



Town of
Acton *Massachusetts*

Finance Committee FY21 Point of View

October 2019

- **Our Town**
- Coming Projects
- Concerns/Recommendations

Our Town: Economically

	Acton	Middlesex County	Massachusetts
Median Family Income ¹	\$157,917	\$117,048	\$94,110
Median Home Value ²	\$569,700	\$545,400	\$407,900
Unemployment Rate ³	1.9%	2.1%	3.0%

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As a town, we are in a very good position, economically speaking. We have a median family income that is greater than County and State averages, our home values are higher, and our unemployment rate is lower. In a nutshell, Acton as a whole is doing very well for itself.

Sources:

1. [2013-2017 American Community Survey 5-Year Estimates](#)
2. Zillow, Inc. (2019, May 31). Massachusetts Home Prices & Home Values. Retrieved from <https://www.zillow.com/ma/home-values/>
3. Executive Office of Labor and Workforce Development. (2018, April). Labor Force and Unemployment Data. Retrieved June 14, 2018, from http://lmi2.detma.org/lmi/lmi_lur_area.asp?AT=04&A=000017&Dopt=TEXT

Our Town: Financially

- 99% tax collection rate
- AAA rated by Moody's and Standard & Poor
- Reserves at \$5.75M



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Thanks to our positive Economic status and our amazing residents, Acton can boast of a 99% tax collection rate. This includes our payments of real estate and excise taxes, which keep this town running.

Moody's and Standard & Poor represent two of the three largest credit rating agencies in the United States. Just as a credit score above 700 would allow you to take out a car loan at the lowest possible interest rate, a triple-A rating by these agencies allows the Town to borrow money for our big projects at the lowest possible interest rates. The Town's continued ability to fund our budget without Operating Overrides, overrides that cover regular budget spending not those used for large projects, our funding of our OPEB liability (see slides 20 & 21), and our Reserves all help us maintain this good rating.

Currently, our Reserves going into the next Budget cycle are \$5.75 million, which includes 2 million in our Stabilization Fund.

Our Town: Tax Burden

- Acton families' tax burden is holding steady
 - 5.73% of average family income in 2010
 - 5.78% of average family income in 2017

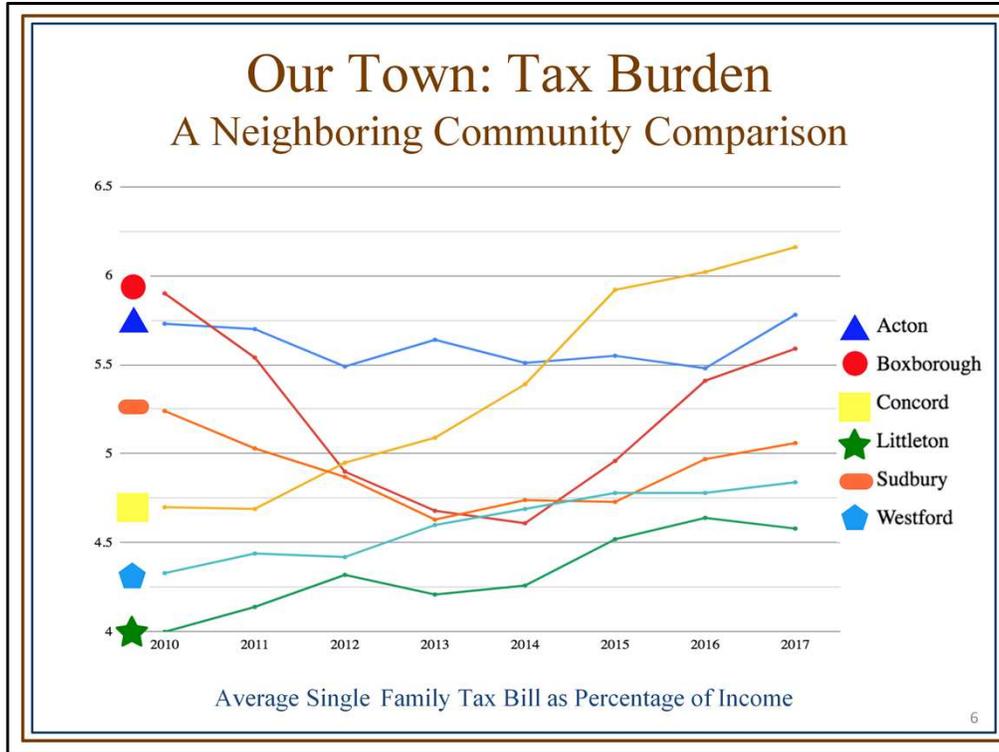
Equation: average family tax bill ÷ average family income

See Appendix A for supporting data.

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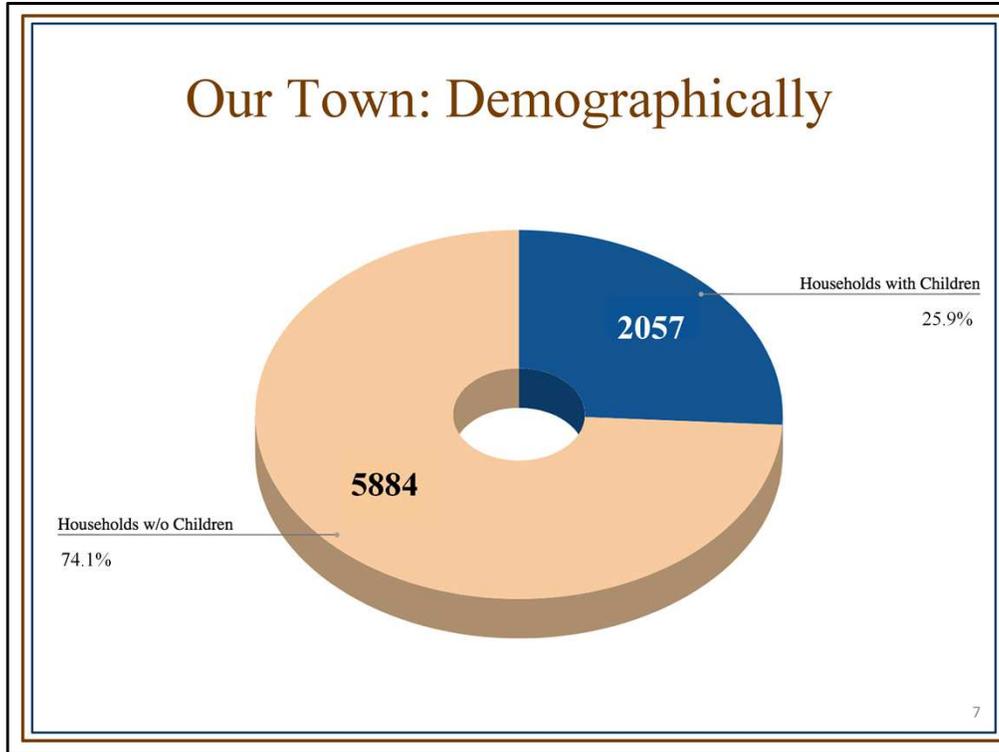
While it's true, and inevitable, that taxes have risen every year, they have not risen significantly as related to our income. What this means is that the percentage of our income that Acton collects is basically unchanged over this seven year period. Unfortunately, there is a 2 year lag on this data, so 2017 is the latest we can bring you, but we still feel it is helpful to understand that although we all agree taxes are high, they are not outrunning wages. The following slide will show you how our neighboring towns compare to Acton in this regard.

(Median income/tax bill historically is not available. We cannot show accurate trends without the historical tax bill median, and so we are using Average in this instance.)



The left side of this graph refers to the tax burden as a percentage of income for each town listed. You can find all of the data used for this graph in Appendix A.

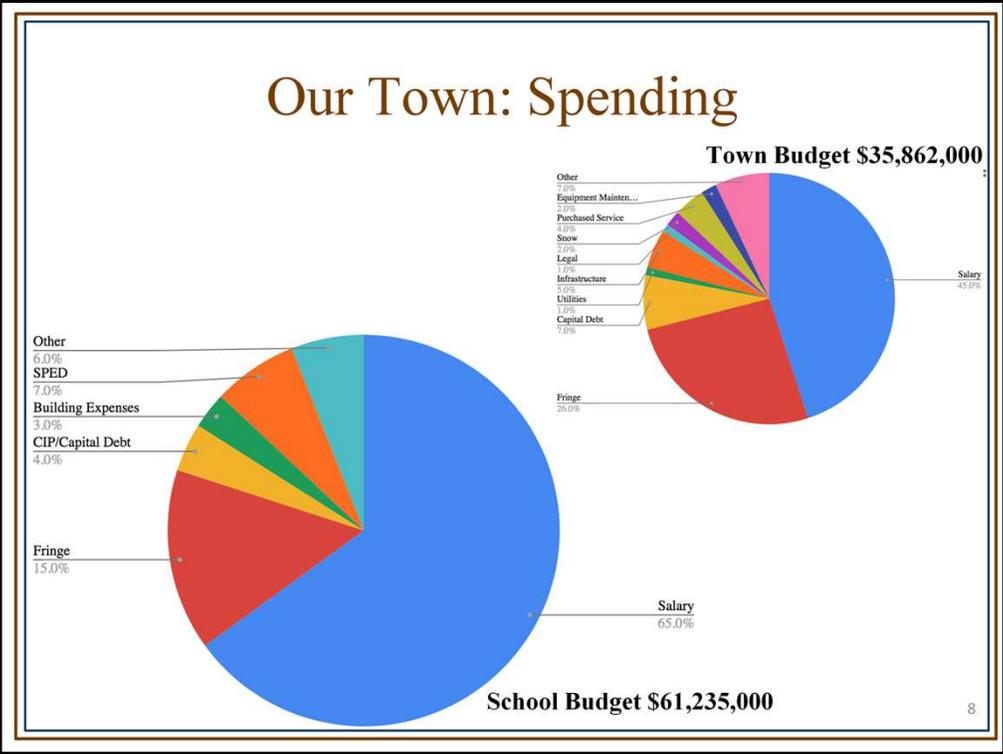
Our Town: Demographically



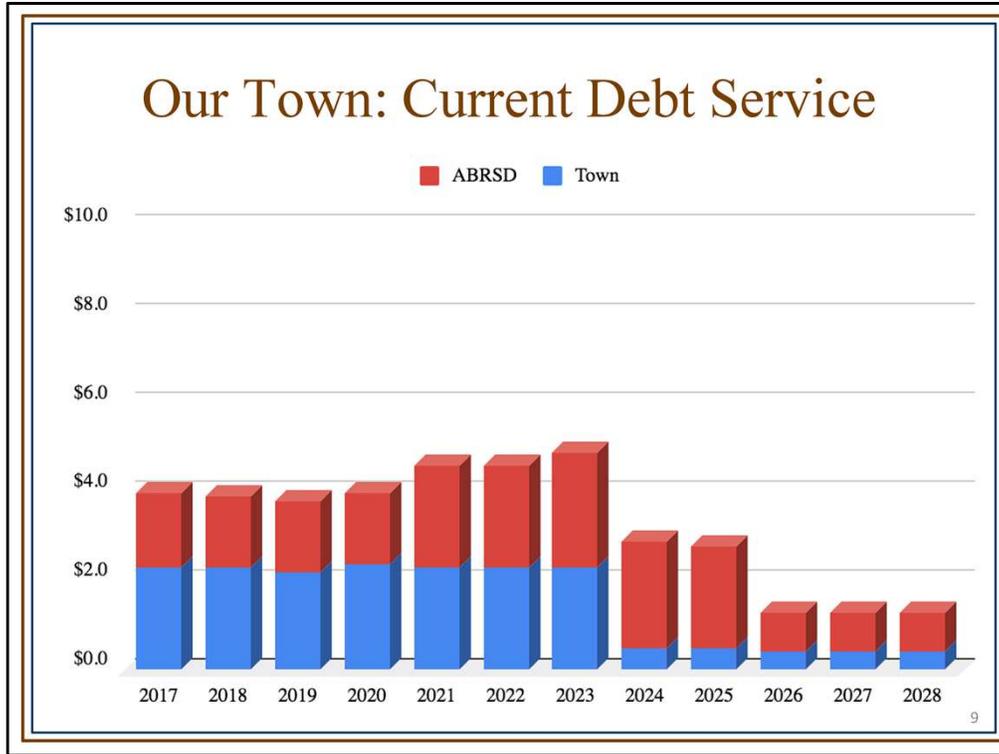
The numbers from the 2018 Town Census show 25.9% of Acton households have children under the age of 17. While many people who live in Acton do so because of its nationally recognized schools*, we should keep in mind that the majority of Acton's households do not have children in the school system. It is important to balance the needs of the whole Town when making recommendations on fiscal policies.

*<https://www.boston.com/news/education/2019/04/30/best-new-england-high-schools-2019-rankings-us-news-world-report>

Our Town: Spending



These represent the FY20 budgets for the Town and for the Schools, and a high level breakdown of the spending categories for each. These budgets were approved at the April Town Meeting.



The red here is basically the leftover debt we took on to pay for the Jr and Sr High Schools, in millions. As you can see, this debt all but disappears in 2028. These debts are representative of the Parker Damon Building, upgrades to RJ Grey and the High school, the Public Safety Facility, a few fire trucks/fire engines, etc.

*FYI: Fire Station numbers extrapolated from the ALG spreadsheet for 2021 and 2022, and then calculated based on level principle payments. Includes Towns \$3.8 million in BANs, covering a hodgepodge of projects with an assumed ten year life and level principle for when they eventually bond.

- Our Town
- **Coming Projects**
- Concerns/Recommendations

Potential Coming Projects: Douglas/Gates School

- Total Cost \$117.8M
 - MSBA Funding @ 33% \$(38)M
 - Feasibility Funds Applied \$(1.3)M
 - Acton Responsibility 85% \$66.7M
- (Boxborough Responsibility 15% or \$11.8M)



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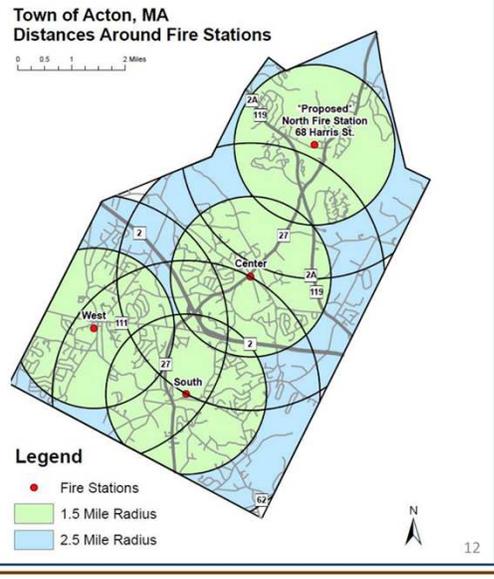
What It Is - The Douglas/Gates Twin School Building Project

Why Now - A few years back we hired a firm, Dore & Whittier, to look at all of the buildings owned by the School District and assess what sort of issues, upgrades, etc., they may need in order to continue to service our student population. The findings were clear that three of our schools were in a sad state of disrepair. This is not to say that they had been neglected, it's just that the schools were built over 50 years ago, and they were not designed for longevity or current safety and accessibility standards. So, today we find ourselves with space limitations across the district, much higher need for Special Ed spaces as well as English Language Learners, and three schools that have long ago surpassed their ability to adequately meet the needs of their student populations. We have done what can be done over the years to shift students around, turn work space into classrooms, add on supposedly temporary modular classrooms, and even in the case of Douglas, make use of basement areas that don't even have flooring as working space. Now, if we attempted to update or upgrade these spaces on our own, the cost to the district would be incredible. Everytime we touch something in these schools, we would be required to bring them up to today's codes, and simple projects would quickly get out of control, costwise. Luckily, the Massachusetts School Building Authority has agreed that one school in particular, Douglas, is in immediate need of replacement and they are willing to help us fund a replacement school. In order to maximize this offer, we have engaged with them to replace two of our schools at once, as well as solve a similar issue with our current Integrated Preschool program and our CASE Collaborative students. That is how we arrived at the current building project that we will be asked to vote on at the Special Town Meeting on December 10th.

Cost - The total cost for the project will be \$117.8 million. Of that, MSBA will cover 34.05%, or \$38 million. We have already spent \$1.3 million on our Feasibility Study, and those funds have been applied to our total costs. That leaves us with a balance of \$78.5 million. Boxborough will also be voting on this initiative, as they will be covering 15% of the costs. Acton residents will be responsible for the remaining 85% or \$66.7 million. This translates to a tax impact of roughly \$450-500/year.

Potential Coming Projects: Fire Station

- North Acton Fire Station
- Bonding Request ~\$10M



What It Is - The North Acton Fire Station, to be located at 66 Harris Street, would add a 4th Fire Station to Acton.

Why Now - As Acton's population has continued to grow, more and more housing has been developed in the northern part of the town. This change in Acton's demographics has required the current three fire stations to stretch their coverage areas in order to respond to emergency calls. At this time, our onsite arrival of emergency vehicles and personnel is greater than the 4 minute response time established by the National Fire Protection Association (NFPA). By adding a 4th fire station, we can bring our response time into compliance with industry standards, and better serve our community as a whole.

Cost - This project is expected to cost ~\$10 million. This translates to a tax impact of roughly \$74/year.

Potential Debt Exclusions: Minuteman

- Minuteman Regional Vocational Technical School
- ~\$10.5 million
 - Annual payments will need to be addressed, if not by debt exclusion



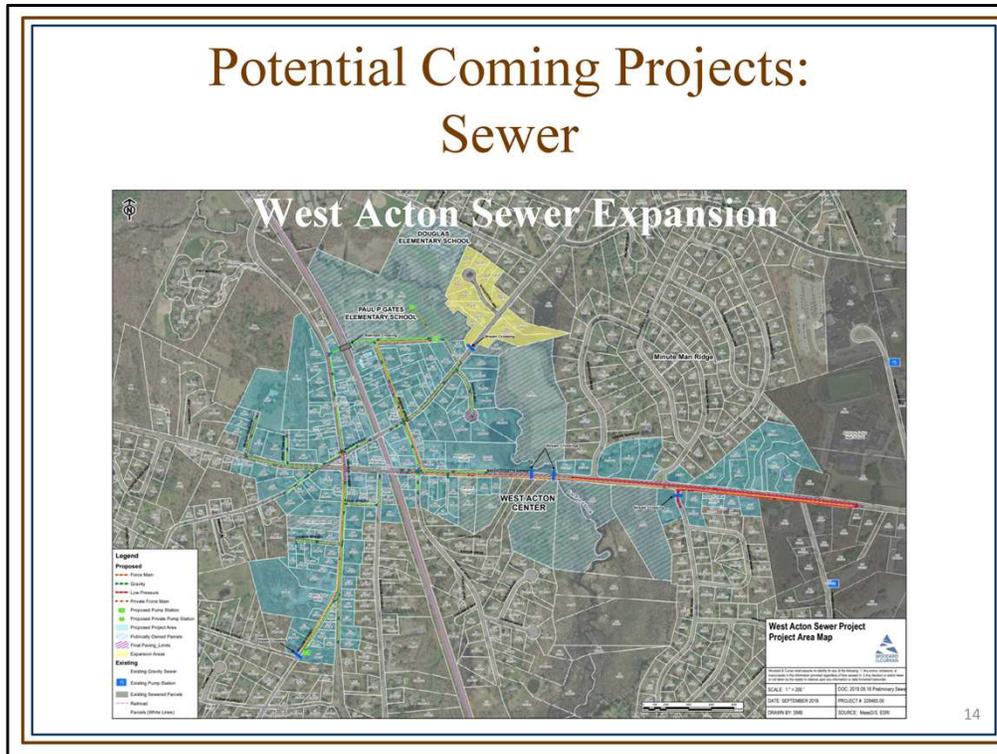
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What It Is - The Minuteman building project, completed in August of 2019.

Why Now - So, if the building is done, why are we taking on new debt at this time? Just as you can't take out a loan for a car that is still in the manufacturing phase, and you can't take out a home loan on a house that is still under construction, we could not take out a loan on the Minuteman building project while it was still being built. As of September 1st, the Minuteman school is open for business and our portion of that project needs to be paid for.

Cost - Around \$10.5 million. This translates to a tax impact of roughly \$75/year.

Potential Coming Projects: Sewer



What It Is - An expansion of the sewer system in West Acton that will link the sewers to the new school building project.

Why Now - If the new Twin School were going to be connected to the sewer system, and if the sewer expansion could be in place no later than August 1st of 2020, then the School would not have to invest in a septic system.

Cost - ~\$14-15 million, \$11-13 million offset by Betterment Fees paid by residences. (Include business betterment, residential betterment, and town betterment costs)

Ways to Pay

- Prop 2 ½

- Debt Exclusion (planned)
 - Temporary Tax Increase
 - Finances a Specific Project
- Override (not recommended)
 - Permanent Tax Increase
 - Can Be Used for Operating Budget

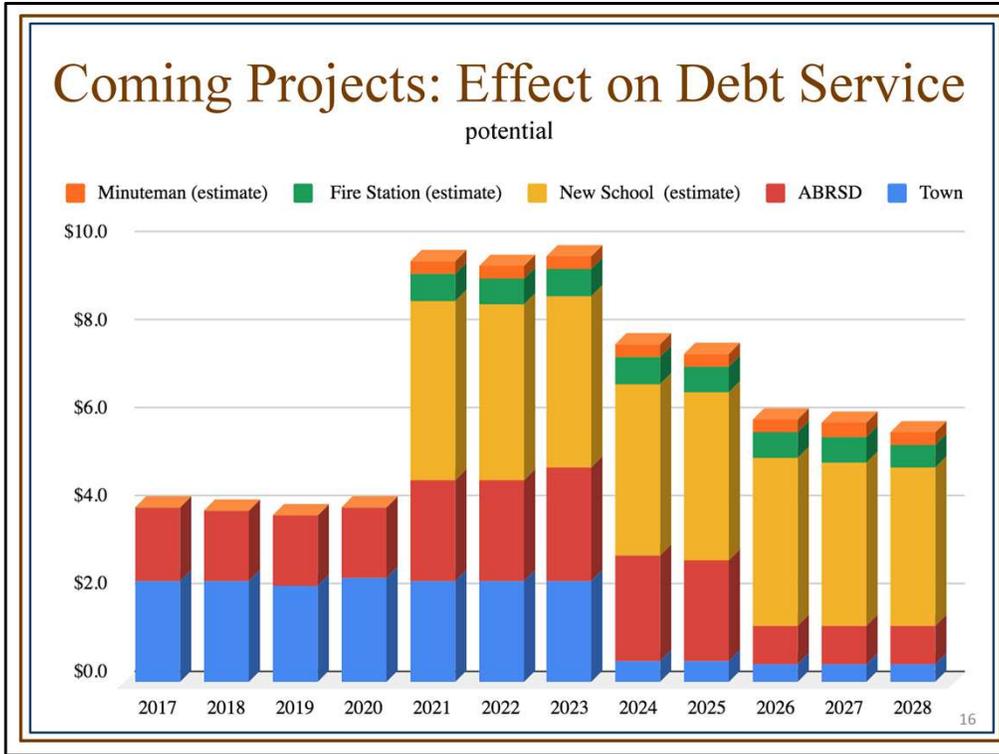
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The cost of these projects cannot be covered simply by raising our taxes. As you may know, in Massachusetts our ability to raise taxes is limited by Proposition 2 ½, which only allows us to raise taxes by 2 ½% over our previous years' property tax rate. Given this limitation, we need to vote for either a Debt Exclusion or a Debt Override at our upcoming Special Town Meeting, as well as at a Special Town Election that will come shortly after.

A debt exclusion is meant to finance a particular project. Our property taxes increase for a period of time, usually 10 to 20 years, to cover the cost of construction. When the bond (or loan) on that project is paid off, the increase to our Town's levy limit is revoked, and our tax increase for that project goes away.

An override is a permanent addition to the levy limit. It becomes added to the amount we are allowed to tax each year forever. It is usually used when ongoing expenses have become too much for a community and an adjustment must be made to allow for continued funding at a certain level of service, now and in the future.

Both a debt exclusion and an override increase our property taxes. The major difference is that with a debt exclusion, that increase eventually goes away, while an override is a permanent addition to our Town's tax levy limit (the maximum percentage we can increase taxes).

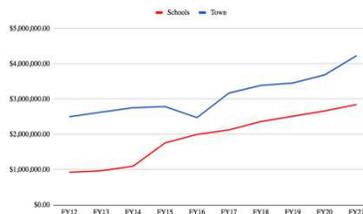


Debt Service Payments of principal and interest per year.

- Our Town
- Coming Projects
- **Concerns/Recommendations**

Concerns: Compensation

- Compensation is our largest budgetary item
 - 71% of next year's town budget will be salary & fringes
 - 80% of next year's school budget will be salary & fringes
- Past four years of compensation growth $\geq 4\%$
- Middlesex Retirement assessment continues to increase



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We are a people town. The majority of our budget dollars go to pay for our Town Staff, Educators, and Administrators. As this is the biggest budget item, and we remain limited by Prop 2 ½ in our ability to increase taxes, it is vital that we allocate our resources wisely. Middlesex has been on the rise over the past 10 years, and it is an assessment that we must pay regardless of cost.

Concern OPEB

Other Post-Employment Benefits

Healthcare, Life Insurance, Deferred Compensation

- **\$16.1M owed by Town**
 - investing \$600K per year
 - liability **decreased** by \$452k last year
 - fully funded in 2032
- **\$43.8M owed by School District**
 - investing \$900K per year
 - liability **increased** by \$1.8m last year
 - fully funded in 2092

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OPEB represents our legal obligation to pay for 50% of our retirees' healthcare, life insurance, and other similar benefits for life; it does not include pensions. It's an existing liability, meaning it is a debt that the Schools and the Town have already taken on and must plan to pay for. As employees retire, the Town and School need to have funds set aside to cover these benefits. While we do take steps now to plan OPEB funding for each employee as they are hired, we did not, and many other towns and states did not, make a habit of funding our OPEB liability properly in the past. In order to make up for that lack of foresight, the Town has been investing vigorously in its OPEB liability to reduce the unfunded portion of this debt as soon as possible. Their rigorous approach to catching us up means we can expect to see their debt fully funded within the next 13 years. (Source: Page 8 Segal Consulting Actuarial Valuation and Review as of Dec 31, 2016 dated January 31, 2018.) By contrast, the School has taken a much slower approach to funding its OPEB liability. At their current rate, they will not see the end of that debt for 73 years. (Source: Page 40 Acton-Boxborough Regional School District Other Postemployment Benefits Plan Actuarial Valuation as of July 1, 2017 Odyssey Advisors.)

Recommendations: OPEB

- Town: Continue funding at current levels
 - Acton's funding is a strength, compared to other towns
- School District: Increase current funding by \$100k per year
 - \$1.6M yearly investment required to fully address Service Cost within a timely manner

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The Finance Committee would like to see the School increase its funding of the OPEB liability. Currently, they are only funding a little more than half of the annual cost of the program, leading to an increase rather than a decrease of the amount owed. If the School increased its yearly investment to \$1.6 million, they could fully fund their debt within 30 years.

Concerns: Future Capital Projects

- 1-5 Years
 - Douglas/Gates
 - New Capital Improvement Plan (if override fails)
 - North Acton Fire Station
 - West Acton Sewer Expansion (ongoing)
 - Updates to Existing Fire Stations
 - Water Treatment Plant Repairs/Upgrades
- 5 - 30 Years
 - Conant
 - DPW Building
 - ABRSD Admin Building

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There are always updates and maintenance issues that need addressing, and it's important to keep these projects on our radar. Similarly, we will need to invest in a new Capital Improvement Plan, to address the Douglas, Gates, and Conant schools, should the override vote fail to pass at Town Meeting in Acton, in Boxborough, or at either Town's ballot box.

Recommendations: Future Capital Projects

- Bring in outside funding where possible
- Fund ongoing maintenance within Operating Budget
- Prioritize future capital needs before they become critical
 - School Committee has, and Select Board needs to, develop a specific, ranked list of the most pressing capital issues
- Present a Capital Improvement Scorecard at Annual Town Meeting

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This town has done an excellent job in bringing in state and federal funding to aid us in our large projects. We've utilized MSBA partnerships for School related projects, Community Preservation funds for preservation of historic buildings, development of affordable housing, and the acquisition and development of outdoor recreational facilities, and we tapped MassDOT money for development of our Kelley's Corner project. This is one of Acton's strengths, and we commend past efforts and encourage the town and schools to continue to find ways to tap these and other resources as we move forward in addressing Acton's needs.

The Schools have made the upkeep and maintenance of their buildings a priority, including the development of a Capital Improvement Committee that is constantly identifying and updating a list of projects that need addressing. We are expecting a similar initiative to take place on the Town side, so we are not caught off guard by any aging infrastructure and expensive capital projects. The Select Board and Town Management should present a list of these projects annually at Town Meeting, so we and the public can remain aware of our infrastructure needs.

Concerns/Recommendations: Economic Outlook

- Recession
 - Some indicators suggest a recession is possible in the next few years
- Be vigilant
- Watch Reserve dollars
- Limit budget growth

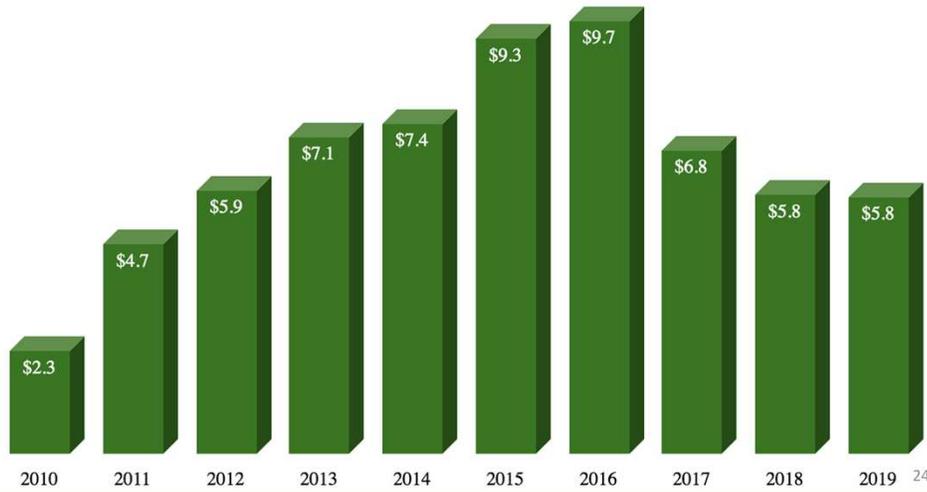
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There are some economic indicators that suggest a recession is possible within the next few years. No one can predict a recession with 100% accuracy, all we can do is look at these indicators and make an educated guess. At this point, we are concerned enough about the possibility of a coming recession that we believe it is important to bring it to the Town's attention.

The Town should continue to watch for signs of economic instability. We should do our best to increase our Reserves, preferably maintaining them near the ceiling of our recommended policy. For now, it would be in our best interest to limit Operating Budget growth as much as possible in the coming years in order to better prepare ourselves for the future.

Concerns: Reserves

- Stop depending on Reserves to fund Operating Budget



Over the past few years, it has been necessary to cover some Operating Budget expenses through Reserve dollars when those needs could not be met through the Operating Budget alone. This practice has contributed to our overall Reserves decreasing.

Recommendations: Reserve Policy

- Minimize use of Reserves and E&D
- Only use Reserves and E&D for one-time items
 - Unforeseen capital needs
 - Emergencies

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We need to keep a close watch on our Reserves. We should be cautious about regularly counting on this variable revenue source to cover known, repeating costs.

Concerns: Land Purchases

- 19-21 Maple Street
 - Acquired 7/1/2019 for \$1.1M
- 53 River Street
 - Acquired 1/20/2017 for \$875k
 - Missed tax revenue to date \$23,249.23
- 348-364 Main Street
 - Acquired 1/29/2016 for \$1.8M (\$567k over appraisal value)
 - Missed tax revenue to date \$72,061.04

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When we agreed to acquire the Maple Street property at the last Town Meeting, we did so knowing the plan was to pay for the cost of the purchase through parking receipts, as the space was currently being used by long term commuters and we could expand that use going forward. The same can not be said for the River St. property or the Main St. one. It is important to understand what effect these sorts of purchases have on our bottom line, as there are costs to taxpayers even beyond those of the initial purchase price.

Concerns/Recommendation: Land Purchases

Make no future land purchases without clearly identifying the Town's purpose for owning the property.

- 19-21 Maple street
 - Parking fees pay for purchase
- 53 River Street
 - Ongoing risk to town
- 348-364 Main Street
 - Learn from our mistakes.

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The 53 River Street property has limitation, as far as development is concerned, because there is a failing dam on the property that needs to be addressed. When the property was acquired there was no established plan for its use, and the Town has been struggling to define its value ever since. A similar situation occurred with the Main Street property. While the Town knew that it did not want a large daycare built at that location, it did not have a plan for what could be built on that site, or a way to attain a return on our initial investment into the property. After 3 ½ years of owning the property, it is now being sold at a substantial loss for senior and affordable housing. It is important that we learn from past mistakes and clearly identify the need for purchasing property, what will become of it once we own it, and how the investment can be a financially positive one for our tax payers.

Concerns/Recommendations: Kmart Transition

- Kmart parcel currently for sale
- Long term redevelopment may impact
 - traffic
 - schools
 - commerce
 - residential/commercial tax base ratio
 - quality of life



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With the newest addition to Avalon, we have officially achieved Safe Harbor status in Acton until 2021. This means that any future rezoning will have to be approved by the Town, and we will no longer be subject to Unfriendly 40Bs. This holds true until the new Census is released, although we are on schedule to reach a percentage of 40B housing that should also meet state requirements even after the population increases are realized in the 2020 Census. One consequence of Safe Harbor is that the Kmart area cannot be developed into residential housing without the town voting to rezone the area, which is currently zoned only for commercial purposes. While we do not make any recommendation to purchase the Kmart plaza, we do believe that whatever goes in there will have a significant impact on Acton and we should remain aware of the process.

Takeaways

- Special Town Meeting scheduled for 12.10.19
- Tax bills expected to increase by ~\$500-550 per average single family per year from debt exclusions alone
- Operating budgets should aim for increases below 2 ½% and not to exceed 3%
 - Without a change in spending, operating overrides may become necessary as well
- Save for a rainy day

Thank you for your time. Any questions?

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The current plan is for a capital override request in December of this year for the Twin School project and the Fire Station. These overrides will represent a significant impact on our taxpayers. The Town and Schools should aim for minimal increases in their Operating Budgets, preferably below 2 ½%.

Appendix A

Acton

Year	Avg Single Family Value	Average Single Family Tax Bill	Average Family Income	Tax Bill as % of Income
2010	\$512,103	\$8,767	\$152,923	5.73%
2011	\$500,492	\$9,049	\$158,874	5.70%
2012	\$499,163	\$9,259	\$168,554	5.49%
2013	\$505,237	\$9,650	\$171,021	5.64%
2014	\$505,494	\$9,832	\$178,362	5.51%
2015	\$531,639	\$10,128	\$182,391	5.55%
2016	\$539,896	\$10,382	\$189,292	5.48%
2017	\$561,186	\$10,696	\$185,110	5.78%
2018	\$566,279	\$10,974	Not Yet Available	
2019	\$584,315	\$11,318	Not Yet Available	

Boxborough

Year	Avg Single Family Value	Average Single Family Tax Bill	Average Family Income	Tax Bill as % of Income
2010	\$506,349	\$8,370	\$149,453	5.90%
2011	\$507,184	\$8,815	\$163,768	5.54%
2012	\$508,136	\$9,080	\$184,213	4.90%
2013	\$509,984	\$9,022	\$191,050	4.68%
2014	\$505,250	\$8,938	\$191,951	4.61%
2015	\$531,407	\$8,848	\$181,097	4.96%
2016	\$548,990	\$8,981	\$174,795	5.41%
2017	\$563,021	\$9,464	\$169,449	5.59%
2018	\$576,554	\$9,479	Not Yet Available	
2019	\$608,662	\$9,994	Not Yet Available	

Concord

Year	Avg Single Family Value	Average Single Family Tax Bill	Average Family Income	Tax Bill as % of Income
2010	\$835,697	\$10,939	\$232,738	4.70%
2011	\$839,569	\$11,074	\$235,963	4.69%
2012	\$851,550	\$11,564	\$233,761	4.95%
2013	\$838,804	\$11,802	\$231,888	5.09%
2014	\$847,682	\$12,249	\$227,070	5.39%
2015	\$902,043	\$12,890	\$217,735	5.92%
2016	\$969,131	\$13,490	\$224,023	6.02%
2017	\$987,567	\$13,895	\$225,584	6.16%
2018	\$1,014,269	\$14,494	Not Yet Available	
2019	Not Yet Available		Not Yet Available	

Littleton

Year	Avg Single Family Value	Average Single Family Tax Bill	Average Family Income	Tax Bill as % of Income
2010	\$370,111	\$5,415	\$135,436	4.00%
2011	\$368,977	\$5,656	\$136,479	4.14%
2012	\$370,625	\$5,960	\$138,085	4.32%
2013	\$366,412	\$6,222	\$147,616	4.21%
2014	\$367,397	\$6,396	\$150,243	4.26%
2015	\$371,489	\$6,724	\$148,663	4.52%
2016	\$395,635	\$6,999	\$150,736	4.64%
2017	\$401,565	\$7,288	\$159,148	4.58%
2018	\$418,652	\$7,594	Not Yet Available	
2019	\$435,302	\$7,940	Not Yet Available	

Department of Labor and Statistics MA Department of Revenue. (2019, June 25). Municipal Databank Average Single Family Tax Bill. Retrieved from https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=AverageSingleTaxBill.SingleFamTaxBill_MAIN
2013-2017 American Community Survey 5-Year Estimates

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Source:

Department of Labor and Statistics MA Department of Revenue. (2019, June 25). Municipal Databank Average Single Family Tax Bill. Retrieved from https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=AverageSingleTaxBill.SingleFamTaxBill_MAIN

[2013-2017 American Community Survey 5-Year Estimates](#)

Appendix A cont.

Maynard

Year	Avg Single Family Value	Average Single Family Tax Bill	Average Family Income	Tax Bill as % of Income
2010	\$320,390	\$5,171	\$95,693	5.40%
2011	\$315,237	\$5,517	\$102,121	5.40%
2012	\$311,702	\$5,751	\$110,124	5.22%
2013	\$304,057	\$6,096	\$114,914	5.30%
2014	\$287,770	\$6,414	\$120,987	5.30%
2015	\$299,411	\$6,680	\$133,800	4.99%
2016	\$327,517	\$6,960	\$137,983	5.04%
2017	\$327,542	\$7,209	\$138,834	5.19%
2018	\$328,637	\$7,440	Not Yet Available	
2019	\$368,438	\$7,752	Not Yet Available	

Stow

Year	Avg Single Family Value	Average Single Family Tax Bill	Average Family Income	Tax Bill as % of Income
2010	\$445,062	\$7,379	\$132,743	5.56%
2011	\$428,744	\$7,310	\$141,534	5.16%
2012	\$429,156	\$7,682	\$146,437	5.25%
2013	\$423,931	\$7,788	\$147,678	5.27%
2014	\$424,668	\$8,141	\$158,803	5.13%
2015	\$428,160	\$8,555	\$156,533	5.47%
2016	\$442,300	\$8,837	\$171,438	5.15%
2017	\$449,301	\$9,251	\$179,392	5.16%
2018	\$460,309	\$9,657	Not Yet Available	
2019	\$483,506	\$9,733	Not Yet Available	

Sudbury

Year	Avg Single Family Value	Average Single Family Tax Bill	Average Family Income	Tax Bill as % of Income
2010	\$650,508	\$10,460	\$199,576	5.24%
2011	\$627,988	\$10,695	\$212,710	5.03%
2012	\$621,410	\$10,937	\$224,526	4.87%
2013	\$622,862	\$11,205	\$241,929	4.63%
2014	\$640,277	\$11,544	\$243,572	4.74%
2015	\$658,974	\$11,598	\$245,327	4.73%
2016	\$678,738	\$12,082	\$243,173	4.97%
2017	\$705,763	\$12,520	\$247,631	5.06%
2018	Not Yet Available		Not Yet Available	
2019	Not Yet Available		Not Yet Available	

Westford

Year	Avg Single Family Value	Average Single Family Tax Bill	Average Family Income	Tax Bill as % of Income
2010	\$450,723	\$6,594	\$152,232	4.33%
2011	\$441,145	\$6,719	\$151,304	4.44%
2012	\$443,811	\$6,901	\$156,185	4.42%
2013	\$440,011	\$7,097	\$154,398	4.60%
2014	\$440,496	\$7,312	\$156,019	4.69%
2015	\$464,442	\$7,543	\$157,742	4.78%
2016	\$478,366	\$7,797	\$163,048	4.78%
2017	\$490,793	\$8,054	\$166,402	4.84%
2018	\$520,393	\$8,420	Not Yet Available	
2019	\$532,640	\$8,821	Not Yet Available	

Department of Labor and Statistics MA Department of Revenue. (2019, June 25). Municipal Databank Average Single Family Tax Bill. Retrieved from https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=AverageSingleTaxBill.SingleFamTaxBill_MAIN
2013-2017 American Community Survey 5-Year Estimates

Source:

Department of Labor and Statistics MA Department of Revenue. (2019, June 25). Municipal Databank Average Single Family Tax Bill. Retrieved from https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=AverageSingleTaxBill.SingleFamTaxBill_MAIN

[2013-2017 American Community Survey 5-Year Estimates](#)

Appendix B: Potential Indicators of Coming Recession

- Prolonged Economic Expansion
- Inverted Yield Curve
- Consumer Sentiment
- Recession Probability Index

Sraders, Anne. "When Is the Next Recession? These 4 Warning Signals Have Already Gone Off." *Fortune*, Fortune, 11 July 2019. fortune.com/2019/07/11/next-recession-warning-signs-yield-curve-confidence-manufacturing/
Bartash, Jeffrey. "Why Long Periods of the U.S. Going without Recession May Be Bad for the Economy." *MarketWatch*, MarketWatch, 19 June 2019. www.marketwatch.com/story/why-long-periods-of-seemingly-economic-good-times-may-actually-be-bad-for-america-2019-06-17.

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No one can predict a recession with 100% accuracy. All we can do is look at the indicators, and make an educated guess. At this point, we are concerned enough about the possibility of a coming recession that we believe it is necessary to bring it to the Town's attention.

Prolonged Economic Expansion - Long periods of economic expansion are not always good for the economy, and we are currently in the longest expansion in modern history. During these years of growth, we tend to run up higher budget deficits, take on greater personal and government sector debt, buy goods at much lower interest rates, set the value of goods as much higher than they otherwise might be, and have greater access to money for the purchase of more goods.

Yield Curve - The Yield Curve is an indicator of where interest rates on bonds might be over time. Investors use the Yield Curve to determine whether to invest for 3 months, 2 years, 5 years, etc. The Yield Curve looks at all the economic data possible and predicts where interest rates will likely be along that timeline, so you can decide when you're likely to get the most money out of your investment. At the moment, the Yield Curve for US Treasury Bonds, considered the most reliable, low-risk investment, is "inverted". What this means is that short term investments are predicted to give you a higher rate of return than long term investments. In other words, the market thinks we're headed into an economic downturn. The inverted Yield Curve has occurred before 6 of the last 7 economic recessions. This suggests we should be on the lookout for a possible recession in the next 18 months.

Consumer Sentiment: Consumer confidence remains quite high historically speaking, but there are signs it is diminishing. When corporations and consumers have faith in long term growth, their spending and operations reflect that confidence. Currently, Automotive sales are down, Manufacturing is near a 10 year low, and in June the Consumer Confidence Index hit a 2 year low.

Recession Probability Index: The New York Fed has maintained a Recession Probability Index since the 1960s, and when that index is above 30%, a recession is likely. Currently, that number is at 31.9%, which is the highest it's been since 2009.