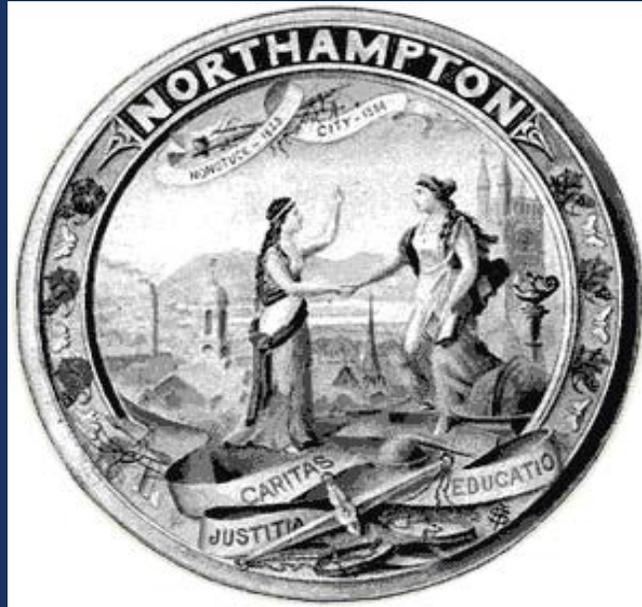


# FINANCIAL TRENDS AND PROJECTIONS FOR THE FY2021 BUDGET PROCESS

CITY OF NORTHAMPTON, MASSACHUSETTS

MAYOR DAVID J. NARKEWICZ - JANUARY 30, 2020



# AGENDA

- Financial indicators relative to Northampton and comparative communities
- Sound Fiscal Practices
- Review of Revenue and Expenditures Trends and Projections for FY2021
- Fiscal Stability Plan & March 3, 2020 Proposition 2½ Override
- Fiscal Year 2021 Budget Calendar
- Questions and Comments



HOW DOES NORTHAMPTON COMPARE TO NEIGHBORING  
COMMUNITIES ON KEY FINANCIAL INDICATORS?



# RESIDENTIAL TAX RATES

NORTHAMPTON RANKS 120<sup>TH</sup> OUT OF 345 CITIES AND TOWNS THAT HAVE SET THEIR FY2020 TAX RATE PLACING THE CITY IN THE MIDDLE THIRD OF THE STATE IN TERMS OF RESIDENTIAL TAX RATES.

- Agawam
- Amherst
- Chicopee
- Easthampton
- East Longmeadow
- Greenfield
- Holyoke
- Longmeadow
- South Hadley
- Westfield
- West Springfield



# COMMERCIAL TAX RATES

NORTHAMPTON RANKS 197<sup>TH</sup> OUT OF 345 CITIES AND TOWNS THAT HAVE SET THEIR FY2020 TAX RATE PLACING THE CITY IN THE MIDDLE THIRD OF THE STATE IN TERMS OF COMMERCIAL TAX RATES.

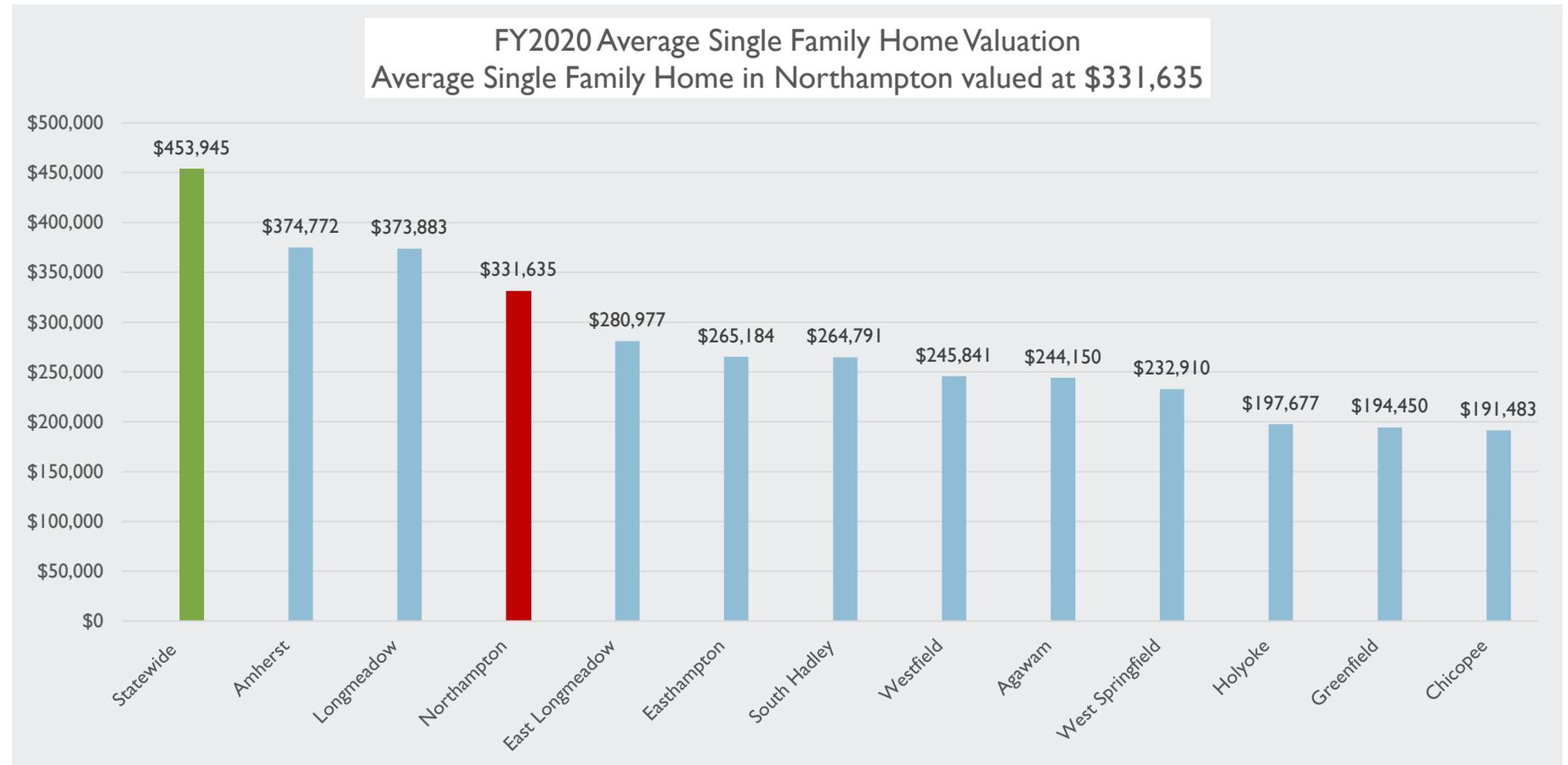
- Agawam
- Amherst
- Chicopee
- Easthampton
- East Longmeadow
- Greenfield
- Holyoke
- Longmeadow
- South Hadley
- Westfield
- West Springfield



# AVERAGE SINGLE FAMILY HOME VALUATION

NORTHAMPTON RANKS 183<sup>RD</sup> OUT OF 325 CITIES AND TOWNS FOR WHICH DOR HAS LISTED THE AVERAGE SINGLE FAMILY HOME VALUATION PLACING THE CITY IN THE MIDDLE THIRD OF THE STATE IN TERMS OF SINGLE FAMILY HOME VALUES.

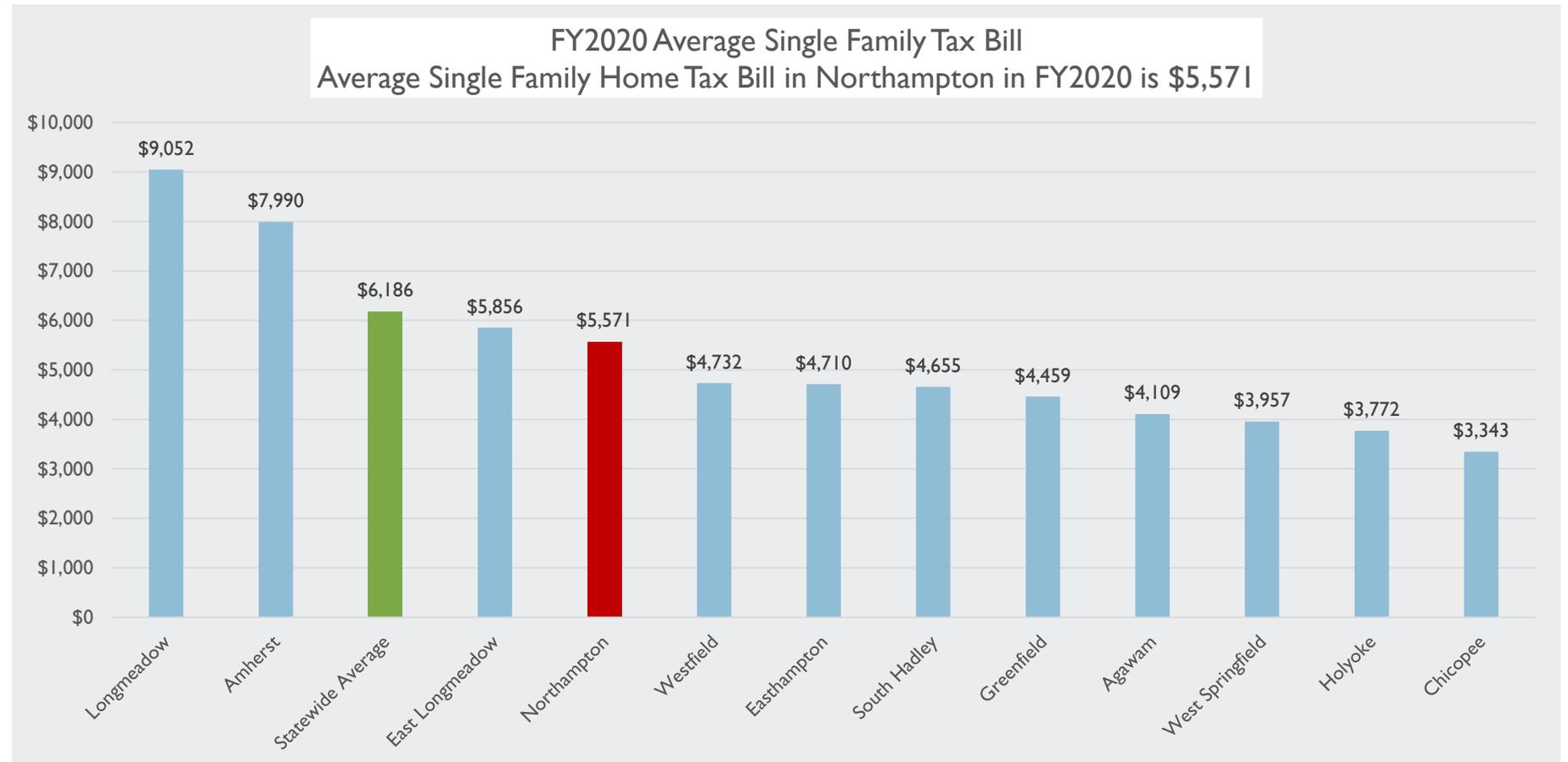
- Agawam
- Amherst
- Chicopee
- Easthampton
- East Longmeadow
- Greenfield
- Holyoke
- Longmeadow
- South Hadley
- Westfield
- West Springfield



# AVERAGE SINGLE FAMILY TAX BILL

NORTHAMPTON RANKS 147<sup>TH</sup> OUT OF 325 CITIES AND TOWNS THAT HAVE HAD THEIR AVERAGE SINGLE FAMILY HOME TAX BILL CALCULATED PLACING THE CITY IN THE MIDDLE THIRD OF THE STATE IN TERMS OF RESIDENTIAL TAX BILLS.

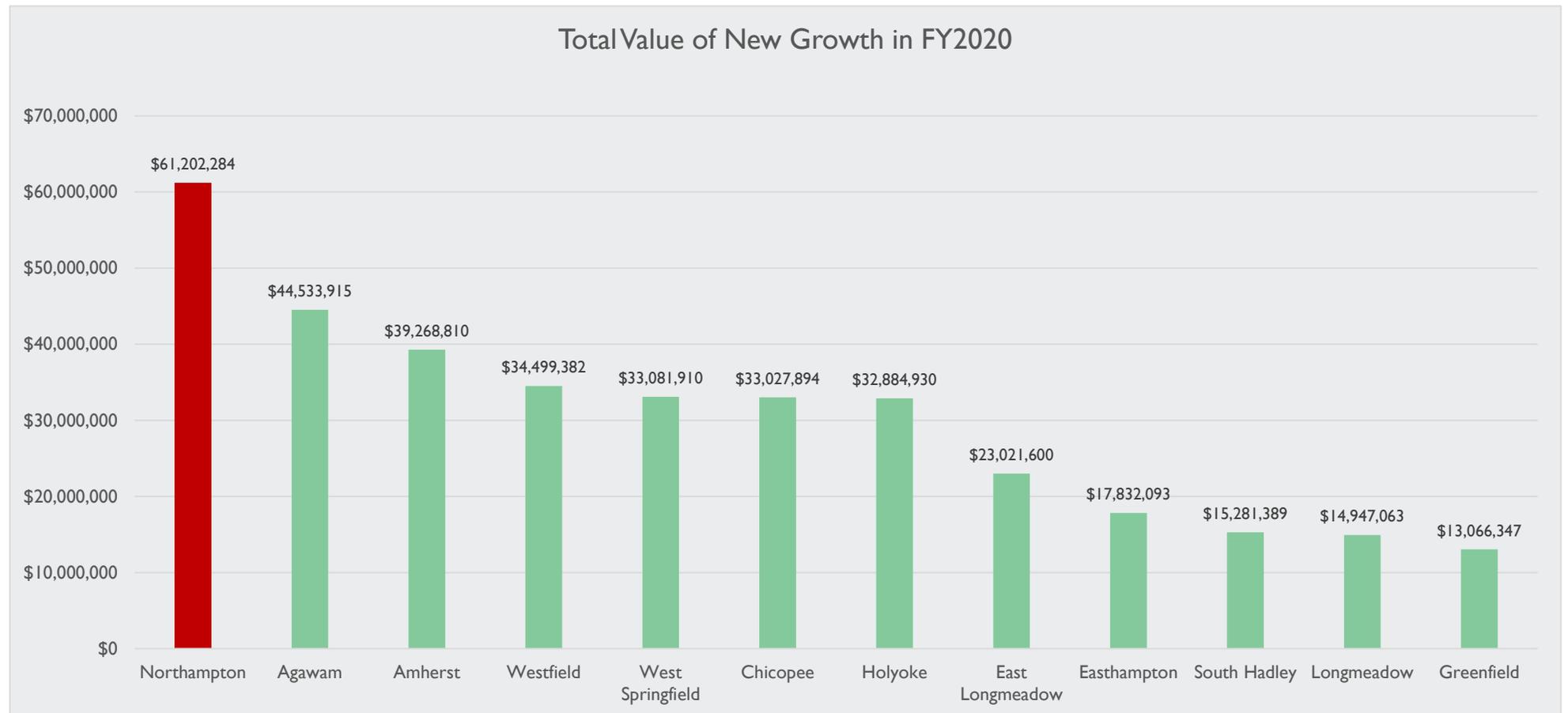
- Agawam
- Amherst
- Chicopee
- Easthampton
- East Longmeadow
- Greenfield
- Holyoke
- Longmeadow
- South Hadley
- Westfield
- West Springfield



# TOTAL VALUE OF NEW GROWTH IN FY2020

NORTHAMPTON - \$61,202,284

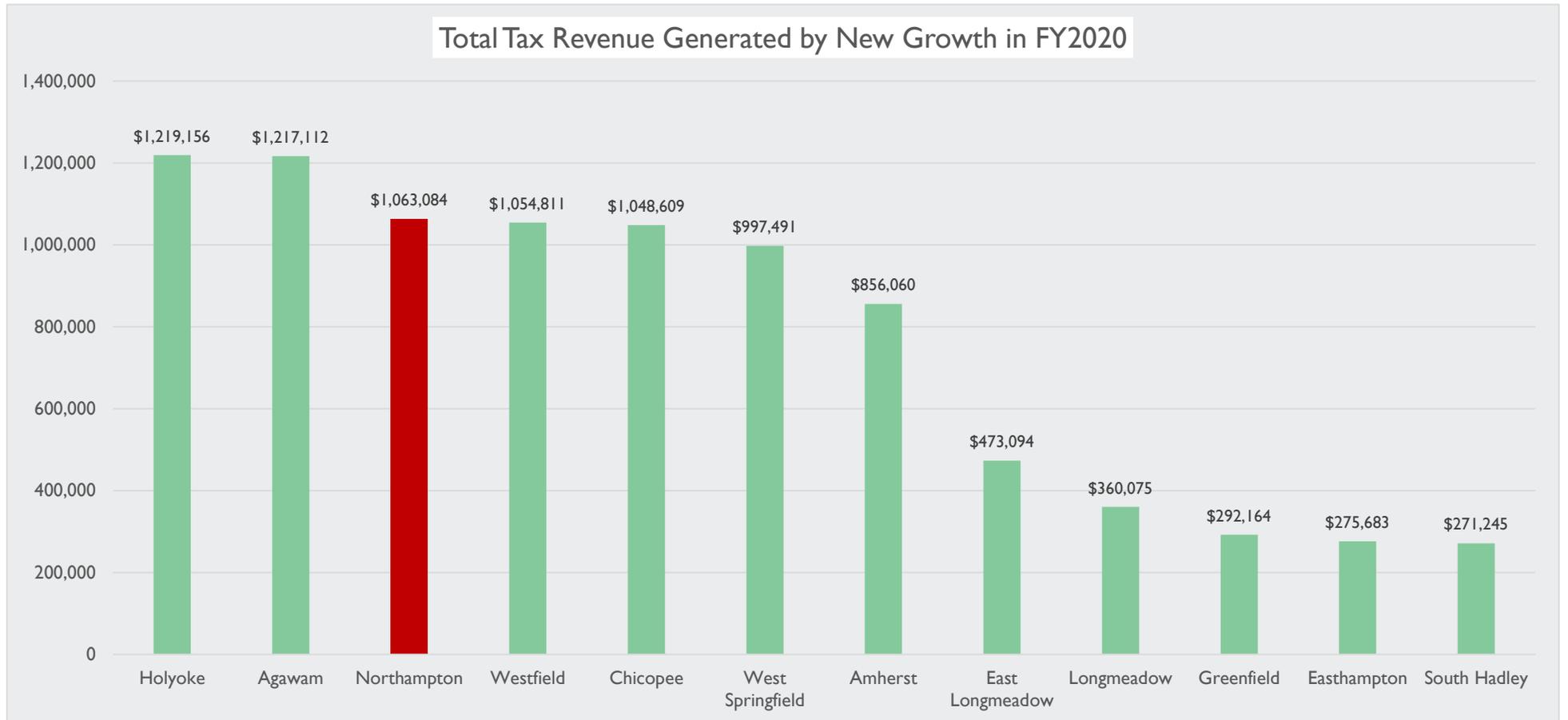
- Agawam
- Amherst
- Chicopee
- Easthampton
- East Longmeadow
- Greenfield
- Holyoke
- Longmeadow
- South Hadley
- Westfield
- West Springfield



# TOTAL TAX REVENUE GENERATED BY NEW GROWTH IN FY2020

NORTHAMPTON - \$1,063,084

- Agawam
- Amherst
- Chicopee
- Easthampton
- East Longmeadow
- Greenfield
- Holyoke
- Longmeadow
- South Hadley
- Westfield
- West Springfield



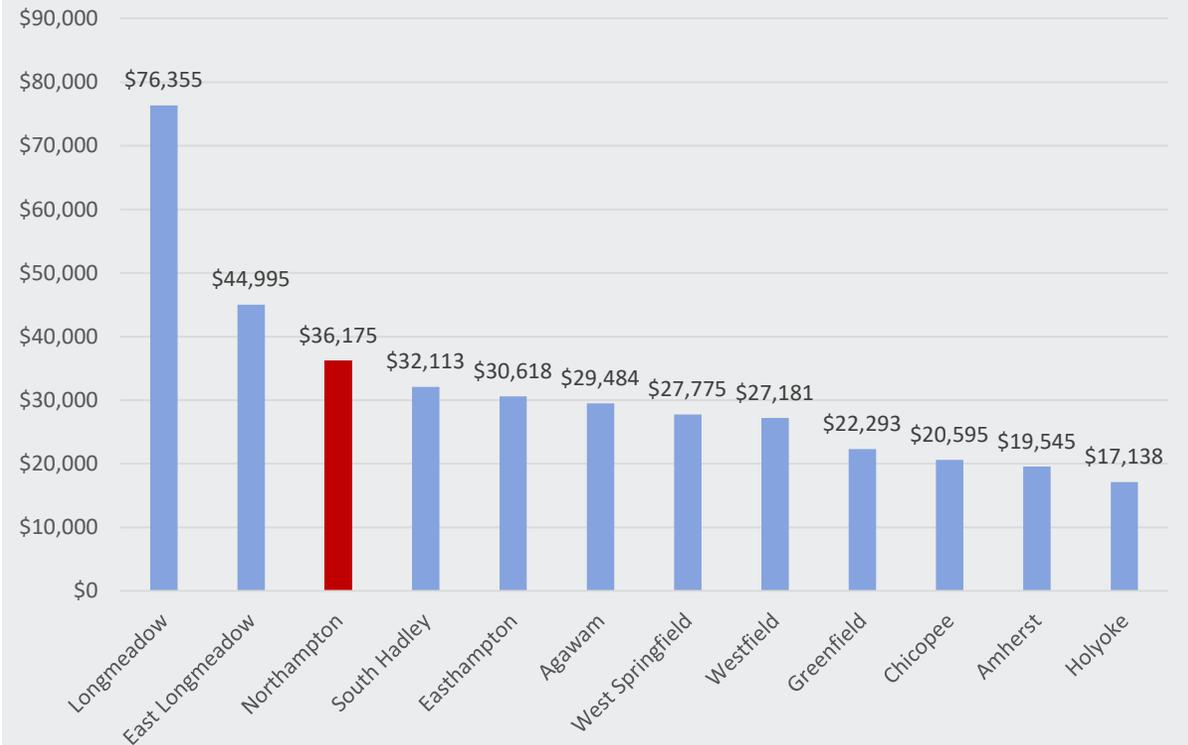
# PER CAPITA EXPENDITURES AND PER CAPITA INCOME – 2018

NORTHAMPTON RANKS 175<sup>TH</sup> OUT OF 351 CITIES AND TOWNS FOR PER CAPITA SPENDING WHICH PLACES THE CITY IN THE MIDDLE THIRD  
NORTHAMPTON RANKS 183<sup>RD</sup> OUT OF 351 CITIES AND TOWNS FOR PER CAPITA INCOME WHICH PLACES THE CITY IN THE MIDDLE THIRD

### Per Capita Expenditures - FY2018

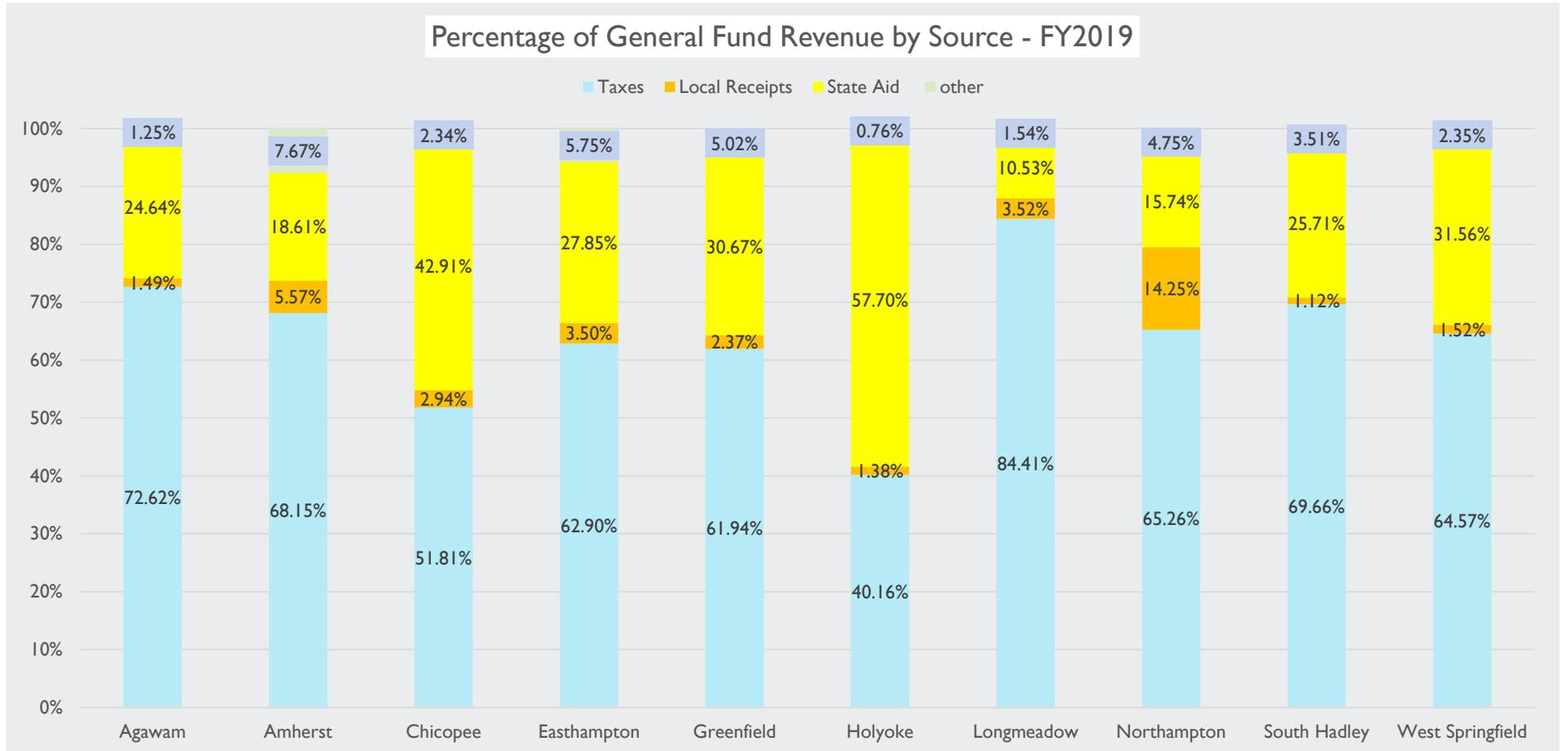


### Income Per Capita - FY2018



# REVENUE IN THE GENERAL FUND BY PERCENTAGE OF TAXES, LOCAL RECEIPTS, STATE AID, AND OTHER INCOME

- Agawam
- Amherst
- Chicopee
- Easthampton
- Greenfield
- Holyoke
- Longmeadow
- South Hadley
- West Springfield





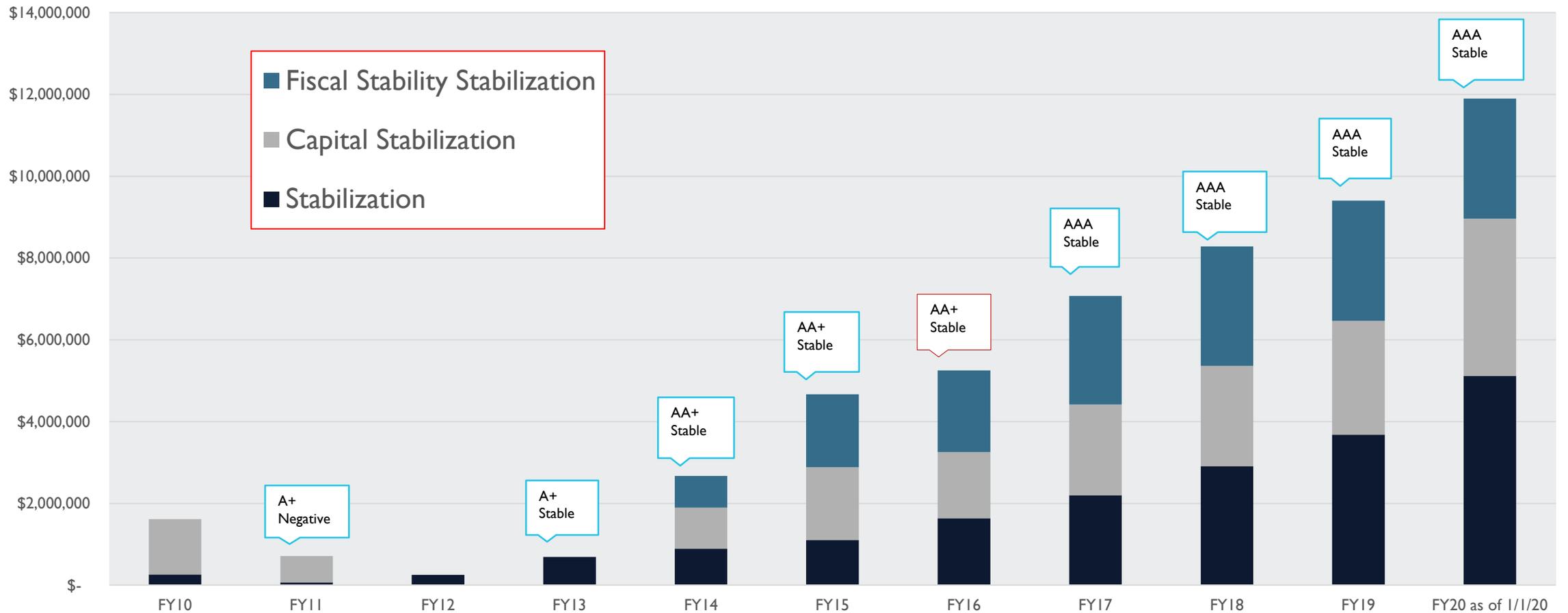
# SOUND FISCAL PRACTICES



# GENERAL FUND RESERVES

## STABILIZATION, CAPITAL STABILIZATION AND FISCAL STABILITY STABILIZATION FUND

FY2010 – FY2020



# STRONG FISCAL MANAGEMENT

## S & P GLOBAL RATINGS

BOND RATING MAY 9, 2019 – RATING: AAA/STABLE

- *“We view the city's management as very strong, with strong financial policies and practices under our FMA methodology, indicating financial practices are strong, well embedded, and likely sustainable.”*
- *“Overall, in our opinion, Northampton is conservative in its management and budgeting practices. Officials develop revenue and expenditure assumptions using up to 10 years of historical trends in combination with forward-looking, long-term financial planning.”*
- *“The city maintains a five-year forecast that it updates annually and uses to project expenditure and revenues issues, along with ways to address them. Northampton also has a five-year, rolling capital improvement plan. Both long-term plans are available to the public on the city's website.”*
- *“Northampton’s budgetary performance is strong, in our opinion. Given the history of conservative budgeting practices, we expect the city will maintain strong performance over the two-year outlook period.”*
- *“Northampton has traditionally maintained strong fund balance levels and has previously been willing and able to raise taxes when necessary. In fiscal 2014, the city approved a \$2.5 million override of the levy limit, which, in our view, demonstrated a willingness to raise revenues to meet expenditures. Its financial plan includes the use of these reserves over time, at which point the city will likely seek another override.”*

# MULTI-YEAR PLANNING AND ADHERENCE TO FISCAL POLICIES:

- Five Year Fiscal Stability Plan
- Five Year Capital Improvements Program
- Adherence to Financial Policies:
  - ❖ *General Fund Free Cash and Reserves Policy – last updated January 2, 2019*
  - ❖ *Debt and Capital Planning Policies – last updated February 7, 2019*

Target goal based on financial best practices and guidance from the Department of Revenue is to maintain reserves of 10% of the General Fund Operating Budget in the Stabilization Fund and the Capital Stabilization Fund at all times.

- FY2020 Budget is \$100,658,857 or 10% = \$10,065,885
- Current Stabilization Fund Balance = \$5,120,700 or 5.1%
- Current Capital Stabilization Fund Balance = \$3,842,815 or 3.82%
- Together these two funds are at 8.92% of the General Fund Operating Budget for FY2020

Target goals for debt service include:

General Fund debt service and capital spending will not exceed 10% of General Fund operating revenues. In FY2019 debt as a % of General Fund operating revenues was 6.2%.

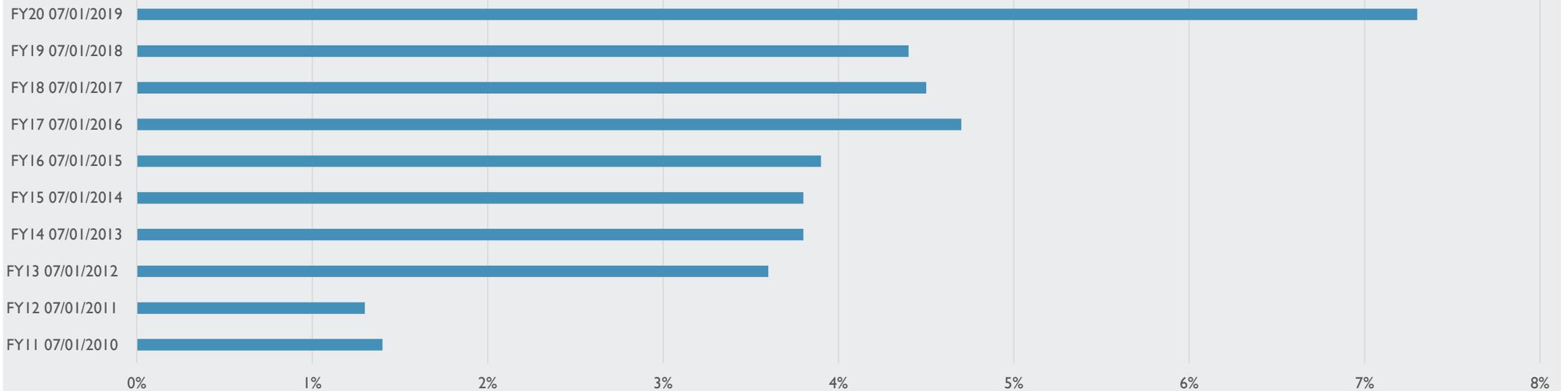
Levy Supported General Fund debt service and capital spending will not exceed 5% of net General Fund operating revenues. In FY2019 levy supported debt service and cash capital spending was 4.6%.

The long term debt schedule is maintained so that a least 50% of outstanding principal is paid within 10 years. In FY2019, the city was on track to retire 90.5% of outstanding principal payments by FY2028.

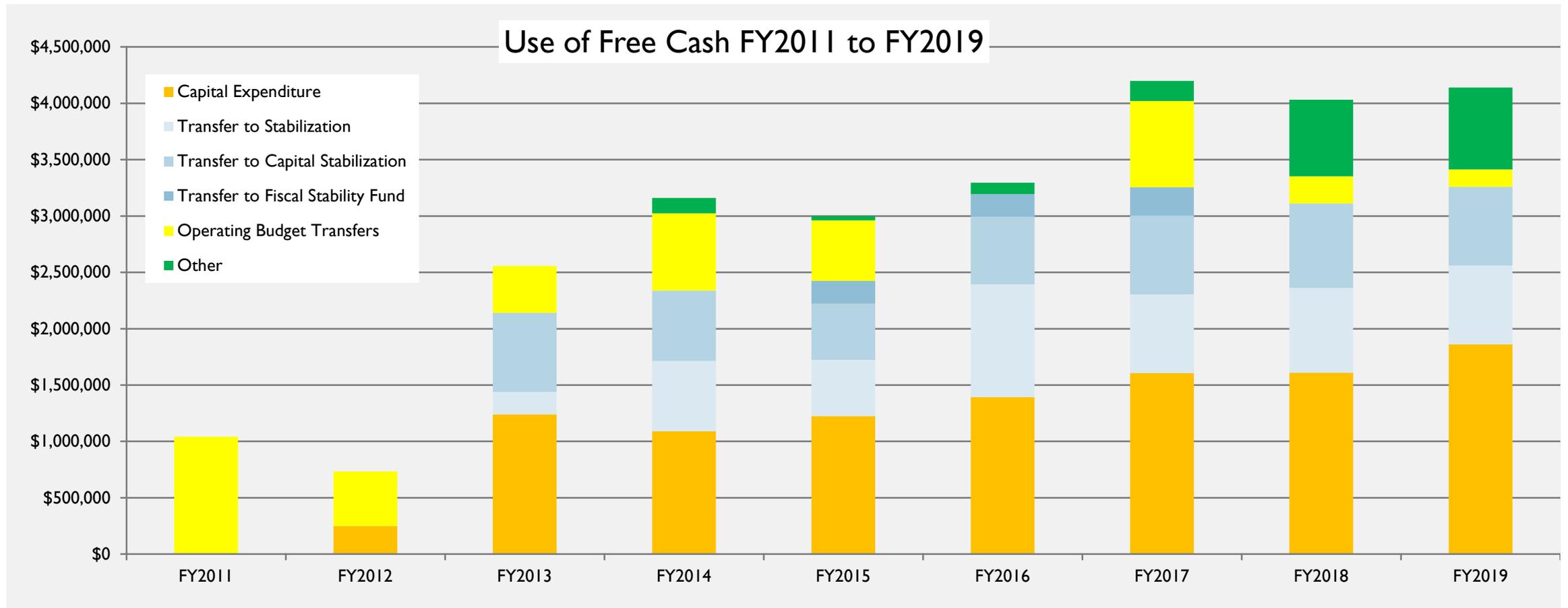
# FREE CASH AS A PERCENTAGE OF BUDGET FY2011 – FY2020

Free Cash as a Percentage of Budget  
FY2011 - FY2020

Note: FY2020 Free Cash Includes \$1.78 million in Adult Use Marijuana Revenue received in FY2019 after budget and tax rate set  
DOR Financial Best Practices recommends generation rate of 3-5% each year



# USE OF FREE CASH FY2011 – FY2019





# REVIEW OF REVENUE AND EXPENDITURE TRENDS AND PROJECTIONS FOR FY2021

WHAT REVENUE TRENDS ARE IMPORTANT FOR FY2021?

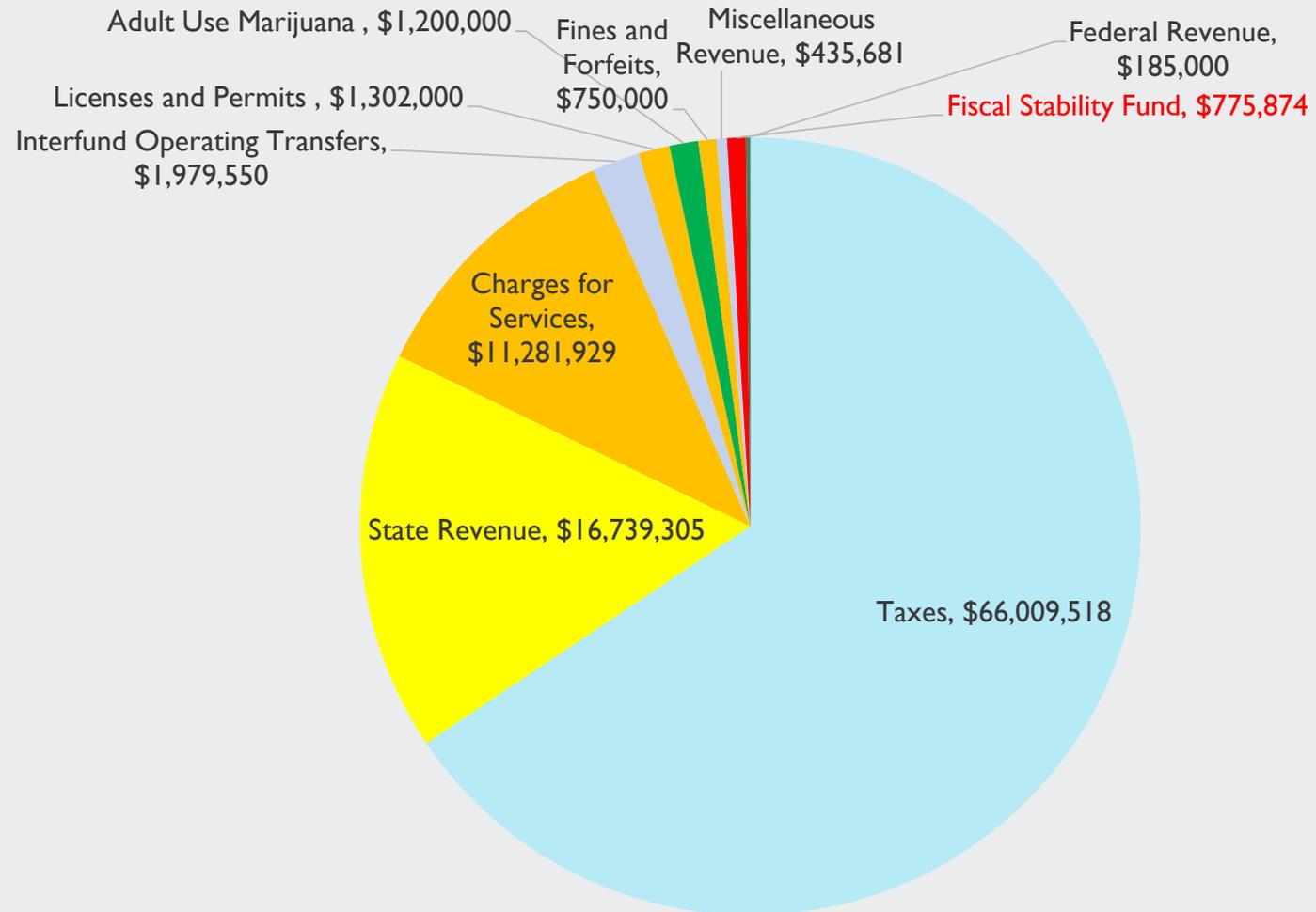
HOW MUCH NEW REVENUE IS AVAILABLE FOR THE FY2021 BUDGET?

WHAT EXPENDITURES ARE PROJECTED TO GROW IN FY2021?

WHAT IS THE LONG TERM BUDGET OUTLOOK FOR THE GENERAL FUND?



# GENERAL FUND REVENUE SOURCES IN FY2020 - \$100,658,857



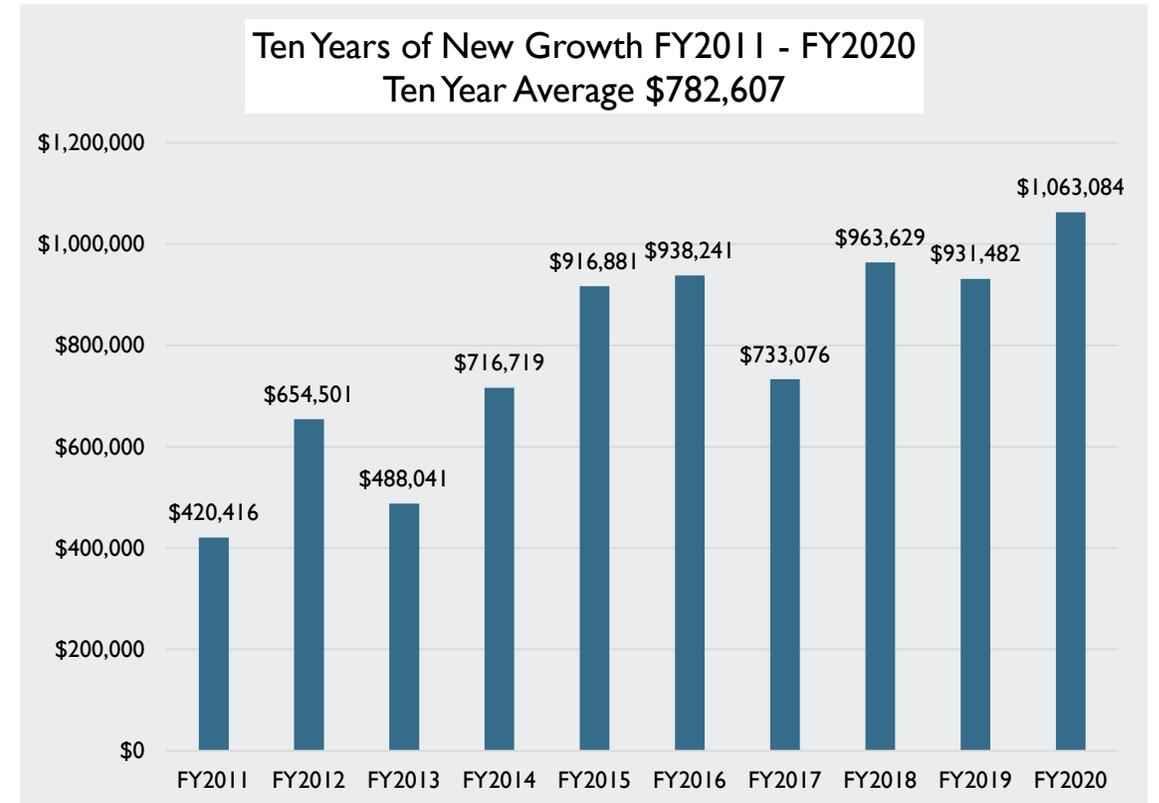
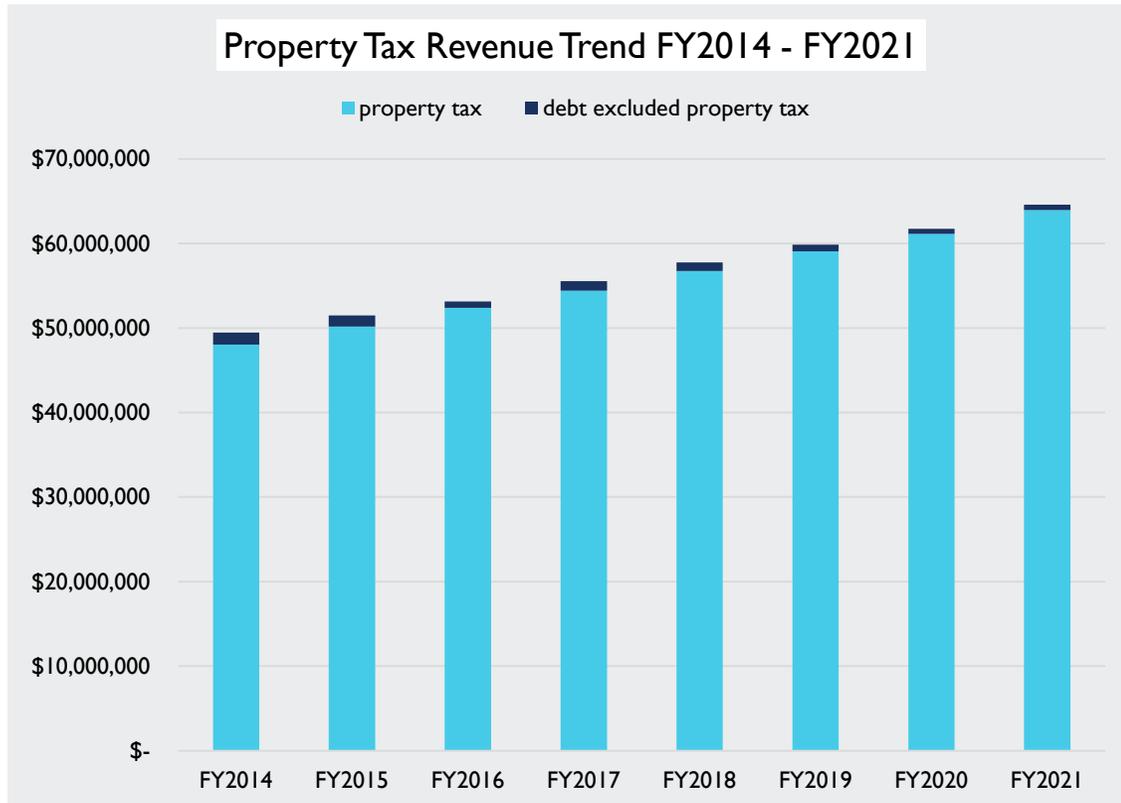
# TAXES INCLUDE: PROPERTY TAXES AND NEW GROWTH

## THIS IS THE CITY'S LARGEST REVENUE SOURCE

### \$64.6 MILLION ESTIMATED IN FY2021

Estimated Increased Property Tax Revenue for FY2021 = \$2,737,084  
(includes \$750,000 for new growth but not proposed override)

Current new growth estimate informed by 10 year average



# TAXES INCLUDE: EXCISE TAXES FOR MOTOR VEHICLE AND MEALS AND HOTEL/MOTEL TAXES

\$3.95 MILLION ESTIMATED FOR FY2021

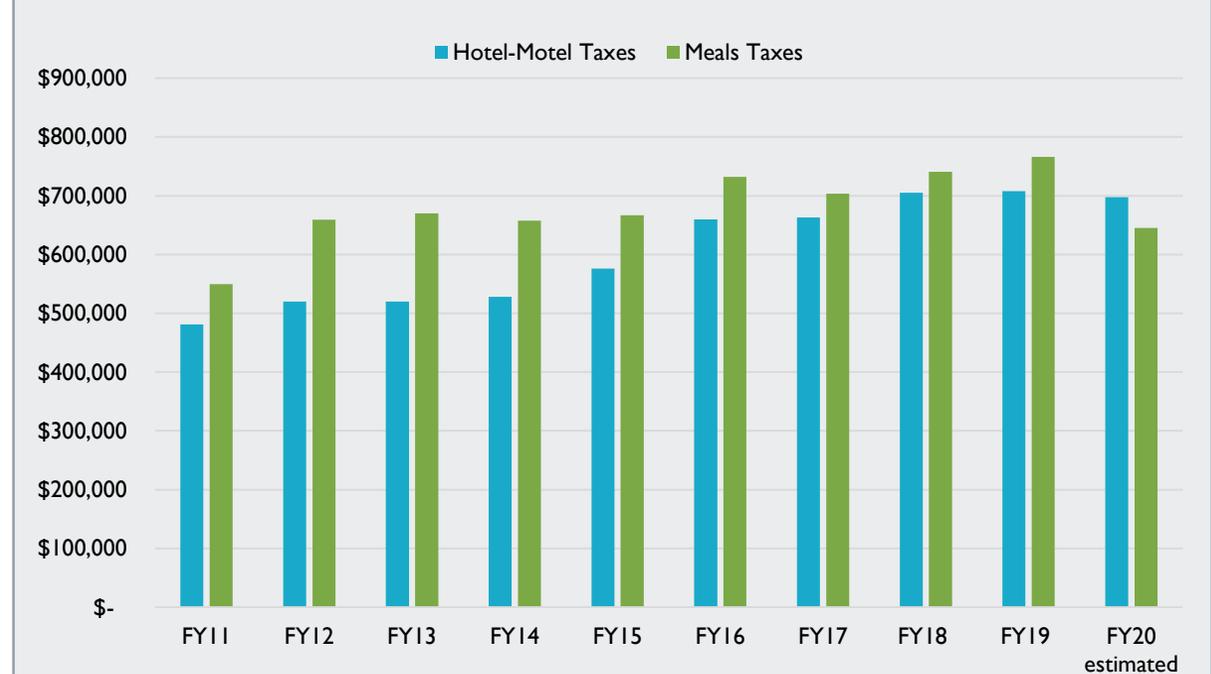
Motor Vehicle Excise estimate for FY2021 - \$2,600,000

Hotel/Motel and Meals estimate for FY2021 – \$1,350,000

Ten Years of Motor Vehicle Excise FY2011 – FY2020  
Ten Year Average \$2,547,475



Hotel-Motel and Meals Tax FY2011 – FY2020  
Ten Year Average \$1,284,984



# TAXES INCLUDE: ADULT-USE MARIJUANA EXCISE

\$1.8 MILLION ESTIMATED FOR FY2021



## ADULT-USE MARIJUANA LOCAL OPTION EXCISE TAX – 3%

### ONGOING GENERAL FUND REVENUE

- FY19: Quarter 3                      \$449,825\*
- FY19: Quarter 4                      \$530,589\*
- FY20: Quarter 1                      \$535,085
- FY20: Quarter 2                      \$444,972
- Total to date:                          \$1,960,471
- FY2020 Adult-Use Revenue Estimate: \$1,200,000
- FY2021 Adult-Use Revenue Estimate: \$1,800,000
- \*FY2019 revenue is being used as part of the proposed fiscal stability plan renewal to lower the size of the override to \$2.5 million.

## ADULT-USE MARIJUANA HOST COMMUNITY IMPACT FEE – 3%

### LIMITED FIVE-YEAR REVENUE

- FY19: Quarter 3                      \$287,506\*
- FY19: Quarter 4                      \$520,728\*
- FY20: Quarter 1                      \$530,559\*\*
- FY20: Quarter 2                      \$509,817\*\*
- Total to date:                          \$1,848,610
- \* Used FY2019 Impact Fee Funds for roadway and traffic safety improvements in and around NETA.
- \*\*FY2020 Impact Fee Funds deposited in Marijuana Host Community Impact Fee Stabilization Fund.

***“The funds will be used, subject to appropriation, to mitigate the impacts of marijuana operations upon the city’s road system, law enforcement, inspection services, permitting services, administrative services and public health services, in addition to potential additional unforeseen impacts upon the City.”***

# STATE AID IS THE SECOND LARGEST REVENUE SOURCE

FY2021 GOVERNOR'S BUDGET - \$14.3 MILLION

1.46% INCREASE OR \$201,310

(DOES NOT INCLUDE OFFSETS OF SCHOOL CHOICE AND LIBRARY AID AS THOSE PROGRAMS ARE REVENUE NEUTRAL FOR THE GENERAL FUND)

FY2021 Preliminary Cherry Sheet Estimates				
Northampton				
PROGRAM	FY2020 Cherry Sheet Estimate	FY2021 Governor's Budget Proposal	Diff btw FY20 and FY21	
<b>Education Receipts:</b>				
Chapter 70	8,471,394	8,557,134	85,740	1.012%
School Transportation	0	0		
Charter Tuition Reimbursement	324,802	303,225	-21,577	-6.643%
Smart Growth School Reimbursement	0	0		
<b>Sub-Total, All Education Items:</b>	<b>8,796,196</b>	<b>8,860,359</b>	<b>64,163</b>	<b>0.729%</b>
<b>General Government:</b>				
Unrestricted Gen Govt Aid	4,667,261	4,797,944	130,683	2.800%
Local Share of Racing Taxes	0	0		
Regional Public Libraries	0	0		
Veterans Benefits	437,906	428,261	-9,645	-2.203%
Exemp: VBS and Elderly	115,741	132,382	16,641	14.378%
State Owned Land	100,063	99,531	-532	-0.532%
<b>Sub-Total, All General Government:</b>	<b>5,320,971</b>	<b>5,458,118</b>	<b>137,147</b>	<b>2.577%</b>
<b>Total Estimated Receipts:</b>	<b>14,117,167</b>	<b>14,318,477</b>	<b>201,310</b>	<b>1.426%</b>

# NET STATE AID FROM FY2002 TO FY2021 (GOVERNOR'S BUDGET)

NET STATE AID EXCLUDES OFFSETS FOR SCHOOL CHOICE, LIBRARIES AND MSBA PAYMENTS AND IS THE NET OF STATE REVENUE VERSUS STATE CHARGES

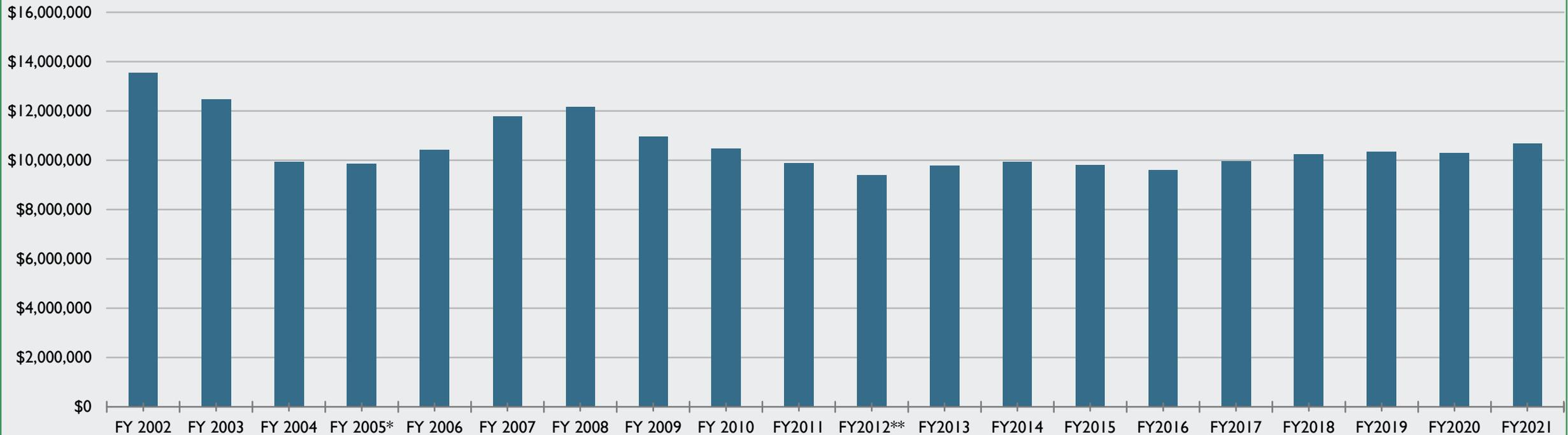
## Net State Aid from FY2002 to FY2021

Net state aid excludes offsets for school choice and libraries and MSBA payments

FY2021 is based on the Governor's Budget

\*does not include State Municipal Relief Aid in FY2005

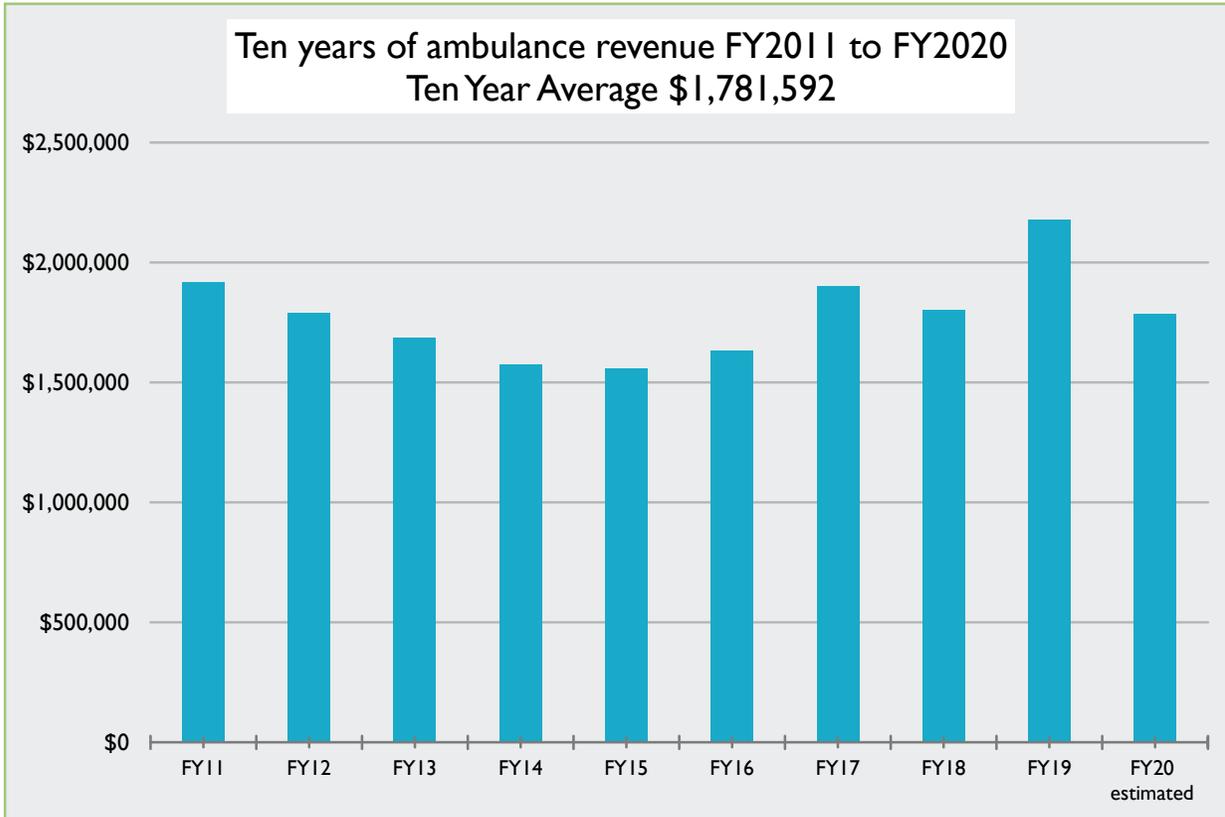
\*\*does not include supplemental appropriation



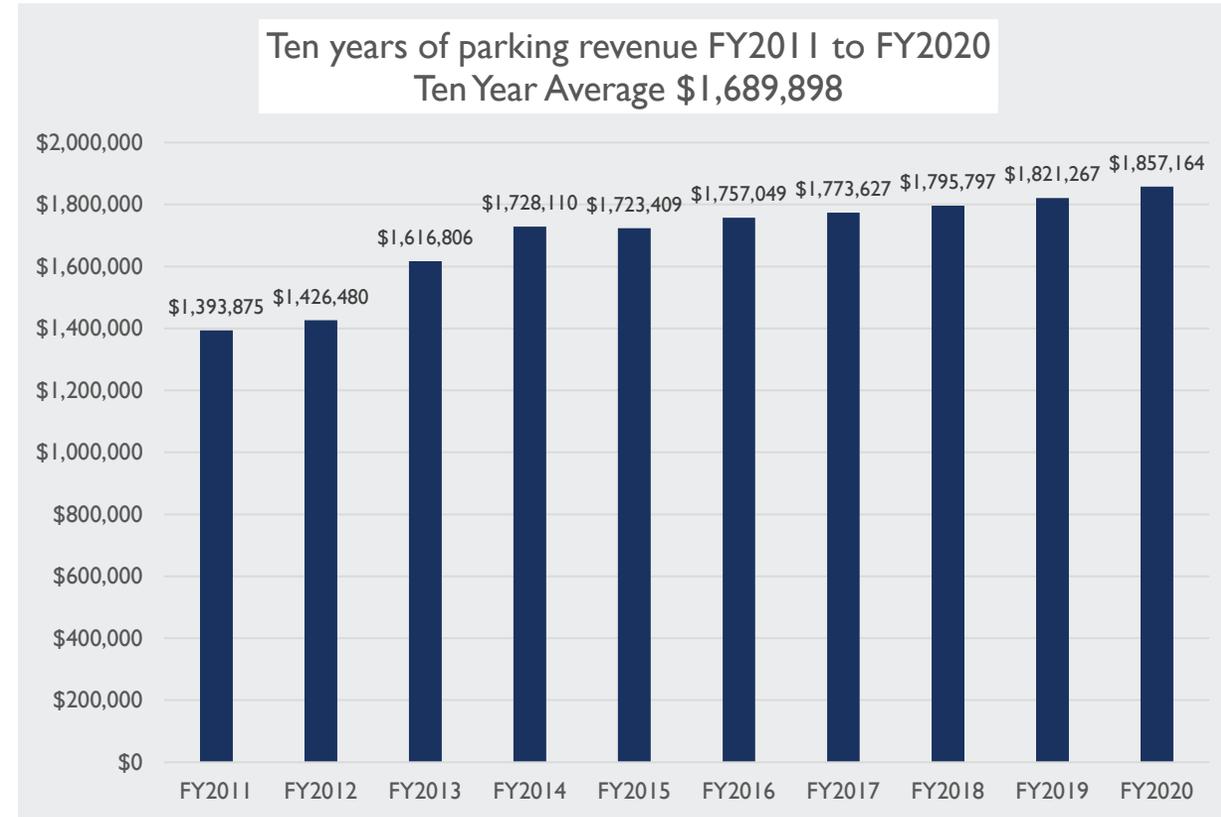
# CHARGES FOR SERVICES ARE THE THIRD LARGEST REVENUE SOURCE: AMBULANCE FEES AND PARKING REVENUE

\$3.6 MILLION ESTIMATED FOR FY2021

Ambulance Fee Revenue estimate for FY2021 – \$1,775,000



Parking Fee revenue estimate for FY2021 -  
\$1,857,164

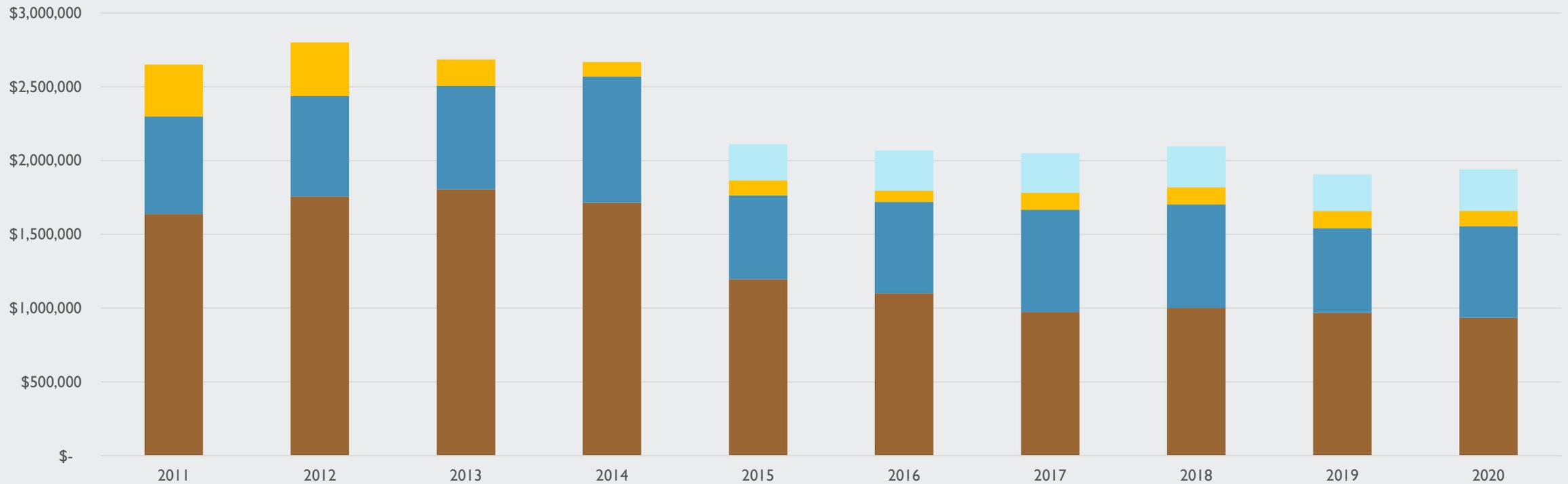


# INDIRECT CHARGES TO THE ENTERPRISE FUNDS ARE THE FOURTH LARGEST REVENUE SOURCE

\$1.9 MILLION ESTIMATED FOR FY2021

Enterprise Fund Indirect Charges for Employee Health, Medicare, Property and Vehicle Insurance, City Services, etc.

■ Sewer ■ Water ■ Solid Waste ■ Stormwater and Flood Control



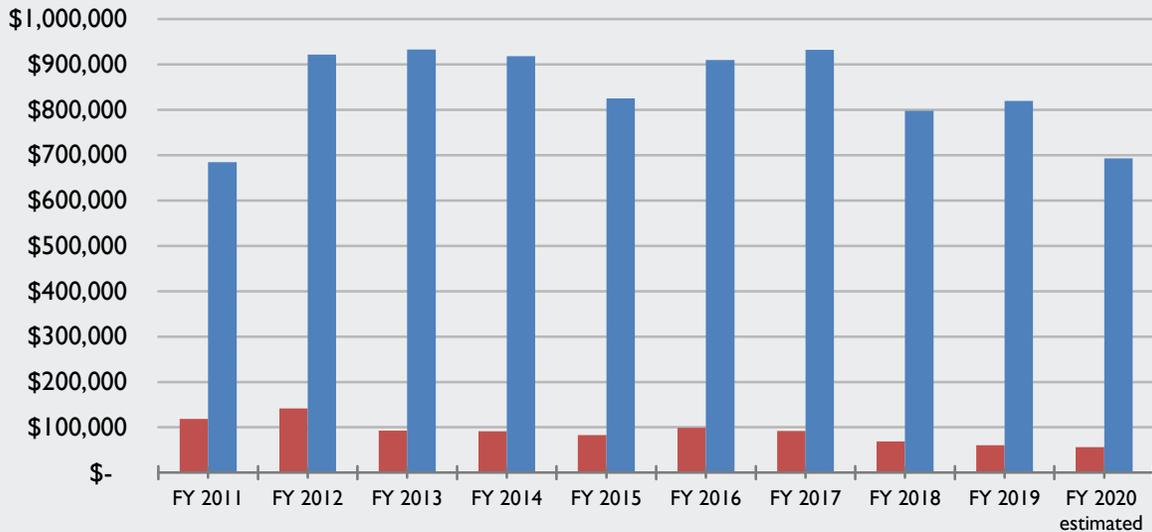
# OTHER SIGNIFICANT REVENUE SOURCES

## \$1.6 MILLION ESTIMATED FOR FY2021

Motor Vehicle and Parking Fine Revenue estimate for FY2021 - \$850,000

Fines - Motor Vehicle and Parking  
FY2011 – FY2020  
Ten Year Average \$934,000

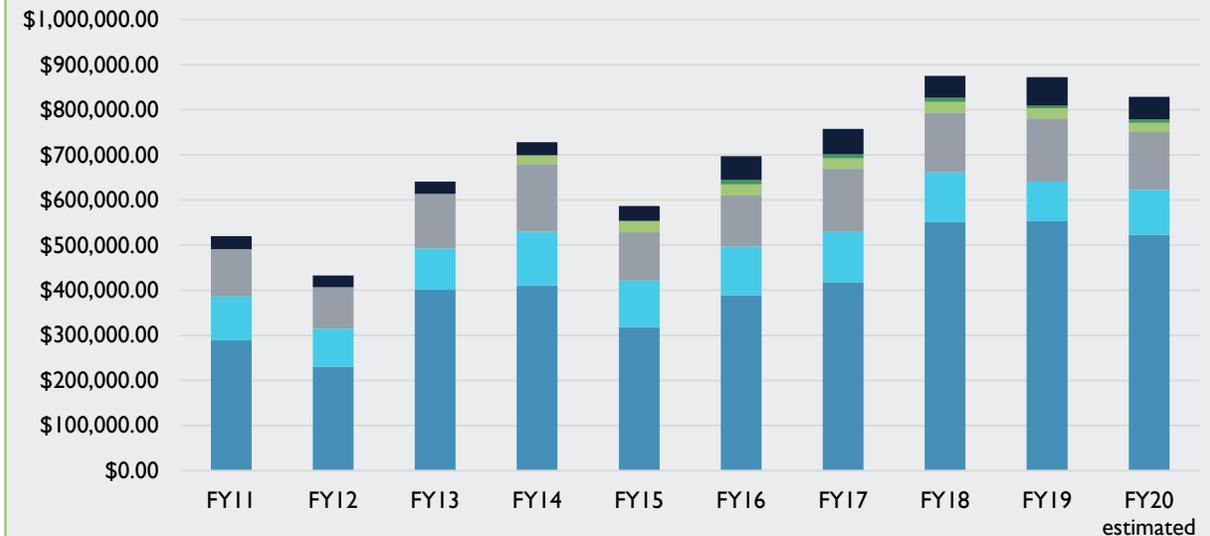
Motor Vehicle Fines Parking Tickets



Building Permit Revenue estimated for FY2021 – \$778,000

Building, plumbing, wiring and weights and measures permit fees  
FY2011 – FY2020  
Ten Year Average \$694,071

Building Inspection Plumbing Inspection Wiring Inspection  
Periodic Inspections Sidewalk Signs Weights and Measures



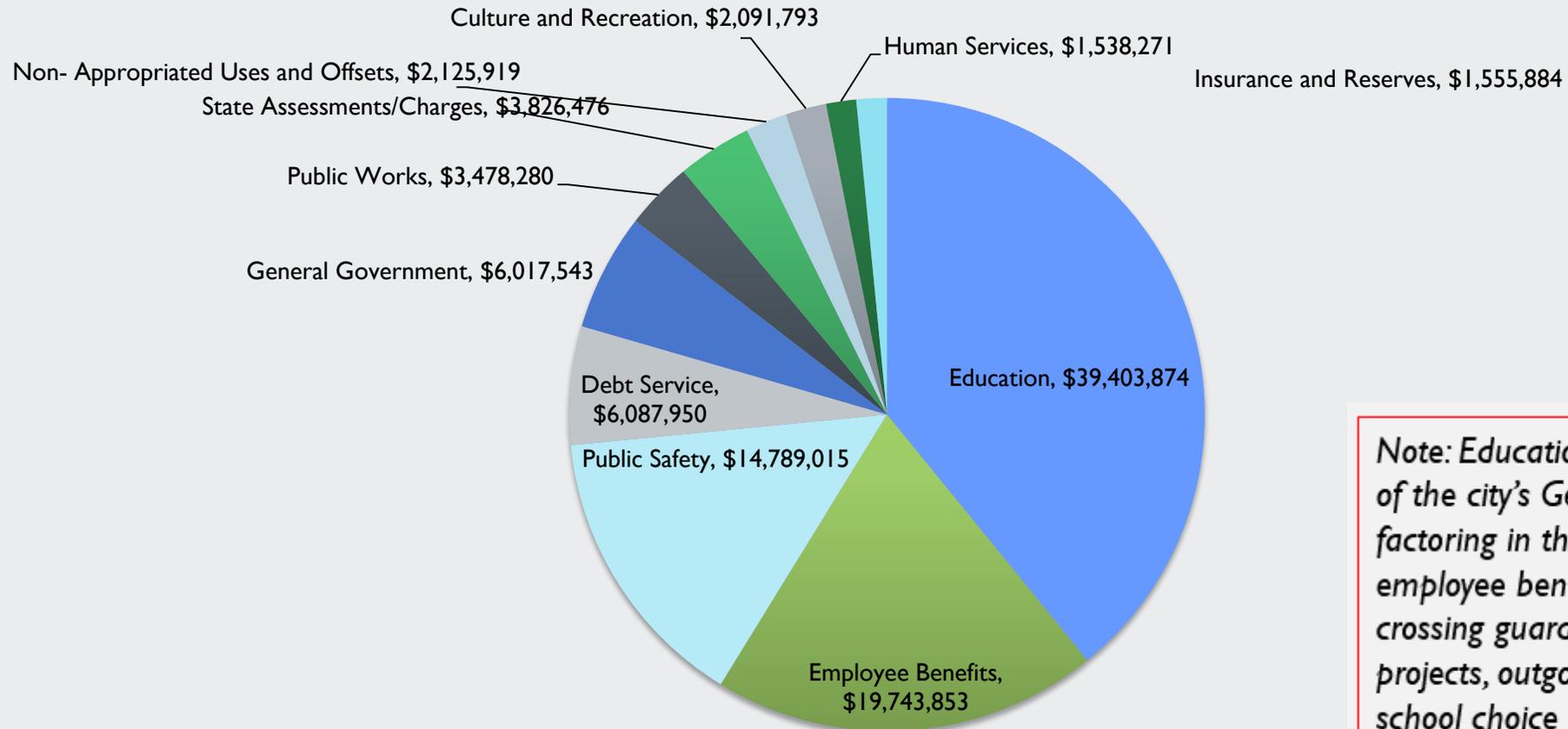
# ESTIMATED NEW REVENUE FOR FY2021: \$2,063,058

(DOES NOT INCLUDE PROPOSED \$2.5 MILLION OVERRIDE)

## REVENUE ESTIMATES:

New Property Tax Revenue (not including proposed override)	2,737,084
Estimated Increases in local receipts (includes marijuana \$, excise, etc.)	936,031
State Aid using Governor's Budget (includes elimination of MSBA reimbursement)	(834,183)
Other (Funds from Fiscal Stability Fund used to cover FY2020 Shortfall)	(775,874)
<b>Total Estimated New Revenue without proposed override of \$2.5 million</b>	<b>2,063,058</b>

# GENERAL FUND EXPENSES IN FY2020 - \$100,658,857



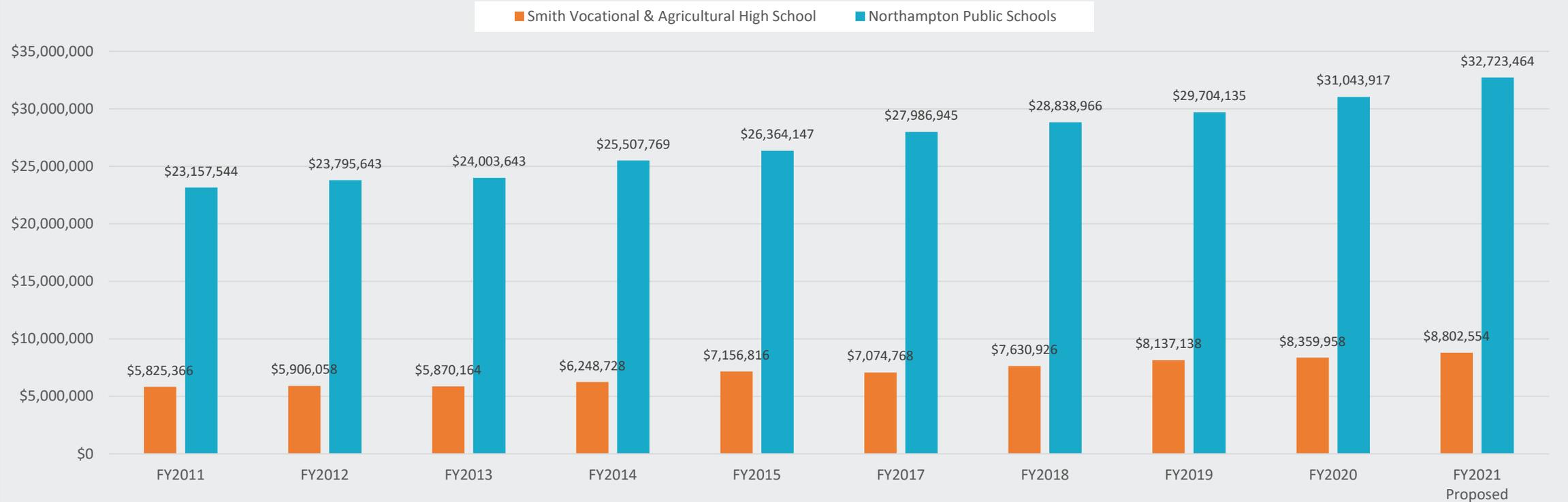
*Note: Education costs represent 55.5% of the city's General Fund Budget when factoring in the schools share of employee benefits, insurance, school crossing guards, debt on school capital projects, outgoing charter school and school choice tuition, etc.*

# EDUCATION IS THE CITY'S LARGEST EXPENDITURE

\$41.5 MILLION ESTIMATED IN FY2021

FY2021 PROPOSED INCREASE IS 5.41% FOR NPS AND 5.29% FOR SVAHS – TOTAL INCREASE TO SCHOOLS APPROXIMATELY \$2,122,144

Appropriations for Northampton Public Schools and Smith Vocational and Agricultural High School  
FY2011 – FY2021 estimated



# STUDENT OPPORTUNITY ACT

(FORMERLY THE PROMISE ACT)

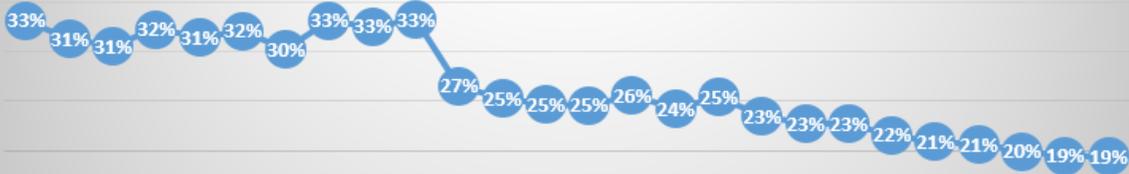
## WILL NOT PROVIDE SIGNIFICANT NEW C.70 AID TO NORTHAMPTON

While the Student Opportunity Act will phase in \$1.4 billion in C.70 aid over the next 7 years, a high percentage of cities, towns and school districts will remain “minimum aid” going forward.

Northampton Public Schools will see only minimum aid going forward - equivalent to \$30 per student or approximately \$554,000 over the next 7 years. (UPDATE: Governor’s FY2021 Budget provides a C.70 increase of \$85,740 equivalent to \$30/student)

This is no change from what Northampton has been receiving for the past 7 years and represents status quo C.70 funding.

Chapter 70 Aid to Northampton Public Schools as a percentage of Actual Net School Spending

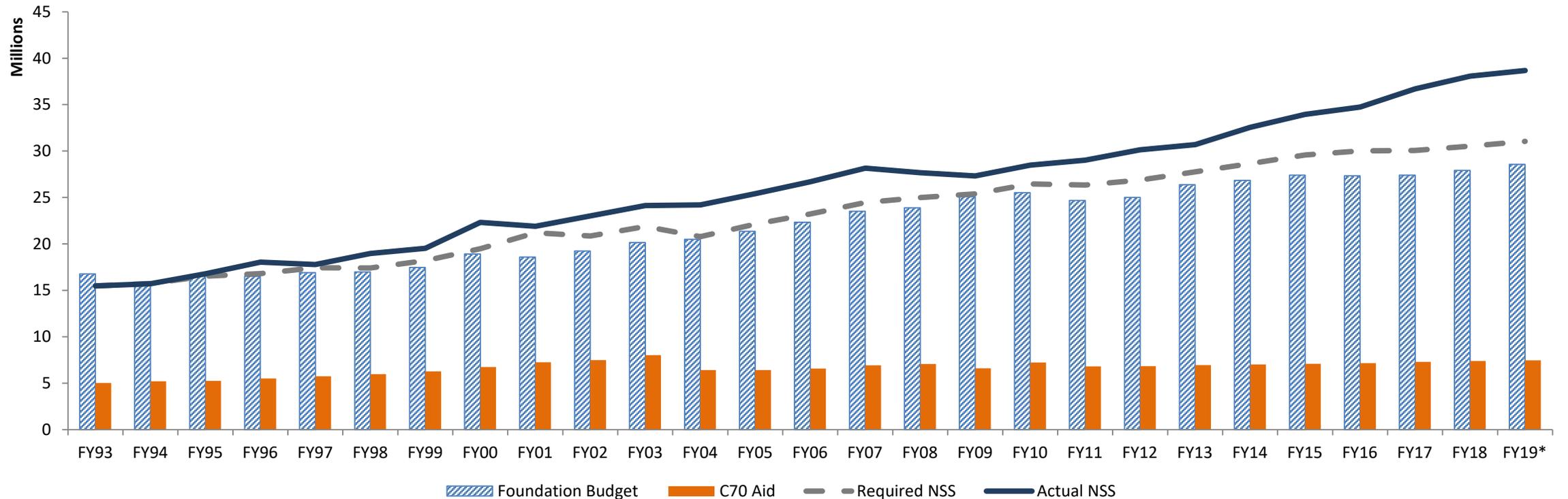


	Foundation Enrollment	Chapter 70 Aid	% Chg	Increase over prior year	Per Student Minimum Aid
FY93	3077	\$ 5,019,167.00			
FY94	3032	\$ 5,217,048.00	3.94%	\$ 197,881.00	
FY95	2953	\$ 5,246,894.00	0.57%	\$ 29,846.00	
FY96	3016	\$ 5,516,339.00	5.14%	\$ 269,445.00	
FY97	3023	\$ 5,744,003.00	4.13%	\$ 227,664.00	
FY98	2976	\$ 5,967,203.00	3.89%	\$ 223,200.00	
FY99	2961	\$ 6,273,507.00	5.13%	\$ 306,304.00	
FY00	3007	\$ 6,735,654.00	7.37%	\$ 462,147.00	
FY01	3016	\$ 7,263,454.00	7.84%	\$ 527,800.00	
FY02	2952	\$ 7,497,387.00	3.22%	\$ 233,933.00	
FY03	2985	\$ 8,032,387.00	7.14%	\$ 535,000.00	
FY04	2923	\$ 6,425,909.60	-20.00%	\$ (1,606,477.40)	
FY05	2956	\$ 6,425,909.60	0.00%	\$ -	
FY06	2962	\$ 6,574,009.60	2.30%	\$ 148,100.00	
FY07	2928	\$ 6,925,715.60	5.35%	\$ 351,706.00	
FY08	2858	\$ 7,068,615.60	2.06%	\$ 142,900.00	
FY09	2828	\$ 6,600,629.60	-6.62%	\$ (467,986.00)	
FY10	2799	\$ 7,228,831.00	9.52%	\$ 628,201.40	
FY11	2740	\$ 6,806,523.00	-5.84%	\$ (422,308.00)	
FY12	2741	\$ 6,843,064.00	0.54%	\$ 36,541.00	
FY13	2776	\$ 6,954,104.00	1.62%	\$ 111,040.00	\$ 40.00
FY14	2773	\$ 7,023,429.00	1.00%	\$ 69,325.00	\$ 25.00
FY15	2805	\$ 7,093,554.00	1.00%	\$ 70,125.00	\$ 25.00
FY16	2767	\$ 7,162,729.00	0.98%	\$ 69,175.00	\$ 25.00
FY17	2742	\$ 7,313,539.00	2.11%	\$ 150,810.00	\$ 55.00
FY18	2746	\$ 7,395,919.00	1.13%	\$ 82,380.00	\$ 30.00
FY19	2713	\$ 7,477,309.00	1.10%	\$ 81,390.00	\$ 30.00
FY20	2702	\$ 7,558,369.00	1.08%	\$ 81,060.00	\$ 30.00

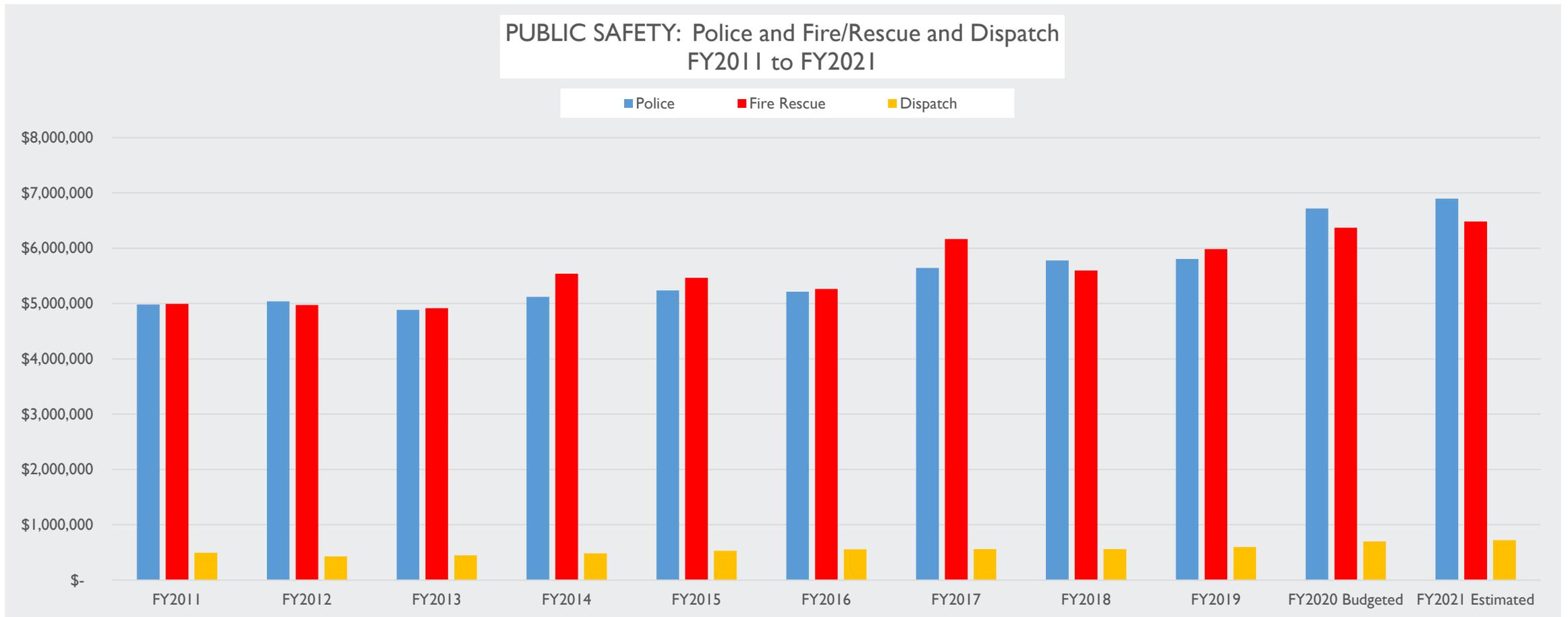
# NORTHAMPTON C.70 AID AS PERCENTAGE OF SCHOOL SPENDING



## Massachusetts Department of Elementary and Secondary Education Chapter 70 District Profile: Northampton Public Schools



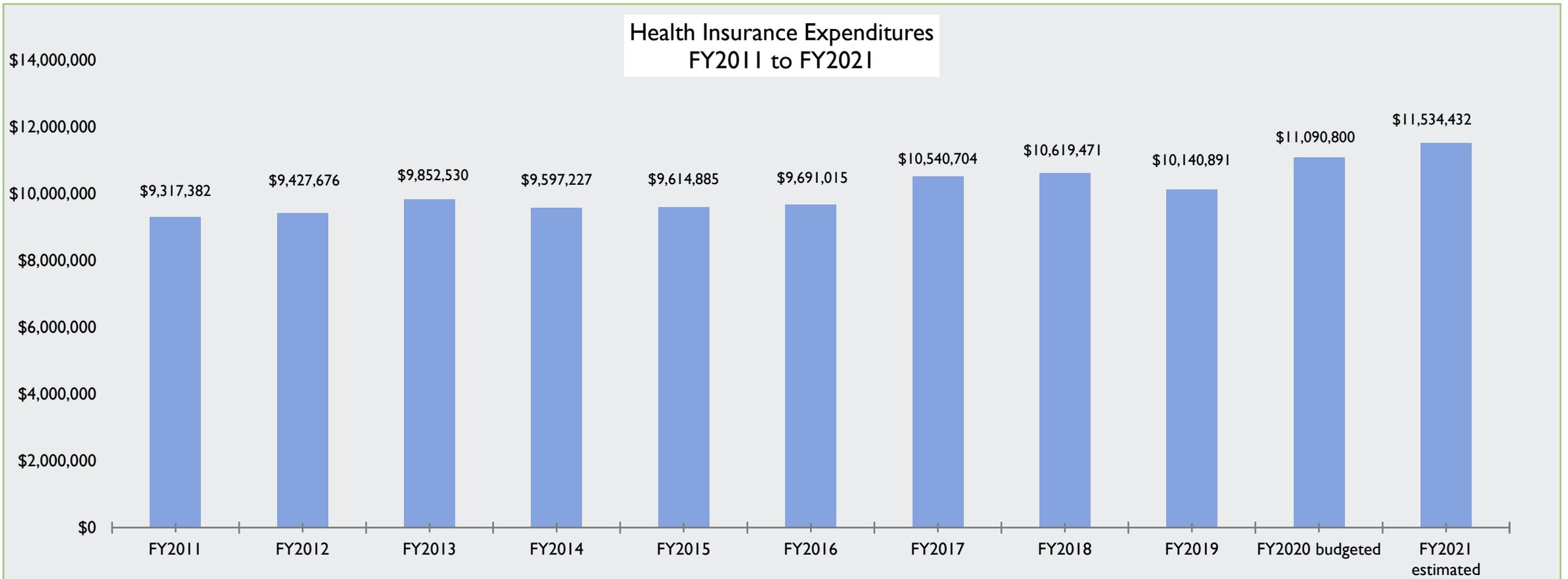
# PUBLIC SAFETY IS THE CITY'S SECOND LARGEST EXPENDITURE \$14 MILLION ESTIMATED IN FY2021



# HEALTH INSURANCE IS THE CITY'S THIRD LARGEST EXPENDITURE

\$11.5 MILLION ESTIMATED IN FY2021

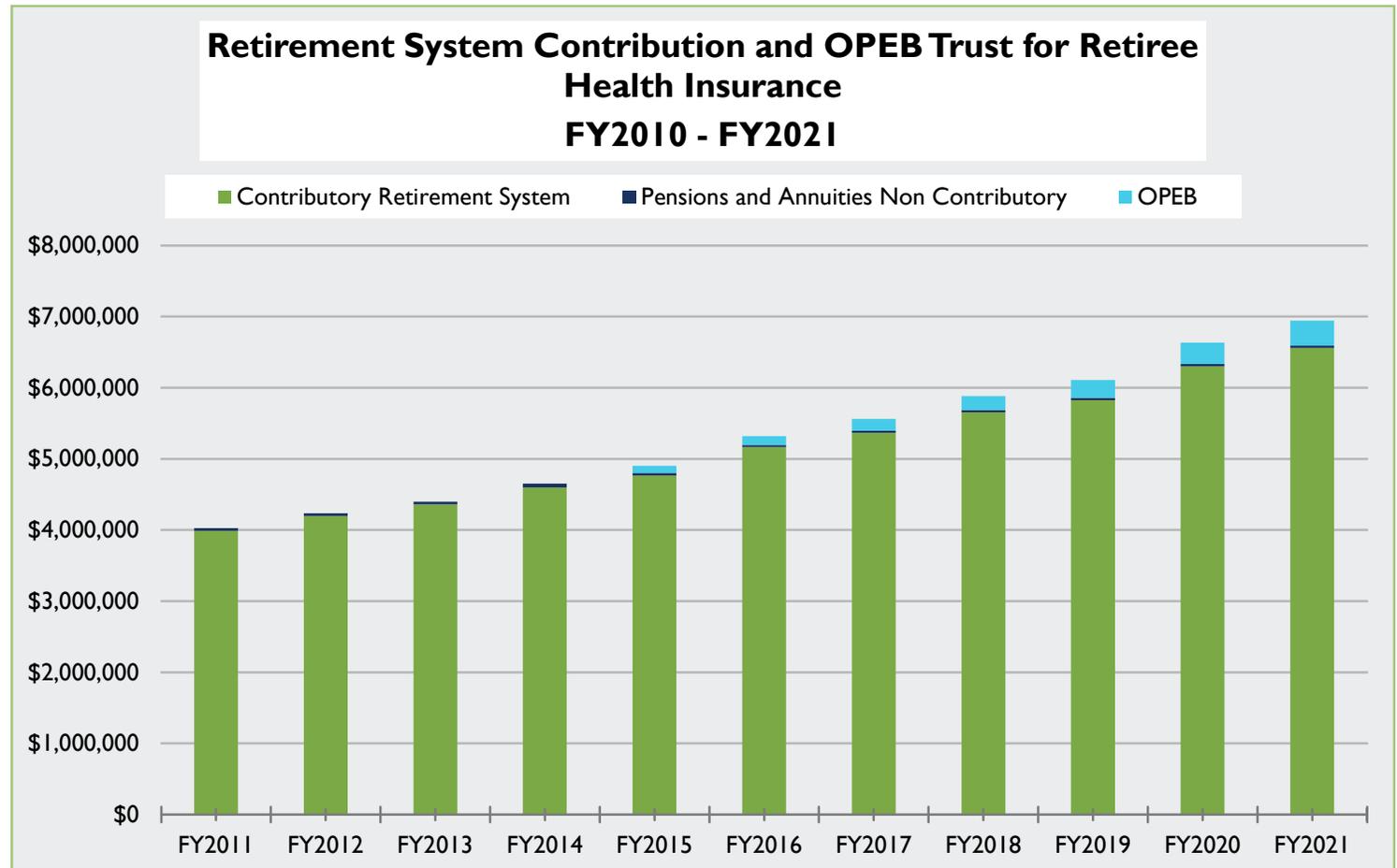
NOTE: HEALTH INSURANCE IS SPLIT 56% SCHOOLS/44% CITY DEPARTMENTS



# RETIREMENT BENEFITS ARE THE CITY'S FOURTH LARGEST EXPENDITURE

## \$6.9 MILLION ESTIMATED IN FY2021

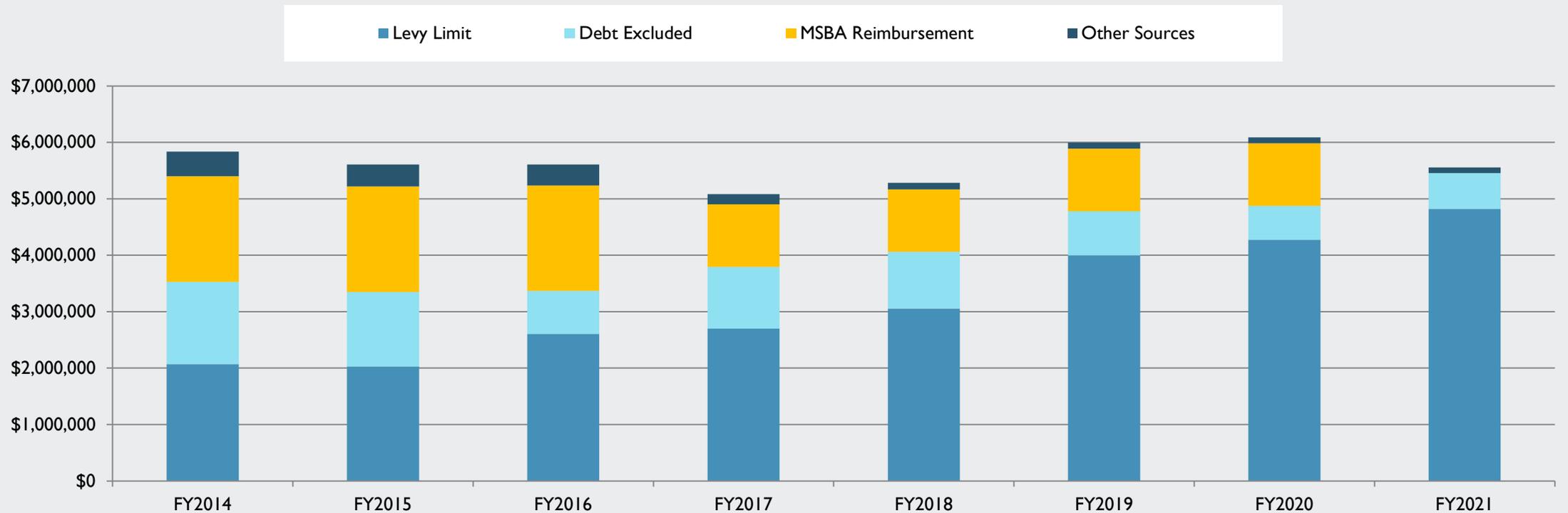
- In 1988, state law changed to establish a funding schedule requiring employers to contribute for the future benefits of active employees as well as pay down the previously unfunded liabilities created from 1937 – 1988.
- The current deadline for “full funding” is 2040 and Northampton is on track to reach its goal in 2035.
- PERAC is the state agency that provides regulatory oversight to local and regional retirement boards.
- Employees, depending on year of hire, contribute between 8-9% of salary on the first \$30K and 10-11% of salary over \$30K.
- Average annual pension for the Northampton System in 2019 was \$24,702/yr.
- Note: People in Social Security pay 6.2% into Social Security and their employers pay 6.2%



# DEBT SERVICE IS THE CITY'S FIFTH LARGEST EXPENDITURE

## \$5.5 MILLION ESTIMATED IN FY2021

General Fund Debt by Funding Source  
FY2014 - FY2021  
Total Debt after subtracting CPA and CDBG



# STATE CHARGES ARE THE SIXTH LARGEST EXPENDITURE

FY2021 GOVERNOR'S BUDGET - \$3.6 MILLION

- 4.82% DECREASE OR (\$184,882)

FY2021 Preliminary Cherry Sheet Estimates				
PROGRAM	FY2020 Cherry Sheet Estimate	FY2021 Governor's Budget Proposal		
<b>State Assessments and Charges:</b>				
Retired Employees Health Insurance	0	0		
Retired Teachers Health Insurance	0	0		
Mosquito Control Projects	0	0		
Air Pollution Districts	8,332	8,494	162	1.944%
Metropolitan Area Planning Council	0	0		
Old Colony Planning Council	0	0		
RMV Non-Renewal Surcharge	77,360	78,860	1,500	1.939%
<b>Sub-Total, State Assessments:</b>	<b>85,692</b>	<b>87,354</b>	<b>1,662</b>	<b>1.940%</b>
<b>Transportation Authorities:</b>				
MBTA	0	0		
Boston Metro. Transit District	0	0		
Regional Transit	441,734	437,349	-4,385	-0.993%
<b>Sub-Total, Transp Authorities:</b>	<b>441,734</b>	<b>437,349</b>	<b>-4,385</b>	<b>-0.993%</b>
<b>Annual Charges Against Receipts:</b>				
Multi-Year Repayment Program	0	0		
Special Education	4,900	3,440	-1,460	-29.796%
STRAP Repayments	0	0		
<b>Sub-Total, Annual Charges:</b>	<b>4,900</b>	<b>3,440</b>	<b>-1,460</b>	<b>-29.796%</b>
<b>Tuition Assessments:</b>				
School Choice Sending Tuition	522,462	588,502	66,040	12.640%
Charter School Sending Tuition	2,771,688	2,524,949	-246,739	-8.902%
<b>Sub-Total, Tuition Assessments:</b>	<b>3,294,150</b>	<b>3,113,451</b>	<b>-180,699</b>	<b>-5.485%</b>
<b>Total All Estimated Charges:</b>	<b>3,826,476</b>	<b>3,641,594</b>	<b>-184,882</b>	<b>-4.832%</b>

# ESTIMATED NEW EXPENSES FOR FY2021: \$3,185,281

## EXPENDITURE ESTIMATES:

Estimated Increase for School Departments	2,122,143
Estimated Increase for City Departments	918,409
Estimated Change in Debt Service	(506,410)
Estimated Increase for Employee Benefits	845,932
Estimated Increase in Insurances	127,241
Estimated change in Non- Appropriated Expenses	(137,152)
State Charges using Governor's Budget	(184,882)
<b>Total Estimated New Expenses</b>	<b>3,185,281</b>

# PRELIMINARY ESTIMATED SHORTFALL WITHOUT OVERRIDE: \$1,122,223

<b>REVENUE ESTIMATES:</b>	
New Property Tax Revenue (not including proposed override)	2,737,084
Estimated Increases in local receipts (includes marijuana \$, excise, etc.)	936,031
State Aid using Governor's Budget (includes elimination of MSBA reimbursement)	(834,183)
Other (Funds from Fiscal Stability Fund used to cover FY2020 Shortfall)	(775,874)
<b>Total Estimated New Revenue without proposed override of \$2.5 million</b>	<b>2,063,058</b>
<b>EXPENDITURE ESTIMATES:</b>	
Estimated Increase for School Departments	2,122,143
Estimated Increase for City Departments	918,409
Estimated Change in Debt Service	(506,410)
Estimated Increase for Employee Benefits	845,932
Estimated Increase in Insurances	127,241
Estimated change in Non-Appropriated Expenses	(137,152)
State Charges using Governor's Budget	(184,882)
<b>Total Estimated New Costs</b>	<b>3,185,281</b>
<b>Preliminary Shortfall without override</b>	<b>(1,122,223)</b>

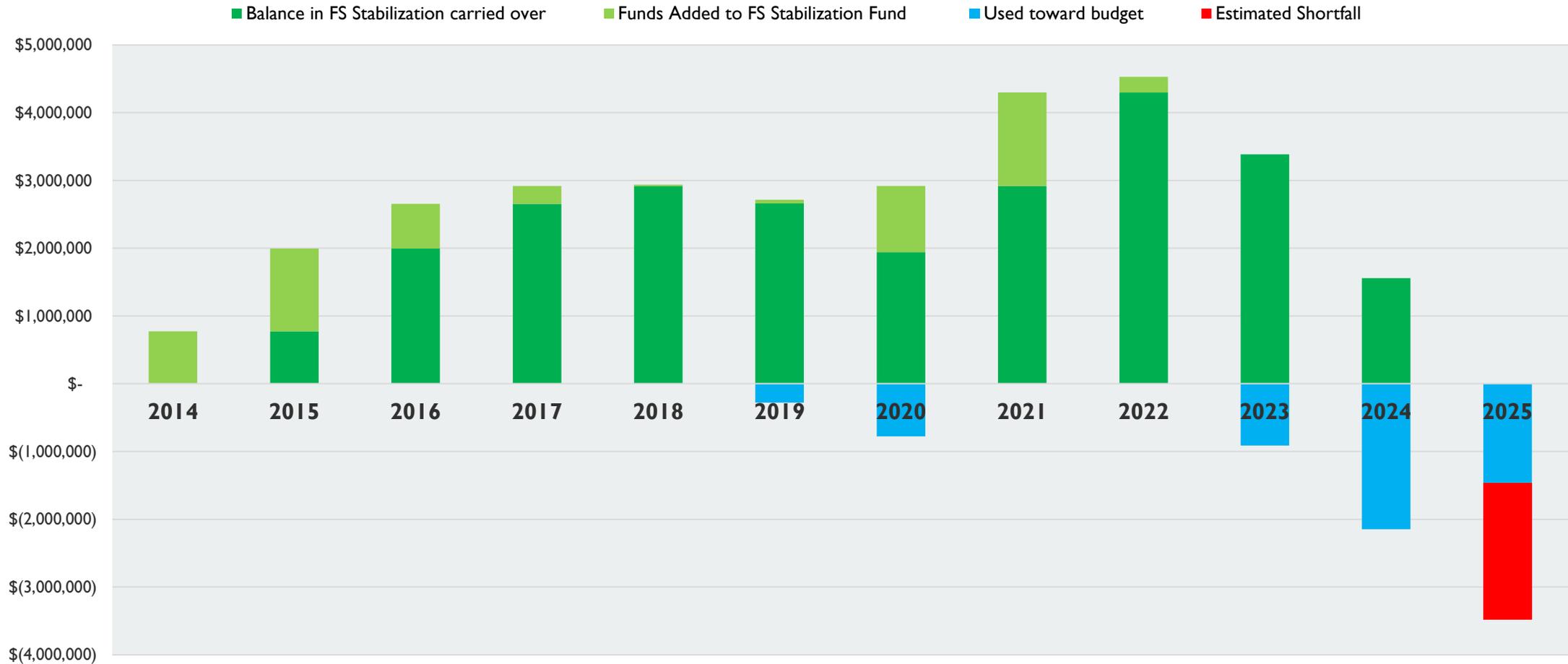


**FISCAL STABILITY PLAN &  
MARCH 3, 2020 PROPOSITION 2½ OVERRIDE**



# PROJECTED GENERAL FUND WITH PROPOSED \$2.5 MILLION OVERRIDE AND RENEWAL OF THE FISCAL STABILIZATION PLAN

## FY2014 to FY2025



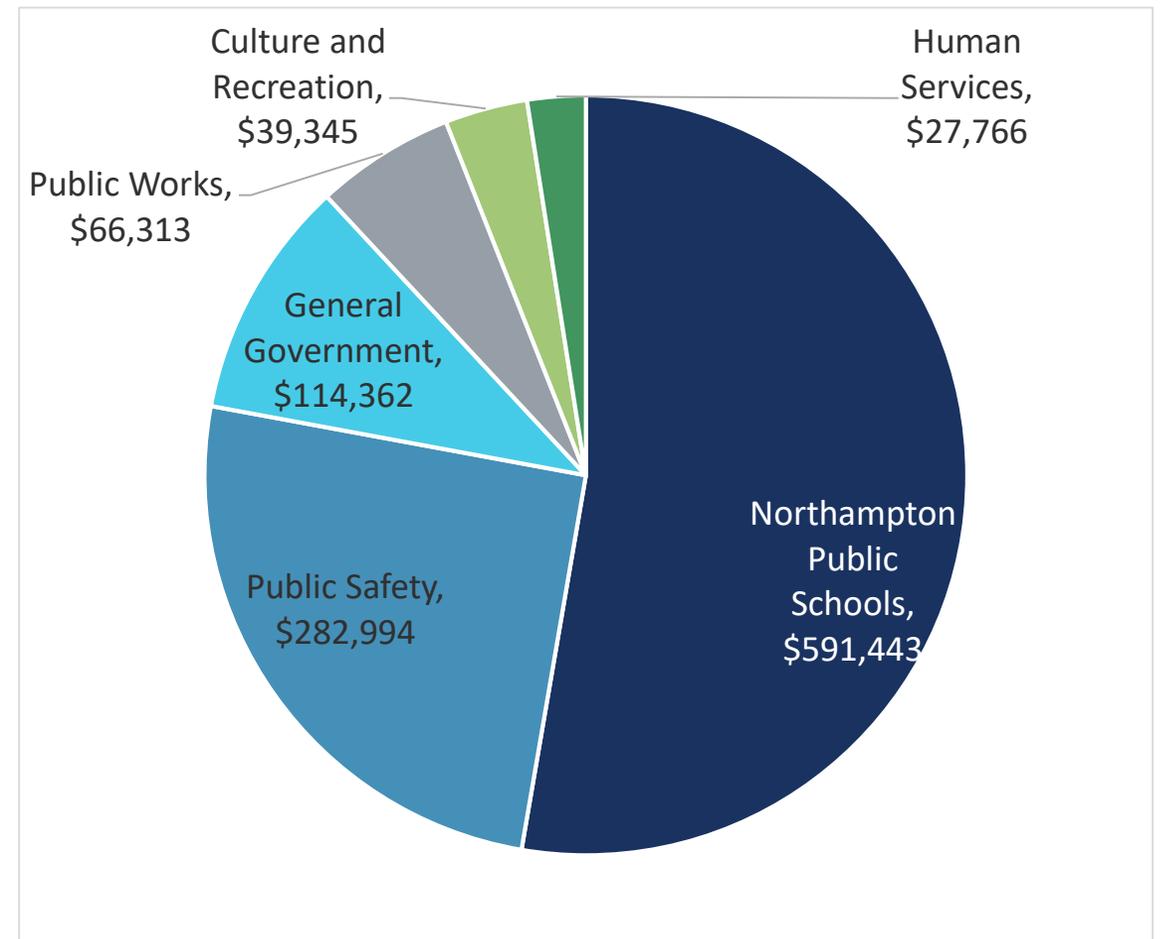
# PROJECTED GENERAL FUND WITHOUT OVERRIDE AND RENEWAL OF THE FISCAL STABILITY PLAN FY2014 - FY2025

■ Funds Added to FS Stabilization Fund   
 ■ Used toward budget   
 ■ Estimated Shortfall   
 ■ Balance in FS Stabilization carried over



# CURRENT PROJECTED SHORTFALL FOR FY2021 GENERAL FUND BUDGET: \$1,122,223

- If the Fiscal Stability Plan is not renewed, the current projected FY2021 budget will need to be reduced by \$1,122,223.
- The reductions would need to come from departmental budgets as other areas of the budget represent non-discretionary fixed costs such as debt, insurance, retirement, etc.



# MARCH 3, 2020 PROPOSITION 2 ½ OVERRIDE BALLOT QUESTION:

 OFFICIAL BALLOT  
SPECIAL MUNICIPAL ELECTION  
CITY OF NORTHAMPTON, MASSACHUSETTS  
MARCH 3, 2020

*Pamela Powers*  
TOWN CLERK

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**INSTRUCTIONS TO VOTERS**  
TO VOTE, completely fill in the OVAL to the RIGHT of your choice like this: ●

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**BALLOT QUESTION**

Shall the City of Northampton be allowed to assess an additional \$2,500,000 in real estate and personal property taxes for the purposes of funding the operating budgets of the City and Public Schools for the fiscal year beginning July 1, 2020?

YES

NO

# IMPACT OF THE \$2.5 MILLION OVERRIDE ON FY2021 TAX RATE

- The impact of adding \$2.5 million to the tax levy will increase the FY2021 tax rate by \$0.67/\$1,000 of valuation.
- The average single family home in Northampton is estimated to be valued at \$335,946 for FY2021. This would amount to an additional \$225 per year or \$56 per quarter on the tax bill.

Value	Annually	Quarterly
\$100,000	\$67	\$17
\$200,000	\$134	\$34
\$300,000	\$201	\$50
\$400,000	\$268	\$67
\$500,000	\$335	\$84



## City of Northampton Tax Override Calculator

Enter an address, parcel ID, or owner's name...

Parcel ID: 38C-052-001

Address: 31 SOUTH PARK TERR

Owner: NARKEWICZ DAVID J & YELENA MIKICH

2020 Assessed Value: \$294,400.00

Total Annual Impact: \$197.25

Total Quarterly Impact: \$49.31

# EXPANDED PROPERTY TAX RELIEF FOR INCOME ELIGIBLE SENIORS

## MGL C.59, S. 5, CLAUSE 41C

The exemptions for eligible property owners pursuant to the provisions of MGL C.59 s. 5 clause 41C have been adjusted beginning Fiscal Year 2021 per the statute as follows:

- Reduced the requisite age of eligibility from 70 years of age, down to any person aged 65 years or older;
- Increased the maximum exemption amount from \$650 to \$1,000 per fiscal year;
- Increased the income limitations for eligibility from \$22,758 for single and \$27,137 for married persons to \$24,758 for single and \$34,137 for married persons;
- Increased the asset limitations for eligibility from \$28,000 for single and \$30,000 for married persons to \$40,000 for single and \$55,000 for married persons.

*Approved by City Council and the Mayor on December 19, 2019*

*For additional exemptions and property tax relief programs,  
please contact the Northampton Assessors Office 413-587-1023*

## FISCAL TRANSPARENCY RESOURCES:

- City of Northampton Annual Budget documents: <https://www.northamptonma.gov/737/Budgets>
- City of Northampton Annual Capital Improvement Program documents: <https://www.northamptonma.gov/1563/Capital-Improvement-Program>
- City of Northampton Annual Audit documents: <http://northamptonma.gov/739/Independent-Audit>
- Bond Rating and Trust Fund Reports: <https://www.northamptonma.gov/736/Bond-Rating-Trust-Fund-Reports>
- City of Northampton Open Checkbook: <http://northamptonma.gov/1430/Open-Checkbook>
- City of Northampton Visual Budget: <http://northampton.vb2.visgov.com/>

# FY2021 BUDGET CALENDAR

- **January 30, 2020** – Mayor’s Joint meeting of the City Council & School Committee
- **February 27, 2020** – Superintendent Provost presents First View NPS Budget to School Committee
- **March 3, 2020** – Proposition 2½ Override Vote
- **April 17, 2020** – Deadline for Northampton Public Schools and Smith Vocational & Agricultural High School to submit adopted budgets to the Mayor
- **May 17, 2020** – Mayor submits proposed City of Northampton FY2021 Budget to City Council
- **June 30, 2020** – Deadline for City Council to hold a public hearing and vote on proposed FY2021 Budget

# QUESTIONS?



**Special Municipal  
Election  
and Presidential Primary  
TUESDAY MARCH 3,  
2020**

## **Scheduled Town Hall Meetings:**

- [Wednesday, January 15, 2020](#), 7 - 9 p.m. at the Northampton Senior Center (in the Great Room), 67 Conz St., Northampton (Ward 3)
- [Wednesday, January 22, 2020](#), 7 - 9 p.m. at Northampton High School (in the Little Theater), 380 Elm St., Northampton (Ward 2)
- [Wednesday, January 29, 2020](#), 7 - 9 p.m. at Jackson Street Elementary School (in the Cafeteria), 120 Jackson St., Northampton (Ward 1)
- [Tuesday, February 4, 2020](#), 7 - 9 p.m. at Florence Civic Center (in the Main Room), 90 Park St., Northampton (Ward 5)
- [Wednesday, February 5, 2020](#), 1 - 3 p.m. at Forbes Library (in the Coolidge Museum), 20 West St., Northampton (Ward 4)
- [Wednesday, February 5, 2020](#), 7 - 9 p.m. at Forbes Library (in the Coolidge Museum), 20 West St., Northampton (Ward 4)
- [Wednesday, February 12, 2020](#), 7 - 9 p.m. at Ryan Road Elementary School (in the Gymnasium), 498 Ryan Rd., Florence (Ward 6)
- [Monday, February 24, 2020](#), 7 - 9 p.m. at Leeds Elementary School (in the Cafeteria), 20 Florence St., Leeds (Ward 7)