DEBT AUTHORIZATION	Formal approval by a two thirds vote of town meeting or city council to incur debt, in accordance with procedures stated in MGL c. 44 §§ 1, 2, 3, 4a, 6-15 .
DEBT BURDEN	The amount of debt carried by an issuer usually expressed as a measure of value (e.g., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.
DEBT EXCLUSION	An action taken by a community through a referendum vote to raise the funds necessary to pay debt service costs for a particular project from the property tax levy but outside of the limits under Proposition 2½. By approving a debt exclusion, a community calculates its annual levy limit under Proposition 2½, then adds the excluded debt service cost. The amount is added to the levy limit for the life of the debt only and may increase the levy above the levy ceiling.
DEBT LIMIT	The maximum amount of debt a municipality may authorize for qualified purposes under state law. Under MGL c. 44 § 10 , debt limits are set at 5 percent of EQV. By petition to the Municipal Finance Oversight Board, a community can receive approval to increase its debt limit to 10 percent of EQV.
DEBT SERVICE	The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

DEBT STATEMENT

A report that local treasurers are required to file with DLS showing the authorized and issued debt, retired debt, and interest paid by a community during the prior fiscal year, as well as authorized but unissued debt at year-end. Also known as the "Statement of Indebtedness."

DEFERRED REVENUE

Amounts that do not meet the criteria for revenue recognition. Also, earned amounts that are not yet available to liquidate liabilities of a current period.

DEFICIT

The excess of expenditures over revenues during an accounting period. Also refers to the excess of the liabilities of a fund over its assets.

DEMAND NOTICE

When a tax bill becomes past due, the collector sends a demand notice requesting payment. The collector is required to issue a demand before initiating a tax taking.

DEPUTY COLLECTOR

A vendor empowered to take enforcement and collection actions on behalf of a community's collector.

DESIGNATED UNRESERVED FUND BALANCE

A limitation on the use of all or part of the expendable balance in a governmental fund.

DLS

The Department of Revenue's Division of Local Services

EMERGENCY SPENDING

[MGL c. 44 § 31](#) allows a community to spend in excess of appropriation in cases of major disasters that pose immediate threats to the health or safety of people or property, following an emergency declaration by the Governor or two-thirds vote of the council or select board and the approval of the Director of Accounts.

ENCUMBRANCE

A reservation of funds to cover an obligation arising from a purchase order, contract, or salary commitment chargeable to, but not yet paid from, a specific appropriation account.

ENTERPRISE FUND

Authorized by [MGL c. 44 § 53F½](#), an enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of a service's total costs recovered through user charges and the portion subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery--direct, indirect, and capital --are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus," or retained earnings, generated by the enterprise operation rather than closing this out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

EQUALIZED VALUATIONS (EQVs) An estimate of the full and fair cash value (FFCV) of all property in the state as of a certain taxable date. EQVs have historically been used as a variable in distributing some state aid accounts and in determining county assessments and other costs. The Commissioner of Revenue, in accordance with [MGL c. 58 § 10C](#), is charged with the responsibility of biennially determining an equalized valuation for each city and town in the state.

EXCESS AND DEFICIENCY (E&D) Also called the "surplus revenue" account, this is the amount by which cash, accounts receivable, and other assets exceed a regional school district's liabilities and reserves as certified by the Director of Accounts. The calculation is based on a year-end balance sheet submitted to DLS by the district's auditor, accountant, or comptroller. E&D is not available for appropriation until certified by the Director of Accounts.

EXCESS LEVY CAPACITY The difference between the levy limit and the amount of real and personal property taxes actually levied in a given year. Annually, the select board or city council must be informed of excess levy capacity and their acknowledgment must be submitted to DLS when setting the tax rate.

EXEMPTION A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

EXEMPTION DATE Real estate tax exemption status is determined as of July 1. All qualifying factors must be met as of that date.

EXPENDITURE An outlay of money made by a municipality to provide the programs and services within its approved budget.

FIDUCIARY FUNDS Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

FIELD REVIEW AUDIT A review of assessment valuation methods and support documentation by the BLA performed as a prerequisite to a five-year certification of property values.

FINANCE COMMITTEE The Finance Committee serves as the Advisory Board, making recommendations to Town Meeting on the Town Budget and all Warrant Articles. In addition, the Finance Committee approves appropriations from the Reserve Fund.

FINANCE CONTROL BOARD	A board created by special legislation and comprised of state officials to oversee the financial management of a community, which may have received deficit borrowing authorization or state loans to finance operating deficits.
FINANCIAL ADVISOR	An individual or institution that assists municipalities in the issuance of tax exempt bonds and notes. The public finance department of a commercial bank or a non-bank advisor usually provides this service.
FINANCIAL DISCLOSURE LAW	MGL c. 268B requires certain individuals, officials and candidates for elected office to file statements of financial interests with the State Ethics Commission.
FINANCIAL STATEMENT	A presentation of the assets and liabilities of a community as of a particular date, most often after the close of the fiscal year.
FISCAL YEAR (FY)	Since 1974, the Commonwealth and municipalities have operated on a budget cycle that begins July 1 and ends June 30. Since 1976, the federal government fiscal year has begun on October 1 and ended September 30. In each case, the designation of the fiscal year is that of the calendar year in which the fiscal year ends.
FIVE-YEAR CERTIFICATION	The Commissioner of Revenue, through BLA, is required to review local assessed values every five years to certify that they represent full and fair cash value. Refer to MGL c. 40 § 56 and c. 59 § 2A(c) .
FIXED ASSETS	Long-lived, tangible assets, such as buildings, equipment and land, obtained or controlled as a result of past transactions or circumstances.
FIXED COSTS	Costs legally or contractually mandated, such as retirement, FICA/Social Security, insurance, debt service, or interest on loans.
FREE CASH	Remaining, unrestricted funds from operations of the previous fiscal year, including unexpended free cash from the previous year, actual receipts in excess of revenue estimated on the tax recapitulation sheet, and unspent amounts in budget line items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the June 30 balance sheet, which is submitted by the community's auditor, accountant, or comptroller. Free cash is not available for appropriation until certified by the Director of Accounts. (See Available Funds)

FULL AND FAIR CASH VALUE

The Massachusetts Supreme Judicial Court defines fair cash value as the "fair market value, which is the price an owner willing but not under compulsion to sell ought to receive from one willing but not under compulsion to buy. It means the highest price that a normal purchaser not under peculiar compulsion will pay at the time, and cannot exceed the sum that the owner after reasonable effort could obtain for his property. A valuation limited to what the property is worth to the purchaser is not market value. The fair cash value is the value the property would have on January 1 of any taxable year in the hands of any owner, including the present owner." ([Boston Gas Co. v. Assessors of Boston, 334 Mass. 549, 566 \(1956\)](#))

FULL FAITH AND CREDIT OBLIGATIONS	A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full-faith-and-credit bonds.
FULL MEASURE AND LIST	An inspection program completed by assessors to maintain up-to-date property records. Properties are literally measured and relisted in the assessors' records with any changes in condition since the last inspection. Also referred to as a cyclical inspection program, BLA recommends a full measure and list be completed once in every nine-year cycle.
FUND	An accounting entity with a self-balancing set of accounts that is segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. Within a fund, financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently. Examples of funds include the general fund and enterprise funds.
FUND ACCOUNTING	Organizing the financial records of a municipality into multiple, segregated locations for money. Communities whose accounts are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.
FUND BALANCE	The difference between assets and liabilities reported in a governmental fund. Also known as fund equity.
GENERAL FUND	The fund used to account for most financial resources and activities governed by the normal town meeting or city council appropriation process.
GENERAL FUND SUBSIDY	Most often used in the context of enterprise funds. When the revenue generated by rates or user fees is insufficient to cover the cost to provide a particular service, general fund money is used to close the gap in the form of a subsidy. The subsidy may or may not be recovered by the general fund in subsequent years.

GENERAL LEDGER (GL)	The accountant's record of original entry, a general ledger is a set of numbered accounts used to track financial transactions and prepare financial reports. Each account is a distinct record summarizing each type of asset, liability, equity, revenue and expense. A chart of accounts lists all the accounts in the general ledger.
GENERAL OBLIGATION BONDS	Bonds issued by a municipality that are backed by the full faith and credit of its taxing authority.
GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA)	A nationwide association of public finance professionals.
GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)	The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.
GOVERNMENTAL FUNDS	Funds generally used to account for tax-supported activities. There are five different types of governmental funds: general, special revenue, capital project, debt service, and permanent.
HOME RULE	Refers to the power of municipalities to regulate their affairs by bylaws/ordinances or home rule charters subject to certain limitations.
HOME RULE CHARTER	An alternative, under MGLc. 43B , to create a charter commission by which cities and towns may create, adopt, revise and amend local charters.
INCOME APPROACH	A method of estimating property value by converting anticipated net rental revenue generated by the property into an indication of market value. Used primarily to value commercial/industrial properties and apartment buildings, which are normally bought and sold on the basis of their income producing capabilities.
INDIRECT COST	Costs of a service not reflected in the operating budget of the entity providing the service. The matter of indirect costs arises most often in the context of enterprise funds. An example of an indirect cost of providing water service would be the value of time spent by non-water-department employees who process water bills. A determination of these costs is necessary to analyze the total cost of service delivery.
INFORMATIONAL GUIDELINE RELEASE (IGR)	Provided on the DLS website, IGRs are DLS publications that outline a policy or administrative procedure or that provide a law update related to municipal finance.
INSIDE DEBT	Municipal debt incurred for purposes enumerated in MGL c. 44, § 7 and within the community's debt limit, which is an amount no higher than five percent of the community's equalized valuation. Because this type of borrowing is below the debt limit, it is referred to as inside debt. (See Outside Debt)

INTEREST	Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis but are paid every six months.
INTEREST RATE	The interest payable, expressed as a percentage of the principal available, for use during a specified period of time. It is always expressed in annual terms.
INTERIM-YEAR VALUATION ADJUSTMENT	State law requires that local assessed values reflect market value every year. Every five years, BLA reviews and certifies that an individual community's assessed values meet this standard. In between these five-year revaluations, a community must complete an annual analysis to determine whether an interim-year value adjustment is warranted and report the results to BLA. Depending on market conditions and property value trends, adjustments may increase or decrease values or leave them unchanged.
INVESTMENTS	Securities and real estate held for the production of income in the form of interest, dividends, rentals, or lease payments. The term does not include fixed assets used in governmental operations.
LAND COURT	Established in 1898, the Land Court has the exclusive jurisdiction to foreclose rights of redemption on a property in tax title.
LAND OF LOW VALUE (MGL c. 60 § 79)	After 90 days from the date of a tax taking, the treasurer may work with the assessors to pursue a land of low value foreclosure through DLS, an alternative foreclosure procedure to seeking a Land Court decree. Annually, DLS publishes the maximum valuation of parcels qualifying for the land of low value foreclosure procedure.
LAND SCHEDULE	Typically developed by assessors and revaluation consultants, this is a table used to arrive at consistent assessed values for land within defined neighborhoods.
LEGAL OPINION (RE: DEBT ISSUANCE)	An opinion by an attorney or law firm that bonds have been legally issued by a public body, and, usually, that the bonds are exempt from federal income taxes and some Massachusetts taxes under existing laws, regulations, and rulings.
LEVY	The amount a community raises through the property tax. The levy can be any amount up to the levy limit, which is reestablished every year in accordance with Proposition 2½ provisions.

LEVY CEILING

A levy ceiling is one of two types of levy (tax) restrictions imposed by [MGL c. 59 § 21C](#) (Proposition 2½). It states that, in any year, the real and personal property taxes imposed may not exceed 2½ percent of the total full and fair cash value of all taxable property. Property taxes levied may exceed this limit only if the community passes a capital exclusion, debt exclusion, or special exclusion.

LEVY LIMIT

A levy limit is one of two types of levy (tax) restrictions imposed by [MGL c. 59 § 21C](#) (Proposition 2½). It states that the real and personal property taxes imposed by a city or town may only grow each year by 2½ percent of the prior year's levy limit, plus new growth and any overrides or exclusions. The levy limit can exceed the levy ceiling only if the community passes a capital expenditure exclusion, debt exclusion, or special exclusion.

LIEN

A legal claim against real or personal property to protect the interest of a party (e.g., a city or town) to whom a debt is owed (e.g., taxes). In the case of real property, the lien in favor of a municipality automatically arises each January 1, but it must be secured through other action.

LIEN DATE

The date a lien arises on real property to protect the municipality's right to payment of taxes. Property tax liens arise by law on the January 1 assessment date. The lien is secured when the collector makes a tax taking and places the property in tax title. Unless the lien is secured, it expires if five years elapse from the January 1 assessment date and the property is transferred in the meantime.

LINE-ITEM BUDGET

A budget that stratifies spending into categories of greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

LINE-ITEM TRANSFER

The reallocation of a budget appropriation between two line items within an expenditure category (e.g., salaries, expenses). Employed as a management tool, line-item transfer authority allows department heads to move money where a need arises for a similar purpose without altering the bottom line. Whether or not line-item transfers are permitted depends on how the budget is presented (i.e., its format) and what level of budget detail town meeting approves.

LOCAL AID

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

LOCAL RECEIPTS

Locally generated revenues other than real and personal property taxes. Examples include motor vehicle excise, investment income, hotel/motel tax, fees, rentals, and charges.

LONG-TERM DEBT	Community borrowing, or outstanding balance at any given time, involving loans with a maturity date of 12 months or more. (See Permanent Debt)
MATERIAL WEAKNESS	An audit term for a significant deficiency in a community's internal financial controls. It is a reportable condition (internal control weakness) of such magnitude as to potentially result in material misstatements of financial condition.
MATURITY DATE	The date that the principal of a bond becomes due and payable in full.
MGL	Massachusetts General Laws
MINIMUM RESIDENTIAL FACTOR (MRF)	Massachusetts' law allows for a shift of the tax burden from the residential and open space classes of property to the commercial, industrial and personal property classes (CIP). The MRF, established by the Commissioner of Revenue, is used to make certain the tax burden shift complies with the law. If the MRF would be less than .65, the community cannot make the maximum shift and must use a CIP factor less than 1.50 percent. Under specified conditions, some communities may use a CIP factor of up to 1.75 percent.
MOTOR VEHICLE EXCISE	A locally imposed annual tax assessed to owners of motor vehicles registered to addresses within the community (MGL c. 60A). The excise tax rate is set by statute at \$25.00 per \$1,000 of vehicle value.
MULTIPLE REGRESSION	A technique for valuing real property that uses an equation generated through sales analysis to estimate the value of unsold properties.
MUNICIPAL(S) (AS USED IN THE BOND TRADE)	"Municipal" refers to any state or subordinate governmental unit. Municipals (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, and special districts but also bonds of the state and agencies of the state.
MUNICIPAL CHARGES LIEN	For delinquent water (MGL c. 40 §§ 42A-F), sewer (MGL c. 83 §§ 16A-F), and trash (MGL c. 44 § 28C(f)) charges, a community may lien these amounts on the property tax, provided the enabling legislation is accepted and a certificate of acceptance is on file at the Registry of Deeds. For other unpaid local charges and fees, a community may adopt MGL c. 40 § 58 separately for each purpose in order to lien each upon the property tax. The lien is created by recording a listing of a particular type of charge or fee (by parcel of land and by name) at the Registry of Deeds.

MUNICIPAL FINANCE OVERSIGHT BOARD	This board (consisting of the attorney general, state treasurer, state auditor, and director of accounts) approves use of qualified bonds and certain other municipal borrowings and other actions.
MUNICIPAL REVENUE GROWTH FACTOR (MRGF)	An estimate of the percentage change in a municipality's revenue growth for a fiscal year. It represents the combined percentage increase in the following revenue components: automatic 2½ percent increase in the levy limit, estimated new growth, change in selected unrestricted state aid categories, and the change in selected unrestricted local receipts (Education Reform Act of 1993).
NEW GROWTH	The additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year. It does not include value increases caused by normal market forces or revaluations.
NONRECURRING REVENUE SOURCE	A one-time source of money available to a city or town. By its nature, a nonrecurring revenue source cannot be relied upon in future years, and therefore, such funds should not be used for operating or other expenses that continue from year to year.
NOTE	A short-term loan, typically with a maturity date of a year or less.
OFFICIAL STATEMENT	A document prepared for potential investors containing information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale and sometimes called an offering circular or prospectus.
OPEB (OTHER POSTEMPLOYMENT BENEFITS)	Many public employees earn benefits over their years of service that they do not receive until after their government employment ends. While pensions are the most common of these, other postemployment benefits generally include combinations of health, dental, vision, and life insurances. These are provided to eligible retirees and sometime to their beneficiaries, and as a group, are referred to as OPEB.
OPERATING BUDGET	The plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.
OTHER AMOUNTS TO BE RAISED (AS DETAILED ON THE TAX RECAP)	Amounts not appropriated but raised through taxation. Generally, these are locally generated expenditures (e.g., overlay, teacher pay deferrals, deficits), as well as state, county, and other special district charges. Because they must be funded in the annual budget, special consideration should be given to them when finalizing budget recommendations to the city council or town meeting.

OUTSIDE DEBT	Municipal borrowing for purposes enumerated in MGL c. 44, § 8 . Since this debt is not measured against a community's debt limit per c. 10 , the borrowing is outside the debt limit and therefore referred to as outside debt. (See Inside Debt)
OVERLAY (OVERLAY RESERVE, OR ALLOWANCE FOR ABATEMENTS AND EXEMPTIONS)	An account that funds anticipated property tax abatements, exemptions, and uncollected taxes. Additions to the overlay reserve need not be funded by the normal appropriation process but instead raised on the tax rate recapitulation sheet.
OVERLAY DEFICIT	A deficit that occurs when the abatements and statutory exemptions charged to the overlay during a fiscal year exceed the account balance. Overlay deficits must be provided for in the next fiscal year.
OVERLAY SURPLUS	Any balance in the overlay account in excess of the amount remaining to be collected or abated can be transferred to this account. Within 10 days of a written request by the community's chief executive officer, the assessors must provide a certification of the excess amount of overlay available to transfer, if any. Overlay surplus may be appropriated for any lawful purpose. At the end of each fiscal year, unused overlay surplus is closed to surplus revenue; in other words, it becomes a part of free cash.
OVERRIDE	A vote by a community at an election to permanently increase the levy limit. An override vote may increase the levy limit no higher than the levy ceiling. The override question on the election ballot must state a purpose for the override and the dollar amount.
OVERRIDE CAPACITY	The difference between a community's levy ceiling and its levy limit. It is the maximum amount by which a community may override its levy limit.
PAYMENT IN LIEU OF TAXES (PILOT)	An agreement between a municipality and an entity not subject to taxation, such as a charitable or educational organization, whereby the organization agrees to make a voluntary payment to the municipality. By law, a city or town must make such a payment to any other community in which it owns land used for public purposes.
PENSION (OR OTHER EMPLOYEE BENEFIT) TRUST FUNDS	A fiduciary fund type used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit (OPEB) plans, or other employee benefit plans.
PENSION COST	A measure of the periodic cost of an employer's participation in a defined benefit pension plan.

PENSION PLAN	An arrangement for the provision of pension benefits to employees upon their retirements. All assets accumulated are used to pay benefits (including refunds of member contributions) to plan members or beneficiaries, as defined by the plan's terms.
PERAC (PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION)	Oversees and directs the state retirement system and administers benefits for members.
PERMANENT DEBT	Borrowing by a community typically involving a debt service amortization period of greater than one year. (See Long-term Debt)
PERMANENT FUNDS	A fiduciary fund type used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (that is, for the benefit of the government for its citizenry). An example is a cemetery perpetual care fund.
PERSONAL PROPERTY	Movable items not permanently affixed to, or part of, the real estate. It is assessed separately from real estate to certain businesses, public utilities, and owners of homes that are not their primary residences.
PRELIMINARY TAX	The tax bill for the first two quarters of the fiscal year, sent by communities on quarterly tax billing cycles or on annual preliminary billing systems. The tax bill is sent by July 1 and can generally be no greater than 50% of the amount due in the previous fiscal year.
PRINCIPAL	The face amount of a bond, exclusive of accrued interest.
PRO FORMA RECAP SHEET	The Tax Recap sheet that communities on semiannual tax billing cycles submit to DLS when seeking to send optional preliminary tax bills for the first half of the fiscal year. This is done either because a community is in a recertification year or has a valuation-related delay in setting the tax rate.
PROPOSITION 2½	A state law enacted in 1980, Proposition 2½ regulates local property tax administration and limits the amount of revenue a city or town may raise from local property taxes each year to fund municipal operations.
PURCHASE ORDER	An official document or form authorizing the purchase of products and services.
QUALIFIED BOND	A program unique to Massachusetts for municipalities with marginal credit ratings, in which the State Treasurer pays the debt service directly from a community's local aid, thereby reinforcing the security of the bond and improving its marketability. The Municipal Finance Oversight Board authorizes issuance of these bonds under c. 44A .

RAISE AND APPROPRIATE	A phrase used to identify an expenditure's funding source as money generated by the tax levy or other local receipt.
REAL PROPERTY	Land, buildings, and the rights and benefits inherent in owning them.
RECEIPTS RESERVED FOR APPROPRIATION	Proceeds earmarked by law and placed in separate accounts for appropriation for particular purposes. For example, ambulance charges may be appropriated to offset expenses in providing ambulance services.
RECEIVABLES	An expectation of payment of an amount certain accruing to the benefit of a city or town.
RECONCILIATION OF CASH	The process whereby the accountant and treasurer compare records to confirm available cash in community accounts.
RECONCILIATION OF RECEIVABLES	The process whereby the accountant and collector compare records to confirm the amount of outstanding taxes.
RECORDS DISPOSITION SCHEDULE	Published by the Secretary of State's Records Management Division and pursuant to MGL c. 66 , these guidelines on municipal records inform local officials as to how long and in what form records must be maintained and identifies those that may be lawfully disposed.
RECURRING REVENUE SOURCE –	A source of money used to support municipal expenditures, which by its nature can be relied on, at some level, in future years. (See Nonrecurring Revenue Source)
REFUNDING OF DEBT	Transaction whereby one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer. (See Current and Advance Refunding of Debt)
REQUISITION	Form used by the requesting department when ordering products and services from external vendors. This document generates a purchase order.
RESERVE FUND	An amount (not to exceed 5 percent of the tax levy for the preceding year) set aside annually within a community's budget to provide a funding source for extraordinary or unforeseen expenditures. In a town, the finance committee can authorize transfers from this fund for "extraordinary or unforeseen" expenditures. Other uses of the fund require budgetary transfers by town meeting. In a city, transfers from this fund may be voted by the city council upon recommendation of the mayor.

RESIDENTIAL EXEMPTION

A municipality can grant a residential exemption of a dollar amount that cannot exceed 35 percent of the average assessed value of all residential class properties. The exemption reduces, by the adopted percentage, the taxable valuation of each residential parcel that is a taxpayer's principal residence. Granting the exemption raises the residential tax rate and shifts the residential tax burden from moderately valued homes to apartments, summer homes, and higher valued homes.

RESIDENTIAL FACTOR

Adopted by a community annually, this governs the percentage of the tax levy to be paid by property owners. A residential factor of "1" will result in the taxation of all property at the same rate (single tax rate). Choosing a factor of less than one results in increasing the share of the levy raised by commercial, industrial and personal property. Residential property owners will thereby pay a proportionately lower share of the total levy. (See Minimum Residential Factor)

RETAINED EARNINGS

An equity account reflecting the accumulated earnings of an enterprise fund, which may be used to fund capital improvements, reimburse the general fund for prior-year subsidies, reduce user charges, or provide for enterprise revenue deficits (operating losses).

REVALUATION

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

REVENUE DEFICIT

The amount by which actual revenues at year-end fall short of projected revenues and appropriation turnbacks and are insufficient to fund the amount appropriated. Unless otherwise funded, a revenue deficit must be raised in the following year's tax rate.

REVOLVING FUND

A fund that allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

ROLLBACK TAXES

Back taxes that become due when land valued, assessed and taxed under [MGL c. 61](#), [61A](#) or [61B](#) no longer qualifies as actively devoted to the purposes specified in each chapter.

SALE OF CEMETERY LOTS FUND	A fund established to account for proceeds of the sale of cemetery lots. The proceeds may only be appropriated to pay for the cost of the land, its care and improvement or the enlargement of the cemetery under provisions of MGL c. 114 § 15 .
SALE OF REAL ESTATE FUND	A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure. MGL c. 44 § 63 states that such proceeds shall be applied first to the retirement of debt on the property sold. In the absence of such debt, funds may generally be used for purposes for which the city or town is authorized to borrow for a period of five years or more.
SALES COMPARISON APPROACH	A method of estimating the value of property by comparing verified data about similar properties that have recently sold or are offered for sale on the open market and adjusting for differences from the subject, or unsold, property.
SCHEDULE A –	A statement of revenues, expenditures, and other financing sources, uses, changes in fund balance, and certain balance sheet account information prepared annually by the accountant or auditor at the end of the fiscal year. This report is based on the fund account numbers and classifications contained in the UMAS manual.
SHORT-TERM DEBT	The outstanding balance, at any given time, on amounts borrowed with maturity dates of 12 months or less. (See Note)
SINGLE AUDIT ACT	For any community that expends \$750,000 or more per year in federal grant awards, the Single Audit Act establishes audit guidelines that reduce to only one the number of annual audits to be completed to satisfy the requirements of the various federal agencies from which grants have been received.
SMALL COMMERCIAL EXEMPTION	A property tax classification option that allows a community to exempt up to 10 percent of the value of a Class Three, commercial parcel. The parcel must be occupied by a small business and have an assessed valuation of less than \$1 million. In effect, the option shifts the tax burden from parcels occupied by small businesses to those occupied by other commercial and industrial taxpayers. Eligible small businesses have an average annual employment of no more than 10 people.
SPECIAL ASSESSMENT	(See Betterments)
SPECIAL ASSESSMENT EXEMPTION	Full discharge from the payment of betterments and special exemptions, granted only to government properties occupied for public purposes.

SPECIAL EXCLUSION

For a few limited capital purposes, a community may exceed its levy limit or levy ceiling without voter approval. Presently, there are two special expenditure exclusions: 1) water and sewer project debt service costs that reduce the water and sewer rates by the same amount; and 2) a program to assist homeowners to repair or replace faulty septic systems, remove underground fuel storage tanks, or remove dangerous levels of lead paint to meet public health and safety code requirements. In the second special exclusion, homeowners repay the municipality for the cost plus interest apportioned over a period of time, not to exceed 20 years (similar to betterments).

SPECIAL REVENUE FUND

Funds, established by statute only, containing revenues that are earmarked for and restricted to expenditures for specific purposes. Special revenue funds include receipts reserved for appropriation, revolving funds, grants from governmental entities, and gifts from private individuals or organizations.

STABILIZATION FUND

A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose ([MGL c. 40 § 5B](#)). Communities may establish one or more stabilization funds for different purposes and may appropriate any amounts into them. A two-thirds vote of town meeting or city council is required to establish, amend the purpose of, or appropriate money from a stabilization fund. A majority vote of town meeting or city council is required to appropriate money into a stabilization fund.

STATE ETHICS COMMISSION

This state agency was established to foster integrity in government and promote public trust. The Commission enforces a code of ethics and the Financial Disclosure Law.

SURETY BOND

A performance bond that protects a municipality against financial loss arising from a breach of public trust by an employee who collects money on its behalf.

SURPLUS REVENUE

The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

TAILINGS

Unclaimed municipal funds in the custody of a municipality, which are retained in a repository (referred to as a tailings account) until eventual disposition ([MGL c. 200A](#)). Tailings include unclaimed tax refunds, uncashed payroll checks, vendor payments yet to clear, etc.

TAX INCREMENT FINANCING EXEMPTION (TIF)

In accordance with [MGL c. 59 § 5\(51\)](#), a property tax exemption negotiated between a community and a private developer, typically implemented over a period up to 20 years, and intended to encourage industrial/commercial development.

TAX MAPS	Used to determine the location of properties, indicate the size and shape of each parcel, and show their relation to features that affect value. Maps also provide a complete inventory of all land parcels, helping to minimize the problems of omitted parcels and duplication of listing. Also referred to as assessors' maps.
TAX POSSESSION	Once a tax title has been foreclosed in Land Court, the treasurer records the decree at the Registry of Deeds as a municipally owned property, which thus becomes a tax possession. For a property issued a Land of Low Value affidavit by DLS, the municipality must hold an auction prior to it becoming a tax possession.
TAX RATE	The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.
TAX RATE RECAPITULATION SHEET (THE TAX RECAP)	The document a city or town submits to DLS to set a property tax rate, the recap shows all estimated revenues and actual appropriations that affect the property tax rate. It should be submitted to DLS by September 1 (in order to issue the first-half semiannual property tax bills before October 1) or by December 1 (to issue actual tax bills on or before December 31 in a quarterly community or a semiannual community issuing annual preliminary tax bills).
TAX TITLE (OR TAX TAKING)	A collection procedure that secures a municipality's lien on real property and protects its right to payment of overdue property taxes. Without a taking, the lien expires if five years elapse from the January 1 assessment date and the property has been transferred to another owner.
TAX TITLE FORECLOSURE	The procedure initiated by a city or town treasurer in Land Court, or through the land of low value process, to obtain legal title to real property already in tax title and on which property taxes are overdue. The treasurer must wait at least six months from the date of a tax taking to initiate Land Court foreclosure proceedings (MGL c. 60 § 65).
TAX TITLE REDEMPTION	The payment by a property owner of all overdue taxes, fees, charges, other costs, and interest on real property that the municipality had placed in tax title. The taxpayer's right to redeem terminates when the treasurer receives a Land Court decree or land of low value affidavit, records the affidavit, and holds an auction.
TEMPORARY DEBT	Borrowing by a community in the form of notes and for a term of one year or less. (See Short-term Debt)
TOWN MEETING	The legislative body responsible for enacting Town By-Laws and approving the Municipal Budget.

TRUST FUND

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

TURNOVER SHEET

A form completed by municipal departments that accompanies the physical transfer of departmental revenues (or bank deposit slips reflecting revenues) to the treasurer.

UNCOLLECTED FUNDS

Recently deposited checks that are included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. These funds may not be loaned or used as part of the bank's reserves, and they are not available for disbursement.

UNDERRIDE

A vote by a community to permanently decrease the tax levy limit. It is the exact opposite of an override.

UNDESIGNATED FUND BALANCE

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

UNFUNDED OPEB LIABILITY

This is the difference between the value assigned to the benefits (other than retirement) already earned by a municipality's employees and the assets the local government will have on hand to meet these obligations. (See OPEB)

UNFUNDED PENSION LIABILITY

This is the difference between the value assigned to the retirement benefits already earned by a municipality's employees and the assets the local retirement system will have on hand to meet these obligations. The dollar value of the unfunded pension liability is redetermined every three years and driven by assumptions about the interest rates at which a retirement system's assets will grow and the rate of the pensioners' future costs of living increases. (See Pension Plan)

UNIFORM MUNICIPAL ACCOUNTING SYSTEM (UMAS)

UMAS succeeded the statutory accounting system (STAT) and is regarded as the professional standard for municipal accounting in Massachusetts. As a uniform system for local governments, it conforms to Generally Accepted Accounting Principles (GAAP), offers increased consistency in reporting and recordkeeping, and enhances the comparability of data among cities and towns.

UNIFORM PROCUREMENT ACT

[MGL c. 30B](#) establishes uniform procedures for local government to use when contracting for supplies, equipment, services, and real estate.

**UNRESERVED FUND BALANCE
(SURPLUS REVENUE ACCOUNT)**

The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

VALUATION

The legal requirement that a community's assessed value on property must reflect its market, or full and fair, cash value.

WARRANT

An authorization for an action. For example, a town meeting warrant establishes the matters that may be acted on by that town meeting. A treasury warrant authorizes the treasurer to pay specific bills. The assessors' warrant authorizes the tax collector to collect taxes in the amounts and from the persons listed.
