

# CITY OF NORTHAMPTON

## Financial Trends and Projections for FY2024

Mayor Gina-Louise Sciarra

January 31, 2023

# AGENDA

- ❖ Budget Process
- ❖ Revenues
- ❖ Property Taxes
- ❖ Proposition 2 ½
- ❖ Expenditures
- ❖ Reserves
- ❖ Financial Indicators and Comparative Communities
- ❖ Review of Revenue and Expenditure Trends
- ❖ Five year Fiscal Stability Plan – General Fund
- ❖ Revenue and Expenditure Projections for Fiscal Year 24
- ❖ Fiscal Year 2024 Budget Calendar
- ❖ Questions and Comments

# BUDGET PROCESS

# BUDGET PROCESS

- ❖ The budget process is governed by Massachusetts General Law (MGL) Chapter 44.
- ❖ MGL Ch. 44, § 31 states that all Massachusetts municipalities are required to prepare balanced annual budgets.
- ❖ Per the City Charter 7-2, the Mayor calls "a joint meeting of the city council, school committee, trustees of the Smith Vocational and Agricultural High School and the superintendents of both school districts before the commencement of the budget process to review the financial condition of the city, revenue and expenditure forecasts and other relevant information prepared by the mayor in order to develop a coordinated budget.
- ❖ The Mayor initiates the city budget process working closely with the Finance Director and department heads to maintain services and identify needs.
- ❖ The School Committee and Trustees of Smith Vocational & Agricultural High School adopt and submit a proposed budget to the Mayor 30 days prior to the date the budget is due to be submitted to Council.
- ❖ The Mayor submits the proposed budget to City Council at least 45 days prior to the beginning of the fiscal year.
- ❖ City Council holds a public hearing and must vote on the proposed budget within 45 days of receipt of the budget.

**REVENUES**

# REVENUE SOURCES

- ❖ Taxes
- ❖ State Aid
- ❖ Charges for Services
- ❖ Intergovernmental – State, Federal, Operating
- ❖ Licenses and Permits
- ❖ Fines and Forfeits
- ❖ Miscellaneous Revenue
- ❖ Reserves

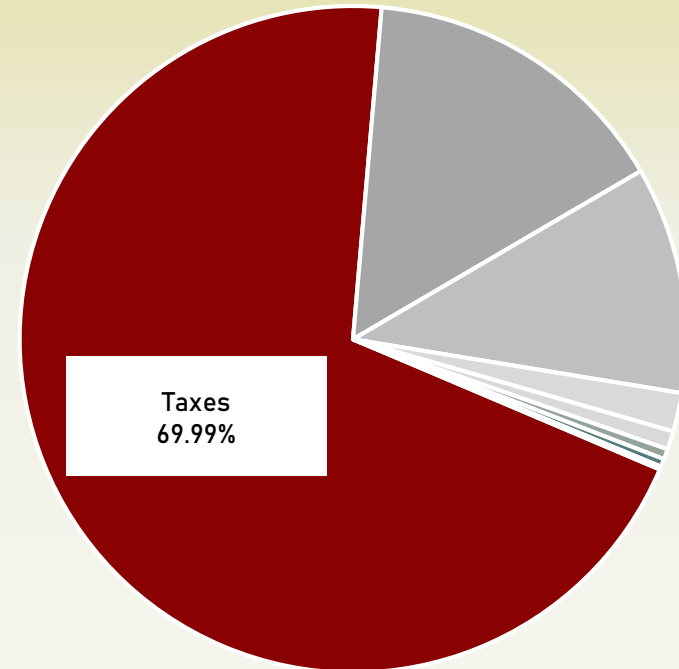
# TAXES

Massachusetts municipal law permits two (2) types of property taxation

- Real Estate Tax- 63.9% of the projected revenue (FY23)
- Personal Property Tax- 2% of the projected revenue (FY23)

Other taxes (Meals, Hotel/Motel, Cannabis, Motor Vehicle Excise) and Payments in Lieu of Taxes (PILOTS) – 4% of the projected revenue (FY23)

City of Northampton  
General Fund Revenues - FY2023  
\$110,489,639



# TERM DEFINITIONS

- Proposition 2 ½: The maximum limit to which a City may increase the property tax levy by each year.
- Property Tax Levy: The amount the community can raise through the property tax. The levy can be any amount up to the levy limit.
- Levy Ceiling: The maximum the levy limit can be. The levy ceiling is determined by a calculation - 2.5 % of the full and fair cash value of all taxable real and personal property in the City.
- Levy Limit: The maximum the levy can be in a given year.
- Levy Limit Increases: Every fiscal year, the levy limit increases by an automatic 2.5% increase over the last year's levy limit, plus any override the community has voted, plus the addition of new growth.
- Override: A vote by the City to permanently increase the levy limit base by the amount of the vote allowing the City to tax more.
- New Growth: The amount of increased value of new development (building, construction, property divisions) that is not the result of revaluation.
- Levy Ceiling Changes: The total full and fair cash value of taxable real and personal property can change each year as properties are added or removed from the tax rolls and as market values increase or decrease.
- Levy Increases: The City may tax no more than its levy limit; however, there is no restriction on the dollar increase or percentage increase in its levy from year to year. Proposition 2 ½ restricts increases in the levy limit, not the levy itself. A community is permitted to tax up to its levy limit.
- Excess Levy Capacity: The difference between the levy and the levy limit. This is an additional amount the community could, but chose not to tax.

# PROPOSITION 2 1/2

Proposition 2 ½ prohibits a community from raising and collecting more than 2.5% the maximum amount it was legally allowed to collect through property taxation in the previous year.

This refers to the total amount that the City collects from the community and not the amount collected from an individual tax payer.

## Property Tax Levy Calculation

	FY2021 Budget	FY2022 Budget	FY2023 Budget	FY22 - FY23 Change (\$)	FY22 - FY23 Change (%)
Base Levy from Prior Year	\$ 61,649,762	\$ 66,740,564	\$ 69,508,933	\$ 2,768,369	
2 1/2% Increase	\$ 1,541,244	\$ 1,668,514	\$ 1,737,723	\$ 69,209	
Override	\$ 2,500,000	\$ -	\$ -	\$ -	
New Growth	\$ 1,039,583	\$ 1,099,854	\$ 1,014,281	\$ (85,573)	
<b>Levy Limit</b>	<b>\$ 66,730,589</b>	<b>\$ 69,508,932</b>	<b>\$ 72,260,937</b>	<b>\$ 2,752,006</b>	<b>4.0%</b>
Police Station	\$ 633,442	\$ 620,476	\$ 585,396	\$ (35,080)	
<b>Subtotal Debt Exclusions</b>	<b>\$ 633,442</b>	<b>\$ 620,476</b>	<b>\$ 585,396</b>	<b>\$ (35,080)</b>	<b>-5.7%</b>
Max. Allowable Levy Limit (Levy Limit + Debt Excl.)	\$ 67,364,032	\$ 70,129,409	\$ 72,846,333	\$ 2,716,926	3.9%
LESS: Actual Tax Levy	\$ 64,854,760	\$ 70,106,847	\$ 72,342,855		
<b>Excess (Unused) Levy Capacity</b>	<b>\$ 2,509,272</b>	<b>\$ 22,562</b>	<b>\$ 503,478</b>		
Actual Tax Levy	\$ 64,854,760	\$ 70,106,847	\$ 72,342,855		
Levy Ceiling (2.5% of Total Valuation)	\$ 93,343,062	\$ 97,969,322	\$ 114,177,485		

# STATE REVENUE

State Revenue makes up 15% of our projected budgeted revenue (FY23)

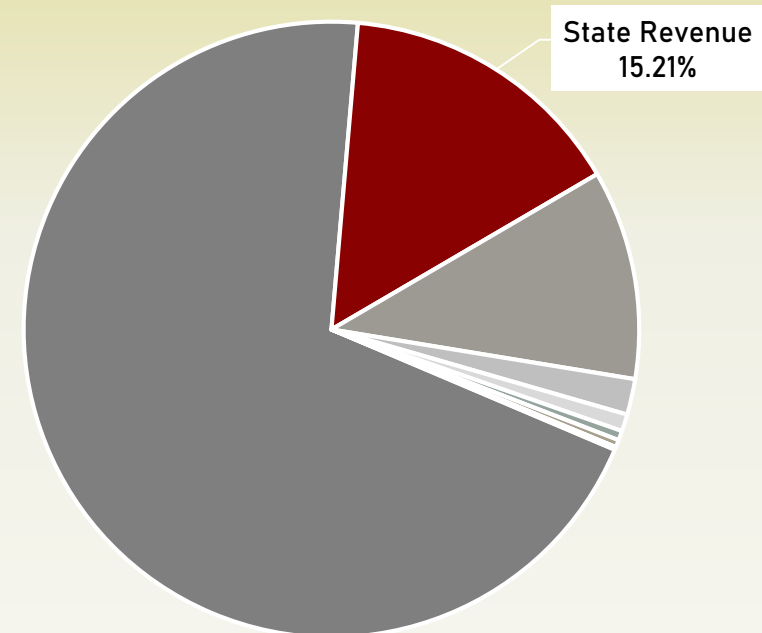
## State Aid

- Chapter 70 School Aid
- Charter Tuition Reimbursement
- Unrestricted General Government Aid (UGGA)
- Payment in Lieu of Taxes (PILOT) for State Owned Land
- Veterans Benefits
- Abatements to Older Adults
- Offset: Incoming School Choice
- Offset: Public Libraries

Intergovernmental – State makes up .21% of our projected revenue (FY23)

- Other State Revenue
- MA Ambulance Certified Public Expenditure (CPE)

City of Northampton  
General Fund Revenues - FY2023  
\$110,489,639

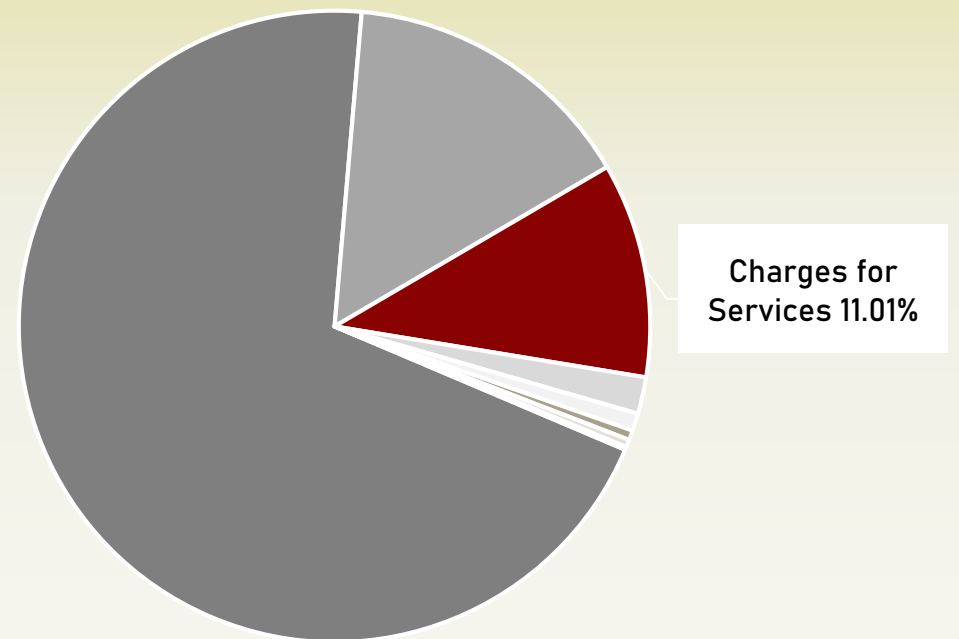


# CHARGES FOR SERVICES

Charges for Services makes up 11% of projected revenue (FY23)

- Parking Revenues
- Departmental Fees (Recreation, Collector, City Clerk...)
- Department Revenues (Building Inspections, Health inspections...)
- Tuition for Smith Vocational & Agricultural High School

City of Northampton  
General Fund Revenues - FY2023  
\$110,489,639

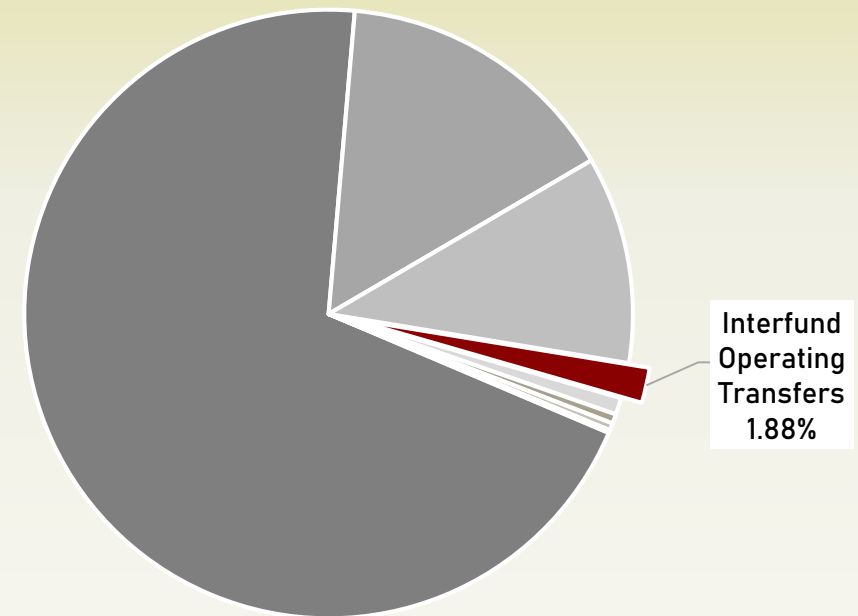


# INTERFUND OPERATING

Interfund Operating Transfers makes up 1.8% of projected revenue (FY23)

- Interfund Transfers – Enterprise Funds Indirects
- Community Preservation Act (CPA) Funds

City of Northampton  
General Fund Revenues - FY2023  
\$110,489,639

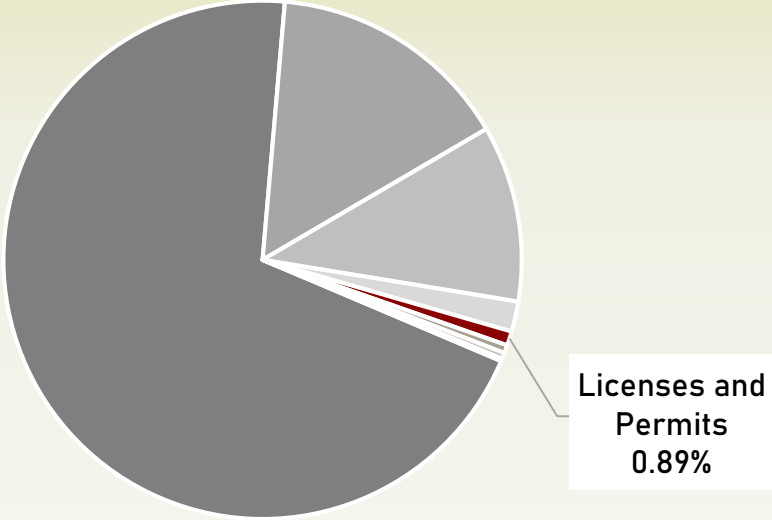


# LICENSES AND PERMITS FINES AND FORFEITS

## Licenses and Permits

0.89% of projected revenue

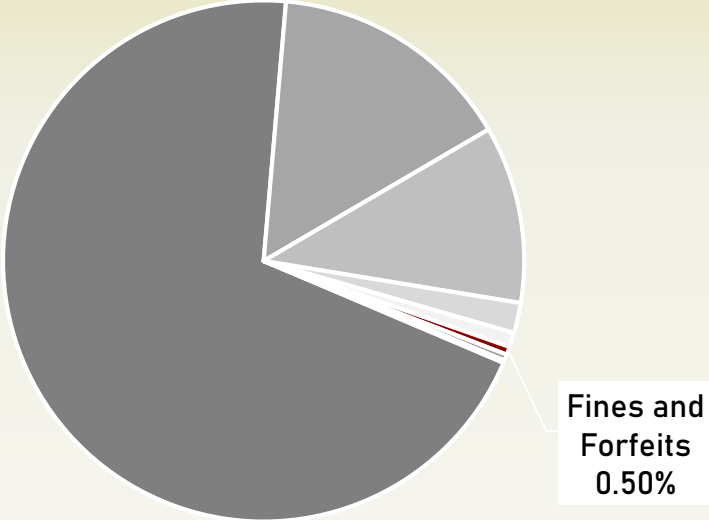
Liquor Licenses, Department Permits (City Clerk, Health and Human Services, Fire Dept., Building Dept., DPW, etc.)



## Fines and Forfeits

0.5% of projected revenue

Civil Motor Vehicle infractions, Reimbursements from the RMV, Parking Tickets

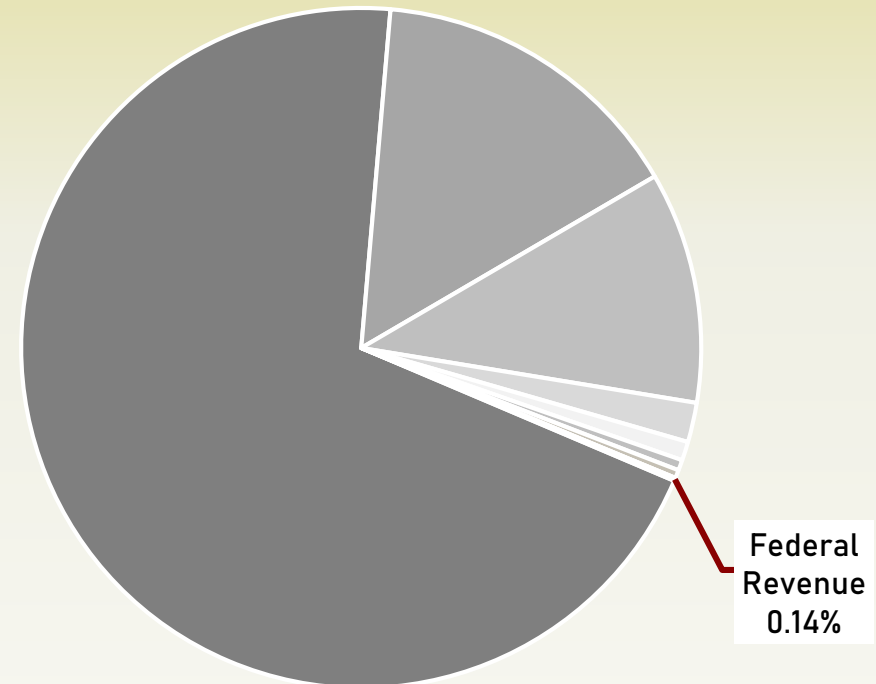


# FEDERAL REVENUE

City of Northampton  
General Fund Revenues - FY2023  
\$110,489,639

Federal revenue makes up 0.14% of our projected revenue (FY23)

- Medicaid Reimbursements – Schools



# MISCELLANEOUS REVENUE

Miscellaneous Revenue makes up 0.39% of the projected revenue (FY23)

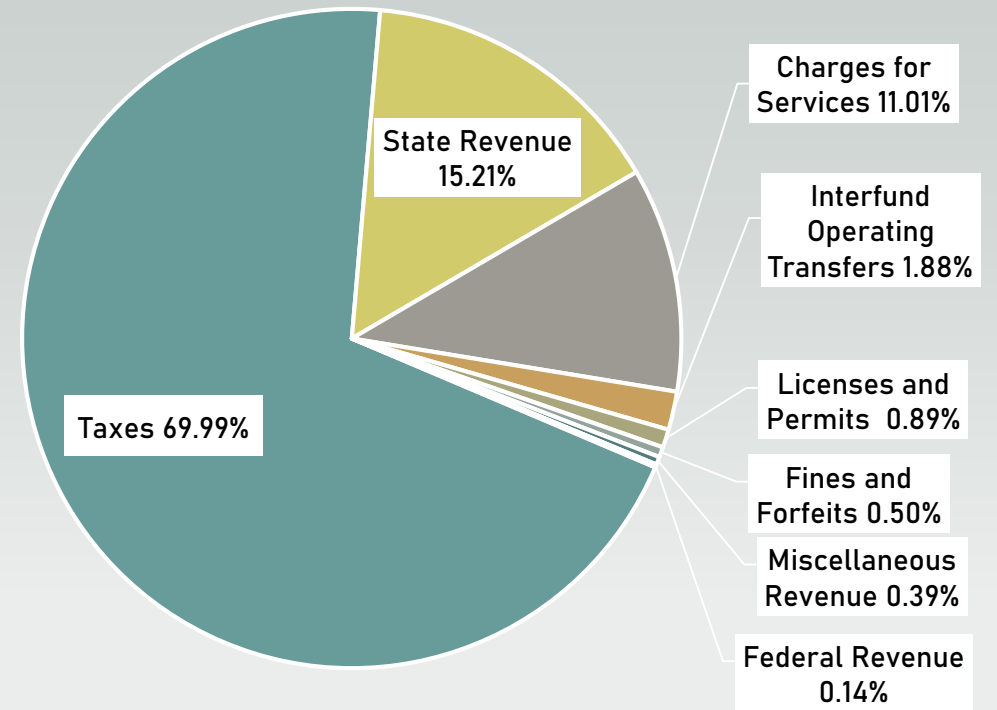
- ❖ PVTA – 5 College Reimbursement
- ❖ Interest on Investments
- ❖ Shared Services (Veteran Services Regional Assessment, Laserfiche Services, Weights and Measures)

# FY2023 GENERAL FUND REVENUES

## Fiscal Year 2023 - Revenues

Taxes	\$77,326,755	69.99%
State Revenue	\$16,800,145	15.21%
Charges for Services	\$12,159,835	11.01%
Interfund Operating Transfers	\$2,074,400	1.88%
Licenses and Permits	\$985,600	0.89%
Fines and Forfeits	\$555,000	0.50%
Miscellaneous Revenue	\$428,549	0.39%
Federal Revenue	\$159,355	0.14%
	<b>\$110,489,639</b>	<b>100.00%</b>

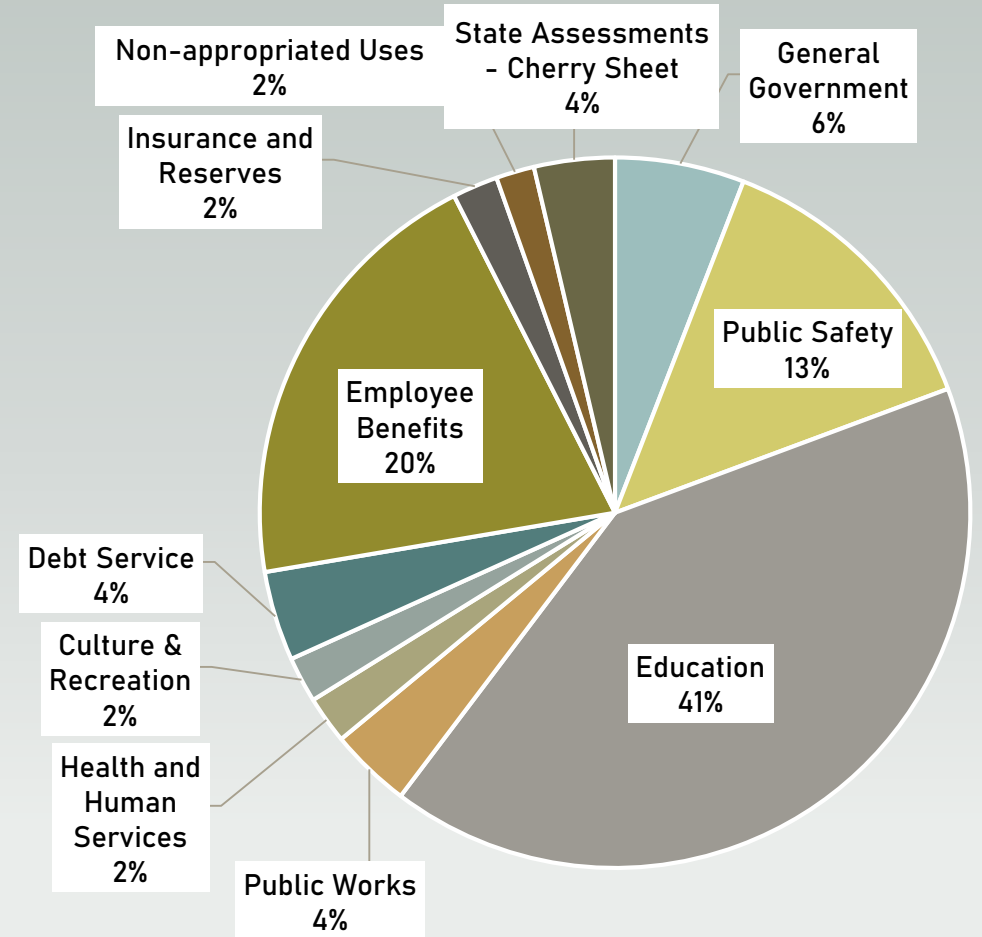
## City of Northampton General Fund Revenues - FY2023 \$110,489,639



# EXPENDITURES

# FY2023 BUDGETED EXPENSES

FY2023	
General Government	\$6,508,427
Public Safety	\$14,851,732
Education	\$45,275,317
Public Works	\$4,084,546
Health and Human Services	\$2,386,057
Culture & Recreation	\$2,301,561
Debt Service	\$4,506,962
Employee Benefits	\$22,311,398
Insurance and Reserves	\$2,284,281
Non-appropriated Uses	\$1,924,926
State Assessments - Cherry Sheet	\$4,054,432
<b>Total</b>	<b>\$110,489,639</b>



# FY2023 Total Education Spending out of the City Budget: \$60,589,094 or 54.8%\*

Spending on education, as defined and measured by the Department of Elementary and Secondary Education (DESE), is a combination of the direct appropriation to the schools plus the indirect expenditures not reflected in the school budget, but paid for out of the city budget.

*\*(This does not include the \$674,800 for school capital projects funded from Free Cash as part of the FY2023 Capital Improvement Program)*

## Additional Spending Reflected in City Budget - 2023\*

	NPS	SVAHS	Total
Employee Benefits	\$8,344,786	\$1,721,523	\$10,066,309
Insurance (Property, Vehicle, Liability)	\$162,864	\$55,708	\$218,572
Debt for School Capital Projects	\$319,560	\$196,092	\$515,652
Cash Capital Spending Approved for FY23	\$48,724	-	\$48,724
General Government (IT, HR, Auditor, etc.)	\$448,504	\$117,209	\$565,713
Central Services, Forestry, Parks & Rec Division	\$297,441	\$50,259	\$347,700
Charter School Tuition for Outgoing Northampton Students	\$2,855,543		\$2,855,543
School Choice Tuition for Outgoing Northampton Students	\$695,564		\$695,564
<b>TOTAL ADDITIONAL SPENDING ON EDUCATION</b>	<b>\$13,172,986</b>	<b>\$2,140,791</b>	<b>\$15,313,777</b>
<b>LINE ITEM SPENDING ON EDUCATION</b>	<b>\$35,159,372</b>	<b>\$10,115,945</b>	<b>\$45,275,317</b>
<b>TOTALS</b>	<b>\$48,332,358</b>	<b>\$12,256,736</b>	<b>\$60,589,094</b>
Percent of Total City Budget			54.8%

**RESERVES**

# VALUE OF FINANCIAL RESERVES

Financial reserves provide financial stability when there are:

- ❖ Natural weather related disasters such as flooding, excessive snowfall, hurricanes, etc.
- ❖ Failures of major infrastructure such as a building boiler breaks, a bridge has to be closed due to structural deficiencies, a roof develops major leakage, etc.
- ❖ Revenue volatilities due to regional or national economic downturns, significant change or closure of a tax producing industry, or changes in state revenues, etc.
- ❖ Closures and restrictions under health emergencies.

Financial reserves provide operational stability to:

- ❖ Fund a Capital Improvement Program that reduces repair costs and improves operational efficiency, preservation of infrastructure resulting in taxpayer savings
- ❖ Maintain the city's AAA Bond Rating (Standard and Poors) which results in lower borrowing costs for capital improvements
- ❖ Provide planned contributions to the operating budget to extend periods of financial stability in keeping with the Fiscal Stability Plan
- ❖ Maintain adequate reserves, leaving Northampton better positioned to deal with funding issues in difficult times and giving us the tools to provide continuity of services.

# FINANCIAL RESERVES USES

## GENERAL FUND RESERVES:

- ❖ Undesignated Fund Balance / Free Cash (for any one-time use)
- ❖ General Fund Stabilization Fund (support operating budget or unforeseen costs)
- ❖ General Fund Capital Stabilization Fund (fund the Capital Plan projects)
- ❖ General Fund Fiscal Stability Stabilization Fund (intended for operating budget stabilization)
- ❖ Climate Change Mitigation Stabilization Fund (intended to support Northampton's progress towards carbon neutrality)

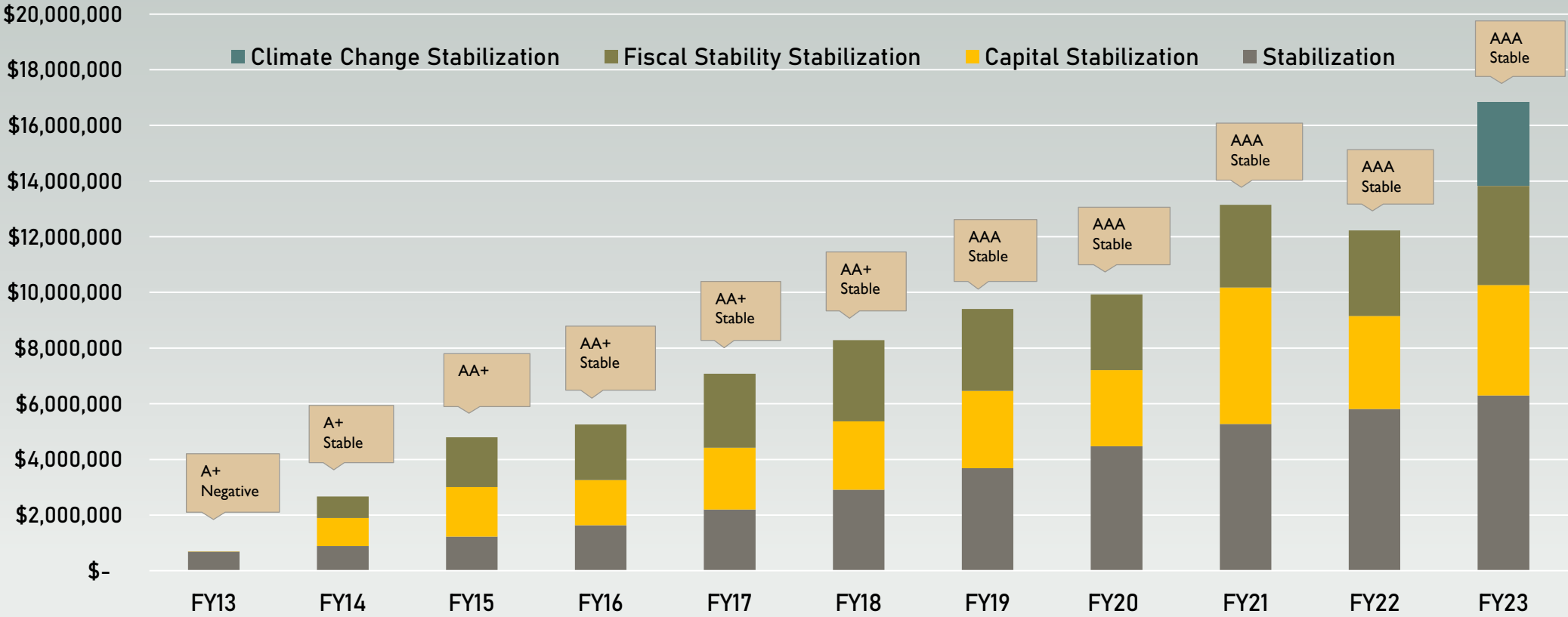
# FINANCIAL RESERVE BALANCES

## GENERAL FUND RESERVES (as of July 1, 2022):

- ❖ Undesignated Fund Balance / Free Cash - \$2,670,069
- ❖ Undesignated Fund Balance / ARPA Revenue Loss - \$3,409,344
- ❖ General Fund Stabilization Fund - \$6,294,535
- ❖ General Fund Capital Stabilization Fund - \$3,966,342
- ❖ General Fund Fiscal Stability Stabilization Fund - \$3,562,742
- ❖ Climate Change Mitigation Stabilization Fund - \$3,000,000

# RESERVES HISTORY

**General Fund History of Reserves**  
 (as of the July 1<sup>st</sup> start of each fiscal year)  
 FY13 - FY23



# BOND RATING

Excerpts from Standard and Poors' Bond Rating for Northampton (September 2022):

"Very strong financial management environment that we expect with continue through recent personnel changes, and a strong institutional framework."

"Management worked to maximize the use of federal relief funding and limit taxpayer exposure to unbudgeted health and safety costs."

"Officials develop revenue and expenditure assumptions using up to 10 years of historical trends in combination with forward-looking, long-term financial planning."

"The stable outlook reflects our view that the city will maintain a stable financial profile, supported by its very strong financial management policies."

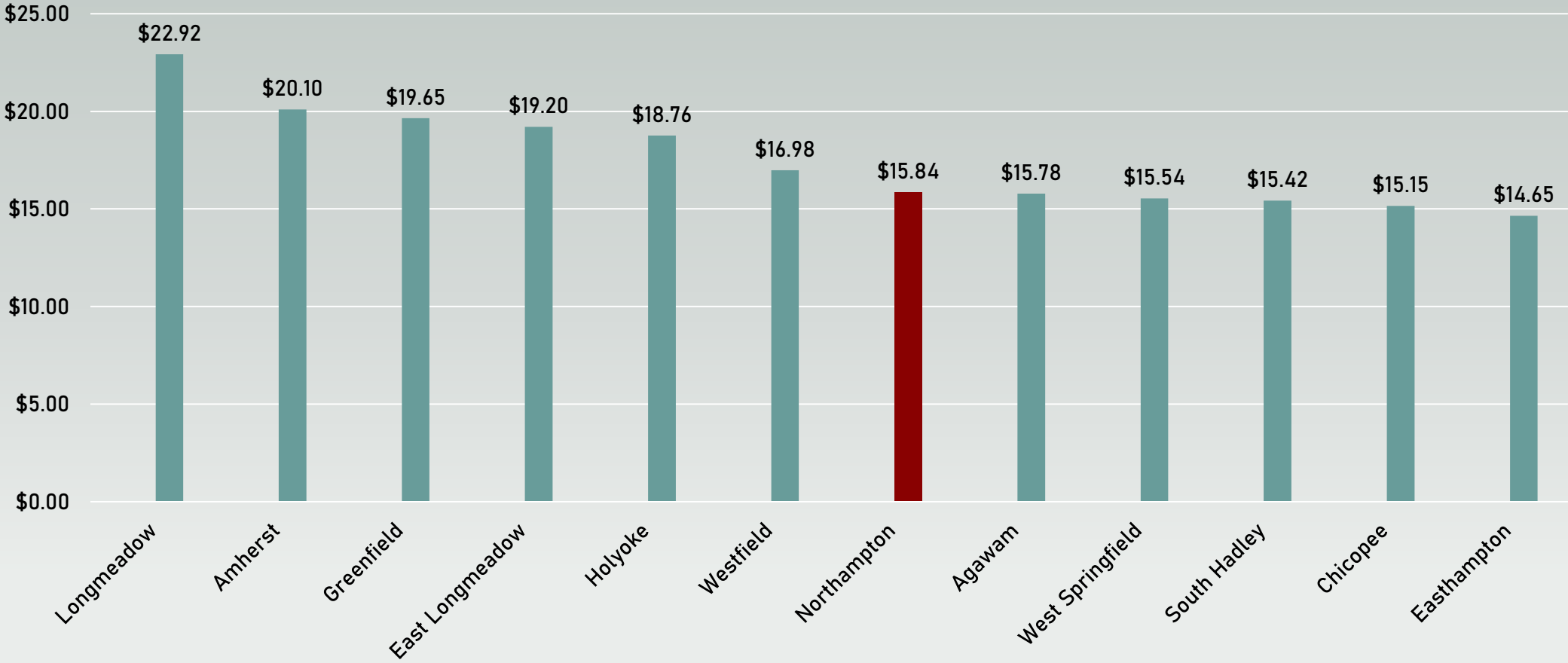
Name	2021	Rating Agency
Northampton	AAA	S&P
Agawam	AA+	S&P
Amherst	AA+	S&P
East Longmeadow	AA+	S&P
Easthampton	AA+	S&P
Longmeadow	AA+	S&P
Chicopee	AA-	S&P
Greenfield	AA-	S&P
West Springfield	AA	S&P
Westfield	AA	S&P
Holyoke	A+	S&P

# COMPARISON OF KEY FINANCIAL INDICATORS

- ❖ Residential Tax Rates
- ❖ Commercial Tax Rates
- ❖ Single Family Home Value
- ❖ Average Single Family Tax Bill
- ❖ Total New Growth Value
- ❖ Revenue Generated by New Growth
- ❖ Outstanding Debt Per Capita
- ❖ General Fund Revenue by Percentage of Total Revenues

# RESIDENTIAL TAX RATES

Rate/\$1000  
Northampton Rate: \$15.84



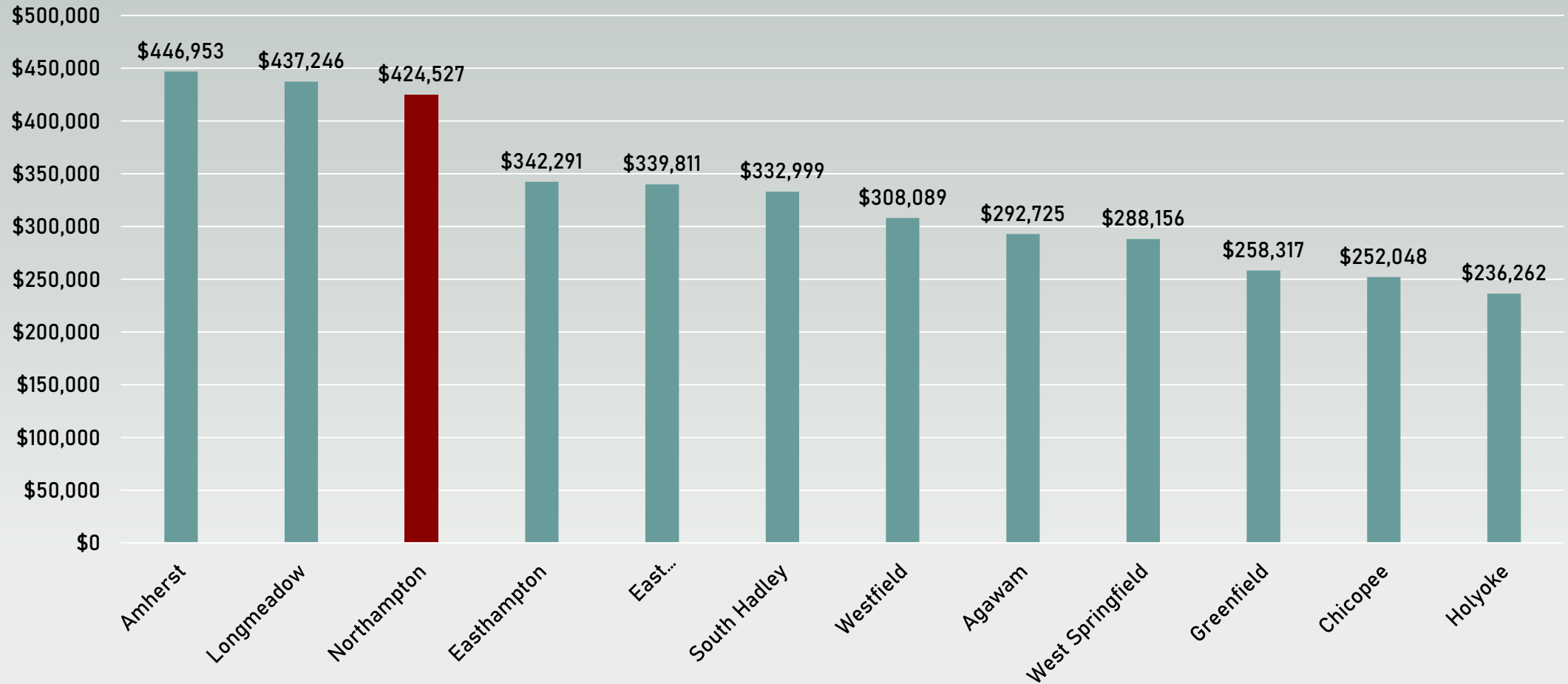
# COMMERCIAL TAX RATES

Rate/\$1000  
Northampton Rate: \$15.84



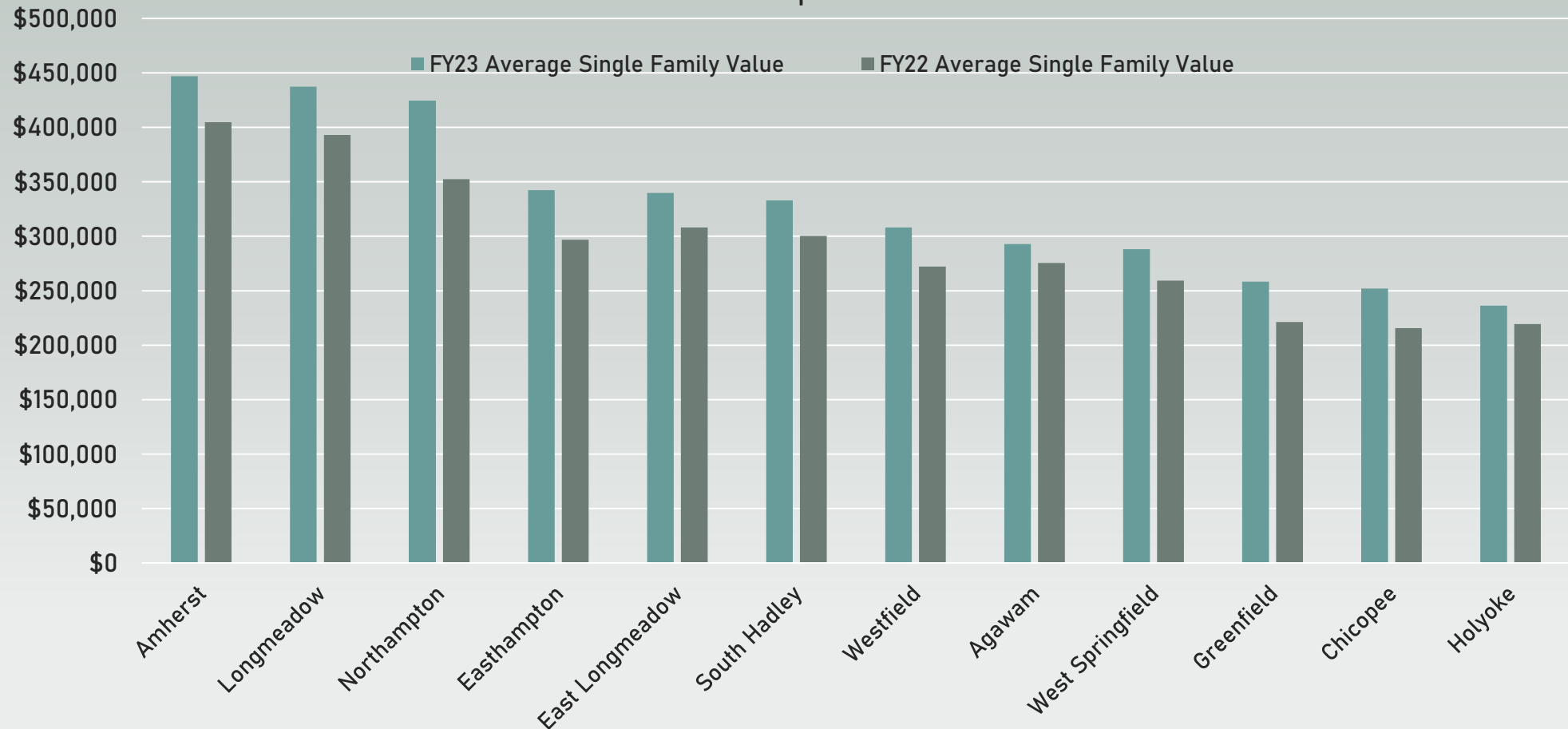
# AVERAGE SINGLE FAMILY HOME VALUE

Average Single Family Home Value in Northampton: \$424,527



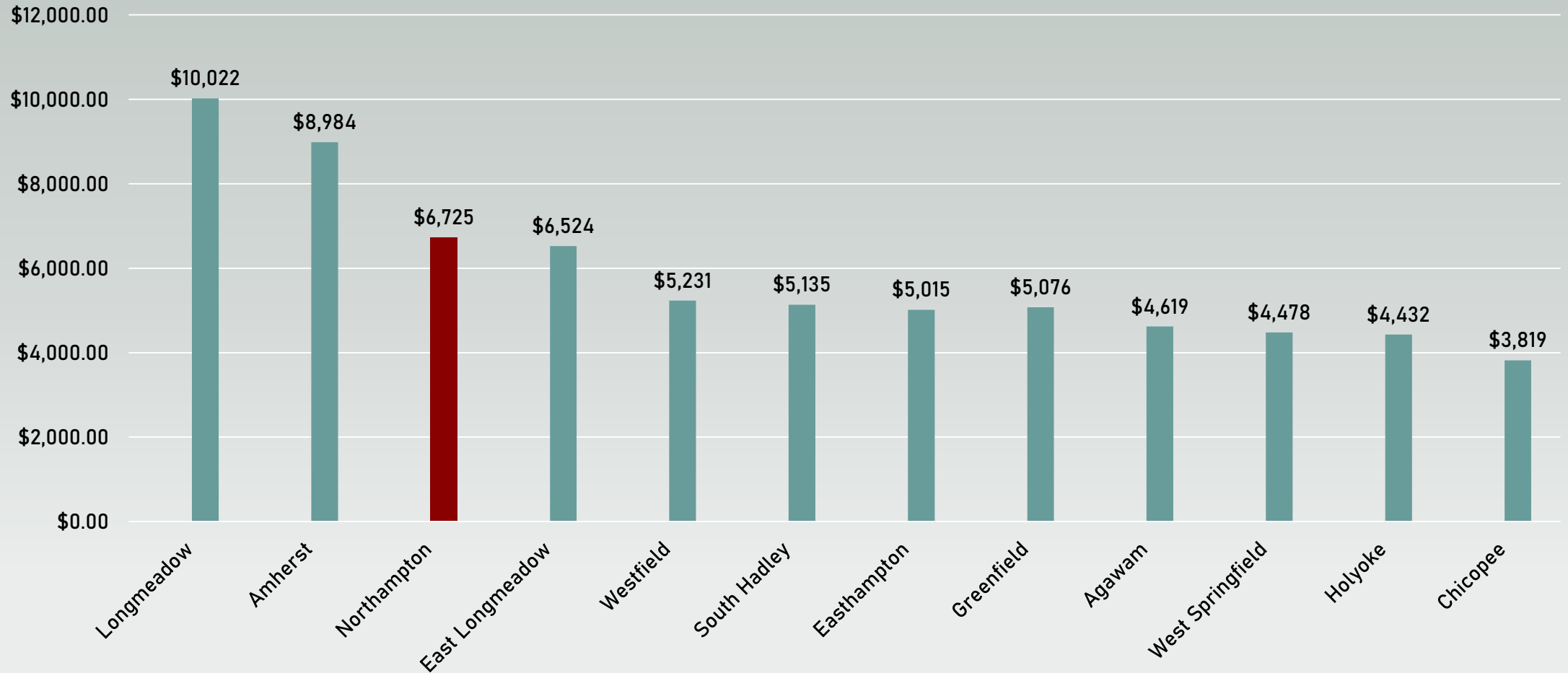
# AVERAGE SINGLE FAMILY HOME VALUE

Average Single Family Value Home value  
FY23 as compared to FY22



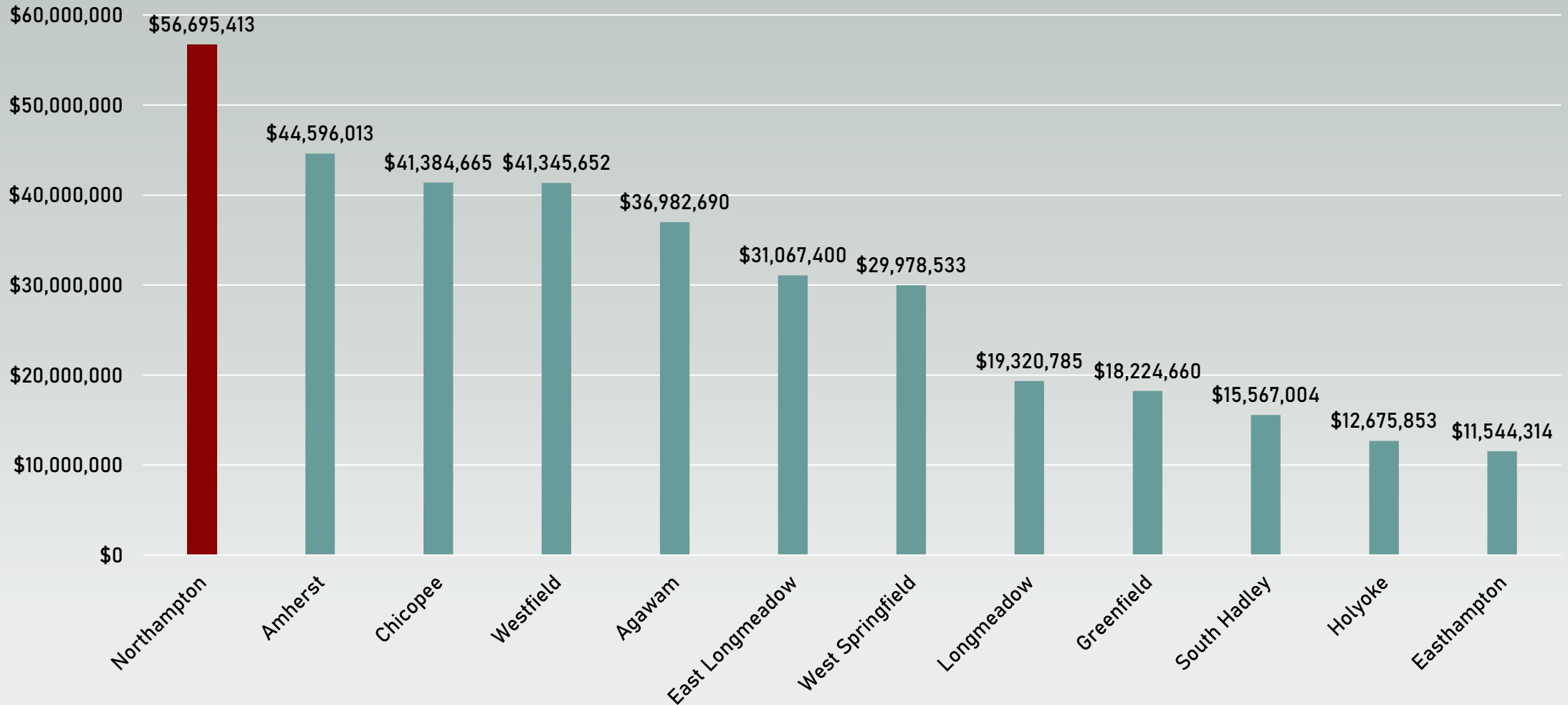
# AVERAGE SINGLE FAMILY TAX BILL

Northampton Average Tax Bill FY23: \$6,725



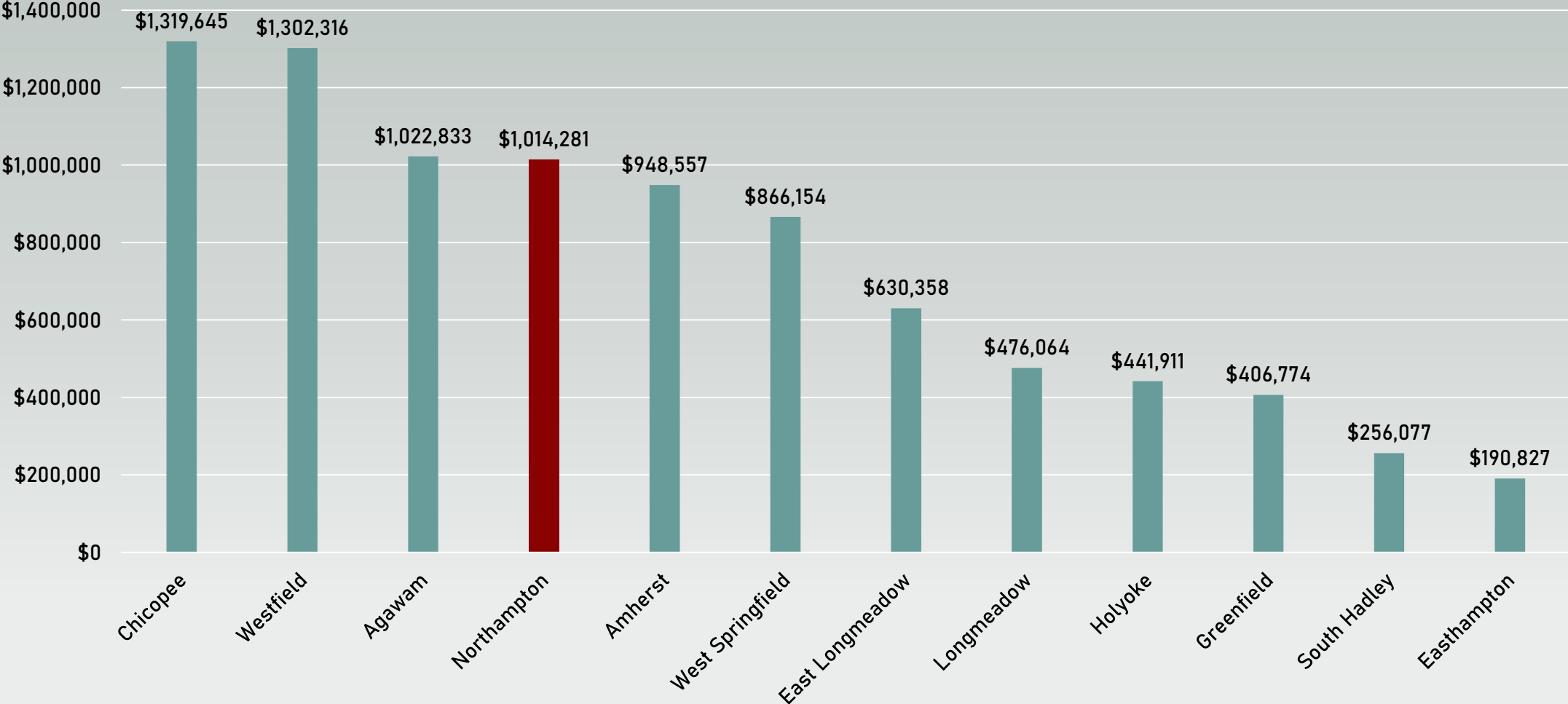
# NEW GROWTH VALUE

Value of New Growth in Northampton FY23: \$56,695,413



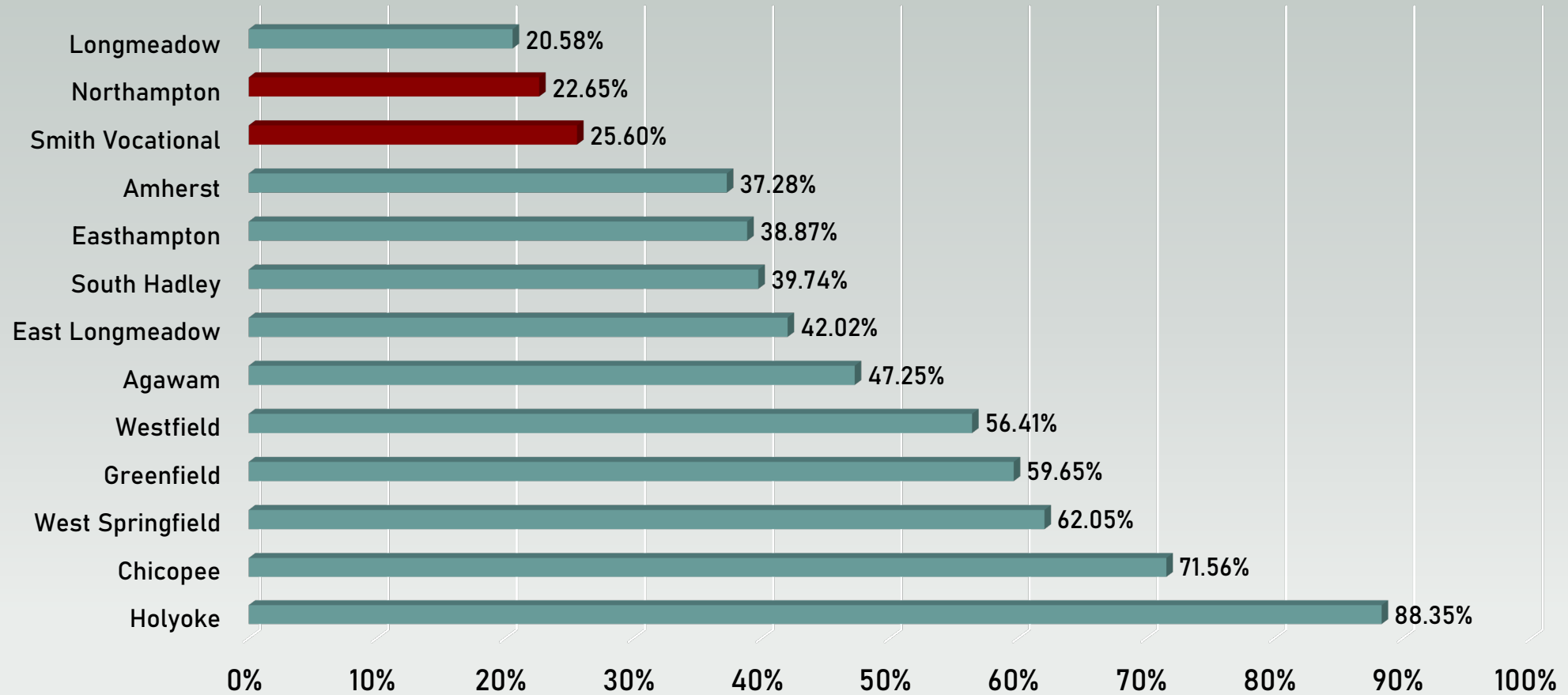
# TOTAL NEW GROWTH

Northampton Total New Growth FY2023: \$ 1,014,218



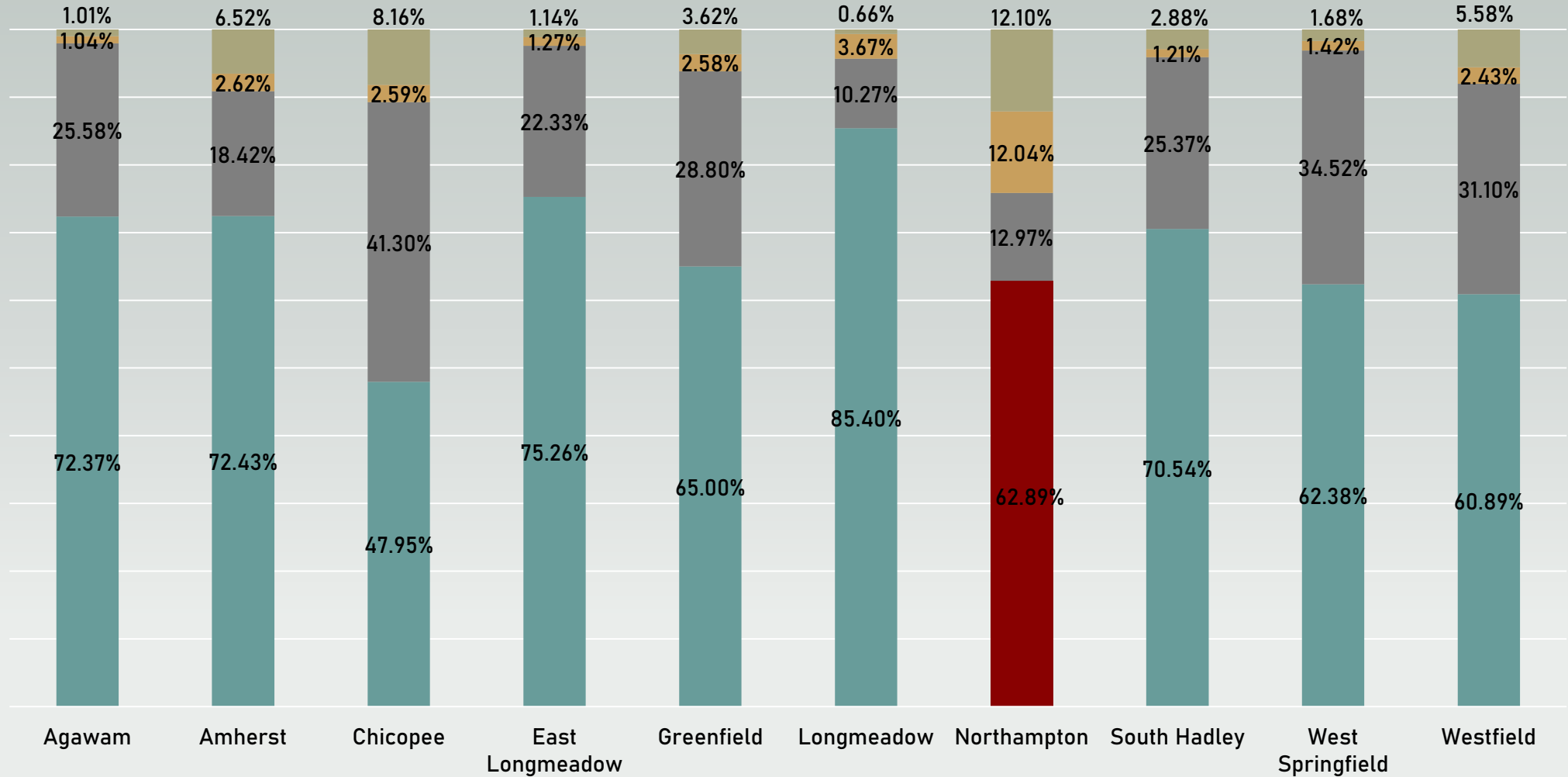
# CHAPTER 70 AID AS % OF REQUIRED NET SCHOOL SPENDING

Chapter 70 Aid as % of Required Net Spending



# GENERAL FUND REVENUE BY SOURCE FY2022

■ Taxes   
 ■ State Revenue   
 ■ Local Receipts   
 ■ Other

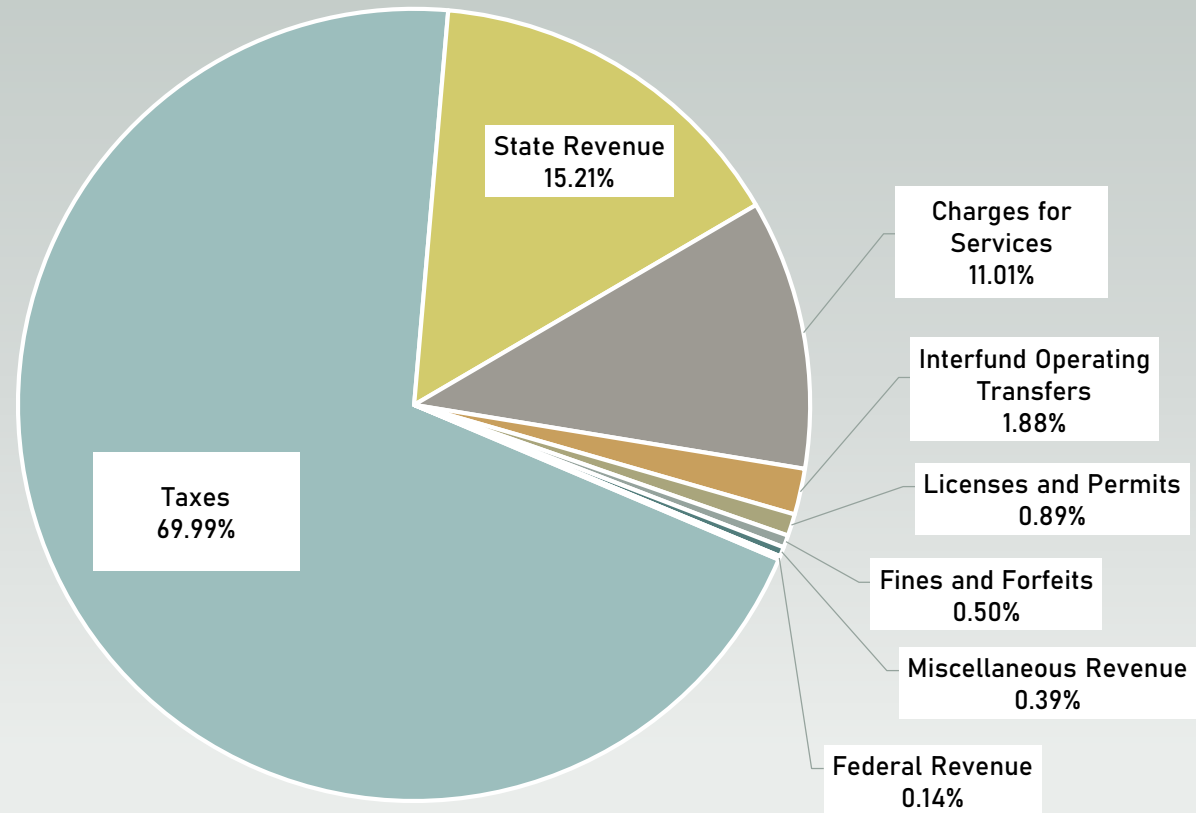


# REVIEW OF REVENUE AND EXPENDITURE TRENDS

# REVENUE TRENDS

- ❖ New Growth
- ❖ Cannabis
- ❖ Hotel/Motel and Meals
- ❖ Parking
- ❖ State Aid
- ❖ Building Permits

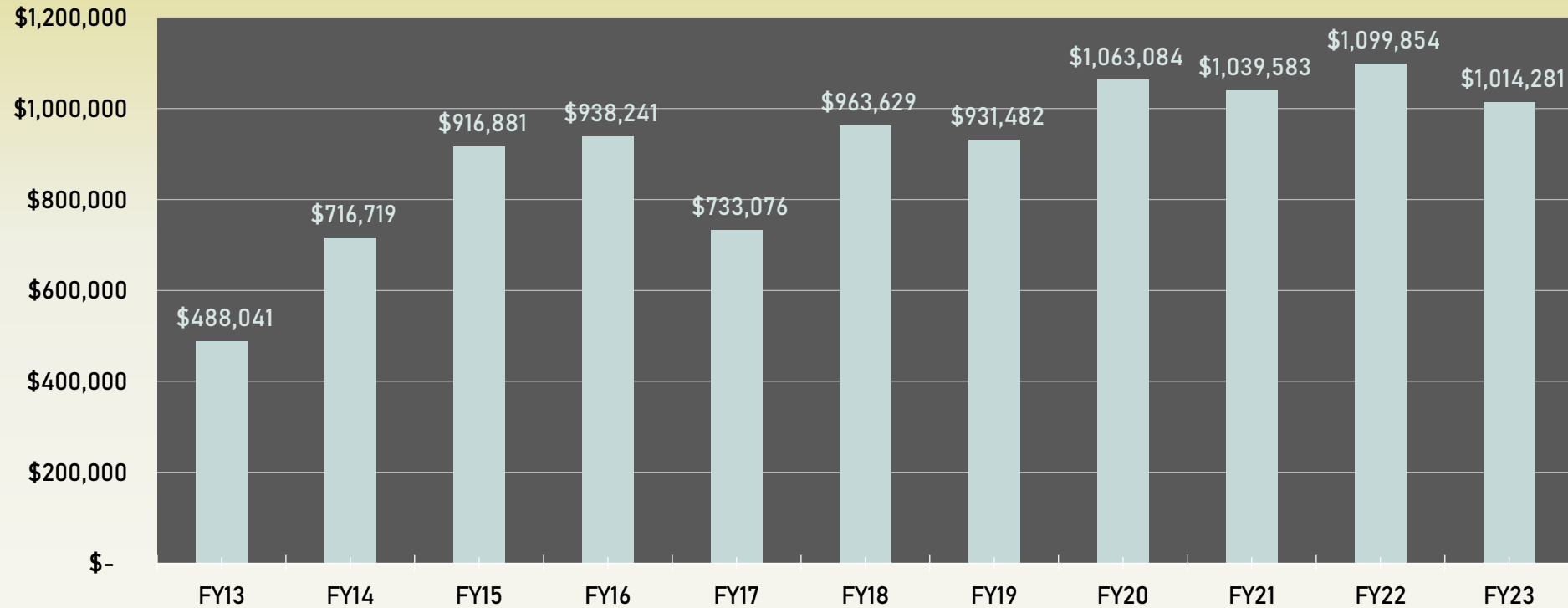
# FY2023 GENERAL FUND REVENUES



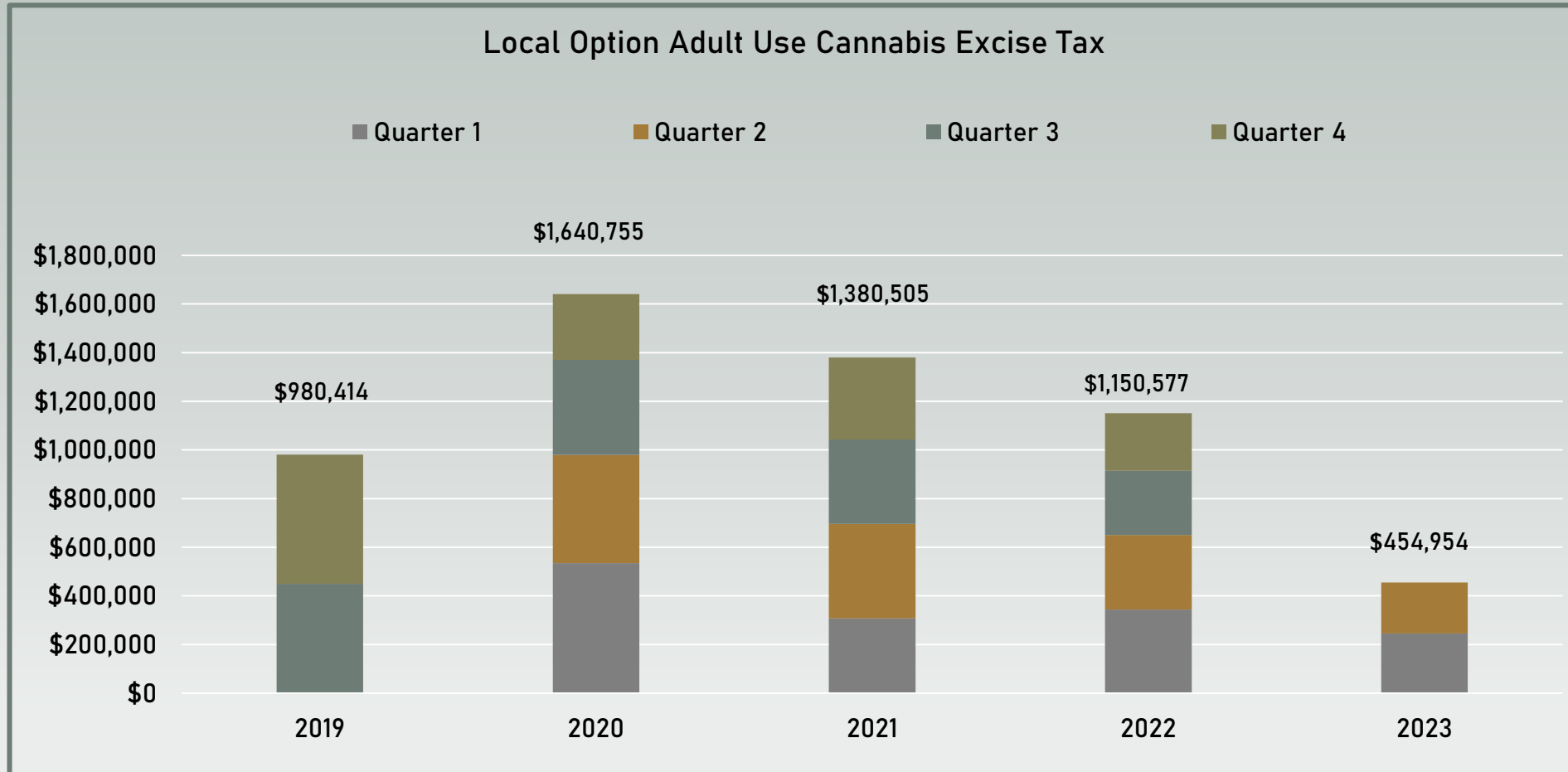
# NEW GROWTH

Increase in the tax base due to new construction, parcel subdivisions, condominium conversions and property renovations

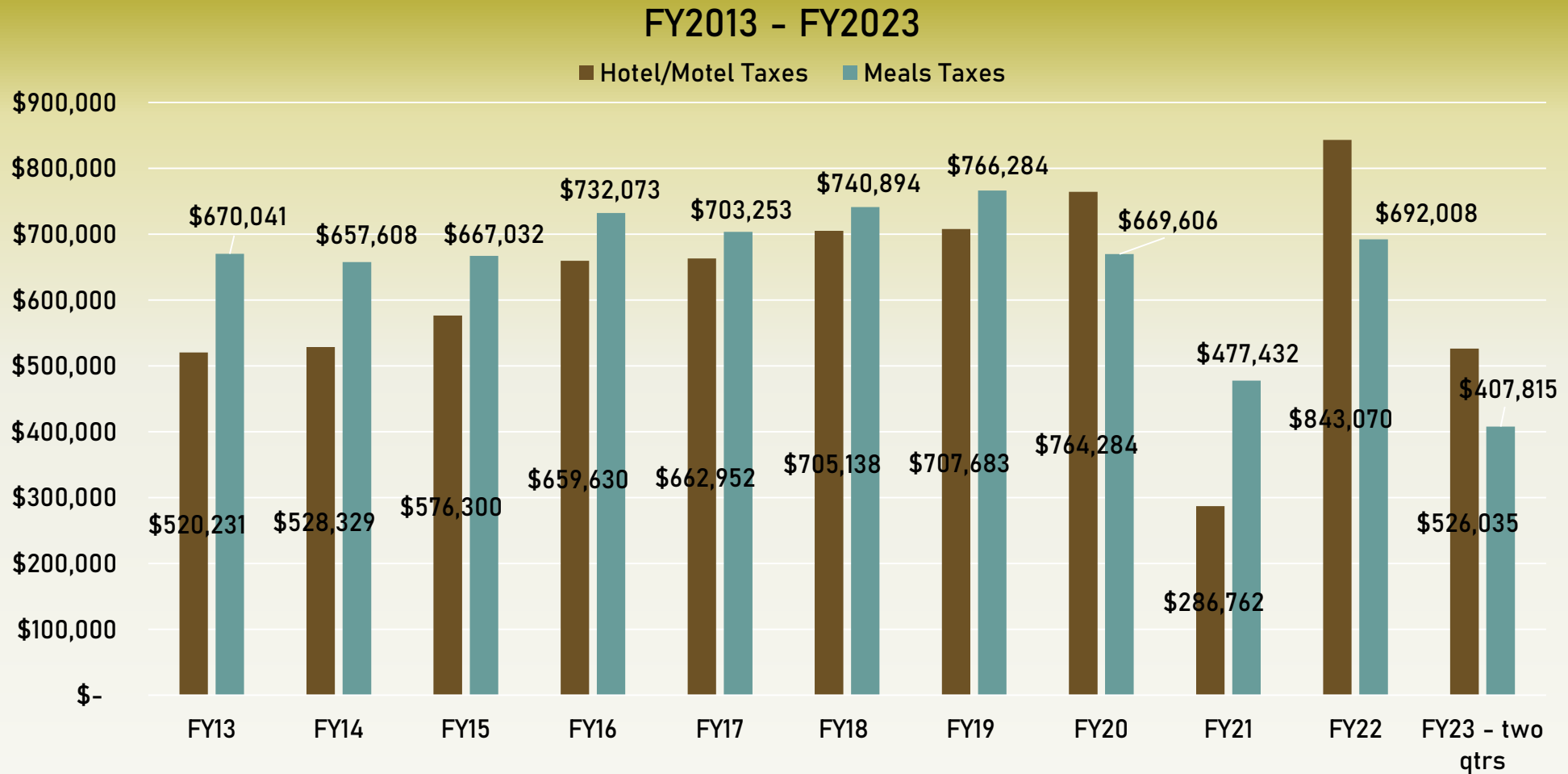
City of Northampton - 10 Years - New Growth Trend  
FY2013 - FY2023



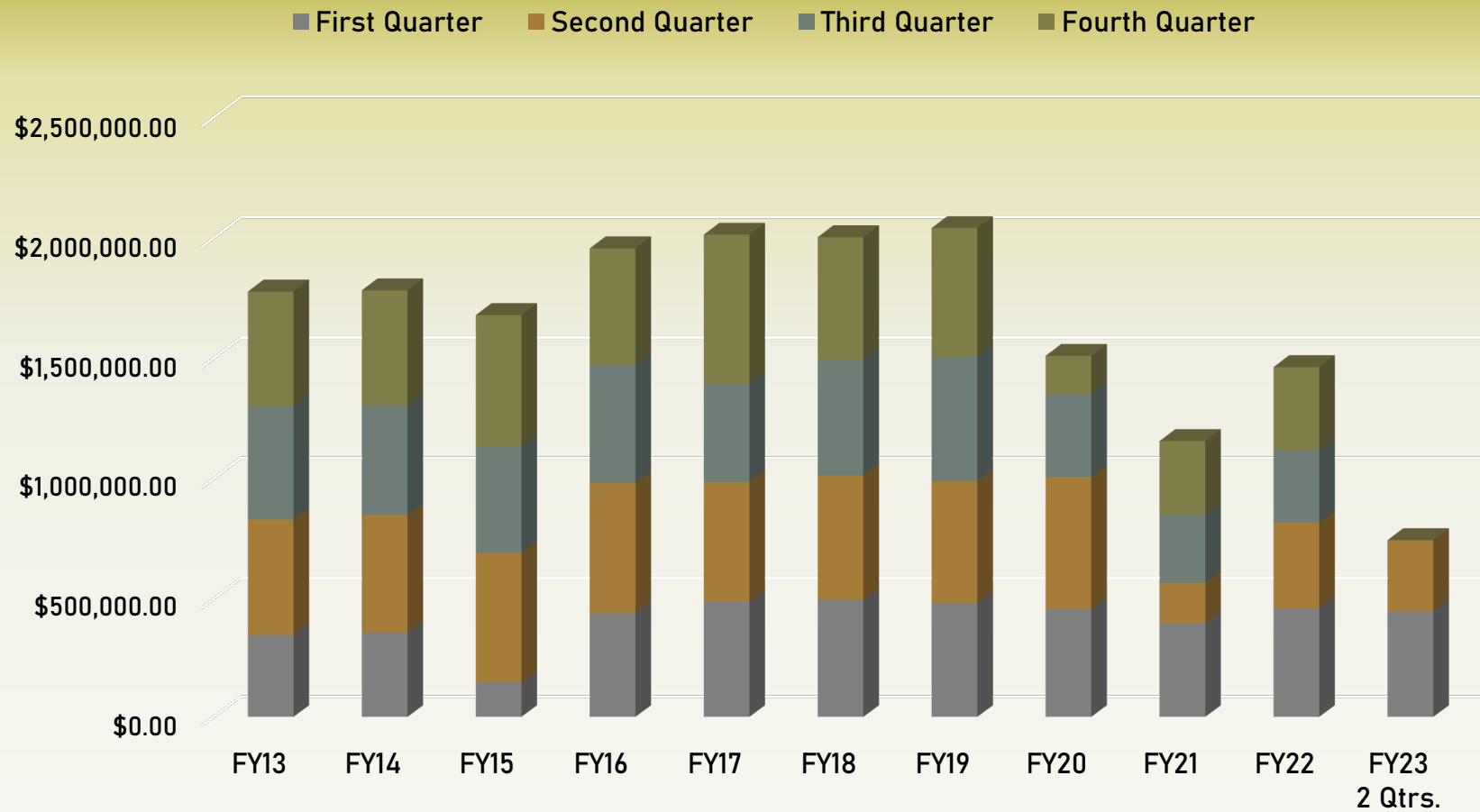
# CANNABIS EXCISE TAX



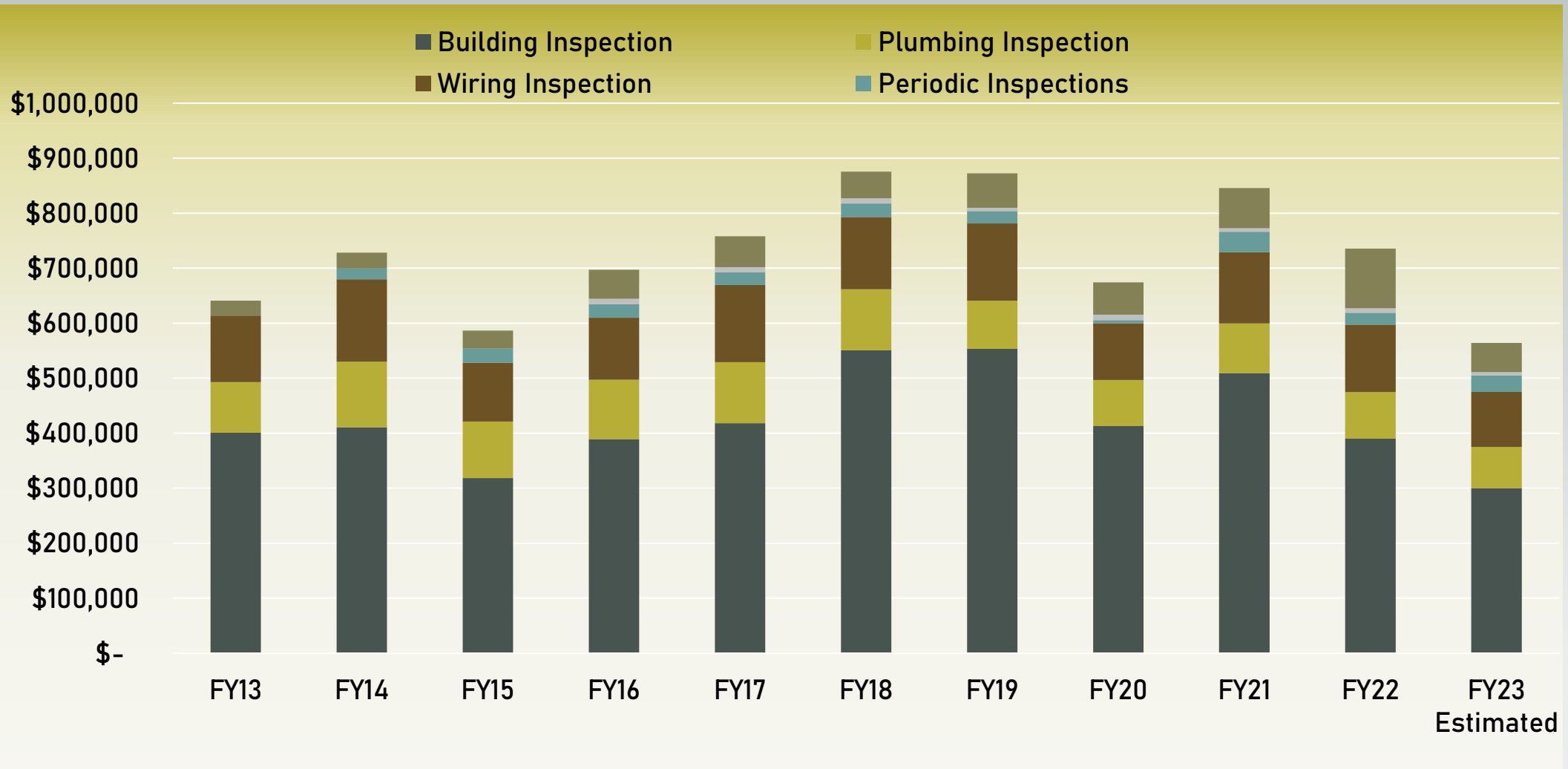
# HOTEL/MOTEL AND MEALS TAX



# PARKING REVENUES



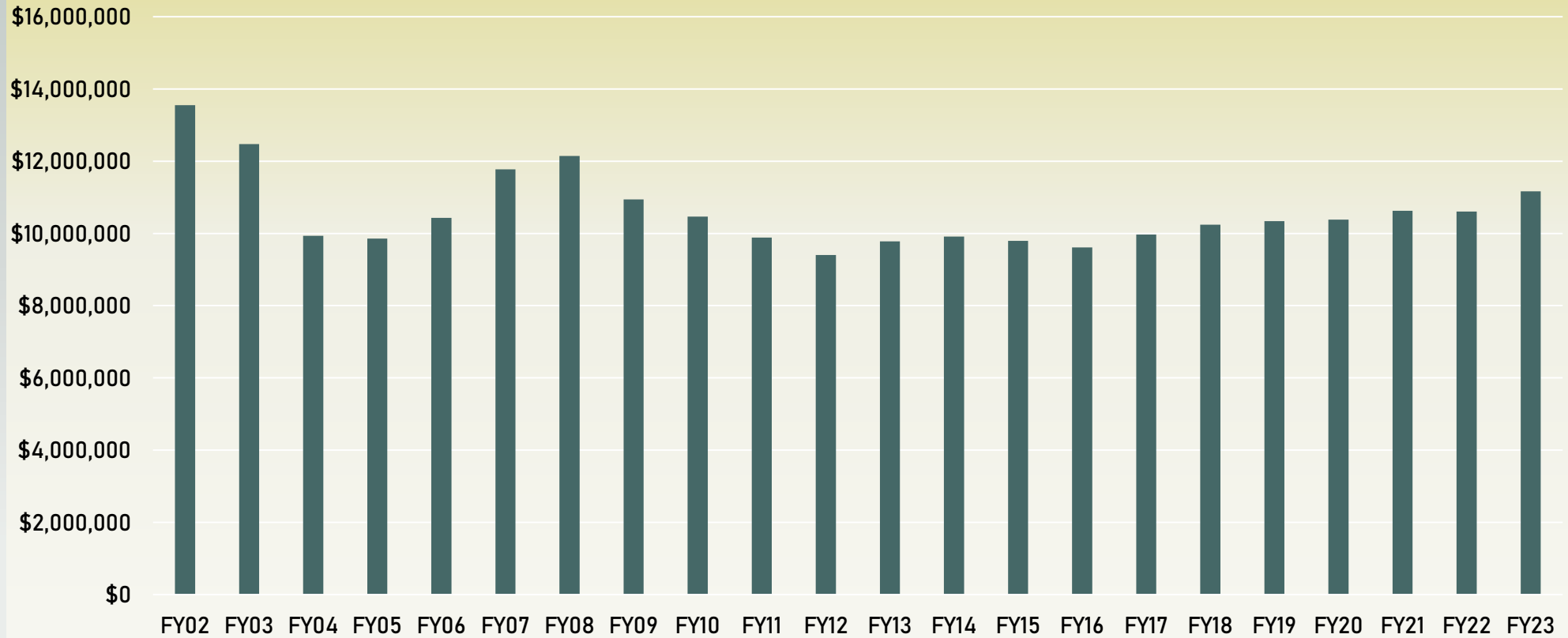
# BUILDING PERMITS



# STATE AID

OVER 22 YEARS

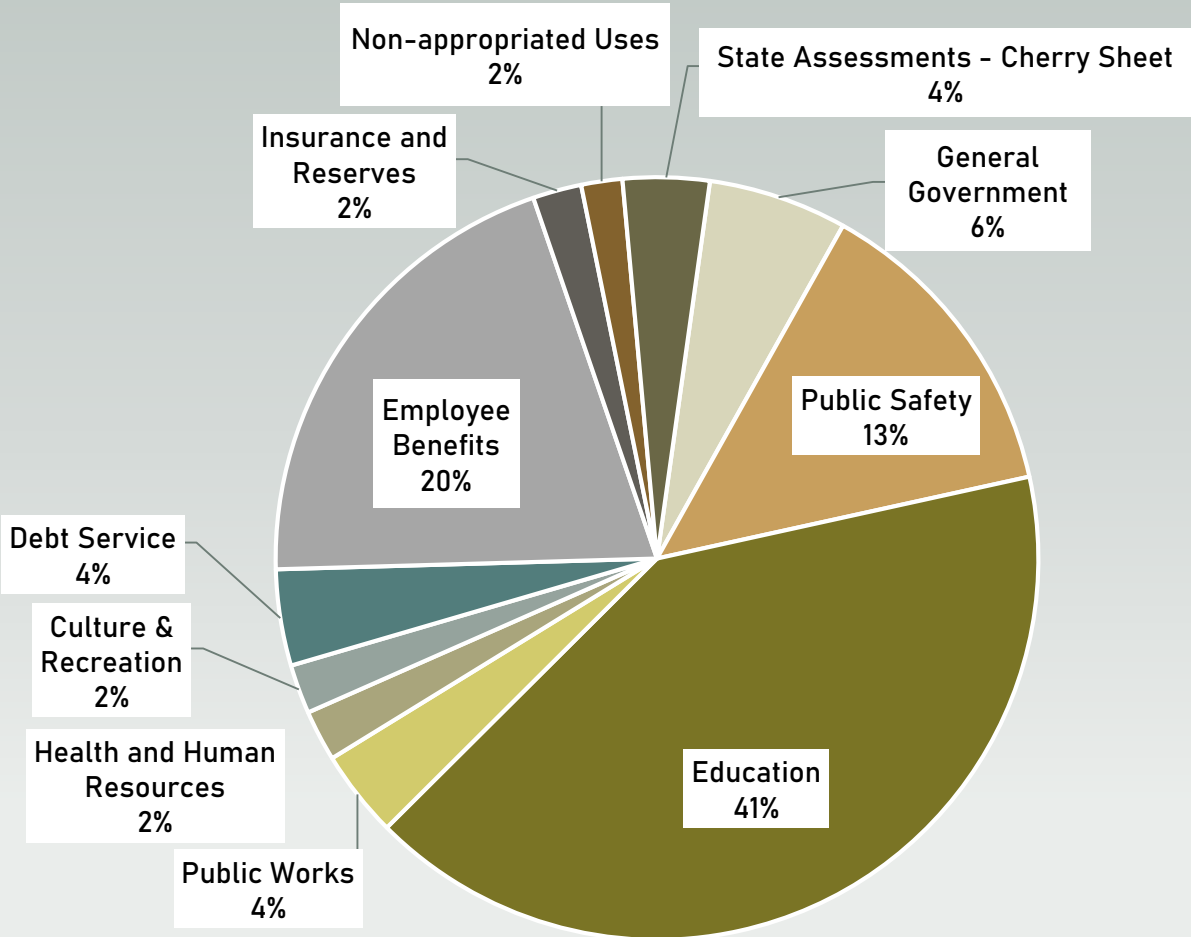
NET STATE AID  
Excludes offsets for school of choice and libraries



# EXPENDITURE TRENDS

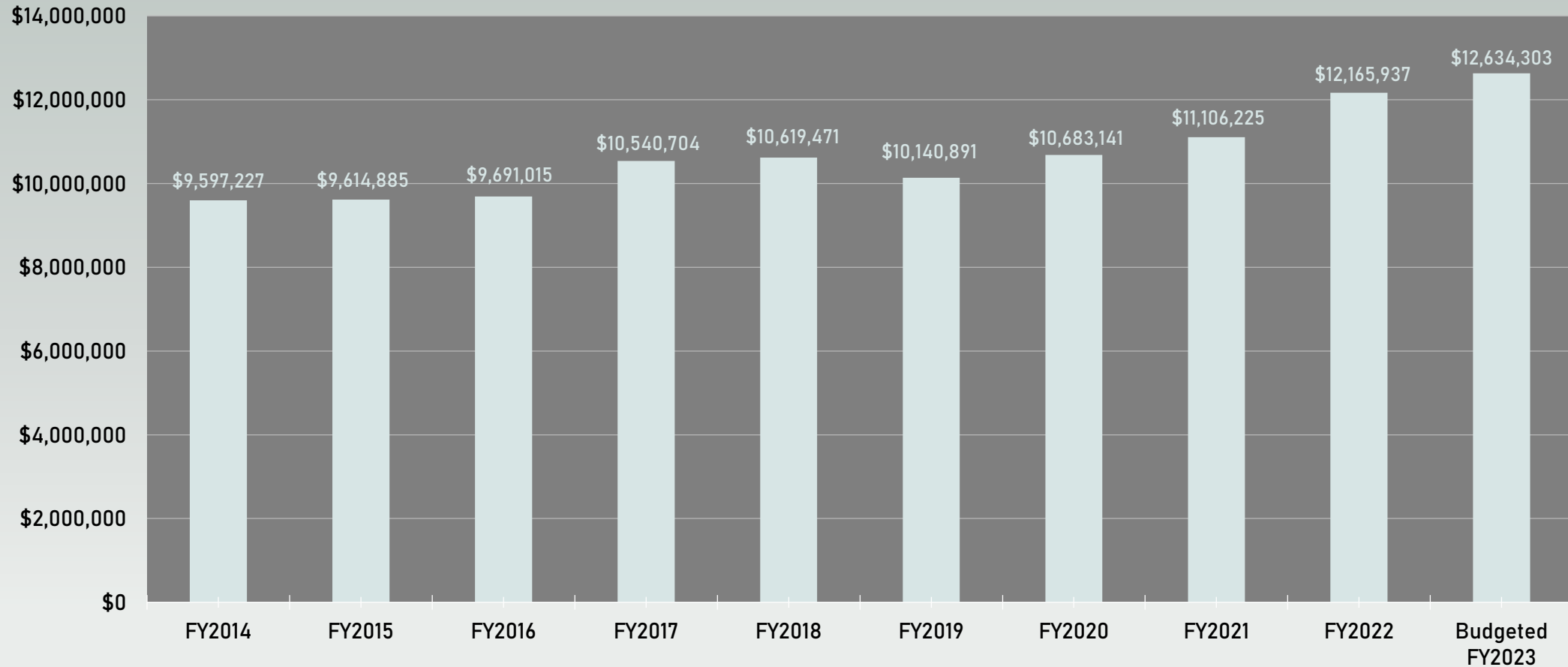
- ❖ Health Insurance
- ❖ Retirement
- ❖ Other Insurances, Workers Comp
- ❖ Education

# FY2023 GENERAL FUND EXPENDITURE



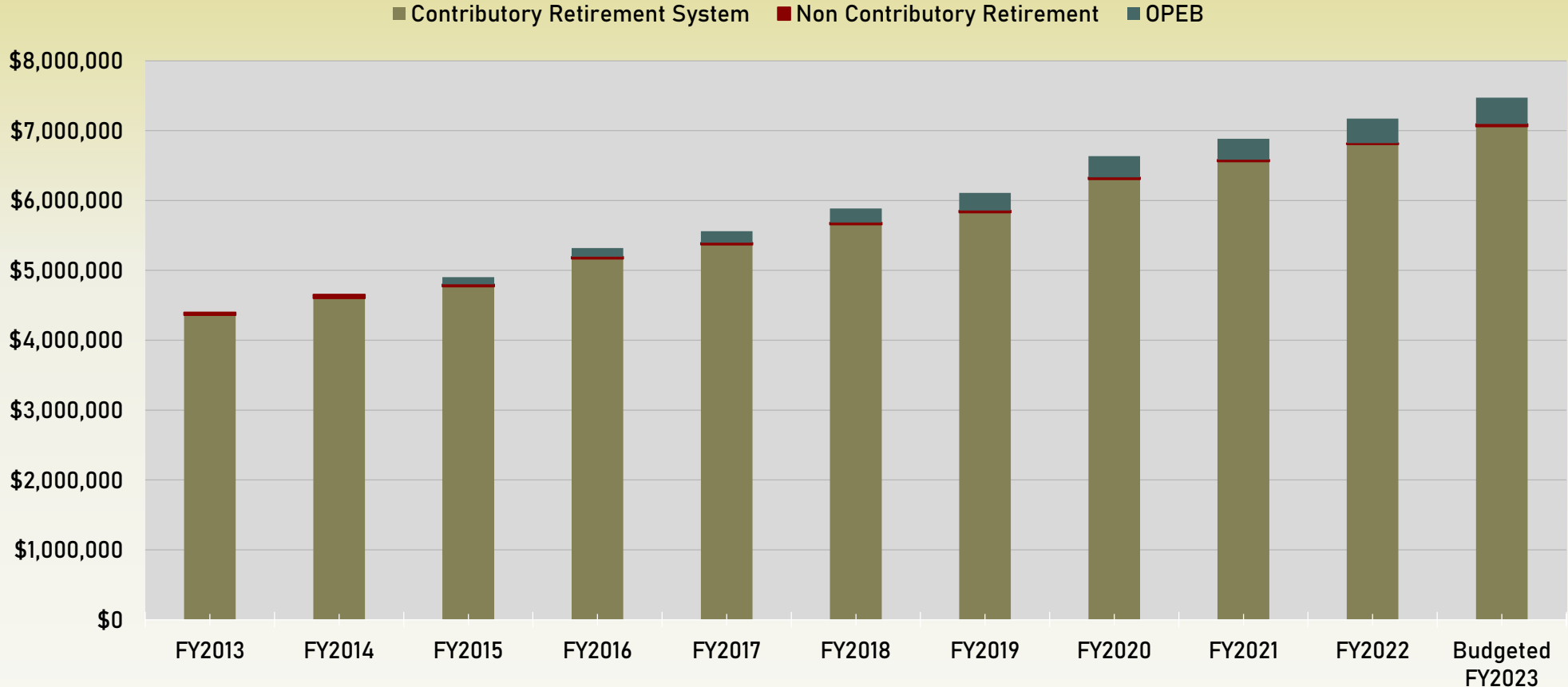
# HEALTH INSURANCE

## Expenditures FY14 - FY23

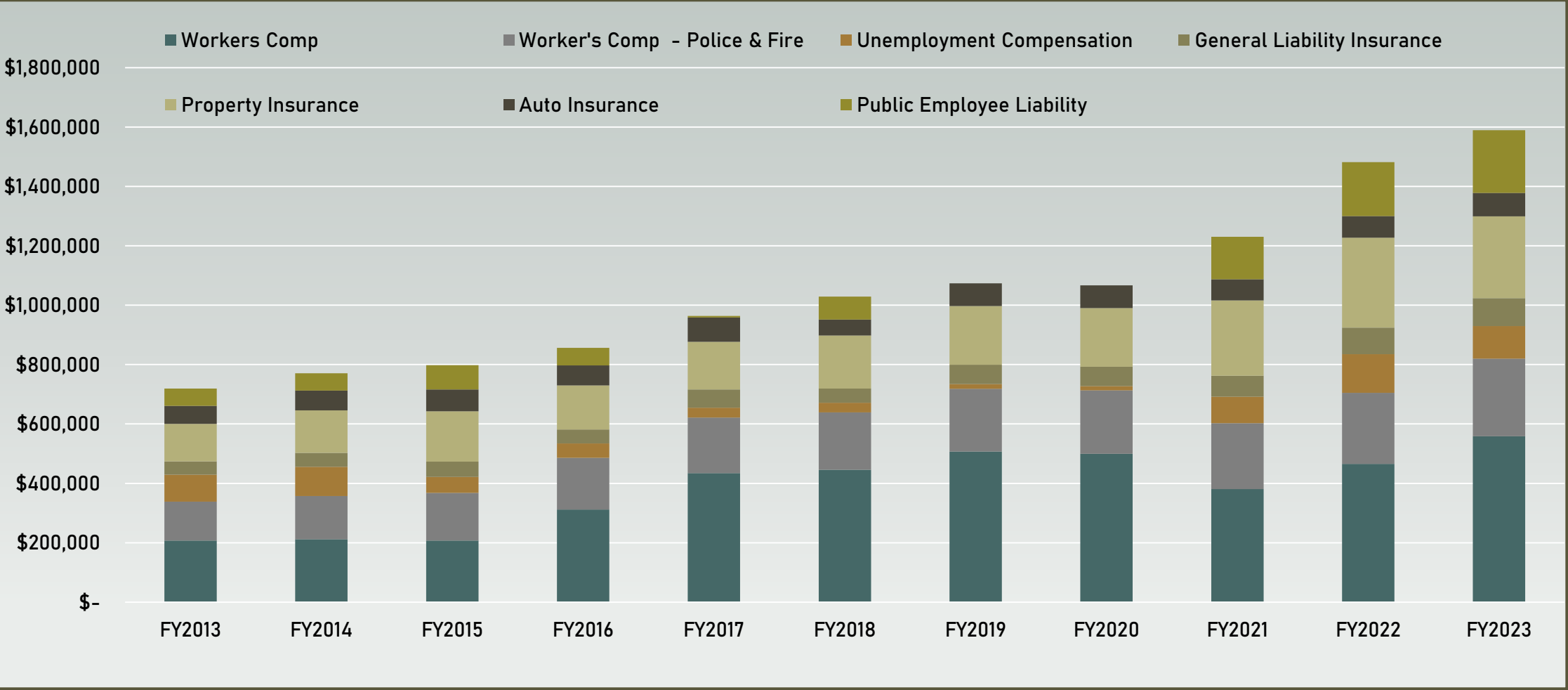


# RETIREMENT

## Retirement System Contribution and OPEB Trust for Retiree Health Insurance



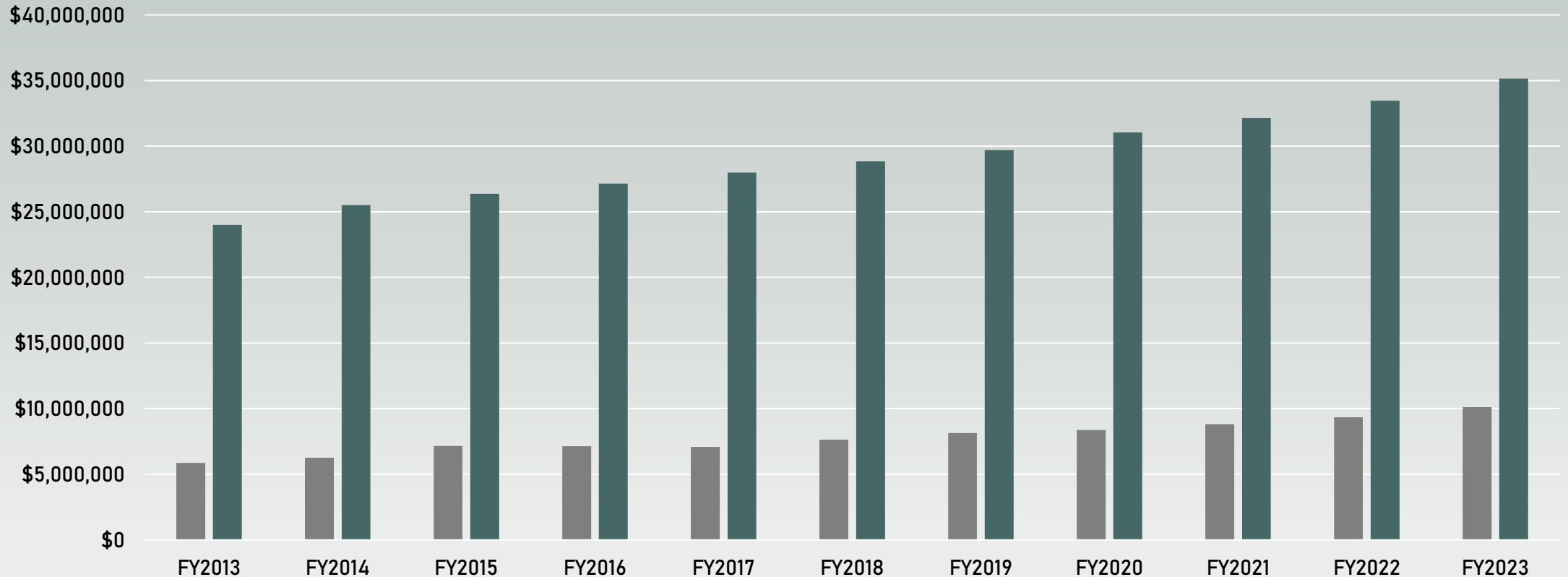
# OTHER INSURANCES



# EDUCATION SPENDING

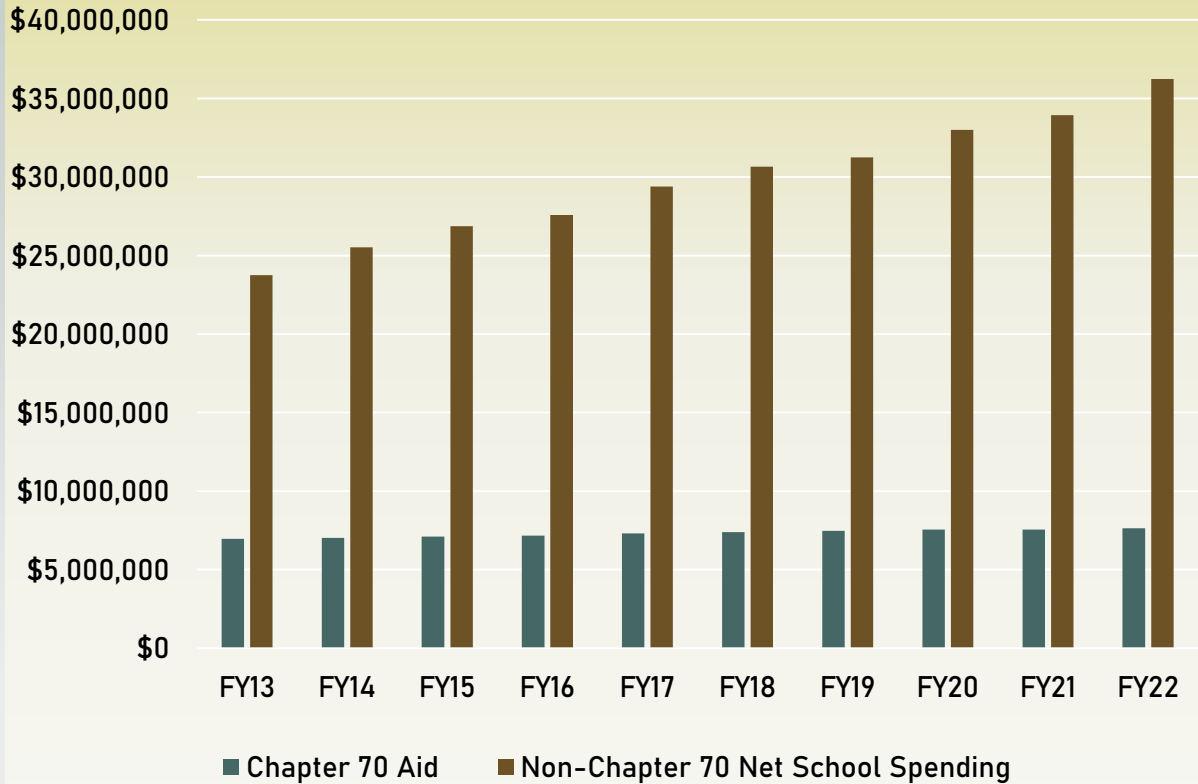
Appropriations for Northampton Public Schools and Smith Vocational and Agricultural High School

■ Smith Vocational & Agricultural High School   ■ Northampton Public Schools

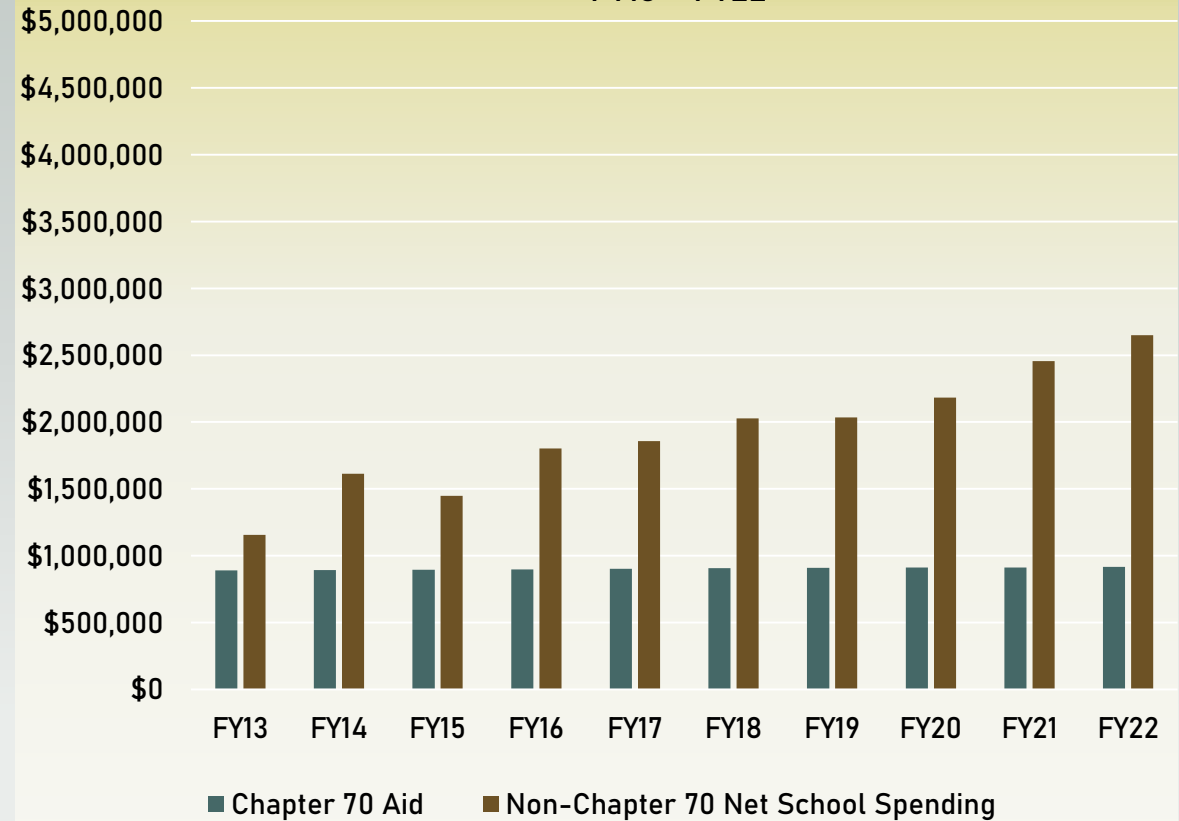


# NET SCHOOL SPENDING

Northampton Public Schools  
Chapter 70 Aid and Non-Chapter 70 Net School Spending  
FY13 - FY22

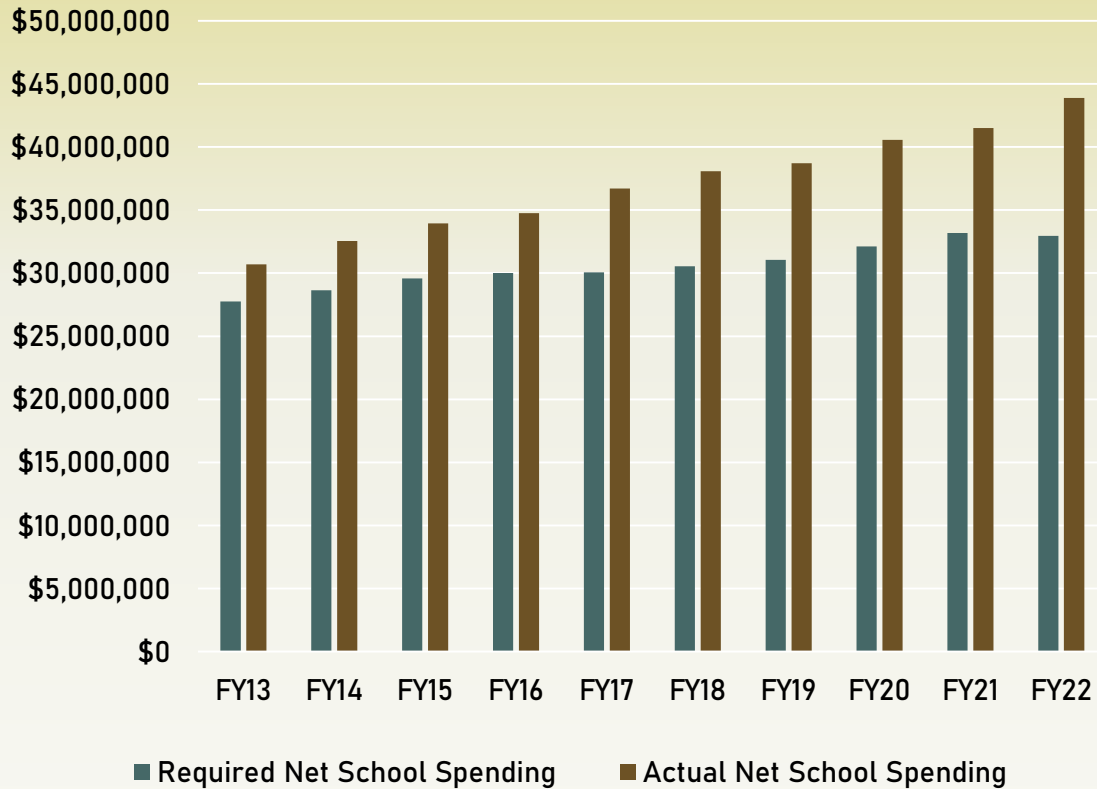


Smith Vocational  
Chapter 70 Aid and Non-Chapter 70 Net School Spending  
FY13 - FY22

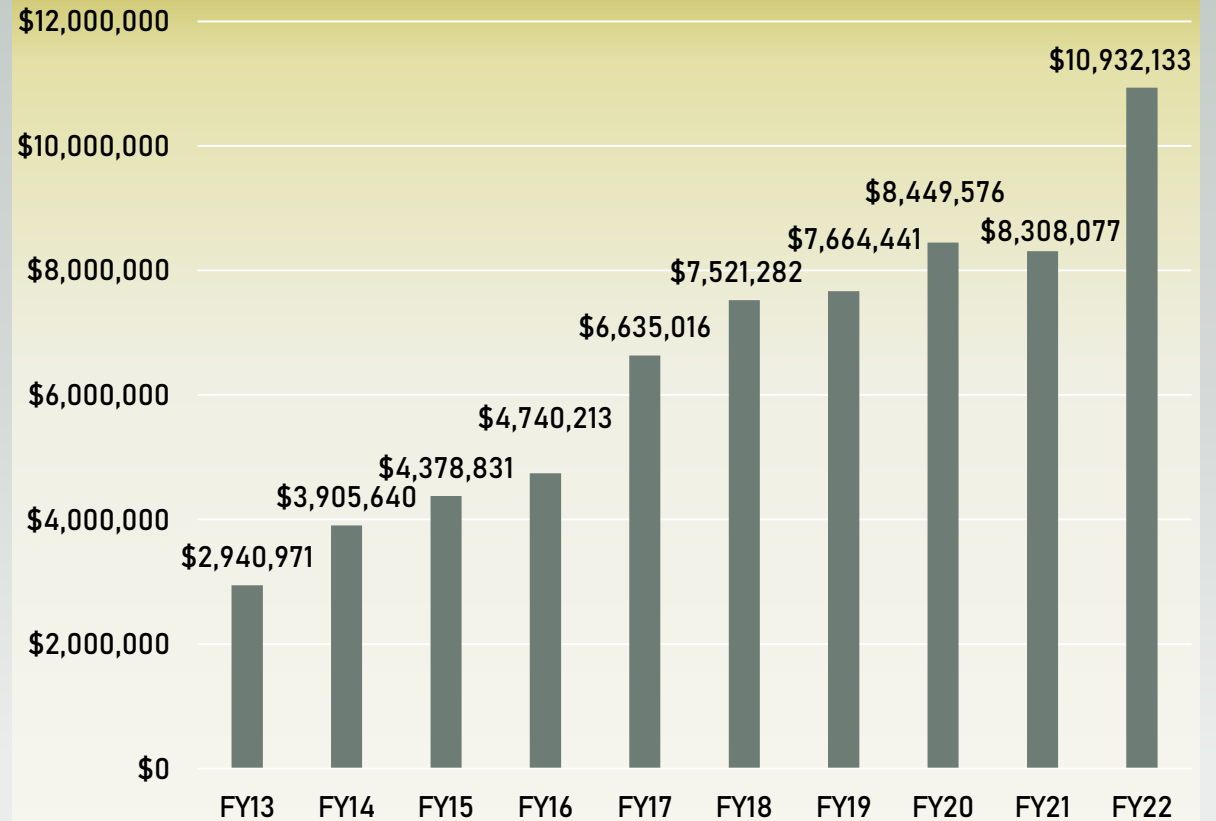


# NORTHAMPTON PUBLIC SCHOOLS NET SCHOOL SPENDING

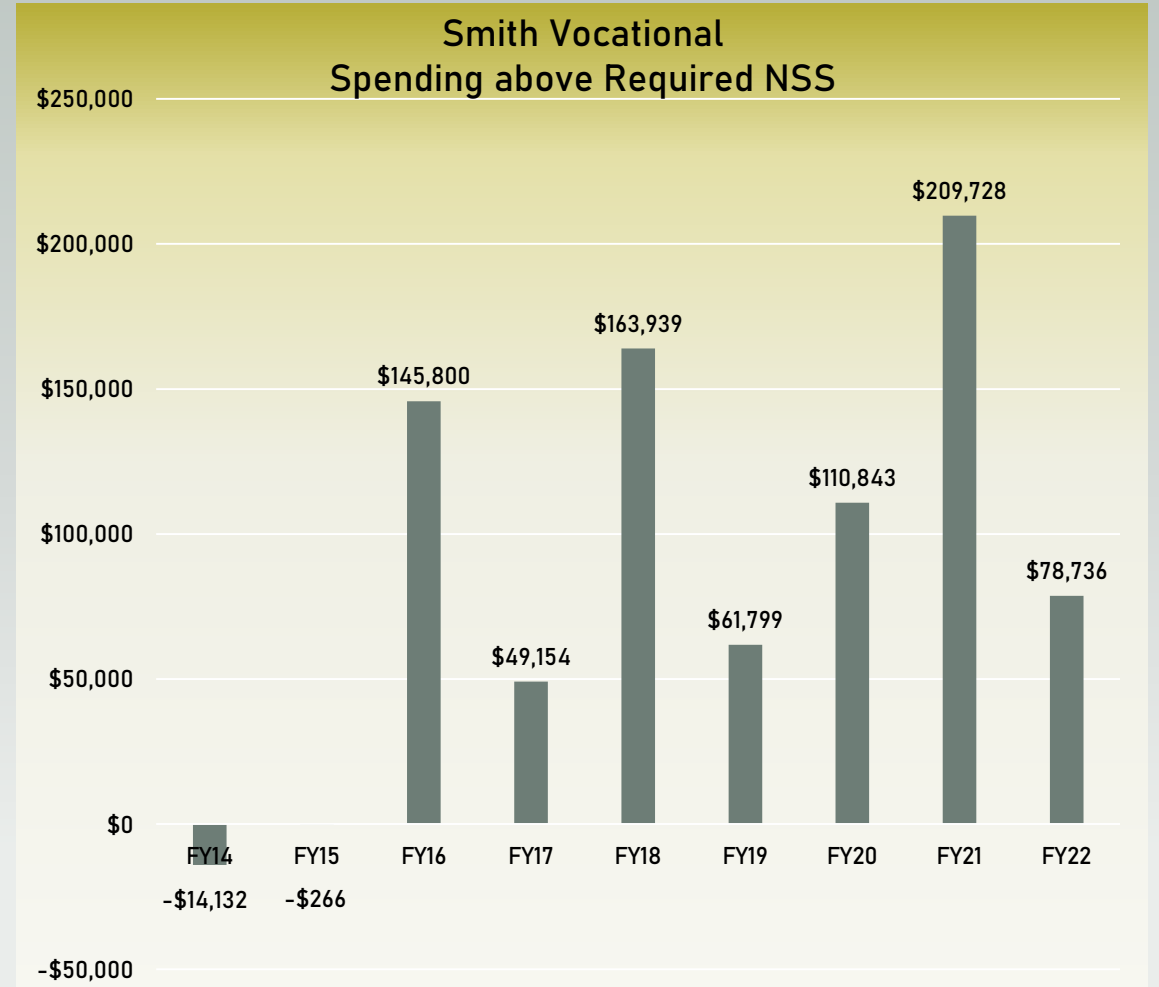
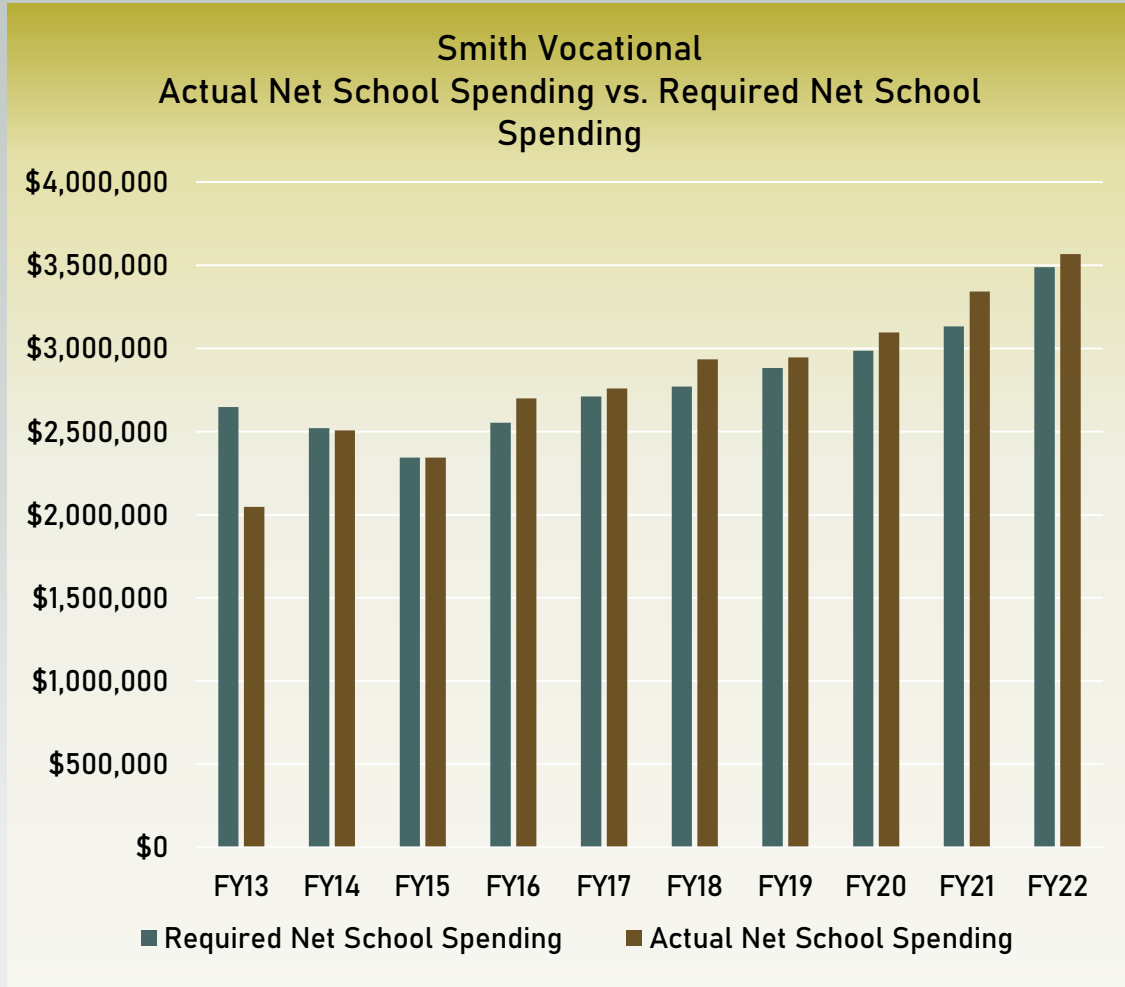
Northampton Public Schools  
Actual Net School Spending vs. Required Net School  
Spending



Spending Above Required NSS



# SMITH VOCATIONAL & AGRICULTURAL HIGH SCHOOL NET SCHOOL SPENDING



# EDUCATION SPENDING NOT IN THE SCHOOL BUDGET

There are many expenditures related to the schools that are paid out of the City operating budget. In FY22 these totaled \$11,779,189 for NPS and \$2,401,856 for SVAHS including:

- ❖ Medicare contribution for all school employees at 1.45% of payroll
- ❖ Health Insurance for all school employees that choose city health insurance
- ❖ Retirement funding for non-certified staff such as Paraprofessionals, school clerical, school custodial staff, school cafeteria staff
- ❖ General liability, property and vehicle insurance for all school buildings and vehicles
- ❖ Shared city services such as Human Resources, Central Services and Information Technology
- ❖ All Capital Planning projects (Totals: NPS = \$625,000 SVAHS = \$436,000)
- ❖ School Choice tuition for residents who choose to send their student to another district's public school
- ❖ Net Charter school tuition – tuition (minus reimbursement) for residents who choose to send their student to a Charter School

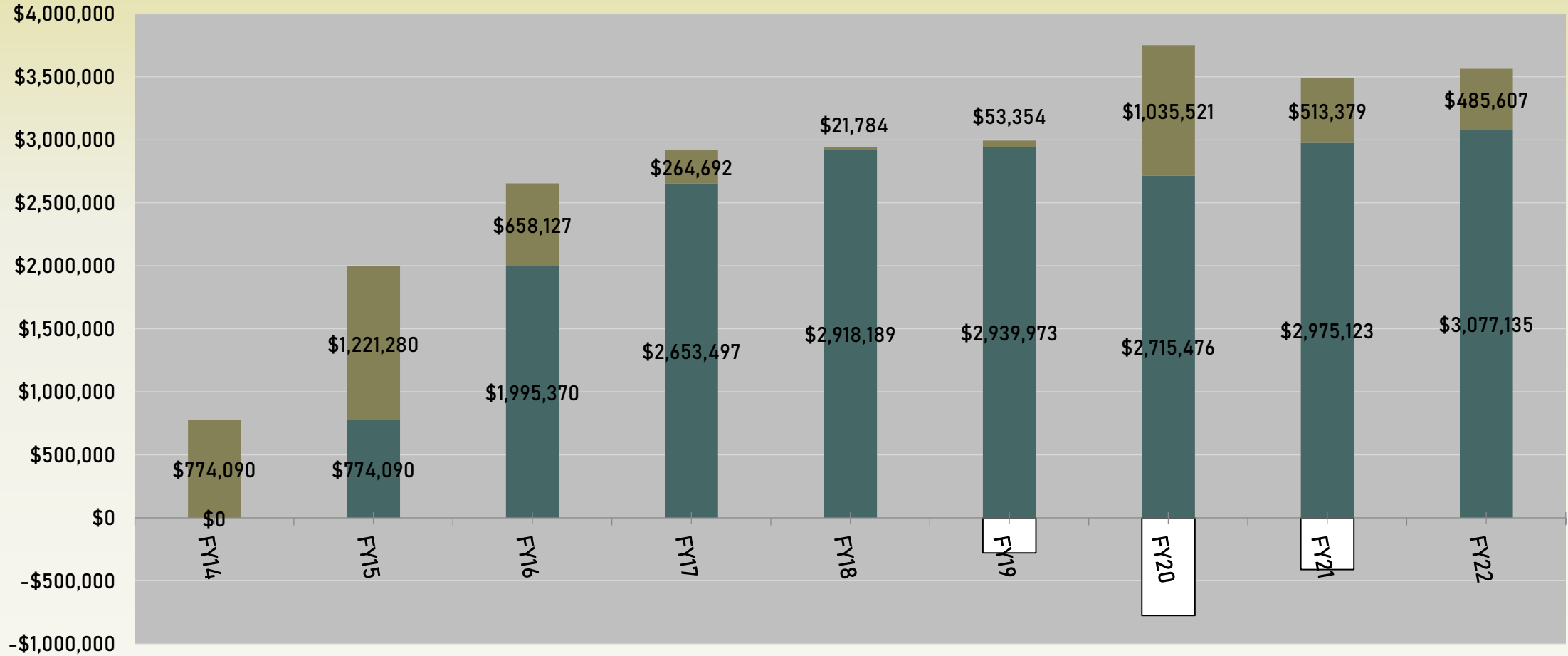
**FY23 estimated Education Spending: NPS = \$13,135,785 and SVAHS = \$2,319,628**

# FISCAL STABILITY PLAN

FY2014 – FY2023

## General Fund Fiscal Stability Plan Contributions and Usage FY14 – FY22

■ Balance in FS Stabilization Fund    
 ■ Funds Added to FS Stability    
 ■ Used toward budget



**FY2024 REVENUE &  
EXPENDITURE PROJECTIONS**

# MAJOR REVENUE SOURCES IN THE GENERAL FUND AND PROJECTIONS FOR FY2024

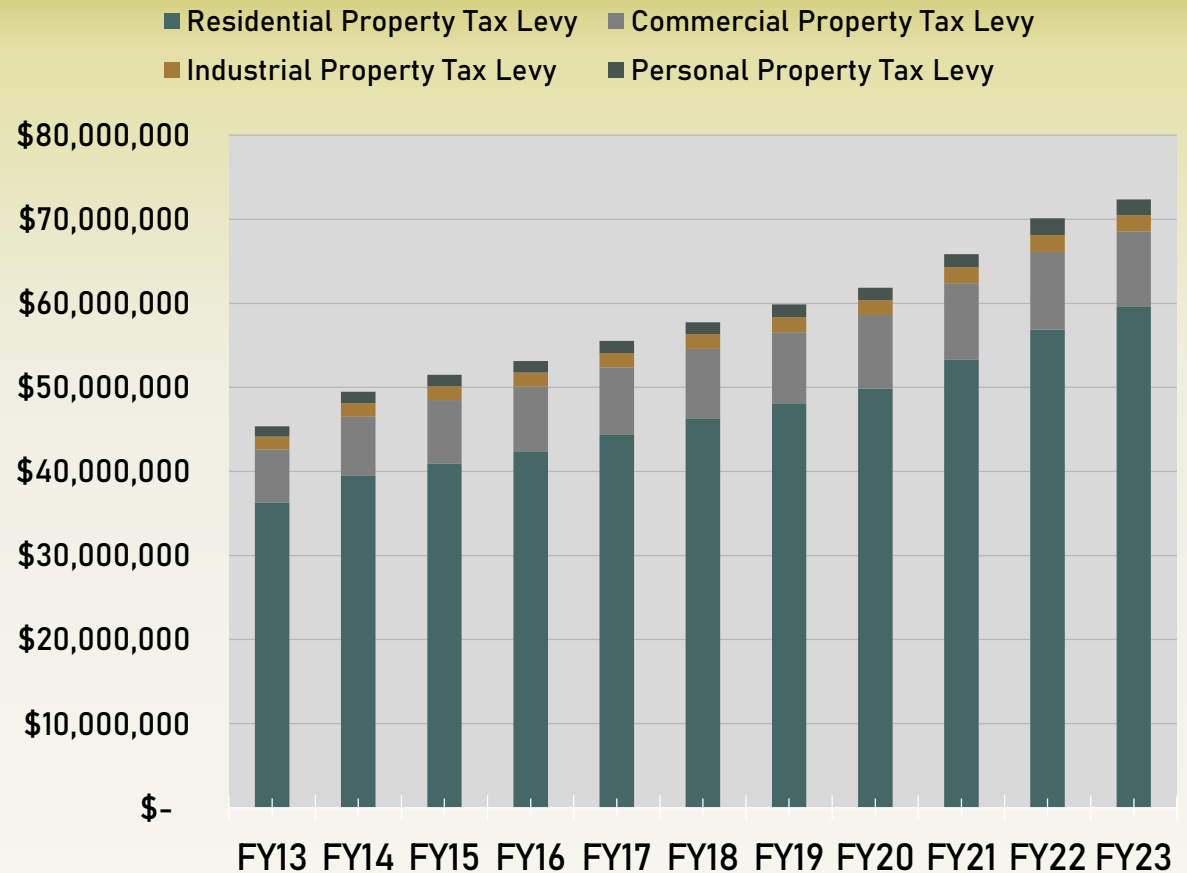
- ❖ Real Estate and Personal Property – Levy Limit
- ❖ State Aid – UGGA, Chapter 70, Charter School Aid, etc..
- ❖ Local Receipts:
  - Meals Excise Tax
  - Hotel/Motel/ Short Term Rental Excise Tax
  - Cannabis Excise Tax
  - Motor Vehicle Excise Tax
  - Parking Revenue – Parking and Tickets
  - Permit Revenue

# REAL ESTATE AND PERSONAL PROPERTY TAX REVENUE FOR FY2024

## ADDITIONAL REAL ESTATE AND PERSONAL PROPERTY TAX REVENUE FOR THE FY24 BUDGET

Proposition 2 1/2 Increase	\$ 1,806,523
New Growth Preliminary Estimate	<u>\$ 800,000</u>
<b>Total:</b>	<b>\$2,606,523</b>

## Property Tax Revenue Trend FY13 - FY23



# STATE AID: FY2024 PRELIMINARY

State Aid: FY2024 Estimated - waiting for Governor's Budget

	Actual FY20	Actual FY21	Actual FY22	Budget FY23	Estimated FY24*	Change (\$)	Change (%)
<b>CHERRY SHEET - REVENUE</b>							
Chapter 70 School Aid	8,472,483	8,471,394	8,554,554	8,722,254	8,806,104	83,850	1.0%
Charter Tuition Assessment Reimbursement	158,590	416,217	227,129	642,261	642,261	-	0.0%
Unrestricted Government Aid	4,667,261	4,667,261	4,830,615	5,091,468	5,244,212	152,744	3.0%
Veterans Benefits	394,755	428,261	365,312	354,050	354,050	-	0.0%
Lieu of Taxes - State Owned Land	100,063	102,666	113,729	145,984	145,984	-	0.0%
Abatements to Blind, Elderly, Surviving Spouse	45,478	132,382	108,671	110,043	110,043	-	0.0%
<b>Total Cherry Sheet Revenue:</b>	<b>13,838,630</b>	<b>14,218,181</b>	<b>14,200,010</b>	<b>15,066,060</b>	<b>15,302,374</b>	<b>236,594</b>	
<b>CHERRY SHEET - ASSESSMENTS</b>							
Air Pollution Districts	8,332	8,494	8,520	8,832	8,832	0	0.0%
RMV Non-Renewal Surcharge	81,640	78,860	78,860	39,880	39,880	0	0.0%
Regional Transit Assessment (PVTA)	441,734	437,349	457,194	443,732	443,732	0	0.0%
Special Education (Ch. 71B, ss. 10, 12)	3,410	3,547	6,075	10,881	10,881	0	0.0%
Charter School Sending Tuition	2,307,437	2,569,632	2,458,493	2,855,588	2,855,588	0	0.0%
School Choice Sending Tuition	614,430	491,803	587,053	695,564	695,564	0	0.0%
<b>Total Cherry Sheet Assessments:</b>	<b>3,456,983</b>	<b>3,589,685</b>	<b>3,596,195</b>	<b>3,898,327</b>	<b>4,054,477</b>	<b>0</b>	
<b>NET STATE AID:</b>	<b>10,381,647</b>	<b>10,628,496</b>	<b>10,603,815</b>	<b>11,167,733</b>	<b>11,247,897</b>	<b>80,164</b>	<b>0.7%</b>
Net New Aid from Previous Year:	44,829	246,849	(24,681)	563,918	80,164		

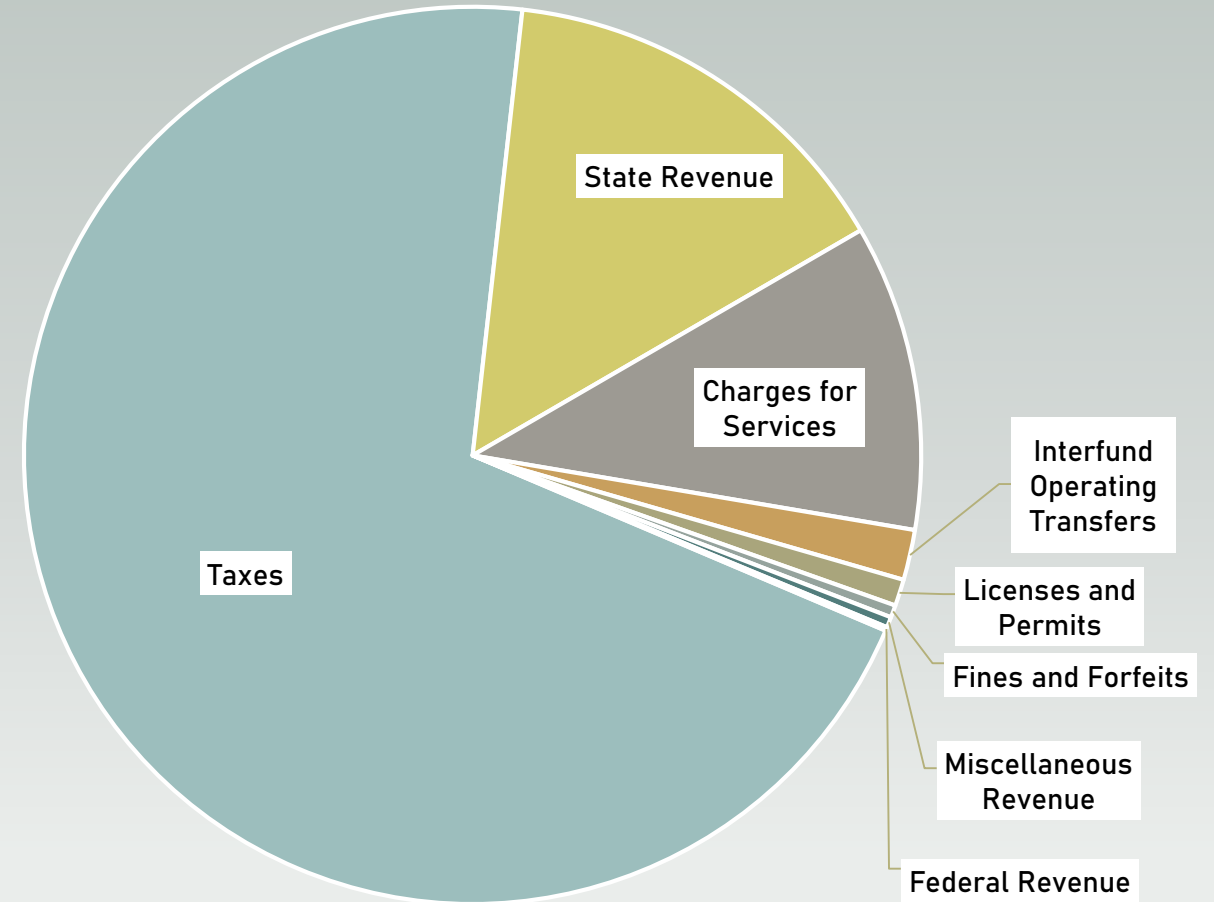
# PROJECTED CHANGES IN REVENUE FOR FY24

Revenue Source	Status	Estimated Increase
Proposition 2 1/2	Actual	\$ 1,806,523
Unused Levy Capacity	Actual	\$ 503,478
New Growth	Estimate	\$ 800,000
Motor Vehicle	Estimate	\$ 197,000
Hotel/Motel/ Meals	Estimate	\$ 121,000
Cannabis	Estimate	\$ (175,000)
Parking Revenue	Estimate	\$ -
Ambulance	Estimate	\$ 484,734
Fines and Forfeits	Estimate	\$ (45,000)
State Aid	Governor's Budget	\$ 132,544
Licenses and Permits	Estimate	\$ 110,000
Fees	Estimate	\$ (22,600)
Ambulance CPE	Estimate	\$ 81,000
Miscellaneous Changes	Estimate	\$ (20,707)
<b>Preliminary Estimate of Increases</b>		<b>\$ 3,972,692</b>

Governor's budget has not yet been released - most budget lines are level funded

# PRELIMINARY FY2024 REVENUES

Fiscal Year 2024 - Revenues		
Taxes	\$80,562,393	70.38%
State Revenue	\$17,013,409	14.86%
Charges for Services	\$12,623,969	11.03%
Interfund Operating Transfers	\$2,073,044	1.81%
Licenses and Permits	\$1,095,600	0.96%
Fines and Forfeits	\$510,000	0.45%
Miscellaneous Revenue	\$433,917	0.38%
Federal Revenue	\$150,000	0.13%
<b>TOTAL PRELIMINARY REVENUES</b>	<b>\$114,462,332</b>	



# PROJECTED EXPENDITURES

Expenditure Category	Status	Estimated Increase
Retirement Contribution	Actual	\$293,740
OPEB	Proposed	\$25,000
Debt Service	Proposed	\$437,812
Cash Capital	Proposed	\$28,943
Smith Vocational & Agricultural HS	Actual - 4%	\$26,831
NPS	Actual - 4%	\$1,406,375
<b>Known Increases</b>		<b>\$2,218,701</b>
<b>Estimated New Revenue</b>		<b>\$3,972,692</b>
<b>Remaining Revenue for Unknowns:</b>		<b>\$1,753,991</b>
Health Insurance and Other Insurances – estimating 6%		Unknown
Departmental Increases		Unknown
Cherry Sheet Charges – Governor's Budget due in March 2023		Unknown
Charter School Sending Tuition – Governor's Budget due in March 2023		Unknown
School Choice Sending Tuition – Governor's Budget due in March 2023		Unknown

## WHAT DOES THIS MEAN FOR THE FY2024 BUDGET?

- ❖ Northampton will continue to maintain a competitive residential/commercial tax rate compared with neighboring communities.
- ❖ Single family home values will remain strong as the city continues to maintain high-quality municipal services – schools, public safety, public works, public health, etc.
- ❖ New growth will continue to provide additional levy capacity, and is estimated at \$800,000 for FY24.
- ❖ Local receipts such as meals tax, and hotel/motel tax have rebounded to pre-pandemic levels; however parking has not come back and some other revenues are declining.
- ❖ Inflation, high energy costs and supply chain issues will continue to impact departmental budgets.
- ❖ The City will continue to be conservative and careful in its budgeting and management practices.

# FY2024 BUDGET CALENDAR

January 31, 2023 – Mayor’s Joint meeting of the City Council, Northampton School Committee, Smith Vocational & Agricultural Trustees and School Superintendents

March 2, 2023 – Deadline for Five Year Capital Improvement Program to be submitted to City Council

April 14, 2023 – Deadline for Northampton Public Schools and Smith Vocational & Agricultural High School to submit adopted budgets to the Mayor

May 16, 2023 – Deadline for Mayor to submit proposed City of Northampton FY2024 Budget to City Council

June 30, 2023 – Deadline for City Council to hold a public hearing and vote on proposed FY2024 Budget

THANK YOU!