

Report of the Fiscal Impact Analysis Team (FIAT)

**Submitted to the Tri-Board
Board of Selectmen
Finance Committee
School Committee**



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April 22, 2009

FIAT Summary of Findings and Recommendations

Introduction

In this challenging economic climate, communities across Massachusetts, including those with fewer resources and greater needs than Harvard, are confronted with the challenge of doing more with less. Harvard, however, faces some especially acute fiscal challenges as the result of its cost and revenue structure. The Town's recent budget history, specifically its need for overrides to address operational shortfalls and the likelihood that such shortfalls will continue, indicates an ongoing *structural deficit*. Many factors have contributed to the problem, and in the spring of 2008 Town Administrator Tim Bragan recommended that the Selectmen appoint a Fiscal Impact Analysis Team (FIAT) to investigate this structural deficit and explore opportunities for reducing or eliminating it.

Unlike the annual budget process, which focuses on cost containment and opportunities for savings in the current year's budget, FIAT's mission was to:

- Identify the primary drivers of Harvard's structural deficit
- Understand how past decisions and actions had contributed to it
- Suggest ways the Town can provide services in new and creative ways while making structural changes that have long term benefits.

The FIAT reviewed a series of decisions the Town has made over time to determine what impact they have had, and would continue to have if not altered, on Town finances. The committee examined decisions affecting both revenues and spending, but it became evident early in the process that Harvard's structural deficit was driven more by its revenue limitations than by waste or operational inefficiency.

Key Findings

The FIAT concluded that even if all of its recommended revenue enhancements and expense reductions were implemented, Harvard would still have a structural deficit because the most significant driver of the deficit is the Town's excessive reliance on residential property taxes.

The land use decisions Harvard has made over the years have contributed to its current fiscal challenges. The town has encouraged the type of development that is the most costly to service – single family homes that appeal to families seeking high performing schools – and little else that could generate revenue to offset those costs.

These findings underscored the need for Harvard to encourage more balanced land use policies, both to expand its non-residential (commercial/industrial) land uses and to encourage a broader range of residential uses. To this end FIAT has recommended that the Board of Selectmen appoint a team to explore options for retail/commercial/industrial development in appropriate locations as a means for addressing the long term structural deficit. Because this involves a

significant change from Harvard's historic policy, the committee has further recommended that Town Meeting vote to endorse this proposal.

Summary of the FIAT Review Process

To reduce structural costs, FIAT focused on:

- Identifying collaborative opportunities within the town to merge and share resources among departments
- Exploring collaborative opportunities with neighboring towns
- Exploring outsourcing opportunities
- Managing the composition of the workforce proactively to achieve an affordable distribution of skills and experience
- Recognizing and co-operating with citizen groups seeking to augment effectiveness of town departments and programs.

To enhance revenue opportunities (other than by expanding and diversifying the tax base), it concentrated on:

- Tasking the various department to aggressively pursue gifts, grants and state aid
- Revising the fee structure for permits, licenses and the use of non-municipal buildings/land to recover not only all "hard" costs, but also the "soft" costs of overhead.

The committee also examined the budgeting process and recommended to the Tri-Board that it replace level-service budgeting with top-down budget targets based on revenue projections, encourage creative new programs that could save money by delivering services in new ways, prune programs with lower priority, and establish a budget reserve at the Tri-Board level for innovation.

To gauge whether Harvard was "over spending" relative to similar communities, FIAT analyzed revenue and spending data from 80 other municipalities, including neighboring towns and others with similar socio-economic profiles, educational outcomes and development patterns. And finally, to understand the impact of Harvard's current land use patterns on the cost of community services and the Town's ability to pay for such services, the committee considered how current zoning and land use regulations had affected growth in the commercial district and how more balanced land uses could increase Town revenue.

This report represents FIAT's findings and recommendations, concluding its work.

Recent Progress

To their credit, Harvard's Tri-Board, individual department heads and school administrators have already started to implement some of FIAT's recommended structural changes, specifically:

Explore internal collaboration, external regionalization and outsourcing to reduce staff infrastructure

- A reduction in permanent Town administration staff was achieved by outsourcing the assessor duties and consolidating several administrative functions within Town Hall.
- The efficacy of sharing of DPW leadership with neighboring towns is being evaluated.
- Structural savings in the provision of emergency services are being pursued on two levels:
 - Regionalization of emergency dispatch services for Harvard, Shirley, and Devens, and
 - Regionalization of all police functions for Harvard, Ayer, Shirley and Devens.
- The DPW and the school facilities department are exploring opportunities for resource and/or responsibility sharing.

Set and collect fees to fully recover associated costs

- All costs of Harvard's EMT and ambulance services will be shifted from the taxpayer to health insurance companies through a billing for services.
- The Fruitlands liquor license fee was set with the goal of recovering the Town's costs associated with the licensing process.
- Non-municipal groups will now be charged for the use of Town facilities.

Re-engineer the budgeting process

- For the FY10 budgeting process, the traditional "bottom-up" level-service cost-accumulation approach was replaced by a new "top-down" spending-target approach that matched revenue projections with no override.

Secure additional non-tax-based revenues

- The School Committee has initiated the appointment of a task force to focus on grant writing.
- School Committee has expanded the revenue sources from Devens by contracting out excess educational capacity while reserving the right to discontinue the services should circumstances change resulting in \$350,000 or more in net incremental revenue in FY10.

Identify and adopt most cost effective purchasing options/business models

- Town and school committee have explored competitive health insurance options.

Next Steps

The link between zoning and municipal finance is well documented, and all three of Harvard's master plans have called for a broader commercial tax base to achieve a sustainable future. FIAT's research and analysis underscores the likelihood that Harvard will continue to face budget shortfalls, even if it implements a series of revenue enhancements and expense reductions, without more a more balanced tax base or additional revenue sources.

The town's predominantly single family residential land use results in a municipal budget that is dominated by the cost of education. Commercial uses, in general, require fewer services than

residential uses, and they pay more in taxes than it costs to provide the municipal services they do require. A Harvard tax base with more commercial uses could help to achieve a better balance and relieve some of the burden on residential property taxpayers. The appointment of a team to explore options for retail/commercial/industrial development in appropriate locations as a means for addressing the long term structural deficit is the critical next step.

Fiscal Impact Analysis Team Members:

Richard Maiore, Chair
Bill Johnson, Vice Chair
Bonnie Heudorfer
Elaine Lazarus
Bruce Leicher
Steve Rowse

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1. Introduction

At the conclusion of the 2008 town budgetary process it became apparent to the participating boards, committees and town officials that Harvard had a structural deficit, which no short-term spending cuts or overrides could permanently overcome. In consensus with the Board of Selectmen, the School Committee and the Finance Committee, the Town Administrator proposed forming a Fiscal Impact Analysis Team (FIAT) to undertake a detailed examination of this structural deficit. This is the report of our findings.

The FIAT is composed of 6 citizens appointed by the Board of Selectmen with a variety of skills and experience. The Town Administrator also serves as a member and facilitator. To ensure the most objective analysis, FIAT members were not drawn from those groups most involved in the town's annual budgetary process. Resumes of team members appear in **Appendix A**.

FIAT's overall approach was to look beyond the annual budget building process. Specifically, the team tasked itself to:

- Understand the historic causes and primary drivers of Harvard's structural deficit
- Address the Town's current financial challenges strategically, not tactically
- Assist Town Boards and Departments to stimulate "outside of the box" thinking and seek structural rather than simply cost-based solutions to fiscal issues.

To keep the analysis focused on Harvard's current and historic situation, the possible impacts of any Devens disposition scenarios were expressly excluded from the evaluation.

To conduct its analysis, the FIAT organized itself into 4 working groups, with each tackling a specific area of review, as follows:

- | | |
|---|----------------------------------|
| • Population and Demographic Trends: | Steve Rowse, Bill Johnson |
| • Town Administration/DPW Operating Issues: | Bill Johnson, Steve Rowse |
| • Schools and Education Issues: | Bruce Leicher, Rick Maiore |
| • Land Use Policies and Issues: | Bonnie Heudorfer, Elaine Lazarus |

Each sub-team identified key stakeholders and data sources to include in their analysis, defined historical data to be analyzed and key questions to be answered, and brought stakeholders and information to the full FIAT for review and discussion. The FIAT reported twice to the Tri-Board, in October 2008 and January 2009, to present and discuss interim findings, recommendations, and next steps. With the publication of this report and the Annual Town Meeting of May 2, 2009, FIAT's work will be complete.

2. Town Finances

Introduction

The Fiscal Impact Analysis Team (FIAT) examined both the revenue and expense side of Harvard's ledger in its effort to understand the historical causes of the town's structural deficit, its current drivers, and potential solutions. Early in the process it became apparent to the committee that the structural deficit was driven more by Harvard's revenue limitations than by waste or inefficiency in its operations. The balance of this report details the committee's findings and recommendations, but the purpose of this section is to provide an overview of Harvard's revenue structure and historical trends in revenue and spending. It also summarizes the findings of the committee's comparative analysis of the revenues and expenses of similar communities.

While some fiscal challenges are particularly acute for Harvard, most are being faced by communities across the Commonwealth, including communities with fewer resources and greater needs. The non-partisan Massachusetts Taxpayers' Foundation (MTF) recently cautioned that state aid is certain to be cut further, and voters are increasingly reluctant to approve overrides, leaving municipalities with little choice but to reduce spending.¹ The MTF also notes that even though state aid to cities and towns increased in fiscal years 2006-2008, it has yet to return to the levels provided prior to the *last recession* after adjusting for inflation.²

Harvard's Financial Structure at a Glance

Harvard's revenue comes primarily from the property tax (68 percent in Fiscal Year 2008).³ Housing is the predominant land use, and residential development represents nearly 96 percent of the town's assessed valuation and corresponding tax yield. Most residences are detached single family homes on large lots, a type of housing – in the type of community – that appeals to families with school age children. This is typically the most costly type of development for which to provide municipal services. Harvard's unusually low property tax yield from non-residential uses reflects the very limited mix of businesses the town has attracted more than it does the amount of land allocated for commercial and industrial development. This town is by no means the only community that is heavily dependent on its residential tax base. **Table 2.1** identifies a number of others. Like Harvard, they tend to be small communities with top tier school systems, high property values and correspondingly high single family tax bills. Many, like Harvard, have passed frequent Proposition 2-1/2 overrides to support local spending.

¹ *Municipal Financial Data*, Massachusetts Taxpayers Foundation, 38th edition, November 2008.

² Statewide, non-education aid in 2008 (\$1.521 billion) was less than it had been in 2001 (\$1.541 billion), a 33.5 percent decline in inflation adjusted dollars. Chapter 70 aid increased from \$2.990 billion statewide in 2001 to \$3.725 billion in 2008, but this still represented a 5.7 percent drop after adjusting for inflation. In Harvard Ch. 70 aid increased by 16.5 percent between '01 and '08 but this still represented a 3.5 percent drop in inflation adjusted dollars. Harvard's non-school aid actually fell during the same period, by 19 percent. In inflation adjusted dollars this represents a 40.6 percent drop.

³ The State and Town fiscal year runs from July 1-June 30. Fiscal year 2010 will commence on July 1, 2009. Throughout this report we have use the common shorthand for fiscal year, e.g. "FY10" instead of "fiscal year 2010."

Table 2.1
Comparable Towns with High Dependence on Residential Property Tax Base

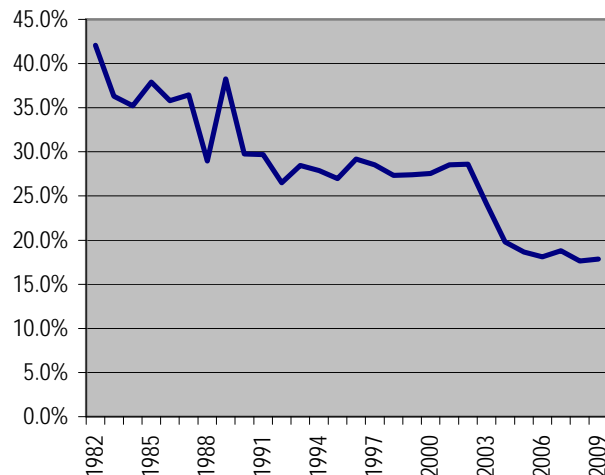
Town	% of Total Revenue from Tax Levy	% of Tax Levy from Commercial & Industrial Uses	Rank by Median Household Income	School Rank based on 2008 10th Grade MCAS	Rank by Avg. SF Tax Bill FY08	# Prop 2-1/2 Overrides since 1983*	# Years with Prop 2-1/2 Overrides since '83
Carlisle	80.7	0.8%	3	2	5	26	18
Boxford	68.3	0.7%	7	28	24	33	15
Weston	71.9	3.0%	1	15	1	14	14
Wenham	73.9	3.1%	22	44	13	17	13
Lincoln	67.0	2.1%	9	34	3	14	13
Hamilton	80.5	4.1%	62	44	27	22	12
Sherborn	85.4	2.2%	4	1	2	11	11
Dover	79.9	1.2%	2	1	4	11	10
Wayland	76.7	4.0%	11	9	7	10	10
Harvard	67.9	3.4%	8	5	17	19	9
Medfield	61.3	3.9%	13	4	21	8	8
Dunstable	80.6	1.8%	31	19	48	6	6
Manchester	73.4	4.4%	58	5	18	4	4
Duxbury	65.7	2.6%	14	48	30	1	1

Note: Many municipalities, including Harvard, have split their override votes (voting separately on 2 or more expenditures in a single year). As a result, they may pass multiple overrides in any given year. Other municipalities combine all their override expenditures into a single vote. Thus, as Table 2.1 illustrates, the communities with the greatest number of override votes may not be those that have overridden Prop. 2-1/2 in the most years. Some 100 municipalities have never passed a Prop 2-1/2 override.

Source: MA Department of Revenue Division of Local Services, 2000 US Census, MA Department of Education

Both the cost of municipal services and means of paying for them have changed over time. State aid contributed less than 18 percent of the Town's total resources in FY08. **Figure 2.1**, which tracks state aid over the past 25 years, illustrates how dramatically the sources of funding for local government services have shifted from the state to the town during this period. In the 1980s state aid accounted for 36.4 percent, on average, of Harvard's revenues. During the 1990s, the state share dropped to 28.2 percent; between 2000 and 2004, it dropped still further to 25.7 percent; and since 2005, state aid has contributed, on average, just 18.1 percent.

Figure 2.1
Harvard's State Aid as a Percent of Total Receipts



Source: Massachusetts Department of Revenue Division of Local Services

As the State's contribution diminished over time – and expenses continued to rise – the burden shifted to the property tax. **Figure 2.2** illustrates the dramatic rise in tax levy. In the past couple of years Harvard did receive a modest increase in state aid as the result of increased Chapter 70 funding (See **Figure 2.3**). Even though the Governor has pledged not to cut Chapter 70 assistance in FY10, reductions in Lottery and other state funds will result in an overall drop in state aid of almost 4 percent.

Figure 2.2
Harvard's State Aid by Source, FY81-FY09

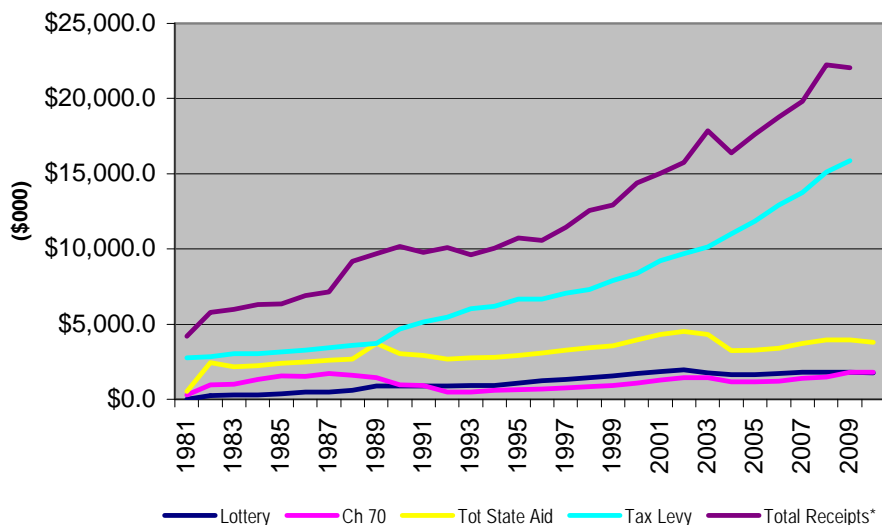
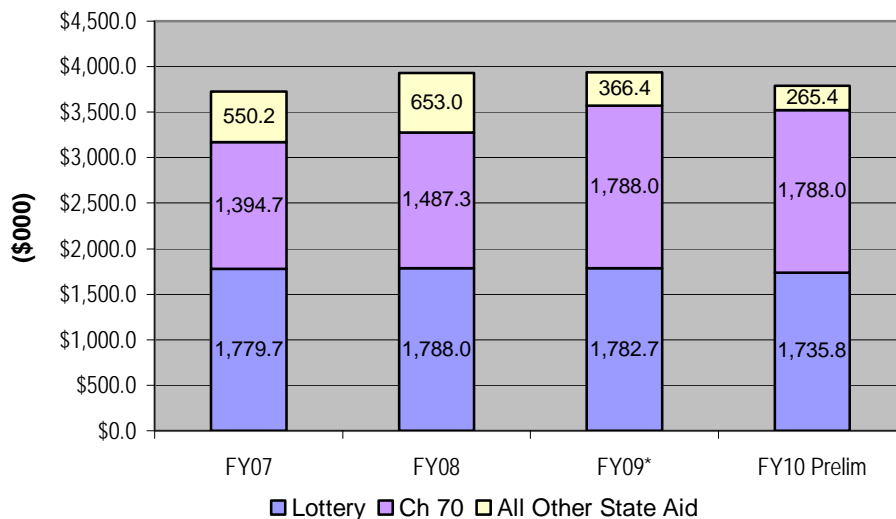


Figure 2.3
State Aid to Harvard
(FY07, FY08, FY09, and FY10 Preliminary)



Source for both Figures 2.2 and 2.3: Massachusetts Department of Revenue Division of Local Services Municipal Databank/ Local Aid Section, Estimated Cherry Sheet Receipts. FY10 estimates (Figure 2.3) based on Gov's FY10 Budget. FY09 figures have been adjusted to reflect 9C reductions.

The Cost of Running the Town

The total all-in cost of operating the town is now approximately \$22,000,000 annually. For fiscal year FY08 Harvard raised \$22,266,000 from all sources, \$21,770,000 of which went for local expenditures. Various state and county assessments and a required overlay reserve accounted for the remainder.⁴ Revenue sources include real and personal property taxes; state aid and reimbursements; receipts from such fees and charges as motor vehicle excise, license fees, and fines; and a variety of other sources. For FY08:

- \$15,122,000 (67.9%) was generated through the property tax
- \$3,928,000 (17.6%) from state aid
- \$2,022,000 (9.1%) from fees and charges
- \$1,194,137 (5.4%) from all other sources.

The maximum the town *could* have raised through the property tax under the provisions of Proposition 2-1/2 would have been \$15,129,000. This means that Harvard, like many communities, is taxing to the maximum allowed by law.

As it is for most communities, school spending is the town's largest single expense. Other costs include public safety, public works, general government, debt service, etc. **Figure 2.4** on page 10 illustrates the sources and uses of funds for FY08.⁵

How Harvard Compares to Other Towns

The services local governments provide their residents reflect the values of the community. While there are some mandated costs, it is the electorate that is responsible for choosing where the remaining resources will be allocated, often settling between competing needs and interests. The FIAT also collected and analyzed financial information on 80 other communities including neighboring towns, the state's top fifty performing public school districts based on 2008 10th grade MCAS scores, and a number of other communities with population, density, and

⁴ The local assessor determines the amount of the overlay reserve, which is established to cover anticipated tax refunds, exemptions and uncollected taxes.

⁵ Historical comparative data for Harvard and 80 comparables comes from the MA Department of Revenue's Division of Local Services and the MA Taxpayers Foundation's most recent (November 2008) compilation of basic financial information for the Commonwealth's 351 cities and towns. These data sources use a consistent set of definitions and reporting formats that allow one to make meaningful comparisons across municipalities and over time. The categories used and the expenditures included in them, however, may differ from what residents are accustomed to seeing in the town warrant, the FinCom report and annual town report. For example, according to Figure 2.4, education costs represented 53 percent of Harvard's total expenses in FY08; Table 2.2 reports that education's share of general fund expenditures *averaged* 55.7 percent between FY00-FY07. In neither of these cases are the schools pro rata share of share of fringe benefits and other indirect costs factored in, and both include debt service in the total expenses. Excluding debt service but including the schools' share of fringe benefits and indirect costs – which is how Harvard typically calculates school/town spending – results in the 70/30 percent school/town split that residents are accustomed to seeing.

development patterns similar to Harvard.⁶ These data show that while Harvard's per capita spending overall – and on education – is somewhat higher than the average for the group as a whole (about 11%), it is in line with those communities most similar in size, socio-economic profile and school performance. Harvard spends more per capita on government, culture and recreation, intergovernmental assessments, and other expenditures. Its police, fire and human service expenses are substantially below the norm. **Table 2.2** documents the average per capita spending over eight years (FY00-FY07), by category, for Harvard and the 80 comparables.⁷ Overall, Harvard ranked 31st among the 81 communities. Spreadsheets detailing sources and uses of funds, by municipality, are found in **Appendix B**.

Table 2.2
General Fund Expenditures - Average for Fiscal Years 2000 – 2007

Municipality	Average Annual Per Capita Spending by Category (\$)												
	General Govt	Police	Fire	Other Public Safety	Education	Public Works	Human Services	Culture & Recreation	Debt Service	Fixed Costs	Intergovernmental	Other Expenditures	Total Expenditures
Harvard	174	127	29	24	1,437	181	9	71	209	269	48	5	2,584
MASSACHUSETTS	111	174	129	29	1,068	151	36	50	169	285	62	7	2,272
Average for these 81	133	147	86	32	1,327	176	23	58	223	218	39	7	2,468
Median for these 81	119	145	79	25	1,294	159	22	36	201	219	24	3	2,326
Harvard rank among 81	14	59	73	43	30	29	75	19	39	28	21	30	31
Harvard compared to median	46.2%	-12.6%	-62.9%	-4.4%	11.1%	14.0%	-57.4%	97.4%	3.9%	22.9%	101.2%	78.1%	11.1%
Municipality	Category's Share of Total Expenditures (%)												
	General Govt	Police	Fire	Other Public Safety	Education	Public Works	Human Services	Culture & Recreation	Debt Service	Fixed Costs	Intergovernmental	Other Expenditures	Total Expenditures
Harvard	6.7	4.9	1.1	0.9	55.7	7.1	0.4	2.8	8.2	10.4	1.8	0.2	100.0
MASSACHUSETTS	4.9	7.7	5.7	1.3	46.9	6.7	1.6	2.2	7.4	12.5	2.7	0.3	100.0
Average for these 81	5.5	6.2	3.5	1.4	53.7	7.3	1.0	2.3	8.8	8.6	1.6	0.3	100.0
Median for these 81	5.1	6.2	3.4	1.1	55.6	6.8	0.9	1.5	8.6	9.4	1.0	0.1	100.0

Source: Massachusetts Department of Revenue, Division of Local Services

⁶ Composite scores for 10th grade MCAS, all students, were used to identify high performing districts. Comparable similar size towns that were not included in the top performing school districts were drawn from the eastern part of the state, excluding Cape Cod.

⁷ The MA Department of Revenue Guidelines identify the expenses assigned to the various general fund categories. In addition to the self explanatory police, fire, public safety, and education categories, these include:

General Government - Legislative, executive, accountant/auditor, collector, treasurer, law department, city/town counsel, public buildings/property maintenance, assessors, operations support, license and registration, land use, conservation commission and other.

Public Works - Highways/streets (snow and ice), highways/streets (other), waste collection and disposal, sewerage collection and disposal, water distribution, parking garage, street lighting and other.

Human Services - Health services, clinical services, special programs, Veteran's services, and other.

Culture and Recreation - Library, recreation, parks, historical commission, celebrations and other.

Debt Service - Retirement of debt principal (long and short term), interest on long term debt, interest on short term debt, other interest.

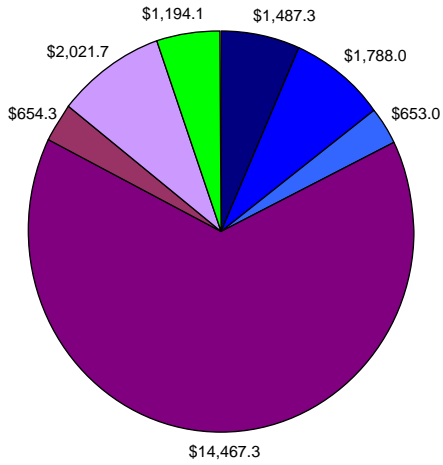
Fixed Cost - Workers' compensation, unemployment, health insurance, other employee benefits, other insurance and retirement.

Intergovernmental - Payments made to federal, state, county and local governments, including county tax or amortization, special assessments, audit of municipal accounts, examination of retirement system, motor vehicle excise tax bills, health insurance/elderly government retirees, health insurance/retired municipal teachers, mosquito control projects, air pollution control districts, parking surcharges, multi-year repayment program adjustments, revaluation, energy conservation programs, small town road assistance programs, etc.

Other Expenditures - Court judgments and other unclassified expenditures.

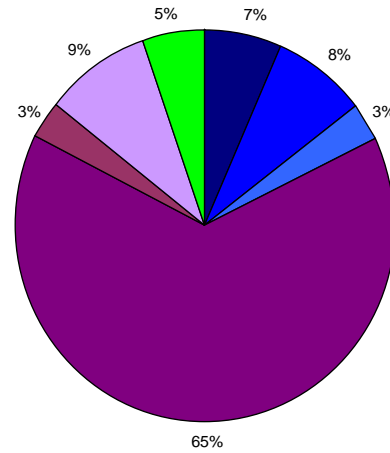
Figure 2.4
Harvard's Revenues and Receipts for FY08

FY08 Sources (\$000)



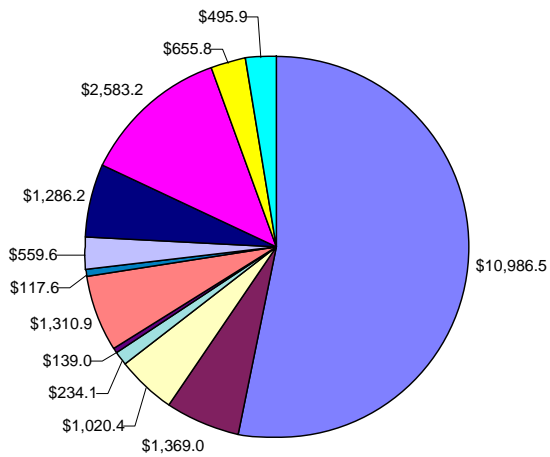
■ State Aid - Ch. 70
 ■ State Aid - Lottery
 ■ State Aid - All Other
 ■ Prop Tax - Residential
■ Prop Tax - C&I, Pers Prop
■ Local Receipts
■ All Other

FY08 Sources (% of Total)



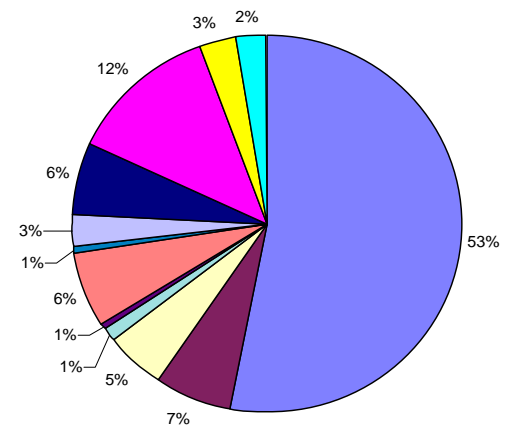
■ State Aid - Ch. 70
 ■ State Aid - Lottery
 ■ State Aid - All Other
 ■ Prop Tax - Residential
■ Prop Tax - C&I, Pers Prop
■ Local Receipts
■ All Other

FY08 Uses (\$000)



■ Education
 ■ General Govt
 ■ Police
 ■ Fire
■ Other Public Safety
■ Public Works
■ Human Services
■ Culture & Recreation
■ Debt Service
■ Fixed Costs
■ Intergovtl
■ Transfers, other

FY08 Uses (% of Total)

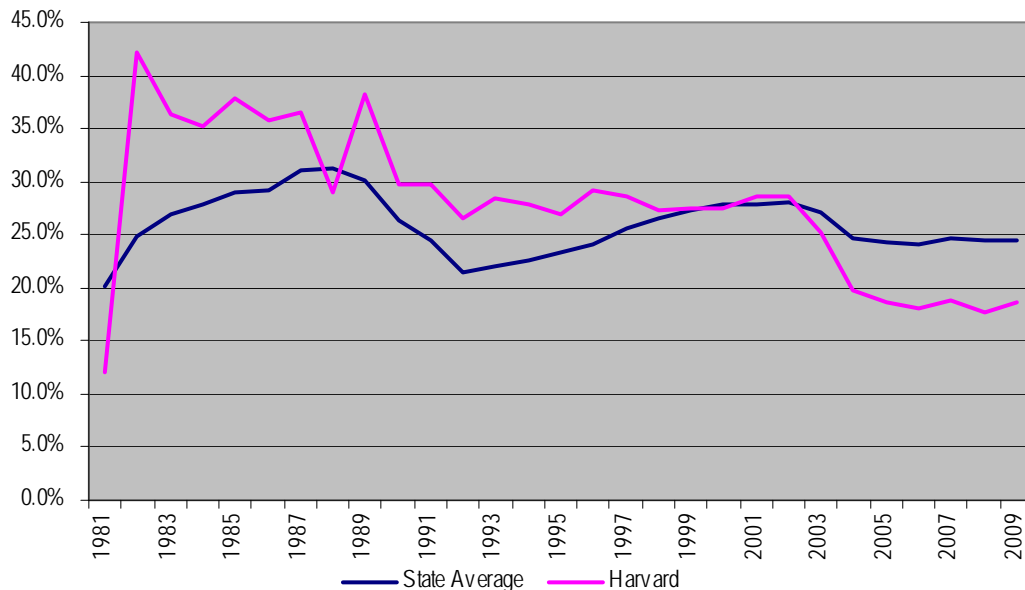


■ Education
 ■ General Govt
 ■ Police
 ■ Fire
■ Other Public Safety
■ Public Works
■ Human Services
■ Culture & Recreation
■ Debt Service
■ Fixed Costs
■ Intergovtl
■ Transfers, other

Limitations on State Aid

As Figures 1.1 and 1.2 illustrated, state aid – from all sources – comprises a smaller share of the Town’s budget than it previously did. This is a statewide trend (see **Figure 2.5**).

Figure 2.5
State Aid as a % of Local Revenue: Harvard and Average for All Municipalities (FY81-FY08)



* FY 1982 was the year that Harvard's Lottery aid jumped from \$15,407 to \$236,573 and its Chapter 70 Aid went from \$264,867 to \$974,417.

Source: Massachusetts Department of Revenue Division of Local Services

Without changes to the various aid formulas, and a strong economic recovery, Harvard is unlikely to increase its share of state funding. There are several reasons for this. Most of Harvard’s state aid (84 percent in FY08) comes in the form of Chapter 70 school funding and general-purpose financial assistance from Lottery proceeds.⁸ Under the Chapter 70 formula, a foundation budget is calculated each year for every school district in the state. This budget represents the minimum spending level deemed necessary to provide an adequate education. The foundation budget is adjusted annually to reflect changes in the district's enrollment, changes in student demographics (e.g. grade levels, low income status, English language proficiency), inflation, and geographic differences in wage levels. The formula then looks at ability of the municipality (or school district) to pay and determines how much of the targeted spending should come from local sources and how much should be funded by the state.⁹

⁸ Chapter 70 funding has been rising as a *share* of Harvard’s state aid in recent years while Lottery aid’s *share* has dropped slightly. In FY07 Chapter 70 funding represented 37 percent of Harvard’s state aid while Lottery proceeds represented 48 percent. In FY08 the corresponding shares were 38 percent and 46 percent (Chapter 70/Lottery), and in FY09, each represented 45 percent.

⁹ See http://finance1.doe.mass.edu/chapter70/chapter_cal.html for a description of how foundation budgets are calculated.

The intent of the Education Reform Act of 1993, which established the Chapter 70 state aid formula, was that wealthier communities would be asked to contribute more for education costs from local revenues and would receive less state aid. Poorer communities would contribute less from local sources and receive a greater share of state aid. As one of the most affluent communities in the state, by whatever standard is applied, Harvard receives relatively less Chapter 70 aid than school districts of similar size whose residents are less well off. Its FY08 *per student* aid of \$1,194, which represents about 13.5 percent of the total school budget, was lower than that received by all but 18 other towns.¹⁰ This is hardly surprising; Harvard, by most indicators, ranks among the top 20 most affluent communities. **Table 2.3** underscores the town's relative affluence by a number of the most commonly used wealth indicators.

Like Chapter 70, the Lottery formula is also equalizing, so municipalities with lower property values receive proportionately more aid than those with greater property values. The Lottery formula is based on both population and equalized property valuation, and it appears that Harvard still enjoys a residual benefit from the inclusion of the former Ft. Devens population. **Table 2.4** shows that our Lottery aid remains considerably higher than that of comparable communities. Harvard continues to receive Lottery aid at a rate nearly 3.5 times greater than the median of the other 80 communities researched. In fact, the town received the highest per capita lottery proceeds of any of the 81 communities for which data were collected: \$298 versus the median of just \$84.

It is worth considering what Harvard's higher level of Lottery aid "buys" the town. If we received Lottery proceeds at the median per capita rate of the 80 towns, Harvard's FY08 aid would have totaled \$504,084 instead of \$1,788,048, or \$1,283,964 less. Dividing this \$1.28 million "windfall" by the town's 2008 school enrollment translates into an additional \$1,030 per student the Town can spend on education that it does not need to fund through the property tax.

¹⁰ The Chapter 70 funding formula has drawn criticism from the time it was first introduced, and it has been modified several times in the years since. The underlying assumption was that communities would continue to devote the same share of their total budgets to education as they did in 1992. The absolute amounts would grow each year as the tax base grew, but the percentage of revenues devoted to education would remain constant. This led to substantial discrepancies in required local contributions between communities with very similar socio-economic profiles, and contributed to the perception that the formula was unfair. The FY07 – and subsequent – state budgets have incorporated changes to the Chapter 70 formula in an attempt to address these issues and establish a more equitable funding pattern. Harvard's Chapter 70 aid increased by 15.5 percent in FY07, 6.6 percent in '08 and 20.2 percent in '09.

Table 2.3
Harvard's Rank by Commonly Used Wealth Indicators

Commonly Used Wealth Indicators	
Harvard's Rank* by	
1999 per capita income	32
1999 Median household income	8
1999 Median family income	9
% Households earn \$200K+ (1=highest share)	13
% Households earning < \$25K (1=lowest share)	5
% Households earning bet \$25-50K (1=lowest share)	7
% Families below poverty level (1=lowest poverty %)	8
% Homeowners earning < 50% of area median income (1=lowest share)	1
% Homeowners earning < 80% of area median income (1=lowest share)	2
Average adjusted gross income of 2006 tax filers	19
% Students eligible for free/reduced lunches (1=lowest)	1
Average assessed value of single family homes FY07 (of 339)	35
2007 Median single family home price (of 346)	39
Other Considerations	
Harvard's Rank* by	
Total spending per household**	30
School spending per household**	50
% of Total spending to schools**	134
Families w children < 18 as % of all HHs	18
4BR+ homes as % of all housing units	24
* Among all 351 cities and towns unless otherwise noted	

** Among the 81 municipalities the FIAT has tracked, Harvard ranked 17th in total spending per household and 37th in spending on schools per household, and 37th in terms of the percent of total spending devoted to schools.

Sources: 2000 US Census and Census-derived Comprehensive Housing Affordability Strategy (CHAS) data, MA Departments of Revenue and Education, The Warren Group, Publications

NOTE - Although the 2000 Census is now nearly a decade old, Harvard has been a high income community for more than 3 decades, ranking 5th in median household income in 1990 and 6th 1980.

Table 2.4
Harvard and Comparable Towns' FY08 Lottery Aid

Municipality	2008 Lottery Aid	July 1, 2007 Population	Lottery Aid per capita	1999 Med HH Inc
HARVARD	\$1,788,048	6,001	\$297.96	\$107,934
MERRIMAC	\$906,225	6,425	\$141.05	\$58,692
GROVELAND	\$792,487	6,923	\$114.47	\$69,167
ROCHESTER	\$528,605	5,218	\$101.30	\$63,289
ROWLEY	\$557,888	5,839	\$95.55	\$62,130
UPTON	\$609,527	6,526	\$93.40	\$78,595
TOPSFIELD	\$510,110	6,067	\$84.08	\$96,430
STOW	\$516,965	6,328	\$81.69	\$96,290
NEWBURY	\$565,386	6,926	\$81.63	\$74,836
BOXBOROUGH	\$313,946	5,097	\$61.59	\$87,618
MARION	\$280,827	5,217	\$53.83	\$61,250
MANCHESTER	\$276,779	5,265	\$52.57	\$73,467
DOVER	\$239,412	5,627	\$42.55	\$141,818

Source: MA Department of Revenue, Division of Local Services; population estimate, U.S. Census Bureau

3. Town Administration and Department of Public Works

Introduction

The FIAT met with the Town Administrator and the Department of Public Works (DPW) Manager to review the history of revenue, spending and staffing in both departments over the past 20 years. The goal was to analyze the causes of major year-to-year spending fluctuations, and to identify both seized and missed opportunities for revenue generation or infrastructural cost savings. Where appropriate, current staffing and spending in these two departments was compared against similar towns. The team then looked forward, brainstorming opportunities for changing the current cost structure or increasing revenue through:

- New or enhanced sources of revenue
- Shared infrastructure and/or services within the Town
- Shared infrastructure and/or services with neighboring towns
- Outsourcing of services to independent contractors
- Increased usage of in-town temporary workers or volunteers.

Key Historical Structural Decisions

Over the years, the Town has made some critical staffing decisions that drive its current infrastructure spending. Until recently, for example, Harvard employed a full-time assessor, instead of outsourcing that function to a private vendor, as many small towns had done. The Town has invested in a relatively large and highly skilled library staff. Until this year, however, the Council on Aging director had been just a part-time position. The Town made the decision recently to invest further in its stand-alone transfer station, despite the opportunities for utilizing a regional facility at Devens, but there are some services that Harvard does outsource. For example, it participates in a regional cooperative with neighboring towns (Nashoba Associated Boards of Health) for Board of Health services.

Harvard has a mixed record when faced with opportunities to share staffing between or among departments within the town. On the one hand, the schools and town hall share a finance manager, even though each organization has its own financial departments. On the other hand, a proposal to merge the capabilities and have a single manager for the DPW and school facilities department was rejected.

The town generally employs temporary workers for season-specific activities such as staffing the Town Beach water programs and peak landscape maintenance during the summer. The town also leverages a large volunteer base plus a small cadre of partially compensated citizens to fill some gaps for town services throughout the year. Examples include the volunteer fire department, volunteer ambulance service, staffing at the town transfer station, and clerical assistants at Town Hall.

On the facilities side, the Town has made significant investments over the past 7 years in a new police station and a new library, both with significant capacity and capability relative to similar

towns, and has refurbished the Hildreth House to keep it usable. However, the old library is currently an unused asset and cost burden for the Town.

Structural Opportunities – Revenue

The opportunities for additional revenue generation for Town Administration and DPW are limited. The aggressive pursuit of increased state aid and funding reform is certainly recommended, but is unlikely to yield any positive results until after the current fiscal crisis at the state level is resolved. However, there are three other revenue opportunities that FIAT recommends pursuing:

- Gifts and grants for library materials, historic preservation, land conservation, water supply protection, etc. that could reduce internal funding requirements
- Revision of current fee structure for licenses and permits to ensure full recovery of all costs, including the supporting administrative infrastructure
- Charging for building and land use by non-municipal organizations to fully recover both the hard (added maintenance) and soft (administrative and allocated overhead) costs.

Structural Opportunities – Expense

The FIAT believes several areas warrant further examination for structural cost savings. The first is consolidation and sharing of resources within the Town. One specific suggestion to consider is combining the complementary skills and leadership of the DPW and the school building maintenance department to reduce each group's dependence on outsourced services. The DPW is charged with the responsibility of maintaining town buildings, but must hire outside contractors for the necessary skills; the schools are charged with external grounds and utility maintenance, and depend on both the DPW and external contractors for support. Each is challenged to provide services with the limited resources allotted to them, and both might benefit from resource sharing during peak loads.

The second area to explore is consolidation and resource sharing with neighboring towns or outsourcing with external contractors. Specific suggestions include:

- Shared dispatch for emergency services
- Shared leadership for town departments (e.g. DPW manager, police chief, fire chief, town administrator, assessor, land use agent, etc.)
- Transfer station
- Any new services that may be required (professional town planner, trench inspector, etc.).

The last area to explore is the current vs. desired distribution of town employee skills and experience distributions. The first step would be the definition of the desired distribution of employee skills and experience to balance needs with affordability. The next step would be the development of a clear plan to achieve the desired distribution through training, targeted hiring of specific skill sets, and early retirements. The goal would be to achieve and retain a talented multi-functional workforce. Progress against the plan should be measured on a regular basis.

Conclusion

Given the current fiscal crisis at the state level, the Town must look internally for new revenue sources to cover the costs of Town Administration and DPW services. Reduction of those costs will require creative solutions to sharing resources within the Town, with neighboring towns, or with external contractors. The Town should also proactively manage the composition of its current workforce, to ensure that an appropriate balance between affordability and necessary skills/experience is maintained.

4. Schools and Education

Introduction

The FIAT conducted its review of the schools using the same approach it applied to other town departments. First, it met with key stakeholders to gather important data and background and to better understand the budgeting process. During these meetings, ideas were raised to encourage strategic thinking about changes to the process, opportunities for cost saving investments, opportunities for Town-School cost sharing, and opportunities for regionalization of activities. The committee also explored sources of revenue and the extent to which Harvard might be able to address its structural deficit through new revenue streams. Because the schools represent approximately 70 percent of the Town's total budget,¹¹ we held several additional meetings with Dr. Jefferson and School Committee Chair Stuart Sklar to clarify issues raised in the earlier meeting and brainstorm additional ideas and strategies. During the course of our review, it became clear that shifting demographics played a major role in increasing education costs. Consequently, we put additional efforts into understanding Harvard's demographics so that we could appropriately characterize the impact certain changes might or might not have on reducing the cost of education.

Defining the Education Related Structural Deficit

The four leading drivers of the structural deficit in Harvard's education budget are:

- Town Student/Demographics
- Labor and Benefit Costs
- Mandated Special Education Costs
- Limited State Aid under the Chapter 70 State Education Formula.

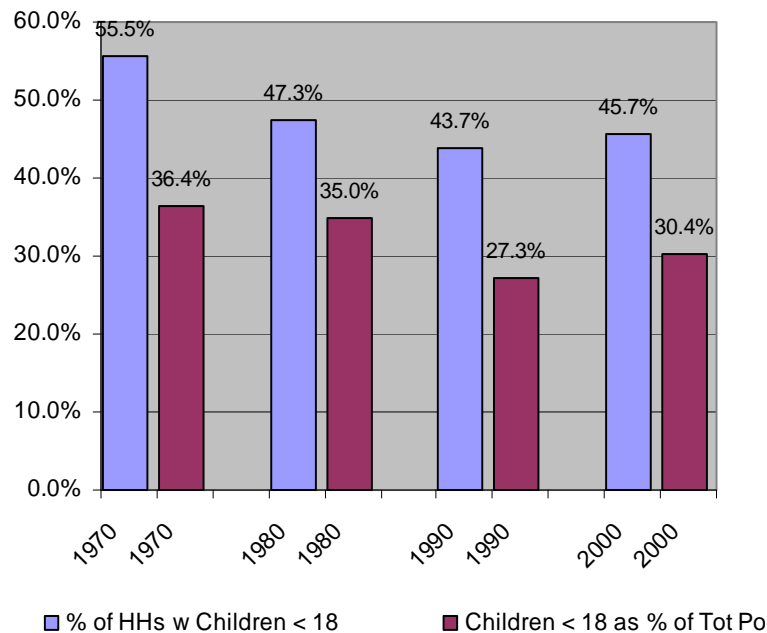
Harvard has traditionally been a family community with a high proportion of homes that include school age children. The number of students per household is also relatively high. This has been the case for the past 40 years, as **Figure 4.1** illustrates. The "under 18" population as a share of total population, and households, dropped between 1970 and 1990 but has been rising since then. With its family orientation, predominantly residential tax base, and relatively limited new growth, the town has been unable to maintain the level of spending per student from year to year without increasing taxes beyond that permitted under Proposition 2-1/2.

The situation is exacerbated by the fact that the largest expenditures in the school budget are teacher salaries and benefits. Without laying off teachers – increasing class sizes and implicitly reducing spending per child – there is a limited amount that can be done through cost cutting and savings within the school budget. The committee's review of the schools confirmed that the School Administration has taken significant cost savings and revenue generation measures over the past 10 years as student population has grown. It may come as a surprise to some residents to learn that Harvard actually spends *less* than the state average per child in its schools (\$10,424 versus \$10,501 in FY08), and spends about the same per child on regular education (in actual

¹¹ See footnote #4.

dollars) as it did 15 years ago without taking into account inflation and 40 percent *less* per child if one adjusts it to reflect CPI adjusted inflation.¹²

Figure 4.1
Percent of Households with Children Under 18 and Percent of Population Under 18, 1970-2000



Source: U.S. Decennial Census, 1970, 1980, 1990, 2000

The Impact of Shifting Demographics

Data from a number of sources were compiled and analyzed by the committee. These include the Town Clerk's office, Annual Town Reports, the Massachusetts Department of Education, U.S. Census Bureau, and the town's most recent Master Plan. Among the key findings:

- Harvard's overall population grew by less than 15 percent between 1990 and 2007, at an average annual rate of just over 0.8 percent.
- Even though the rate of new housing production in town has been modest compared with many communities in the I-495 corridor, growth in housing units (averaging 1.4 percent annually) still outpaced population growth. As a result, the average household size has dropped, from 3.33 persons per household to 3.04. (Declining household size, it should be noted, is a statewide and national trend.) Most of the increase in Harvard's school age population has come from new students moving into the *existing housing* stock, not from new students moving into *newly constructed homes*.

¹² This is largely due to demographic shifts resulting in increased class sizes; the 10-fold increase in special education to about 30 percent of the budget, and increases in compensation, energy and health insurance at rates faster than inflation of 2.5 percent per year over the past 15 years.

- Though comparable to many similar communities, the percentage of Harvard households with children under 18 years old is relatively high compared to state and county norms:
 - 45 percent of households in Harvard
 - 34 percent of households in Worcester County
 - 31 percent of households in Massachusetts.
 This is significant since, in general, households with school age children consume more town services than they support through their residential taxes.
- Between 1990 and 2008, there was a 44.3 percent increase in the number of (non-Devens) Harvard students in the Harvard Public School (HPS) system and a 54.6 percent increase in the HPS student population overall (including Choice-In and Devens students). During the same period the number of school age children residing in (non-Devens) Harvard – including those being educated elsewhere – rose by 40.8 percent.
- Students living in (non-Devens) Harvard, who attend Harvard Public Schools, now represent 21 percent of the total population, vs. 17 percent in the early 1990s. The number of students per (non-Devens Harvard) household has increased from 0.55 to 0.63 (having peaked at 0.68 in 2006).

The last finding was of particular concern to the FIAT. To identify the impact of ongoing changes in the student/household ratio, the team calculated that, if this ratio continued to grow to 0.75, tax increases per household could reach \$750 - \$1,000. Similarly, if this ratio were to shrink back to recent historic lows of .55, tax reductions of \$600 - \$800 per household might result, assuming all other variables affecting the town's finances remained the same.

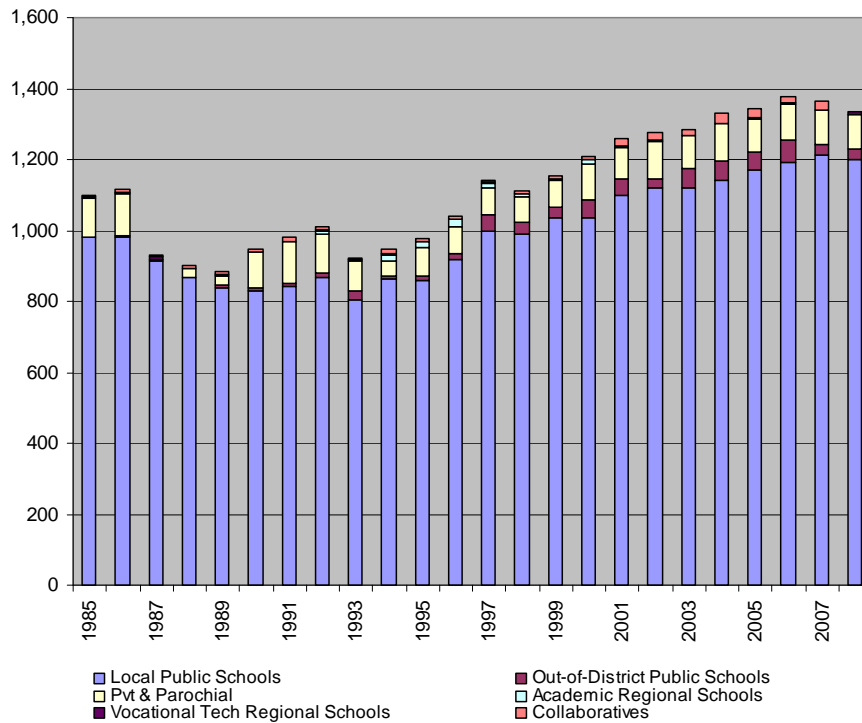
Figures 4.2 and 4.3 illustrate the trends in student population since 1985. Figure 4.2 shows where/how Harvard students are being educated, while Figure 4.3 documents who is being educated in the Harvard Public School system. A data table with additional historic population and demographic trends appears in **Appendix C**.

Even with substantial tax increases over the past 15 years, Harvard's spending per child on regular education was \$6,387 in 1993 and \$6,450 per child in 2008. This level funding was accomplished largely by eliminating public funding of extracurricular activities and sports (which today would represent \$1,000 or more per child), imposing student fees for busing, and increasing the typical class size from 17-18 students to 22-23 students. The shift in population to a greater school age component is likely to continue as the town's sizable Baby Boom population ages and moves. This anticipated turnover, combined with Harvard's over-reliance on its residential tax base, leaves the town with an ever-widening structural deficit since the property taxes on most homes do not cover the cost of educating the children that live there.

The Impact of Labor and Benefits

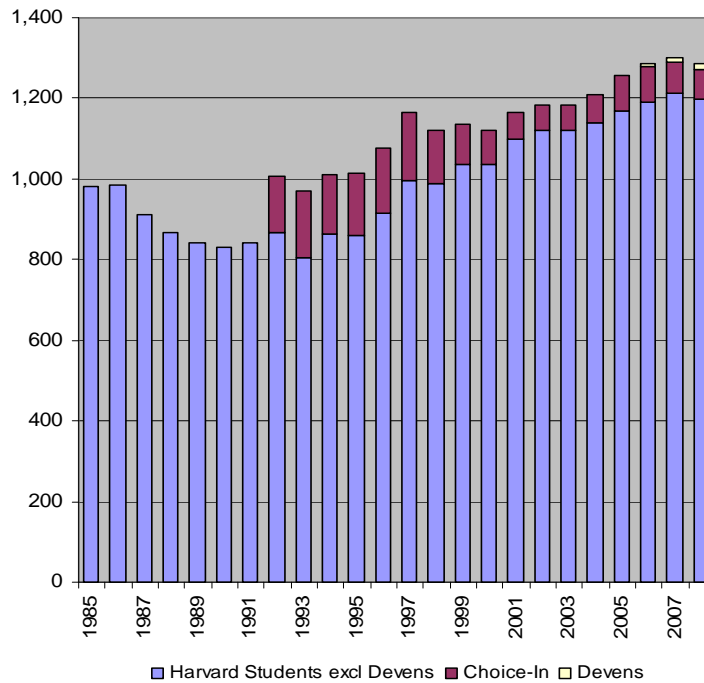
Payroll costs often dominate the local debate on education spending, both because contract negotiations have high visibility and because they represent the largest component in the education budget (approximately 75 percent). This is a double edged sword: staffing is directly related to class size, so if the Schools are required to *save* their way out of a structural deficit, class sizes will likely continue to increase as they have over the past 15 years.

Figure 4.2
Change Harvard School Attending Children, 1985-2008



Source: MA Department of Education School Attending Children forms

Figure 4.3
Change Number of Students Being Educated in Harvard Public Schools, 1985-2008



Source: Harvard Public Schools Enrollment figures provided by the Superintendent's Office

As FIAT did with other Town departments, the committee explored with Dr. Jefferson the distribution of the staff along the seniority experience curve and whether the distribution was consistent with best practice. The committee was concerned that a staff that is top-heavy in experience and tenure could engender an unnecessary structural deficit. Similarly, we investigated the components of the current payroll system under recent teacher contracts such as the step system; the addition of cost of living increases to the step system; and the other components of compensation, such as increases for additional education and health insurance savings options. Dr. Jefferson could not comment on the then-pending teacher negotiations, but the result of those negotiations was an agreement with the teachers to defer step increases for FY10. (Step increases represent a significant component of the structural increase in teachers' compensation).

The Town and the Schools are further exploring health insurance savings opportunities for the 2010 budget through either the state group insurance program recently made available to local cities and towns or a more competitive saver plan from our current provider. The committee also discussed with Dr. Jefferson the possibility of introducing a structural savings into health insurance by offering employees compensation to opt out of insurance when they had alternative family coverage. He indicated this was under consideration by the panel reviewing health insurance in general, but because they already have a significant number of "opt outs" this might not actually create a structural savings.

In summary, the FIAT believes there is a continuing need to focus on a more cost-effective, balanced seniority curve, and to seek to adjust the step scale and any cost of living increases to align with competitive compensation. This appears to be a focus of the current Superintendent and School Committee and should remain a priority so that the major cost driver remains appropriately controlled.

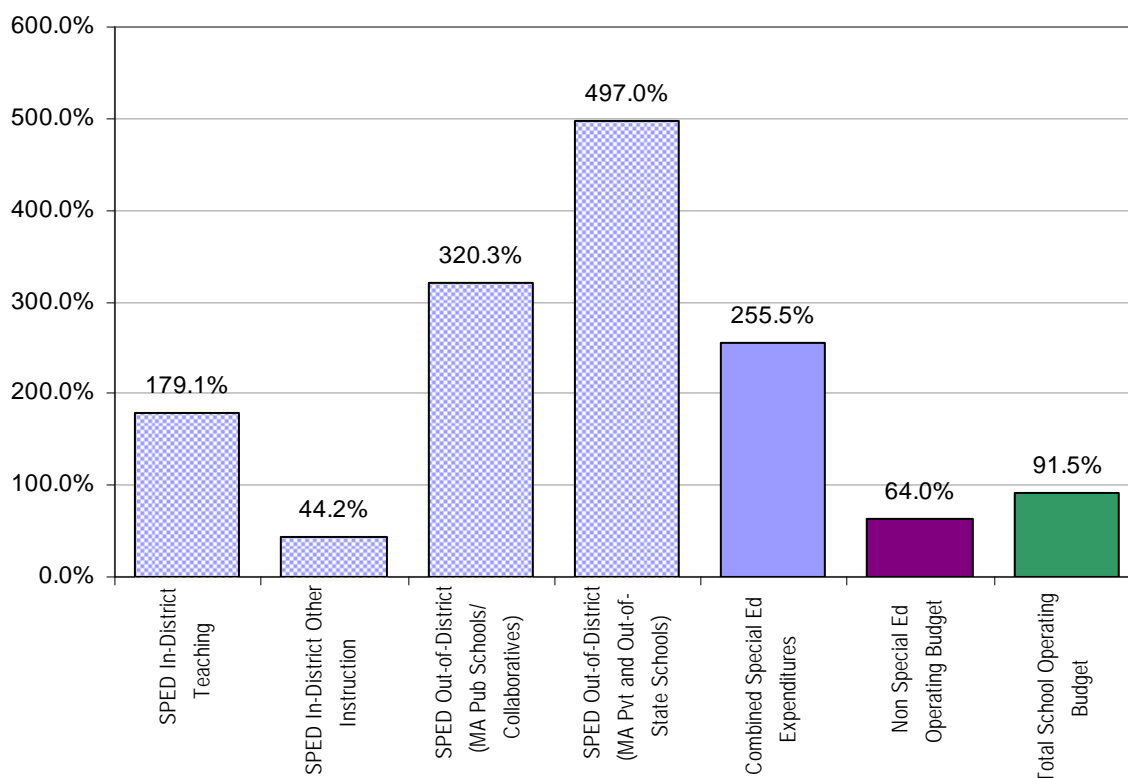
State Mandates – Special Education

The State, and Federal law, defines an obligation to provide special education (SPED) resources to all children with special needs in the community from birth until age 21. FIAT's purpose was not to question or evaluate this program, but merely to identify its role as a significant, and unavoidable cost driver. During the past 15 years, special education costs have increased from approximately \$300,000 per year to \$3,300,000 per year and now represent nearly 30 percent of the education budget. In just the past decade, SPED spending has risen by more than 255 percent compared to a 64 percent increase in the non-special ed operating budget. (See **Figure 4.4**)

Many of these services are provided both inside and outside the schools through collaborative and individualized programs designed to assure each child an opportunity to learn and, when possible, to participate in mainstream education. A special education task force, appointed recently by the Town boards to evaluate Harvard's program, reported that SPED spending was in line with that expected for the needs of the children in the community, and the level of services was consistent with that provided in other municipalities. The bottom line is that the increasing SPED expenses have occurred at the same time our non-SPED student population has increased,

without sufficient state or federal funding. The increase in SPED costs represents approximately \$1,200 of the \$5,100 increase in the average family tax bill since 1993.¹³

Figure 4.4
Change in Harvard's Special Education and Non Special Education Spending
School Years 1997-98 through 2006-2007



Source: End of Year Pupil and Financial Report, Schedule 4 – Special Education Expenditures by Prototype
MA Department of Education
http://finance1.doe.mass.edu/SchFin/sped/sped_exp_budget.aspx?ID=125

State Education Aid – Chapter 70

Following a Constitutional challenge to the local funding of education 20 years ago, the Supreme Judicial Court of Massachusetts ruled that the state system of local education funding deprived students in less wealthy communities of an adequate education. The Court further held that state funding was necessary to assure every child received an adequate education. In response, the

¹³ The average tax bill for a single family residence in Harvard was \$3,213 in FY1993; it was \$8,320 in FY2009.

Legislature adopted Chapter 70, which provides for differential levels of state aid based on a funding formula intended to provide a greater level of aid to poorer school districts and those whose students may require additional educational services. The Chapter 70 formula has gone through a number of iterations, but a community's ability to fund is now based on property wealth (weighted 50 percent) and aggregate income wealth (weighted 50 percent). The required level of education spending – the community's foundation budget – is based on number of students, special education students, rate of growth, etc. In principle, from the state level, the system is rational; Massachusetts now boasts one of the most progressive educational funding records in the nation. However, from a particular community's viewpoint, the formula – even in its current improved version – may appear to operate in an arbitrary manner. One reason is that it operates on the principle that no community loses aid when its circumstances change. As a result, when another community needs more aid there may be a shortfall. Another is that the State-defined foundation budget is often below what many communities actually spend. Interestingly, in the past several years, Harvard has often been close in its expenditures to this state-estimated foundation budget, while many of its peer communities have spent more per child.

Under the existing state formula, Harvard – due to its relatively high property valuation and aggregate income – is eligible to receive just 15 percent of its foundation budget in state aid. This leaves 85 percent of its education budget to be funded from local property tax revenues. This represents an increase from about 7 percent of its foundation budget 5 years ago to the 15 percent level this year. The increase was a result of a legislative push for a 15 percent floor in state aid. The recent increases, which were rolled in over a 5-year period, helped close a portion of the unfunded structural deficit. Absent legislative change, however, further increases are unlikely.

Other Education Revenue Opportunities

The Superintendent and the School Committee have sought to increase revenue through management of School Choice and contracts with MassDevelopment for a limited number of students residing in Devens. Under the School Choice program, students can apply to attend school outside their district, and the state allocates approximately \$5,000 per child of the sending district's budget to the receiving school district. Dr. Jefferson has used School Choice to fill empty classes and, when class size has increased, to add students to fund an additional staff person. The challenge in managing School Choice is that decisions must be made before the actual resident enrollment figures have been ascertained. Given Harvard's demographics and the number of new students moving to town each year, the program must be used conservatively to avoid creating future infrastructure demands that cannot continue to be funded. Generally, it has been used successfully to generate additional revenue without creating net new structural costs.

Recently, the School Committee entered into an agreement with Devens to educate students at Bromfield. The contract is limited in term and has resulted in net revenue over the cost of the additional students of \$225,000 per year. This year a second contract covering Harvard Elementary School (HES) was signed to provide education for grade school students. The most recent estimate for FY10 is that these Devens contracts will result in approximately \$350,000 in

net additional revenue over the cost of the additional students.¹⁴ These programs have assisted the Schools in reducing the structural deficit.

FIAT discussed with Dr. Jefferson several other revenue opportunities to consider:

- Regionalizing adult education with another community to expand offerings, increase participation and reduce administrative overhead through the use of consolidated enrollment and mailing capability
- The formation of a dedicated grant writing task force (NOTE: The School Committee initiated this recommendation.)
- Continued action with the Suburban Coalition to help assure that Harvard benefits from future changes in state education funding.

Regionalization and Cost Saving Opportunities

The committee discussed with Dr. Jefferson the possibility of collaborating with other districts on annual education data reporting. This reporting is very time consuming for a small district and requires annual software license fees. Also discussed was the possibility of obtaining a state-funded demonstration grant for a centralized web-based reporting system.

FIAT also reviewed the efforts made by the Special Education staff to use the CASE Collaborative to save on special education costs and transportation. The committee suggested that continued consideration be given to expanding this model, for example, by collaborating with a neighboring district to hire a teacher to improve in-district special education services where there is not a critical mass of demand for such service locally.

As it had with the DPW, the committee asked Dr. Jefferson to consider whether Town and School building and grounds staffs might be consolidated, or whether the schools might assume responsibility for all buildings while DPW assumed responsibility for all grounds to create the necessary volume of activity and expertise in each group to more efficiently handle their workload.

Conclusion

Based on its review of the education budget and operations, the FIAT drew several key conclusions. First, the biggest cost driver appears to be demographics, not excessive or wasteful spending on services. Of course, careful attention should always be paid to spending and savings, and any and all savings will help. However, as the past five years have shown, the amounts of such savings are small in relation to the challenge. We cannot simply “save our way” out of the structural deficit. Second, there are actions that can be accomplished on the revenue side such as the Devens contracts, but they represent *opportunistic* openings; most other revenue options are either uncertain and/or much smaller in magnitude. Thus, if we want to avoid future substantial increases in residential property taxes – or significant additional cuts in educational services – we need to focus on encouraging more balanced growth within our own

¹⁴ Estimate as of April 15, 2009 provided by Finance Director Lorraine Leonard

jurisdiction to help offset these costs. At the same time, because the education budget is such a large component of the Town budget, FIAT also recommend that the School Committee consider making it a goal for the Superintendent to implement three structural saving ideas each year as part of the goal setting process to ensure that we seek continuous improvement.

5. Land Use Policies and Regulations

Introduction

A community with a balance of land uses is likely to enjoy greater long-term economic stability than one without such balance. The land use decisions Harvard has made over the years – to eliminate its industrial district, reduce and limit the amount of development that can occur in the commercial district, and effectively bar all types of residential development except single family homes on large lots – have contributed to its current fiscal challenges. The town has attracted the type of development that is the most costly to service – single family homes that appeal to trade-up homebuyers seeking high performing schools – and little else that could generate revenue to offset those costs. All three of Harvard’s master plans identified the need to diversify the town’s tax base, but by the time the 2002 plan was prepared, the taxable value of all non-residential land in town amounted just 3.6 percent of the town’s total assessed valuation, down from 5 to 5.5 percent a decade earlier.

Sixty-eight percent of the town’s revenue in FY08 was generated through the property tax. Housing is the town’s predominant land use; over 95 percent of its assessed valuation and property tax yield comes from the residential tax base (see **Table 5.1**). Non-residential property comprises just 4 percent. This unusually low property tax revenue from commercial uses is more a function of the particular types and limited mix of businesses the town has attracted – likely the result of restrictions it has placed on the amount of development that can occur on commercially zoned land – than it is of the amount of land in the Commercial (C) district.

Table 5.1 Harvard’s Total Assessed Valuation vs. State Average

Total Valuation of...	Residential Property	Open Space	Commercial Property	Industrial Property	Personal Property	Grand Total
HARVARD	1,140,954,360	0	38,410,640	2,376,000	10,815,890	1,192,556,890
	95.7%	0.0%	3.2%	0.2%	0.9%	
State Average	84.0%	0.0%	10.7%	3.3%	2.2%	

Source: MA Department of Revenue (FY 2008)

FIAT analyzed the tax yield, by property type, for Harvard and the other 80 comparables for which it gathered data and posed the question, “How much more tax revenue could be raised if Harvard’s C&I assessed valuation doubled, bringing it to the average of the comparable towns?” The answer, in FY08, would have been an additional \$500,000 in tax revenue.

Why is Harvard so Dependent on its Residential Tax Base?

A number of factors have contributed to Harvard’s over reliance on residential (single family homes, in particular) property taxes to support municipal services:

- The lack of town water and sewer has served to limit more intense development

- Harvard has long been conflicted about non-residential development and, over time, it has limited the amount and type of development that could occur in the C district
- Harvard zoning does not allow townhouses or apartments – types of residential development that typically cost less to service than single family homes – anywhere in town ¹⁵
- The town’s only zoned Business district comprises less than 4 acres on the north side of Littleton Road near the Common and includes just four properties, none of which is currently used for business
- The town’s only Industrial district, which encompassed about 100 acres along the B&M railroad right of way in the northwestern corner of (non-Devens) Harvard, was rezoned to AR (agricultural/residential) in 1986.

Harvard’s conflict over commercial development has manifested itself in a number of ways. The town’s first master plan (1969) noted that Harvard had unusually few business establishments for a town of its size and for the purchasing power of its residents. While that plan raised the issue of whether or not the town should attract more commercial and industrial (C&I) activity to help keep down the tax rate and reduce its reliance on the residential property tax base – it envisioned a village shopping center and hotel just to the north of the Route 2/Route 110 interchange – no action was taken. The Town did vote favorably on the Plan’s recommendation to downzone a portion of the C district, but took no action on any of the measures that would have allowed more intense use of the remaining land or more flexible development patterns. Townspeople were sufficiently interested in attracting industry, however, to have established an Economic Study Committee to determine the most appropriate commercial and industrial uses for Harvard.

The 1988 town plan articulated goals that, in general, were very similar to those put forth 20 years earlier, but it called for a substantially reduced scale of development on Ayer Road. The maximum floor area ratio (FAR) ¹⁶ at that time was 0.25, or 25 percent, and the plan concluded that 3,485,000 square feet of commercial (office and retail) development was possible.¹⁷ The plan also concluded that 300,000 square feet of retail and office space was the maximum required for a local population of 10,000 (roughly double the town’s 1988 population), and it noted that the C district was already quite close to that level of development. As a result, Annual Town Meeting (ATM) in March 1987 voted to reduce the allowable FAR to 0.10 (10 percent). This reduced the potential buildout to 1,400,000 square feet, which was still larger than what the plan had determined would be required to serve local needs. The 1987 Town Meeting also voted to increase open space requirements and prohibit the use of setback areas for parking.

¹⁵ The zoning by-law provides regulations governing development in a “multiple residence district,” but no such district exists on the town’s zoning map.

¹⁶ Floor area ratio is a measure of the amount of built space in relation to lot size. With an FAR of 1, a one-acre lot – 43,560 square feet – could accommodate a building of the same square footage, say a two-story structure containing 21,780 square feet per floor, or a three-story building with 14,520 square feet per floor. With an FAR of 0.25, that one acre lot could accommodate a 10,890 square foot building.

¹⁷ The suggestion that the commercial district was close to accommodating the 300,000 square feet of office and retail space deemed appropriate for a population of 10,000 appears greatly exaggerated. The 235,000 square feet of development that existed at the time included residential as well as commercial development. It cautioned that future development beyond the 300,000 square foot level would need to draw on a regional market, and it recommended that total commercial development in the C district be capped at 600,000 square feet (about one-third its potential at that time and about three times what then existed).

Current Utilization of the Commercial District

The FIAT analyzed the type and intensity of uses within the commercial district and also the types of commercial and industrial uses in other parts of town that contribute to Harvard's commercial and industrial tax base. Although scattered commercial, industrial, and retail establishments exist in other areas, Ayer Road north of Route 2 is the only area zoned for commercial uses. The C district extends from Route 2 to, and including, Doe Orchards on the west side of Ayer Road and Myrick Lane on the east side.

The total acreage in the C district is approximately 440 acres according to the 2002 Master Plan. Just over 30 percent of the land in the district (137 acres) is used for commercial or industrial (C&I) purposes. The remaining 70 percent of the district – a district specifically established to accommodate commercial development – is either undeveloped or devoted to residential use, agriculture or open space. More than 72 acres are permanently protected conservation land that cannot be developed and 26 acres fall within the water supply protection area.

Table 5.2 provides a snapshot of Harvard's modest commercial and industrial tax base and **Table 5.3** illustrates the types of commercial and industrial uses that exist in town. These two tables include all properties classified as C&I by the assessor, not just those located in the C district. Even though the assessing records indicate a total of nearly 246 acres in C&I use townwide, the State's geographic information system (MassGIS) maps indicate that commercial and industrial improvements occupy just over 75 acres. Two factors explain this low intensity of use:¹⁸

- Most commercial or industrial properties are small buildings on large lots
- Harvard has a comparatively large amount of land (not in the C district) classified by the assessor as "industrial" that is used by utility companies for right-of-way, relay, and substation purposes.

Table 5.2. Harvard's Commercial and Industrial Tax Base, Fiscal Year 2008

#/Acreage/Assessed Valuation	Description
58	parcels* considered commercial/industrial:
310.41	acres
\$35,885,900	Total Assessed Valuation (AV)
22,094,000	Buildings
2,154,500	Outbuildings
310,200	Extra Features
11,327,200	Land
Notes	
\$2,376,000	Tot. AV from utilities and utility ROWs, cell towers (6.6%)
*	5 of these parcels contain commercial condominiums (29 units)

Source: Harvard Assessor's Office

¹⁸ Harvard, *Massachusetts Master Plan*, November 2002, Community Opportunities Group

Table 5.3 Harvard's Commercial and Industrial Uses, 2002

Land Use Description	Acres Assessed
Commercial Uses	
Mixed-Use, Primarily Commercial	32.56
Storage/Warehouse	28.15
Automotive/Fuel Service	4.95
Prof/Med Offices	55.08
For-Profit Public Services/Other	4.67
Indoor Recreation	1.6
<i>Total Commercial</i>	<i>160.62</i>
Industrial Uses	
Research/Development	8.89
Utilities	63.15
<i>Total Industrial</i>	<i>84.99</i>
Total Acreage in C&I	245.61

Source: Master Plan (2002)

Even though they generate nearly 79 percent of Harvard's commercial and industrial tax yield, just 65 percent of the town's C&I taxpayers are businesses located in the commercial district (Table 5.4).

Table 5.4 Commercial and Industrial Uses in the Commercial District

#/Acreage/Assessed Value	Description
32	parcels* (65.1% of town's total C&I parcels)
137.27	acres
\$28,173,900	Total AV of C&I properties in Commercial District (78.5% of town's total C&I)
19,037,400	Buildings
490,000	Outbuildings
265,400	Extra Features
8,381,100	Land
* Includes 26 individual commercial condominium units in the C district count as 4 parcels. Several commercial properties remain as undeveloped land.	

Source: Harvard Assessor's Office

The majority of the C district is used for other purposes. **Table 5.5** describes the non-commercial uses currently in the district.

Table 5.5 Non-C&I Properties in the Commercial District

#/Acreage/Assessed Valuation	Description
21	parcels* - 15 are residential (most SF) and/or mixed use; 3 are conservation (72.36 A); 2 are agriculture/orchards (82.01 A); 1 is undeveloped
318.05	acres including conservation and chapter land (estimated)
\$10,704,800	Total AV of resid, mixed use parcels in Comm Dist (27.5% of District's total AV)
4,389,500	Buildings
201,300	Outbuildings
2,300	Extra Features
6,111,700	Land
* There are 53 parcels in the commercial district (4 of which have been developed as commercial condominiums). Nearly 40 percent of the C district parcels are used for purposes other than C&I	

Source: Harvard Assessor's Office

How Current Zoning and Land Use Regulations Affect Growth in the Commercial District

Communities rely on zoning to control land use by regulating the amount and location of development, but the 2002 Master Plan noted that Harvard's zoning bylaw "appears to have evolved as a tool for quantitative more than qualitative development control." The Plan cited several ways that growth in town differs from, or is incompatible with, the goals of its master plans but singled out the C district: "If any section of Harvard reveals the negative (though unintended) impacts of ambiguous, overly complex and prescriptive zoning requirements, it is the Commercial (C) District."¹⁹

While Harvard did adopt a few of the C district recommendations from each of its first two master plans, it never came to terms with the larger physical planning issues that would give the district a sense of place that was compatible with the town at large (e.g., development performance standards, better site plan review criteria, design review and village center zoning) or the economic issues of how the town would achieve and maintain financial sustainability. The 2002 plan, in fact, observed that the piecemeal zoning changes that were implemented may have exacerbated both the planning and fiscal challenges, and it recommended a new zoning option. Acting on the plan's recommendation, Annual Town Meeting in 2004 voted to amend the zoning bylaw by adding the "Ayer Road Village Special Permit" (ARV-SP) as an alternative development model for commercial properties along Ayer Road. The purpose of the ARV-SP is to enable the Town to create and maintain a village identity for the C district in contrast to the

¹⁹ *Harvard, Massachusetts Master Plan*, November 2002, Community Opportunities Group

sprawling and uncoordinated development encouraged by the existing zoning framework, but it is too early to know whether it will fulfill this purpose.²⁰

Harvard's zoning bylaw lists several uses that are permitted by right and by special permit in the C district. (These uses are found in **Appendix D**.) Many of the terms used are out of date, however, and do not reflect current land use categories. They do not represent the types of services and businesses that residents have expressed a desire for, and they appear overly restrictive. Because they are not clearly written, the regulations are difficult to decipher and use. If an attractive and vibrant real estate base is important to the town, Harvard needs to approach development in the C district as a partner with the property owners and developers it wants to invest there, not as an adversary. The goals of developers, commercial property owners and the town are generally consistent: all want success and sustainability. Developers want straightforward and predictable permitting. Commercial property owners need to know at a glance what uses are allowed, so they can plan tenant space and have a reasonable assurance that their property will retain its viability and value. Absent such assurances and predictability, it is unlikely that significant new development or investment in existing commercial property will occur.

If the land in the C district is well developed, attractive and commercially viable, the town as a whole will benefit from the increased revenue, some relief on the residential property tax burden, and an increased level of services for residents. This is not to deny that there may be negative impacts associated with commercial development (increased traffic, for example), but a well managed process can ensure that the appropriate mitigation of impacts occurs along with the development.

How Much More Development Could Occur in the Commercial District?

The 2002 Master Plan estimated that nearly 1.3 million *additional* square feet of “buildable floor area” in commercial and/or industrial uses could be developed in the Commercial District:

• Total land area in the commercial district:	440 acres
• Developable land area:	353 acres
• Existing developed land:	75 acres
• Potential new development:	278 acres
• Existing built floor area	253,449 sq. ft.
• Potential new development	1,295,791 sq. ft.
• Total sq. ft. of commercial development at buildout	1,646,233 sq. ft.

²⁰ Under the ARV-SP, the Planning Board may more flexibly apply dimensional regulations and site standards. The zoning allows for privately owned and maintained on-site sewage disposal or treatment systems to serve buildings and lots in an ARV-SP. As an incentive for specific uses the Planning Board may permit more flexible building siting, allow more than one structure on a lot, apply alternative site standards relative to parking, loading and driveway, and allow up to 10 percent more floor area than allowed under the existing zoning (no building shall exceed 30,000 square feet of gross floor area).

This estimate was based on an analysis prepared by Community Opportunities Group, using the Town's digitized assessing maps and data prepared by the Montachusett Regional Planning Commission three years earlier as part of a statewide buildout analysis. The planners first applied current zoning to the "developable land area" in the district. "Developable land" is defined as the sum of vacant unrestricted land, whether publicly or privately owned, plus excess land on "underdeveloped" parcels (i.e., the portion of a developed parcel that exceeds minimum zoning requirements, minus natural constraints such as wetlands, open water, and excessively steep slopes). They then reduced that amount by a factor for site development (e.g., roads) to arrive at the amount of new development that could *potentially* occur on the remaining land.

How More Balanced Land Uses Can Increase Town Revenue

The link between zoning and municipal finance is well documented, and all three of Harvard's master plans called for a broader commercial tax base to achieve a sustainable future. The town's predominantly single family residential land use results in a municipal budget that is dominated by the cost of education. Commercial uses, in general, require fewer services than residential uses, and they pay more in taxes than it costs to provide the municipal services they do require. A Harvard tax base with more commercial uses could help to achieve a better balance and relieve some of the burden on residential property taxpayers. This point was underscored by the "Cost of Community Services" study included in the 2002 plan. That study concluded:

- *Commercial development is a low cost generator.* For every dollar of revenue that Harvard collects from commercial and industrial development, the Town spends about 28 cents on local government services.
- *Harvard's commercial development is also a low revenue generator* because the town's non-residential base is so small and the use intensity of its commercial and industrial land is so low.²¹
- *Residential uses cost more for municipal and school services than they generate in revenue:* \$1.06 for each \$1 in revenue. This is a net cost. Harvard, like all communities, receives other sources of revenue (e.g. state aid and local receipts) to pay for local services and schools. Considering property taxes alone, residential land uses cost about \$1.71 per dollar of revenue."²²

Conclusion

The land use choices Harvard has made over the years have led to its development as a low density residential community – indeed, a very desirable one. These choices have had financial impacts, both on the revenue side and on the cost side. The town now faces a persistent structural deficit that cannot be solved by cost cutting alone, and it has a choice to make. It can

²¹ Commercial property is currently valued for tax purposes in the same way residences in town are. There are alternative methods the Assessor could employ (specifically the income approach). Also, a number of municipalities with a broader C&I tax base have adopted a split tax rate, under which C&I pay a higher rate than residential property. Because Harvard's C&I base is so limited, the FIAT did not explore the financial implications of changing the current assessing and taxing practices.

²² Ibid. The Plan noted that such a high cost-revenue gap is not uncommon among demographically similar towns that also have no tax base diversity.

continue to limit commercial land uses with the understanding that the residential taxpayer will bear the cost burden of nearly all town services, or it can grow the commercial tax base in a locally controlled and acceptable manner to achieve a more sustainable balance.

The FIAT concluded, as had the town's 2002 Master Plan, that the C district regulations and requirements, as currently written, do not appear to provide a rational and predictable way for additional land to be developed, even for the uses and the limited sized structures that are allowed. The Ayer Road Village Special Permit zoning option, which introduced some flexibility, may help but it remains largely untested. If the town is clear about what it wants, where it wants it and under what circumstances, it can retain control of the development process. If it continues to rely on a high level of difficulty and unpredictability in the process to keep commercial development at bay, it will set itself up for contentious and costly debate and litigation and will never get what it wants – only what a few developers manage to squeeze in. Although some of the land can't be developed due to wetlands constraints or because it is permanent open space, more intense use of the land already within the district is possible with the appropriate zoning and land use controls, adequate infrastructure, and a clear economic development strategy. New development need not be incompatible with the town's character. If correctly planned and managed, it can enhance our quality of life and improve the appearance of our community.

Recommendations

The FIAT's recommendations concerning land use policies and regulations include the following:

- Diversify the tax base - increase tax revenue from commercial and industrial land uses.
- Develop an economic development strategy for the Town that recognizes our distinctive opportunities, location and needs.
- Implement the economic development strategy. This will require review and modification of the C district. Work to achieve a balance between what is appropriate for Harvard and the need for additional revenue.
- Modify the C district so that it works as a tool to achieve the goals the Town has expressed in its Master Plan and elsewhere, including the provision of services for residents and diversification of the tax base in a way that preserves and enhances town character.
- Encourage a broader range of housing types to create more opportunity for people in the earlier and later stages in their lives, increase the diversity of the town's population, and offset the high educational costs associated with large single-family homes with children.

Appendix A

FIAT Members

Richard Maiore, Chair

The Maiores moved to Harvard in 1980. Four Maiore children attended the Harvard school system and two grandchildren are about to start. Rick has served on the Planning Board and the Board of Selectmen. As a selectman he was active in restructuring town government, creating the current Finance Department. A creator of the Joint Board of Selectmen, he was involved in negotiating and drafting the legislation (Ch. 498) that established the Devens Enterprise Zone. Rick served as Chairman of the Devens Focus Group and as a member of the Devens Executive Disposition Board. Currently he serves as Chairman of Board of Assessors. He is retired from a management career with Honeywell.

Bill Johnson, Vice Chair

A Harvard resident since 1997, Bill has been actively involved in protecting and restoring Bare Hill Pond as a member of the town's Pond Committee. He led two major capital projects, demonstrating that creative leveraging of external grants and volunteer labor could deliver costly assets with limited internal funding: the \$875K pumping station cost the town just \$88K in incremental tax dollars; a new \$1M stormwater collection and treatment system less than \$100K. A retired computer industry executive, Bill has also served as a volunteer instructor, board member and treasurer for a non-profit adaptive sports organization, for which he is now leading the capital campaign for an \$8M community center.

Bonnie Heudorfer

Bonnie moved to Harvard with her husband and daughter in 1985. She has served on two master plan update committees, and is the former Chair of the Harvard Housing Partnership in which capacity she authored the town's Housing Needs Assessment and Planned Production Plan. Bonnie is a consulting planner, specializing in housing and community development. Her clients include municipalities, government and quasi-public agencies, nonprofit organizations, and financial institutions. She is also a senior research associate at Northeastern University's Dukakis Center for Urban and Regional Policy and has written extensively on real estate and housing markets.

Elaine Lazarus

Elaine moved to Harvard in 1995 and has two children in the Harvard school system. She served on Harvard's Wind Energy Conversion Systems Committee and, in a previous community, on the planning board. Elaine is a professional planner with over 20 years experience working for Massachusetts municipalities. She has worked on a wide range of projects and initiatives in her professional capacity, including Master Plans, Open Space and Recreation Plans, Host Community Agreement negotiation, affordable housing monitoring and long range fiscal planning. Elaine is currently the planning director for the Town of Hopkinton.

Bruce Leicher

Bruce and his family have lived in Harvard since 2000. He has a daughter in the Harvard school system and has been an active community participant in school funding and budget debates, encouraging local participation in school funding reform at the state level. He participated on the Alternative Finance Committee that examined alternative financing options for the Board of Selectmen. Bruce has served on the Bare Hill Pond Watershed Management Committee since 2001 and as its Chair since 2003, leading the effort to fund and support the financing of watershed protection activities through the organization of volunteers and grant funding. Professionally, Bruce has served in senior legal positions in emerging biotechnology companies.

Steve Rowse

Steve and his family moved to Harvard in 1989. He has three daughters, all of whom have attended, or are attending, the Harvard schools. Steve is the past Chairman of the Community Preservation Committee, and currently serves as its Treasurer. He has also served the town as a member of the Conservation Commission and its Land Stewardship subcommittee, coach of the Bromfield Ski team, and a trustee of the Municipal Affordable Housing Trust Fund. Steve has spent his career in the food and beverage industry, with expertise in sales and marketing management.

Appendix B

Harvard and 80 Other Towns: A Statistical Comparison

Sources of Revenue, Harvard and 80 Comparables

FY2009

Revenue Components

Municipality	Total Receipts	As Percent of Total				Lottery Aid per capita	Ch 70 Aid per student
		Tax Levy	State Aid	Local Receipts	All Other		
ACTON	80,925,052	76.6	10.3	12.4	0.7	\$82	\$1,941
ANDOVER	138,674,535	70.7	8.9	18.0	2.4	\$67	\$1,153
ARLINGTON	124,071,338	65.2	15.3	16.4	3.0	\$120	\$1,313
ASHLAND	56,084,056	57.4	13.7	26.0	2.9	\$88	\$1,535
AYER	29,847,914	51.3	21.2	23.8	3.6	\$122	\$4,314
BEDFORD	74,081,185	62.1	9.7	17.0	11.2	\$72	\$1,113
BELMONT	93,608,248	66.8	8.9	18.7	5.6	\$85	\$1,068
BERLIN	13,298,020	53.4	35.1	5.6	6.0	\$93	\$1,897
BOLTON	18,694,746	82.7	3.8	6.8	6.7	\$55	\$1,984
BOXBOROUGH	19,594,338	78.7	11.3	7.5	2.6	\$62	\$1,941
BOXFORD	28,099,611	76.2	9.9	11.5	2.4	\$70	\$2,041
BOYLSTON	12,658,243	67.9	12.5	12.6	7.0	\$100	\$1,897
CANTON	77,188,499	65.8	9.8	21.5	3.0	\$82	\$1,126
CARLISLE	23,960,611	81.4	6.7	9.5	2.5	\$53	\$1,184
COHASSET	38,989,288	67.9	6.3	22.9	2.9	\$66	\$1,134
CONCORD	80,291,290	78.0	5.6	12.0	4.4	\$63	\$1,184
DOVER	29,283,987	81.3	6.4	6.5	5.9	\$43	\$1,111
DUNSTABLE	8,016,310	82.7	4.1	11.9	1.4	\$79	\$3,761
DUXBURY	65,253,140	62.4	9.0	22.6	6.0	\$76	\$1,082
ESSEX	14,195,283	68.7	2.4	25.0	3.8	\$82	\$1,321
FRANKLIN	112,403,392	45.0	31.1	20.6	3.4	\$98	\$4,145
GRAFTON	44,090,721	56.9	23.4	14.0	5.7	\$111	\$2,886
GROTON	31,883,039	73.4	3.6	20.5	2.5	\$90	\$3,761
GROVELAND	14,552,844	66.7	8.9	17.1	7.3	\$114	\$4,150
HAMILTON	26,364,996	83.0	4.1	12.8	0.1	\$92	\$1,686
HANOVER	50,596,469	57.6	19.5	17.5	5.4	\$94	\$2,161
HARVARD	22,049,907	72.0	18.7	8.4	1.0	\$298	\$1,194
HINGHAM	82,343,359	66.9	11.3	18.6	3.2	\$73	\$1,225
HOLDEN	43,314,049	62.5	9.9	21.6	6.0	\$129	\$2,734
HOLLISTON	51,665,013	62.0	23.4	12.7	2.0	\$109	\$2,357
HOPKINTON	63,197,711	68.7	16.1	14.4	0.8	\$60	\$1,669
HUDSON	60,052,549	56.0	20.9	16.8	6.3	\$127	\$2,666
LANCASTER	17,921,441	70.7	6.7	14.3	8.3	\$146	\$1,984

Municipality	Total Receipts	As Percent of Total				Lottery Aid per capita	Ch 70 Aid per student
		Tax Levy	State Aid	Local Receipts	All Other		
LEXINGTON	165,097,850	70.5	6.0	19.4	4.1	\$63	\$1,103
LINCOLN	32,229,531	65.1	8.6	19.2	7.1	\$69	\$1,316
LITTLETON	34,501,945	65.5	15.7	15.2	3.7	\$83	\$1,493
LUNENBURG	28,907,805	58.5	25.0	14.3	2.2	\$132	\$2,591
LYNNFIELD	43,165,350	65.0	12.9	14.9	7.3	\$82	\$1,554
MANCHESTER	24,493,170	74.0	1.4	19.3	5.3	\$53	\$1,321
MARION	21,669,308	63.8	3.9	25.5	6.7	\$54	\$1,682
MATTAPOISETT	23,926,376	70.5	5.1	19.7	4.7	\$78	\$1,682
MAYNARD	35,435,841	60.0	18.3	18.7	2.9	\$134	\$2,127
MEDFIELD	52,994,545	60.2	16.5	13.2	10.2	\$86	\$1,927
MENDON	13,896,135	73.4	4.5	17.5	4.5	\$88	\$4,451
MERRIMAC	14,375,328	61.6	9.9	24.7	3.7	\$141	\$4,150
MIDDLETON	25,988,598	70.6	10.7	10.3	8.4	\$59	\$2,041
MILLIS	26,107,515	56.8	22.8	13.6	6.8	\$124	\$2,215
NEEDHAM	125,744,963	65.2	7.5	21.6	5.8	\$70	\$1,063
NEWBURY	16,687,407	74.6	9.1	12.5	3.8	\$82	\$2,599
NEWTON	334,466,113	67.2	8.4	20.9	3.5	\$71	\$1,091
NORTH READING	54,104,555	59.9	17.4	16.7	6.0	\$90	\$1,986
NORTHBOROUGH	48,298,027	70.9	11.8	15.2	2.1	\$91	\$1,779
NORWELL	42,452,977	69.1	11.6	14.6	4.7	\$77	\$1,121
PAXTON	10,589,697	67.6	10.0	18.1	4.3	\$128	\$2,734
PRINCETON	9,267,468	75.4	10.0	9.0	5.6	\$105	\$2,734
READING	85,765,713	57.3	16.6	23.1	3.0	\$108	\$1,911
ROCHESTER	16,393,014	50.0	16.6	27.3	6.1	\$101	\$1,682
ROWLEY	14,748,192	71.2	5.5	19.3	4.0	\$96	\$2,599
RUTLAND	15,746,511	61.7	13.0	17.2	8.2	\$130	\$2,734
SALISBURY	22,307,173	63.4	5.4	28.4	2.8	\$92	\$2,599
SHARON	71,445,795	68.7	14.4	11.7	5.1	\$99	\$2,002
SHERBORN	22,819,705	83.7	5.1	5.9	5.3	\$59	\$1,111
SHIRLEY	17,430,986	42.8	39.0	15.9	2.3	\$187	\$4,314
SHREWSBURY	98,682,256	48.7	27.2	12.9	11.1	\$95	\$2,998
SOUTHBOROUGH	45,792,511	68.2	12.0	12.2	7.7	\$57	\$1,779
STERLING	21,984,291	66.1	9.1	13.7	11.1	\$109	\$2,734
STOW	22,502,978	82.1	4.9	11.6	1.4	\$82	\$1,984
SUDBURY	81,471,700	77.7	10.0	10.8	1.5	\$64	\$1,316
TOPSFIELD	22,357,040	72.1	11.2	10.0	6.7	\$84	\$2,041
TYNGSBOROUGH	35,160,965	53.1	28.5	14.0	4.4	\$101	\$3,444
UPTON	17,062,149	76.1	4.6	16.2	3.1	\$93	\$4,451

Municipality	Total Receipts	As Percent of Total				Lottery Aid per capita	Ch 70 Aid per student
		Tax Levy	State Aid	Local Receipts	All Other		
WAKEFIELD	75,784,280	60.3	14.1	22.8	2.8	\$112	\$1,343
WAYLAND	66,282,121	78.1	7.7	12.0	2.2	\$65	\$1,095
WELLESLEY	133,372,978	66.9	6.9	20.3	5.8	\$56	\$992
WENHAM	16,560,749	70.7	3.6	17.1	8.7	\$85	\$1,686
WEST NEWBURY	13,553,962	70.6	3.5	16.3	9.6	\$82	\$4,150
WESTBOROUGH	87,648,166	63.7	11.6	20.1	4.6	\$70	\$1,083
WESTFORD	94,514,916	57.4	22.4	15.6	4.6	\$80	\$2,774
WESTON	78,528,439	72.6	6.0	17.1	4.3	\$40	\$961
WESTWOOD	85,387,149	59.0	9.1	29.7	2.2	\$62	\$1,022
WINCHESTER	86,391,630	69.5	9.7	14.8	6.0	\$71	\$1,087
State Total	4,181,347,057	65.8	12.3	17.5	4.5		
Average of these 81 municipalities	51,621,569	66.9	12.0	16.4	4.7	\$93	\$2,066
Median of these municipalities	35,160,965	67.2	9.9	16.3	4.4	\$85	\$1,739
HARVARD	22,049,907	72.0	18.7	8.4	1.0	\$296	\$1,194
HARVARD RANK**	22,049,907	22	14	76	78	1	61

* Lincoln median HH income excludes Hanscom AFB

** where #1=greatest dependence on funding source

Uses of Revenue Harvard and 80 Comparables
General Fund Expenditures - Average for Fiscal Years 2000 - 2007

Municipality	Avg. Population*	Average Annual Per Capita Spending by Category (\$)												
		General Government	Police	Fire	Other Public Safety	Education	Public Works	Human Services	Culture & Recreation	Debt Service	Fixed Costs	Intergovernmental	Other Expenditures	Total Expenditures
ACTON	20,575	178	110	121	19	1,705	87	20	50	102	137	8	2	2,540
ANDOVER	32,047	192	164	173	31	1,445	172	28	120	362	194	47	11	2,938
ARLINGTON	41,908	99	115	114	31	800	173	14	56	168	377	67	9	2,023
ASHLAND	15,215	96	125	115	17	1,204	91	46	21	219	258	24	2	2,216
AYER	7,289	151	179	112	8	1,174	114	18	64	175	364	8	0	2,367
BEDFORD	12,671	225	187	147	26	1,787	465	56	97	376	354	173	40	3,933
BELMONT	23,870	126	173	140	51	1,244	320	27	96	146	226	62	4	2,615
BERLIN	2,559	167	141	30	72	1,306	171	7	31	407	211	79	20	2,642
BOLTON	4,293	183	142	13	81	1,738	223	9	38	360	82	3	2	2,874
BOXBOROUGH	4,964	168	183	120	11	1,761	130	11	36	267	227	2	2	2,919
BOXFORD	8,078	148	118	41	57	1,567	139	24	43	184	196	7	0	2,525
BOYLSTON	4,121	149	148	24	50	1,191	94	15	37	252	139	42	0	2,142
CANTON	21,255	103	146	158	27	1,057	156	22	56	197	338	50	9	2,315
CARLISLE	4,804	165	191	36	68	2,316	179	27	95	373	198	5	0	3,652
COHASSET	7,265	201	224	227	23	1,532	219	36	69	495	352	119	8	3,504
CONCORD	16,932	168	162	150	18	1,684	148	23	110	188	274	176	12	3,114
DOVER	5,623	225	209	43	46	1,963	244	18	102	289	240	26	9	3,412
DUNSTABLE	3,004	97	184	5	15	1,126	129	9	48	102	65	2	1	1,783
DUXBURY	14,480	116	169	120	49	1,559	200	21	96	159	125	18	6	2,638
ESSEX	3,307	150	192	34	69	1,280	188	37	20	23	163	5	2	2,163
FRANKLIN	30,190	89	117	118	14	1,455	101	12	33	150	105	78	2	2,272
GRAFTON	15,899	102	88	18	16	1,029	118	13	30	131	144	14	2	1,704
GROTON	10,031	125	119	48	50	1,190	130	15	67	170	138	4	0	2,058
GROVELAND	6,320	98	110	31	33	737	166	26	37	69	75	3	1	1,384
HAMILTON	8,345	108	135	47	50	1,339	150	17	68	53	115	24	0	2,107
HANOVER	13,586	105	156	121	45	1,424	163	27	38	185	240	26	11	2,540
HARVARD	6,044	174	127	29	24	1,437	181	9	71	209	269	48	5	2,584
HINGHAM	20,509	108	179	163	33	1,285	174	26	59	211	273	85	5	2,600
HOLDEN	16,151	100	97	41	4	997	112	8	37	221	75	6	0	1,700
HOLLISTON	13,893	88	129	36	13	1,693	171	22	33	359	176	13	6	2,740
HOPKINTON	13,794	98	116	102	13	1,755	196	18	21	422	281	13	8	3,042
HUDSON	18,533	84	127	114	9	1,229	210	16	43	175	204	47	0	2,259
LANCASTER	7,102	96	91	28	45	921	66	11	31	197	86	5	1	1,580
LEXINGTON	30,432	118	137	118	29	1,986	196	18	78	226	104	25	96	3,132
LINCOLN	8,038	183	128	102	61	1,242	149	15	131	218	325	20	4	2,578
LITTLETON	8,447	151	145	65	19	1,342	159	16	58	316	225	66	2	2,565
LUNENBURG	9,728	112	97	46	23	1,177	99	13	27	144	248	32	0	2,018
LYNNFIELD	11,568	116	154	83	10	1,227	174	14	50	156	280	51	0	2,315
MANCHESTER	5,287	164	205	134	16	1,393	243	32	100	313	275	24	4	2,900
MARION	5,223	224	193	56	66	1,361	230	19	38	212	219	11	6	2,634
MATTAPOISETT	6,389	132	192	36	59	1,354	121	38	35	134	235	10	9	2,353
MAYNARD	10,357	97	165	132	21	1,120	275	17	32	223	355	31	1	2,468
MEDFIELD	12,336	127	141	47	22	1,540	179	17	59	456	183	35	4	2,809
MENDON	5,544	115	167	70	34	839	151	27	37	6	103	2	2	1,555
MERRIMAC	6,266	84	93	28	25	764	256	26	37	217	71	10	4	1,616
MIDDLETON	8,577	91	104	115	17	1,127	124	29	36	156	94	77	0	1,969
MILLIS	7,964	145	142	38	56	1,092	106	17	32	267	168	91	9	2,163
NEEDHAM	28,868	194	137	170	27	1,191	119	26	63	181	373	43	30	2,554
NEWBURY	6,829	116	139	60	31	854	101	54	60	278	96	20	2	1,811
NEWTON	83,706	114	155	138	13	1,297	198	30	97	82	299	62	2	2,487
NORTH READING	13,933	104	183	136	20	1,215	221	27	37	153	315	11	13	2,436
NORTHBOROUGH	14,279	107	121	56	19	1,431	122	24	52	131	231	10	0	2,304

Average Annual Per Capita Spending by Category (\$)														
Municipality	Avg. Population*	General Government	Police	Fire	Other Public Safety	Education	Public Works	Human Services	Culture & Recreation	Debt Service	Fixed Costs	Intergovernmental	Other Expenditures	Total Expenditures
NORWELL	10,097	133	163	137	66	1,499	152	34	58	235	304	50	0	2,830
PAXTON	4,480	92	114	40	48	839	671	11	47	176	81	5	3	2,128
PRINCETON	3,443	120	144	36	5	1,078	203	5	32	207	101	5	6	1,941
READING	23,518	90	130	119	21	1,225	158	14	40	201	320	26	3	2,348
ROCHESTER	4,954	159	133	25	79	1,516	128	31	31	126	120	14	0	2,362
ROWLEY	5,631	123	177	65	26	1,002	73	29	28	148	85	14	0	1,769
RUTLAND	6,894	66	56	23	58	707	127	7	24	246	48	23	2	1,387
SALISBURY	8,040	121	212	102	18	819	99	25	19	72	124	14	2	1,626
SHARON	17,370	89	131	80	25	1,497	137	19	56	362	311	38	6	2,752
SHERBORN	4,222	199	229	69	16	2,278	276	40	104	336	248	19	4	3,817
SHIRLEY	7,024	110	111	47	37	878	128	11	25	87	203	95	12	1,742
SHREWSBURY	32,547	114	96	68	9	1,018	102	51	46	233	198	14	12	1,962
SOUTHBOROUGH	9,188	207	131	146	11	1,364	147	36	51	358	308	245	14	3,017
STERLING	7,553	82	117	38	46	952	151	12	54	359	103	5	25	1,944
STOW	6,062	119	157	65	20	1,622	119	28	35	188	100	25	3	2,481
SUDBURY	17,041	108	119	135	39	2,058	132	28	61	403	319	16	5	3,423
TOPSFIELD	6,177	140	168	73	23	1,465	155	21	94	158	215	25	3	2,538
TYNGSBOROUGH	11,286	91	178	36	21	1,294	158	23	26	182	236	9	7	2,261
UPTON	6,017	99	168	62	41	676	265	38	34	133	121	228	0	1,864
WAKEFIELD	24,746	70	132	119	11	982	192	13	60	2	383	37	4	2,005
WAYLAND	13,107	173	146	130	61	1,854	140	52	157	285	399	25	3	3,425
WELLESLEY	26,705	118	157	139	15	1,438	202	27	132	176	305	37	3	2,750
WENHAM	4,491	143	188	79	57	1,061	204	12	119	46	165	23	10	2,106
WEST NEWBURY	4,224	210	147	45	73	780	204	24	67	166	97	11	8	1,831
WESTBOROUGH	18,428	113	109	97	46	1,591	183	28	51	409	321	10	14	2,972
WESTFORD	21,149	119	149	94	16	1,576	180	28	68	442	231	10	1	2,915
WESTON	11,580	168	208	195	15	2,010	272	31	109	530	590	21	28	4,177
WESTWOOD	14,053	158	170	148	17	1,726	240	32	74	312	305	59	0	3,241
WINCHESTER	21,009	260	158	143	7	1,166	222	16	63	209	394	112	1	2,751

199,915

Harvard rank among 81	62	14	59	73	43	30	29	75	19	39	28	21	30	31
Harvard	6,044	174	127	29	24	1,437	181	9	71	209	269	48	5	2,584
MASSACHUSETTS	6,402,040	111	174	129	29	1,068	151	36	50	169	285	62	7	2,272
Average for these 81	13,203	133	147	86	32	1,327	176	23	58	223	218	39	7	2,468
Median for these 81	9,728	119	145	79	25	1,294	159	22	36	201	219	24	3	2,326**

* Population is *average* for the years 2000-2007 (U.S. Census Bureau Population Estimates Division as quoted by MA DOR)

** Total is sum of median spending by category; corresponding share is based on this total.

Source: Massachusetts Department of Revenue Division of Local Services
Municipal Databank/Local Aid Section

Appendix C

Harvard's Shifting Demographic Profile and Its Impact on Education Costs

Harvard Population Trends

<u>as of:</u>	Total Population		Harvard Students*		
	<u>count</u>	<u>% chg</u>	<u>count</u>	<u>% chg</u>	<u>% of pop.</u>
1/1/1991	5,041	0.60%	831	-1.10%	16.50%
1/1/1992	5,071	0.60%	841	1.20%	16.60%
1/1/1993	5,043	-0.60%	866	3.00%	17.20%
1/1/1994	5,082	0.80%	803	-7.30%	15.80%
1/1/1995	5,104	0.40%	865	7.70%	16.90%
1/1/1996	5,157	1.00%	861	-0.50%	16.70%
1/1/1997	5,211	1.00%	916	6.40%	17.60%
1/1/1998	5,263	1.00%	997	8.80%	18.90%
1/1/1999	5,337	1.40%	988	-0.90%	18.50%
1/1/2000	5,364	0.50%	1035	4.80%	19.30%
1/1/2001	5,435	1.30%	1037	0.20%	19.10%
1/1/2002	5,492	1.00%	1098	5.90%	20.00%
1/1/2003	5,604	2.00%	1119	1.90%	20.00%
1/1/2004	5,687	1.50%	1122	0.30%	19.70%
1/1/2005	5,710	0.40%	1140	1.60%	20.00%
1/1/2006	5,727	0.30%	1169	2.50%	20.40%
1/1/2007	5,785	1.00%	1190	1.80%	20.60%
1/1/2008	5,741	-0.80%	1212	1.80%	21.10%
1991 - 2008 % chg/yr		0.80%	2.10%		

Household Size and Student Trends

<u>as of:</u>	Total Resid.		People per HH	Students per HH
	<u>Units (HHs)</u>	<u>% chg</u>		
1/1/1991	1,515		3.33	0.55
1/1/1992	1,532	1.10%	3.31	0.55
1/1/1993	1,558	1.70%	3.24	0.56
1/1/1994	1,581	1.50%	3.21	0.51
1/1/1995	1,629	3.00%	3.13	0.53
1/1/1996	1,638	0.60%	3.15	0.53
1/1/1997	1,659	1.30%	3.14	0.55
1/1/1998	1,695	2.20%	3.11	0.59
1/1/1999	1,741	2.70%	3.07	0.57
1/1/2000	1,763	1.30%	3.04	0.59
1/1/2001	1,778	0.90%	3.06	0.58
1/1/2002	1,783	0.30%	3.08	0.62
1/1/2003	1,785	0.10%	3.14	0.63
1/1/2004	1,798	0.70%	3.16	0.62
1/1/2005	1,804	0.30%	3.17	0.63
1/1/2006	1,814	0.60%	3.16	0.64
1/1/2007	1,875	3.40%	3.09	0.63
1/1/2008	1,876	0.10%	3.06	0.65
1991 - 2007 % chg/yr		1.40%	-0.40%	1.00%

Sources: Annual Town Reports, School Department Records, MA School Attending Children Reports

School Cost Analysis - Effect of "Students per HH" Shift

	<u>Actual</u> <u>FY 2007</u>	Pro Forma <u>historic high</u>	Pro Forma <u>projected high</u>	Pro Forma <u>historic low</u>
Total HH	1,875	1,875	1,875	1,875
Average Tax	\$7,315	\$7,940	\$8,677	\$6,440
Total Students	1,190	1,212	1,406	1,042
Students per HH	0.63	0.65	0.75	0.55
Avg. Student Cost	\$11,187	\$11,187	\$11,187	\$11,187
Ch 70 Aid	\$1,394,722			
Ch 70 aid per HH	\$744	\$744	\$744	\$744
School Cost/HH/Student	\$7,100	\$7,227	\$8,390	\$6,218
less Ch 70 per HH	(\$744)	(\$744)	(\$744)	(\$744)
Net per student cost per HH	\$6,356	\$6,484	\$7,646	\$5,474
Tax Change		\$127	\$1,290	(\$882)
% Tax Change		1.7%	17.6%	-12.1%

Notes:

- * "Harvard Students" is defined as students of Harvard Public Schools who reside in Harvard, excluding on Devens. It also excludes student residents who "choice in" and "choice out" of Harvard and student residents who attend private schools.
- Annual town census began including Harvard residents living on Devens when Phase One housing units were occupied. Prison population is not counted.
- FIAT constructed the above analysis to isolate the impact of increasing student population per household on the town's finances, as the trend analysis in the first table on the preceding page shows growth in the number of students outpacing growth in households since 1991. In this calculation, the team assumed "all other variables remain unchanged," e.g. school choice students, Chapter 70 state aid, class size, etc. Therefore, the "tax change" amounts shown are *directional* only. They do, however, underscore the significant impact on taxpayers of a housing stock that continues to disproportionately attract families with school age children as opposed to one that attracts a more balanced mix of residents.

**Detailed Report of Schools Attended by Harvard Children and Number of Students Being Educated in
Harvard Public Schools, 1985-2008**

School Year	School Children Residing in Harvard (excluding Devens)										Other Students Being Educated in Harvard		Total Students Being Educated in Harvard Public Schools	
	Local Public Schools	Academic Regional Schools	Vocational Tech Regional Schools	Collaboratives	Out-of-District Public Schools	In-State Pvt & Parochial Schools	Out-of-State Pvt & Parochial Schools	Total	% Local Public Schools	% Pvt & Parochial	Choice In	Devens	# of students, total, in HPS	Non-Devens Hvd students as % of total HPS students
2008-09	1,199	0	5	3	29	96	4	1,336	89.7%	7.5%	73	13	1,272	94.3%
2007-08	1,212	0	4	24	31	83	11	1,365	88.8%	6.9%	77	12	1,289	94.0%
2006-07	1,190	0	4	16	65	87	14	1,376	86.5%	7.3%	89	8	1,279	93.0%
2005-06	1,169	0	4	27	52	79	14	1,345	86.9%	6.9%	88		1,257	93.0%
2004-05	1,140	0	0	32	54	92	13	1,331	85.6%	7.9%	70		1,210	94.2%
2003-04	1,122	0	2	16	52	81	12	1,285	87.3%	7.2%	62		1,184	94.8%
2002-03	1,119	0	2	20	28	100	5	1,274	87.8%	8.2%	65		1,184	94.5%
2001-02	1,098	0	2	24	48	80	8	1,260	87.1%	7.0%	68		1,166	94.2%
2000-01	1,037	9	4	5	50	88	14	1,207	85.9%	8.5%	82		1,119	92.7%
99-2000	1,035	3	4	8	29	76	0	1,155	89.6%	6.6%	101		1,136	91.1%
1998-99	988	10	0	7	34	65	6	1,110	89.0%	6.4%	132		1,120	88.2%
1997-98	997	11	3	7	46	72	6	1,142	87.3%	6.8%	166		1,163	85.7%
1996-97	916	20	0	7	19	75	2	1,039	88.2%	7.4%	159		1,075	85.2%
1995-96	861	18	0	8	10	79	0	976	88.2%	8.1%	155		1,016	84.7%
1994-95	865	18	2	14	5	43	0	947	91.3%	4.5%	146		1,011	85.6%
1993-94	803	2	3	5	27	84	0	924	86.9%	9.1%	168		971	82.7%
1992-93	866	10	4	10	15	107	0	1,012	85.6%	10.6%	141		1,007	86.0%
1991-92	841	0	3	11	9	117	0	981	85.7%	11.9%			841	100.0%
1990-91	831	0	2	10	6	99	1	949	87.6%	10.5%			831	100.0%
1989-90	840	0	4	9	6	26	0	885	94.9%	2.9%			840	100.0%
1988-89	868	0	0	7	1	25	0	901	96.3%	2.8%			868	100.0%
1987-88	913	0	7	6	0	5	0	931	98.1%	0.5%			913	100.0%
1986-87	983	0	4	6	4	105	12	1,114	88.2%	10.5%			983	100.0%
1985-86	980	0	7	5	2	94	13	1,101	89.0%	9.7%			980	100.0%

* Annual town census began including Harvard residents living on Devens once the Phase One housing units were occupied. Prison population is not counted. Of the 5,741 residents enumerated in the 1/1/08 census, 221 were Devens residents and 5,520 were residents of the remainder of Harvard.

Source: Category of school for children residing in Harvard, School Attending Children Reports, MA DOE; other students being educated in Harvard, Harvard Public Schools Enrollment forms; population and housing units, Town Clerk, based on annual town census (1986, 1988 and 1991 estimated)

Appendix D

Table of Harvard's Land Uses

Table of Uses

P - by right; SP - by special permit

	<i>District</i>					
<i>Principal Use</i>	<i>AR</i> (125-21)	<i>B</i> (125-22)*	<i>C</i> (125-23)	<i>MR</i> (125-24)	<i>W</i> (125-25)	<i>WFH</i> (125-26)
Agriculture on 5 acres or more (125-7.A)	P		P		P	P
Home Farm (agriculture on less than 5 acres); includes horse stall rental, sale of own produce, u-pick harvest (125-7.B)	P		P		P	P
One family dwelling (125-8.A.1)	P		P**		P	P
Multiple residence, up to 8 units (125-9)^				P		
Conversion for multiple residence (125-10)	SP per 125-10; P per 125-21		SP per 125-10; P per 125-21			
Conversion of seasonal residence to year round residence on a nonconforming lot (125-11)	SP					
Accessory/in-law apartment (125-18)	SP					
Legal, accounting, consulting, architectural, engineering, surveying, real estate, insurance or similar professional offices (125-12.A)		P	P			
Offices for agents of industrial, distribution or wholesale companies (125-12.B)			P			
Travel agency or office (125-12.C)			P			
Secretarial services; telephone answering service (125-12.D)			P			
Photocopying service (125-12.E)			P			
Photo/photographer's studio (125-12.F)		P	P			
Artist's, craftsman's, locksmith's, or other artisan's studio (125-12.F)			P			
Florist, gift, stationery, antique shop (125-12.G)		P	P			
Repair and alteration of clothing & accessories (125-12.H)			P			
Repair shop for musical instruments (125-12.I)			P			
Medical & dental office (125-13.A)			P			
ATM (125-13.B)			P			
Barber shop; beauty shop (125-13.C)		P	P			
Repair of household furnishings, including appliances & upholstery (125-13.D)			P			
Repair & rental of bicycles (125-13.E)			P			
Inn or Bed & Breakfast establishment (125-13.F)			P			
Collection agency for utilities (125-13.G)		P	P			
Pickup for laundry & drycleaning (125-13.G)		P	P			

<i>Principal Use</i>	<i>District</i>					
	<i>AR (125- 21)</i>	<i>B (125- 22)*</i>	<i>C (125- 23)</i>	<i>MR (125- 24)</i>	<i>W (125- 25)</i>	<i>WFH (125- 26)</i>
Nursery school, kindergarten or day-care center for pre-school children (125-13.H)			P			
Sales & service for outboard motors, lawn mowers, snow throwers, garden tractors, snowmobiles and similar small engine equipment for off-street use only and not including rental for driveway operation (125-13.I)			P			
Store, showroom, salesroom for the conduct of retail business, including a grocery, hardware, clothing, drug or general store, not including auto sales; provided such uses do not exceed 15,000 sf of gross floor area of building space (125-13.J)		P	P			
Sales & distribution of medical supplies & equipment, not including storage of toxic or virulent substances (125-13.K)			P			
Catering service, delicatessen or other food market or a permitted eating establishment (125-13.L)			P			
Laboratory for engineering, research, experimental or testing activities (125-13.M)			SP			
Bank or equivalent financial institution or ATM (125-13.O)		P	P			
Eating establishment without mechanical or live entertainment (125-13.P)			P			
Eating establishment with live musical entertainment (not listed anywhere but 125-23.B)			SP			
Broadcast station, newspaper, publishing, printing (125-13.Q)			P			
Commercial entertainment & recreation during daylight hours only, including golf, swimming, tennis, or similar sports, but not a golf driving range (125-13.R)	SP golf course only		P			
Shops & sales of supplies for plumbing, electrical, carpentry, cabinetmaking, plastering, masonry, glass and similar work (125-13.S)			SP & P Both (?)			
Landscaping services involving equipment parking (125-13.T)			SP			
Kennel and/or veterinary services (125-13.U)			SP			
Mortuary (125-13.V)		SP	SP			
Nursing home; extended or intermediate-care facility licensed or approved to provide full-time convalescent or chronic care (125-13.W)			P			
Mobile storage, transfer, and distribution of fuel and petroleum products, not to exceed 5,000 gallons (125-13.X)			P			

<i>Principal Use</i>	<i>District</i>					
	<i>AR (125- 21)</i>	<i>B (125- 22)*</i>	<i>C (125- 23)</i>	<i>MR (125- 24)</i>	<i>W (125- 25)</i>	<i>WFH (125- 26)</i>
Warehousing & storage of common household goods, personal property, office equipment supplies & records, inventory & equipment owned by a municipality or any type of business listed in 125-12 and 125-13. Stored/warehoused motorized vehicles & equipment s			P***			
Mixed use village development (multi-family, grocery store (15,000+ sf requires special permit), eating establishments with live musical entertainment, small screen arts theater with 1 screen) (125-13.Z)			P			
Commercial greenhouse (125-14.A)			SP			
Light manufacturing (max. 12 persons engaged at any one time in forming, assembly, processing & similar actual manufacturing operations, and in which all raw materials and finished products are stored inside a structure (125-14.B)			SP			
Machine, welding, brazing or similar shop (125-14.C)			SP			
Commercial entertainment & recreation: indoor with sound isolation from other premises; bowling alley, skating rink, theater, swimming pool, racquet sports, fitness center (125-14.D)			SP			
Farm machinery sales & service (125-14.E)			SP			
Auto repair garage or body shop; sales of auto accessories with installation on the premises (125-14.F)			SP (except body			
Parks, conservation, water supply areas, open space (125-16.A)	P		P	P	P	P
Church or other religious (125-16.B)	P		P	P	P	P
Educational uses on land owned/leased by the State or its agencies, subdivisions, etc., or by religious organizations, or by nonprofit educational corporation (125-16.C)	P		P	P	P	P
Ways, off-site signs (125-16.D)	P		P	P	P	P
Public service corporation with no service yard or garage (not including wireless communication facilities) (125-16.E)	P		P	P	P	P

<i>Principal Use</i>	<i>District</i>					
	<i>AR (125-21)</i>	<i>B (125-22)*</i>	<i>C (125-23)</i>	<i>MR (125-24)</i>	<i>W (125-25)</i>	<i>WFH (125-26)</i>
Charitable institution, social & recreation club without living quarters, which is tax exempt by IRS code (125-16.F)	P		P	P	P	P
Burial places & Cemeteries (125-16.G)	P		P	P	P	P
Museum (125-16.H)	P		P	P	P	P
Personal service establishment (125-22)		P				
Indoor eating establishment (125-22)		P				
Wireless communications facilities	SP	SP	SP	SP		SP
Earth removal operation (125-16.B)	SP per 125-10; P per 125-21		SP per 125-10; P per 125-21			
* Uses permitted in the B district include "uses as permitted in the district surrounding the B district".		P				

Accessory Uses

Agriculture - seasonal housing for labor, farm stand
 One-family dwelling - amateur radio tower, home occupations, renting rooms, accessory apartment
 Accessory farm stand for sales of natural produce (125-13)

** Permitted only on lots as they existed 2/1/72

*** Permitted only in buildings existing on 10/16/98

^ Definition in 125-2 says this term includes nursing homes

Special permit required for a non-residential building with a length of greater than 150 ft. (125-37)

Special permit required for a non-residential building with more than 10,000 sq. ft. (125-37)

50% of all lots with commercial uses in 125-12, 13 and 14 must be a "green area", plus 25% of lot land area in excess of 3 acres. In addition, all setback areas shall be green space/landscaped. (125-39.C)

With the exception of residential uses, all uses listed are also subject to Site Standards section, 125-39

Prohibited uses:

Collection or open storage of junk or abandoned autos, commercial raising of swine and fur animals, manufacture or commercial storage of explosives, fertilizer plant, slaughterhouse, airport, heliport, race track