

# Town Hall Budget Meetings

FY14 City of Northampton Budget



Mayor David J. Narkewicz

April 3, 2013

- Key Accomplishments in FY2013
- Reserve Position and Why It Matters
- How We Compare With Other Communities
- Revenue Trends
- Expense Trends
- What it all means for FY2014

## **Presentation Outline**

- Increased appropriations for several key accounts that have been historically underfunded – legal, fire OT, veterans benefits and snow and ice to reduce reliance on free cash for operating budget
- FY13 free cash certified at \$2,834,914
  - appropriated \$896,105 to capital projects
  - appropriated \$500,000 to Capital Stabilization Fund to build reserves
- Implemented tight controls requiring Mayoral approval on spending over \$250 by all departments
- In June, plan to present an order to appropriate unspent Free Cash in FY13 to the Stabilization Fund

## Key Accomplishments in FY2013



# Reserve Position and Why It Matters

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- *"Going forward, review of the city's credit strength will heavily weigh its progress towards improving and maintaining balanced operations and replenishing reserves to levels equivalent to similarly-rated communities."*
- *"What could make the rating go down – a decline in reserves or liquidity position during fiscal 2013 and failure to grow reserves consistent with the current rating category."*

And from our Financial Advisor – First Southwest: "Northampton's unassigned fund balance at end of FY2012 was \$4.45 million or 5.2% of revenues. Aa rated bonds typically would have total fund balance as a percent of revenues at least in the double digits (10% minimum) and the average for Aa2's and Aa1's is more like 12-15%. So bottom line, any decline in the City's liquidity and/or fund balance position in FY2013 and failure by the City to grow it's reserves to the average Aa category, will likely result in a notch downgrade."

## **Excerpts from Moody's Recent Rating Report – January 2013**

- Moody's

- A
- Aa1, **Aa2**, Aa3
- A1, A2, A3
- Baa1, Baa2, Baa3

- Standard & Poors

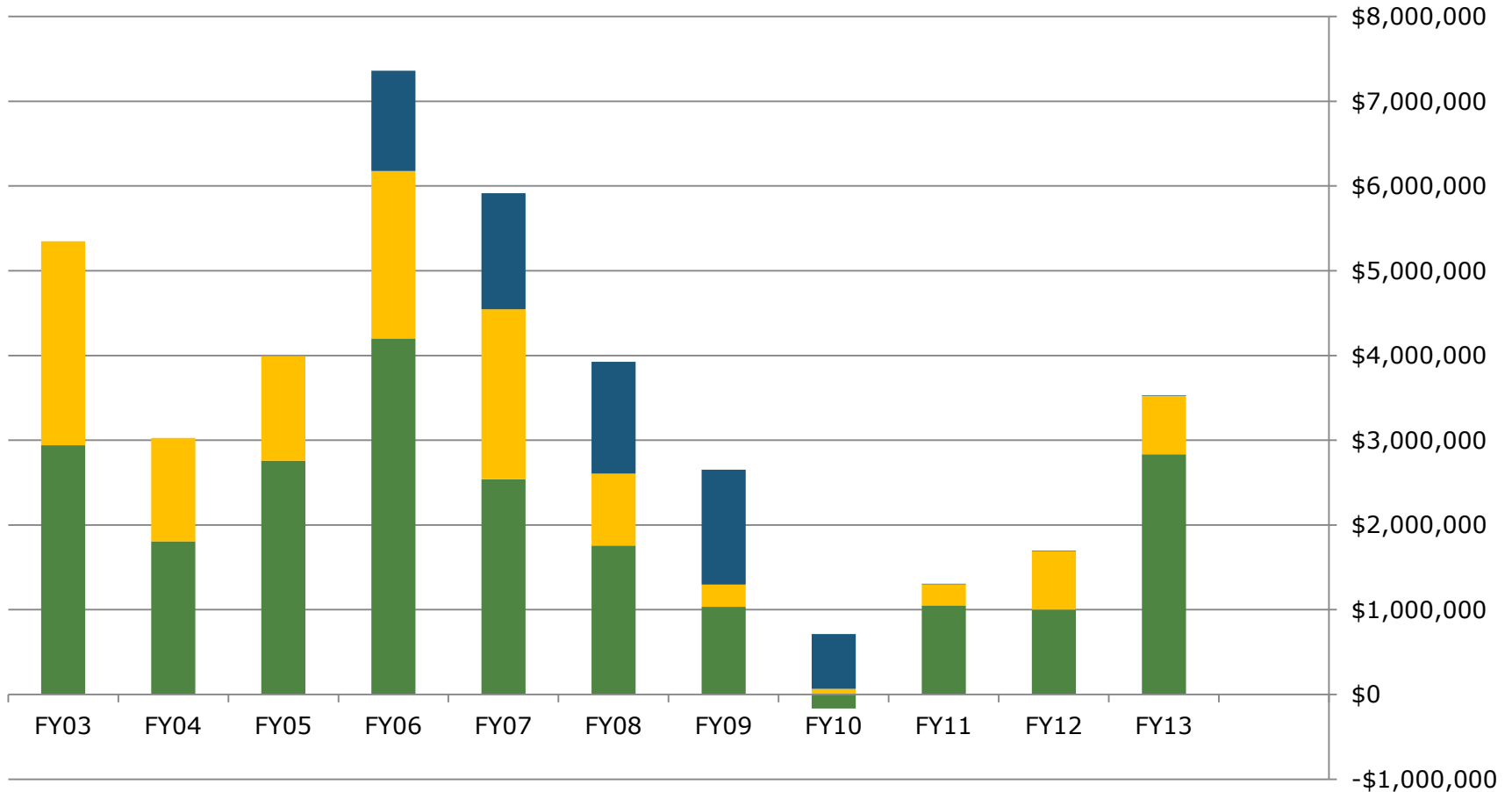
- AAA
- AA+, AA, AA-
- **A+**, A, A-
- BBB+, BBB, BBB-

**Bond Rating Equivalents**  
**Northampton's rating in red**

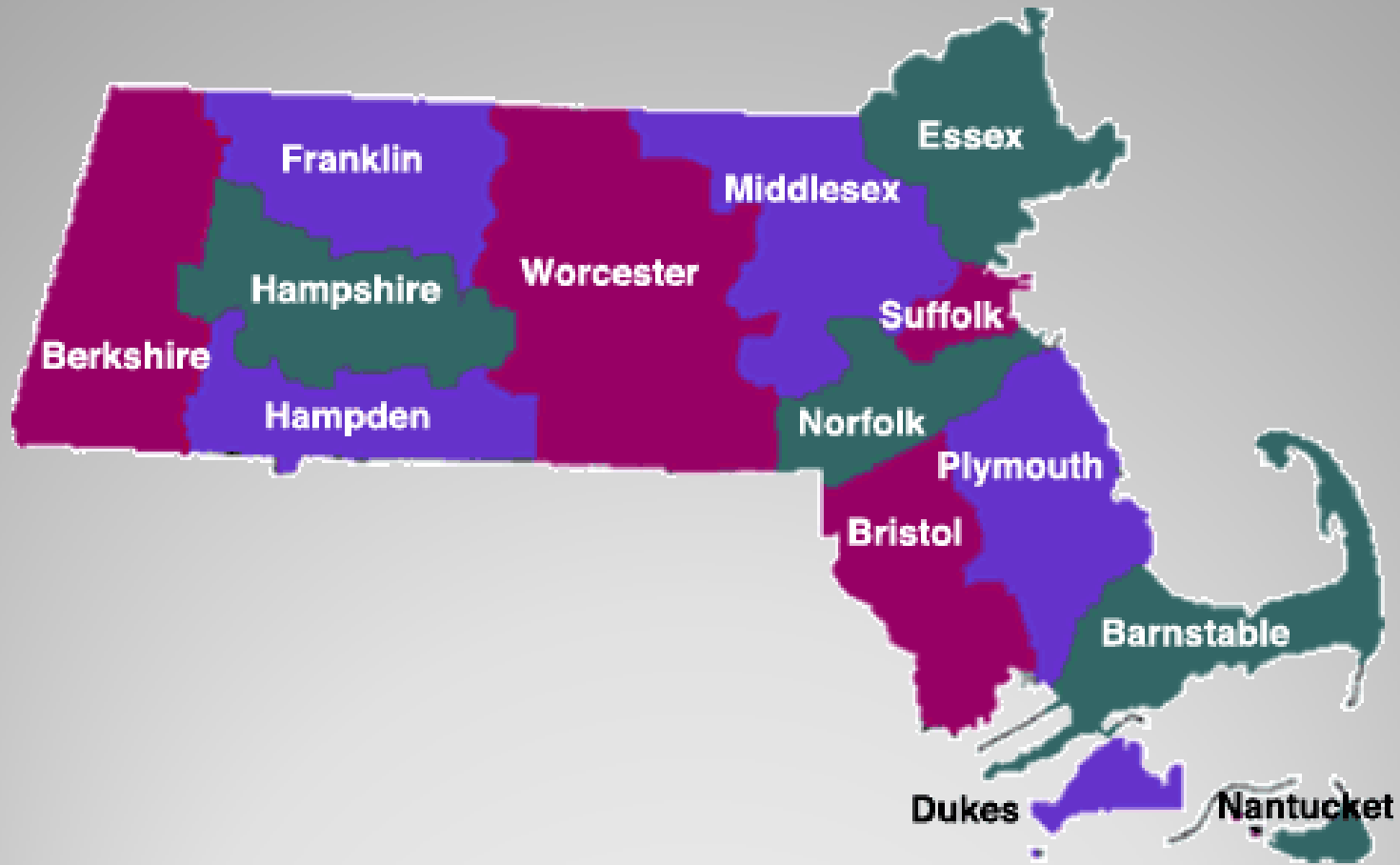
# Northampton's Free Cash, Stabilization and Capital Stabilization FY2003 - FY2013

Source: End of Year Financials and DOR Municipal Data Bank

■ GENERAL FUND FREE CASH    ■ GENERAL FUND STABILIZATION    ■ CAPITAL STABILIZATION



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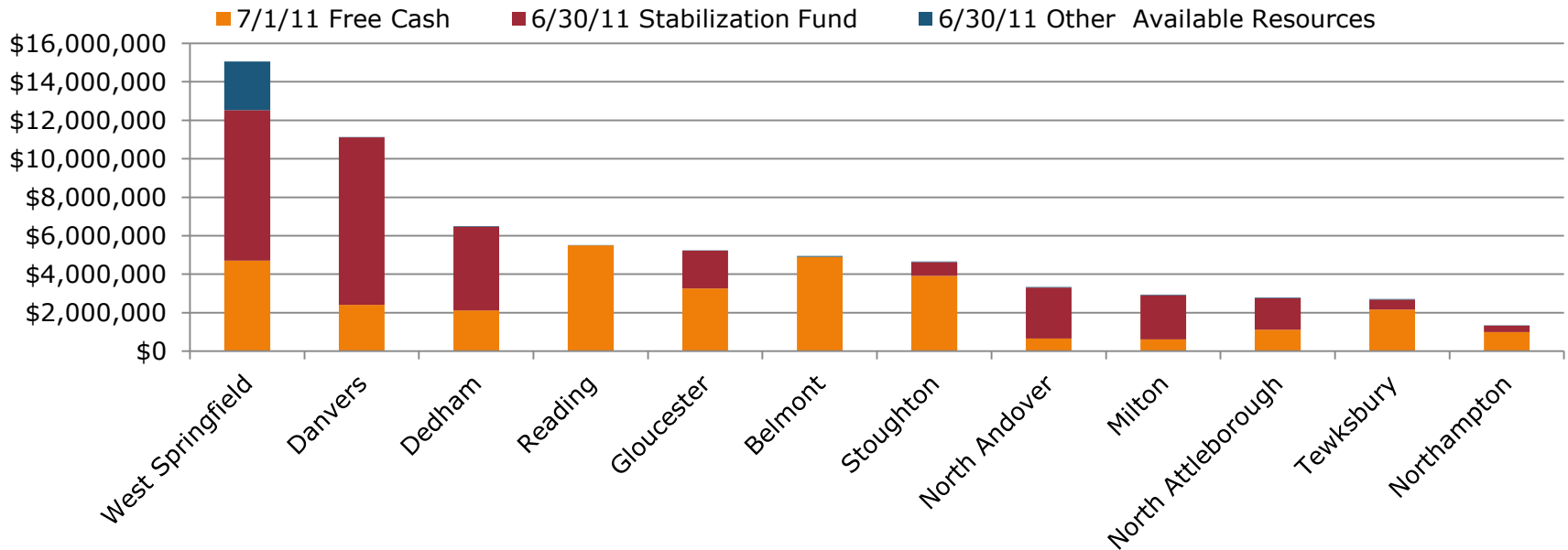
# How Northampton Compares With Other Communities

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# Reserves in Similar Communities

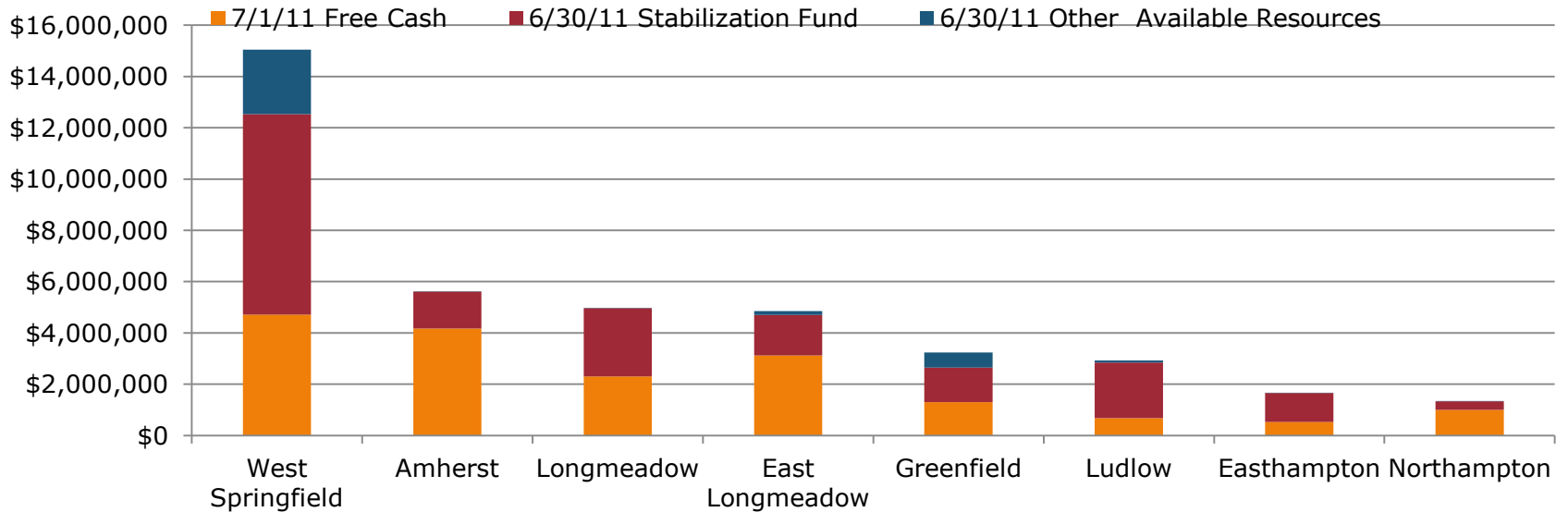
Source: DOR Municipal Data Bank - most recent available comparative data



Municipality	Population 2010 Estimate	FY12 Total Budget	Moody's Bond Rating as of July 2011	7/1/11 Free Cash	6/30/11 Stabilization Fund	6/30/11 Other Available Resources	FY12 Available Resources	Available Resources as a percent of Budget
West Springfield	28,391	96,793,375	Aa3	4,710,461	7,818,104	2,515,620	15,044,185	15.54%
Danvers	26,493	98,677,029	Aa1	2,408,514	8,705,986	8,358	11,122,858	11.27%
Dedham	24,729	98,002,126		2,127,161	4,341,975	29,159	6,498,295	6.63%
Reading	24,747	88,769,086	Aa2	5,499,128		1,994	5,501,122	6.20%
Gloucester	28,789	104,345,683	Aa3	3,265,440	1,951,108	473	5,217,021	5.00%
Belmont	24,729	99,962,703	Aaa	4,904,820		45,427	4,950,247	4.95%
Stoughton	26,962	89,361,980	Aa3	3,914,184	717,171	28,317	4,659,672	5.21%
North Andover	28,352	90,488,873	Aa2	662,280	2,646,278	24,166	3,332,724	3.68%
Milton	27,003	91,600,313	Aa2	621,644	2,284,591	38,439	2,944,674	3.21%
North Attleborough	28,712	86,862,293	Aa2	1,113,487	1,648,808	20,259	2,782,554	3.20%
Tewksbury	28,961	101,340,016	Aa3	2,163,059	519,870	27,796	2,710,725	2.67%
Northampton	28,549	95,370,226	Aa2	1,001,298	328,016	6,938	1,336,252	1.40%

# Reserves in Neighboring Communities

Source: DOR Municipal Data Bank – most recent available comparative data

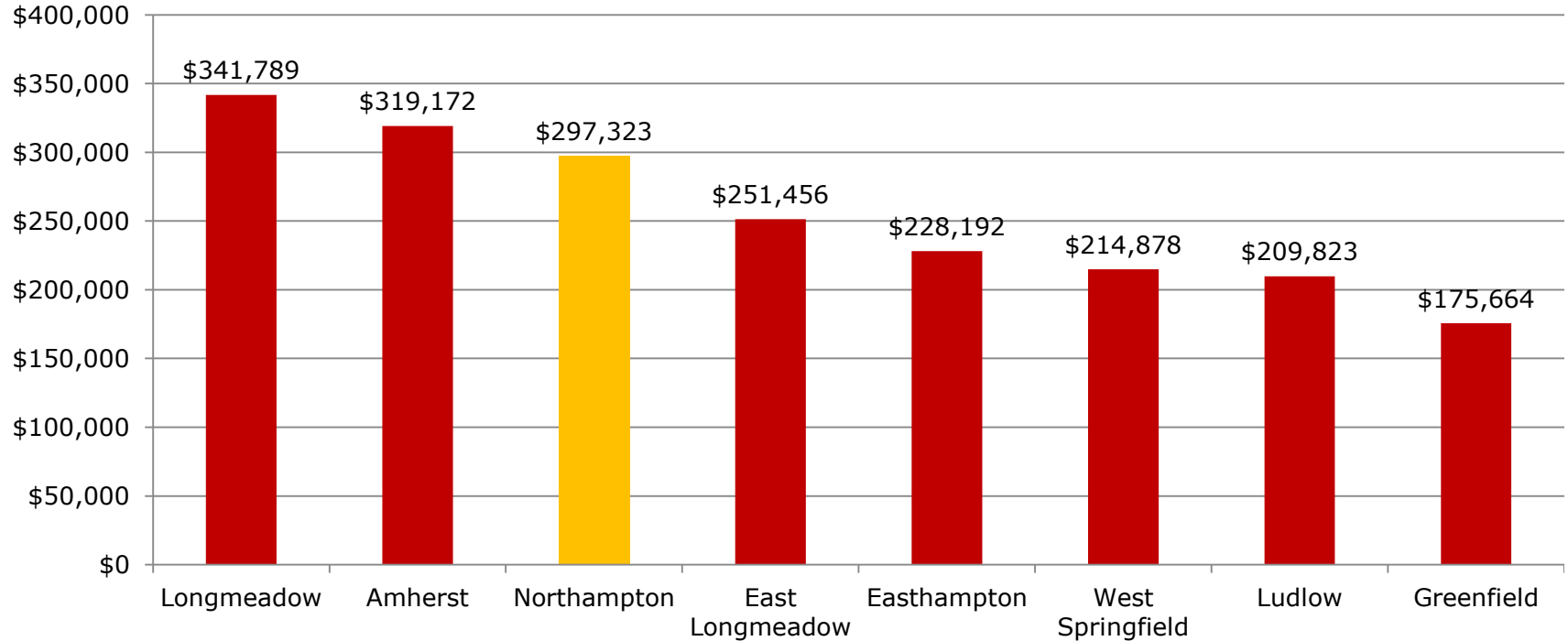


Municipality	Population 2010 Estimate	FY12 Total Budget	Moody's Bond Rating as of July 2011	FY12 Excess Levy Capacity	7/1/11 Free Cash	6/30/11 Stabilization Fund	6/30/11 Other Available Resources	FY12 Available Resources	Available Resources as a percent of Budget
West Springfield	28,391	96,793,375	Aa3	2,515,620	4,710,461	7,818,104	2,515,620	15,044,185	15.54%
Amherst	37,819	75,179,228	Aa2	7,347	4,167,028	1,447,485	7,347	5,621,860	7.48%
Longmeadow	15,784	58,417,245	Aa2	15,758	2,305,141	2,656,553	15,758	4,977,452	8.52%
East Longmeadow	15,720	55,253,519	Aa2	140,523	3,117,922	1,588,245	140,523	4,846,690	8.77%
Greenfield	17,456	53,500,721	A1	593,884	1,293,882	1,348,143	593,884	3,235,909	6.05%
Ludlow	21,103	58,299,022	Aa3	79,861	679,656	2,165,292	79,861	2,924,809	5.02%
Easthampton	16,053	38,068,096	A1	10,260	526,273	1,133,563	10,260	1,670,096	4.39%
Northampton	28,549	95,370,226	Aa2	6,938	1,001,298	328,016	6,938	1,336,252	1.40%

# Single Family Average Value - FY2013

## State Average \$357,996

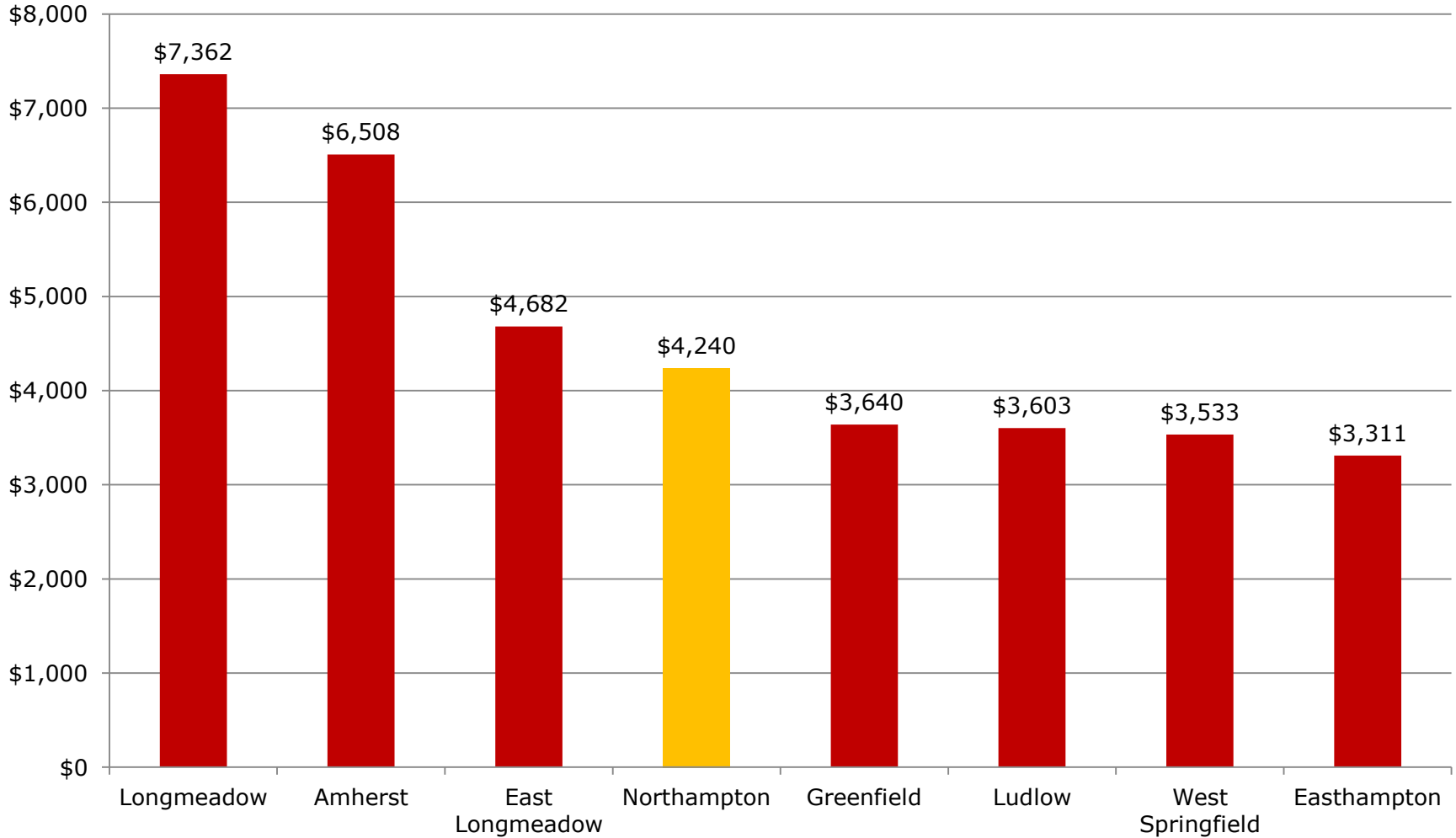
Source: DOR Municipal Data Bank



# Average Single Family Tax Bill - FY2013

## State Average \$4,926

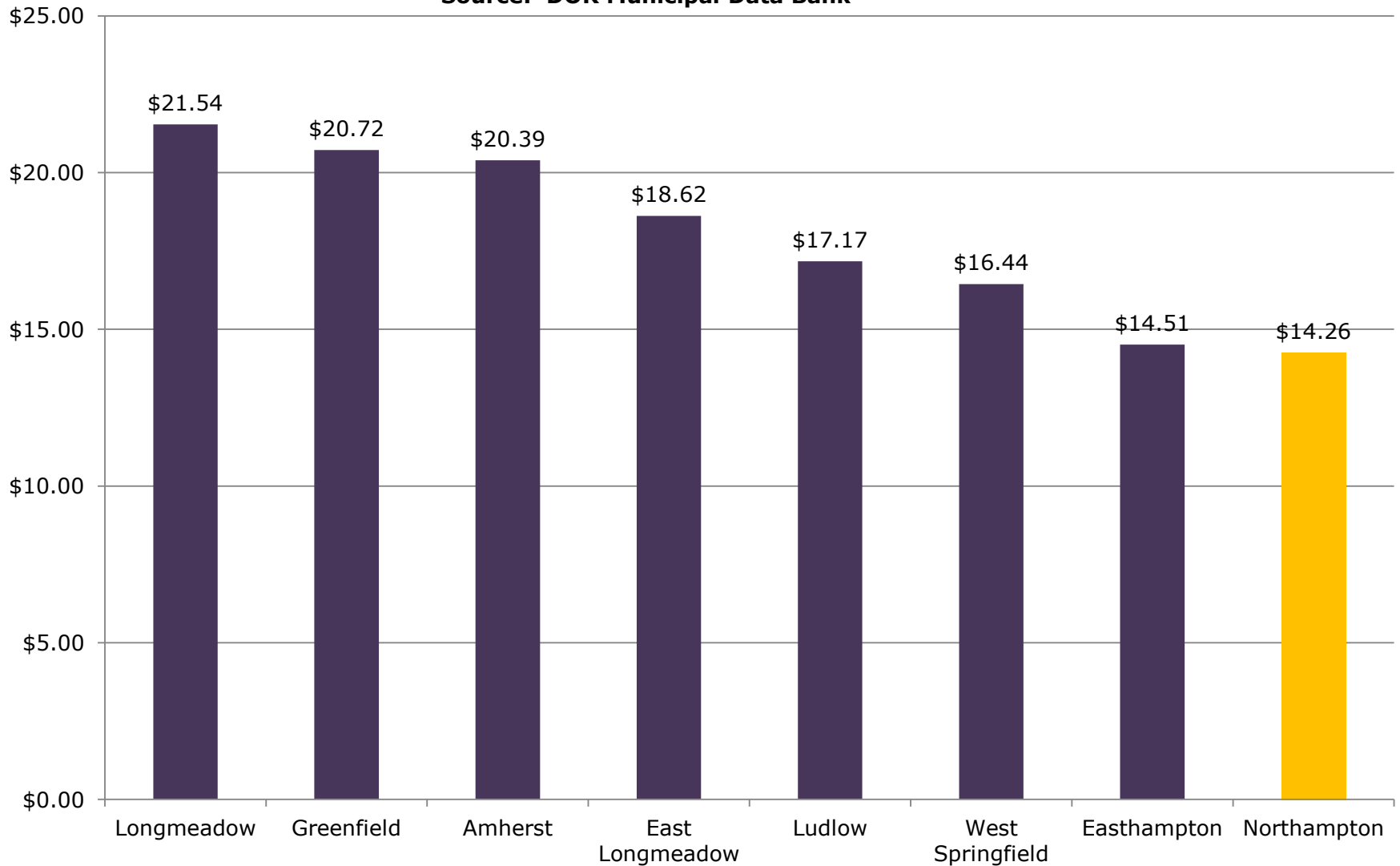
Source: DOR Muncipal Data Bank



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# Residential Tax Rate - FY2013

Source: DOR Municipal Data Bank



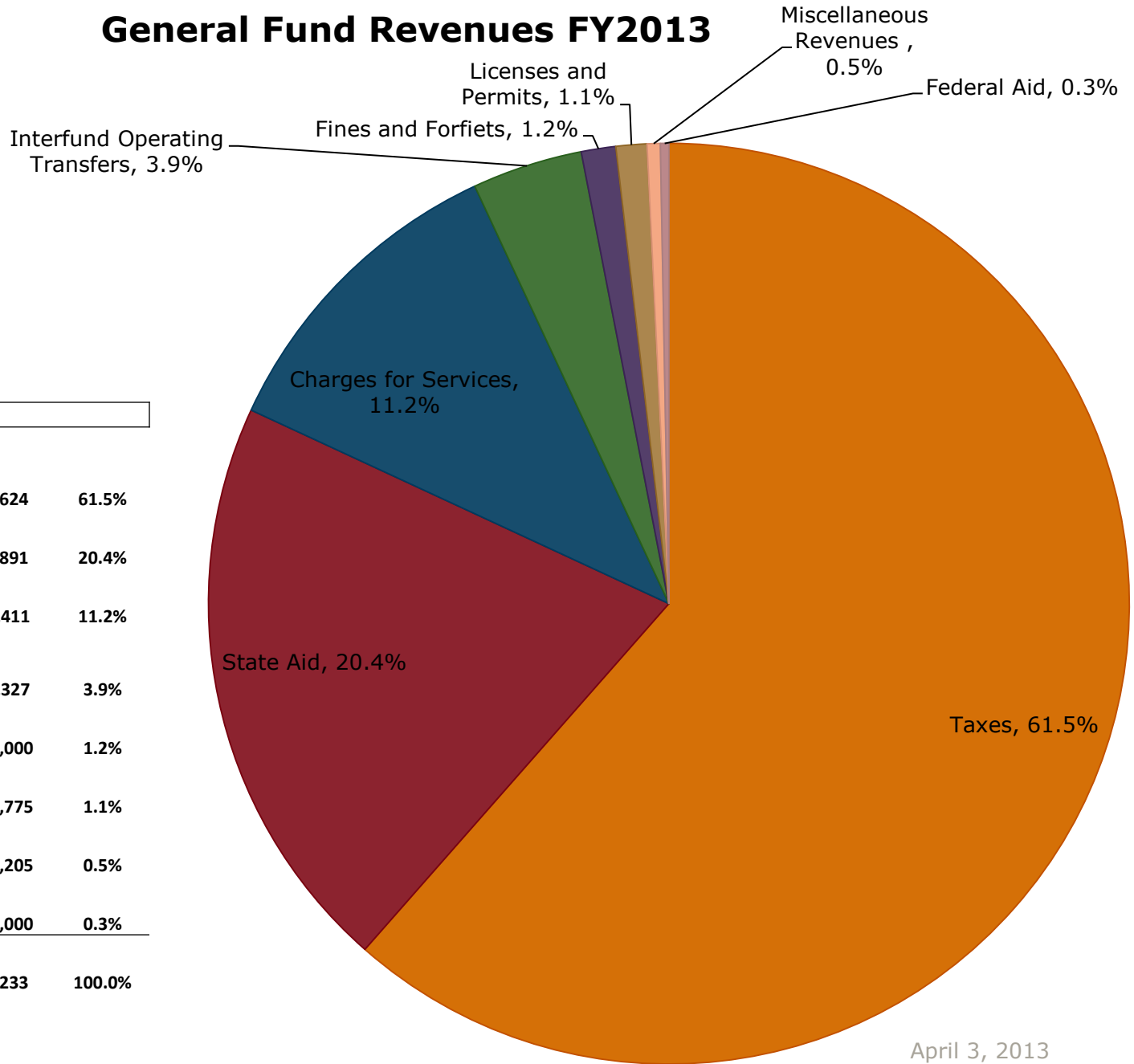
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# Revenue Trends

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# General Fund Revenues FY2013



Fiscal Year 2013

Taxes	\$	48,765,624	61.5%
State Aid	\$	16,203,891	20.4%
Charges for Services	\$	8,858,411	11.2%
Interfund Operating Transfers	\$	3,073,327	3.9%
Fines and Forfeits	\$	960,000	1.2%
Licenses and Permits	\$	859,775	1.1%
Miscellaneous Revenues	\$	366,205	0.5%
Federal Aid	\$	235,000	0.3%
	\$	79,322,233	100.0%

- **Taxes: 61.5%**
  - Real Estate and Personal Property
  - Motor Vehicle Excise
  - Hotel/Motel and Meals Taxes
  - Interest on Taxes and Tax Titles
  - PILOT Payments
  
- **State Aid: 20.4%**
  - C.70 School Aid
  - School Construction Reimbursements
  - Unrestricted General Govt. Aid
  - Veterans Benefits
  - Abatements for Elderly, Vets, Blind, etc.
  
- **Charges for Services: 11.2%**
  - Parking Garage and Meters
  - Ambulance Revenues
  - Tuition - Smith Vocational
  - Departmental Fees
  - Departmental Revenues
  
- **Inter-fund Oper. Transfers: 3.9%**
  - Enterprise Fund Indirect Costs
  - Comcast I-net Reimbursement Fund
  - Energy Rebates
  - Reserve for Police Station Debt
  
- **Fines and Forfeits: 1.2%**
  - Reimbursement RMF
  - Parking Tickets
  
- **Licenses and Permits: 1.1%**
  - Liquor Licenses
  - Other Department Issued Licenses
  - Building, Plumbing & Wiring Permits
  
- **Miscellaneous Revenue: 0.5%**
  - PVTA 5 College Reimbursement
  - Veterans Regional District
  - Interest on Investments
  
- **Federal Aid: 0.3%**
  - Medicaid Reimbursements Schools
  - Medicare Part D

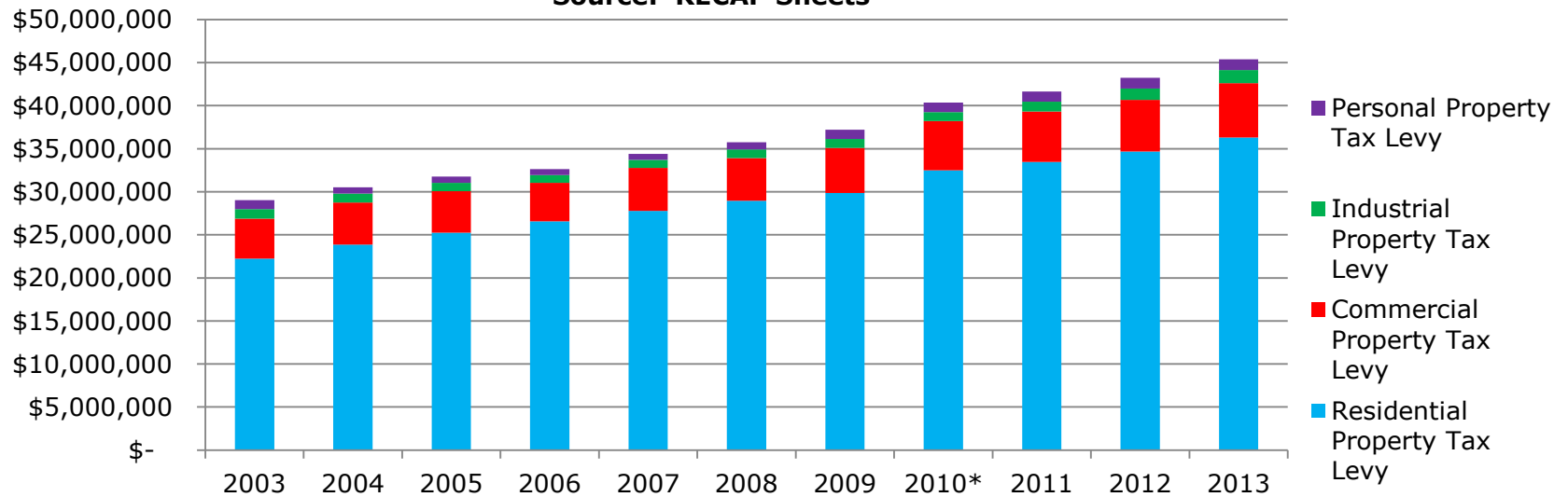
# FY2013 General Fund Revenue Sources

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# TAXES: Property Tax Revenue Trend FY2003 - FY2013

Source: RECAP Sheets



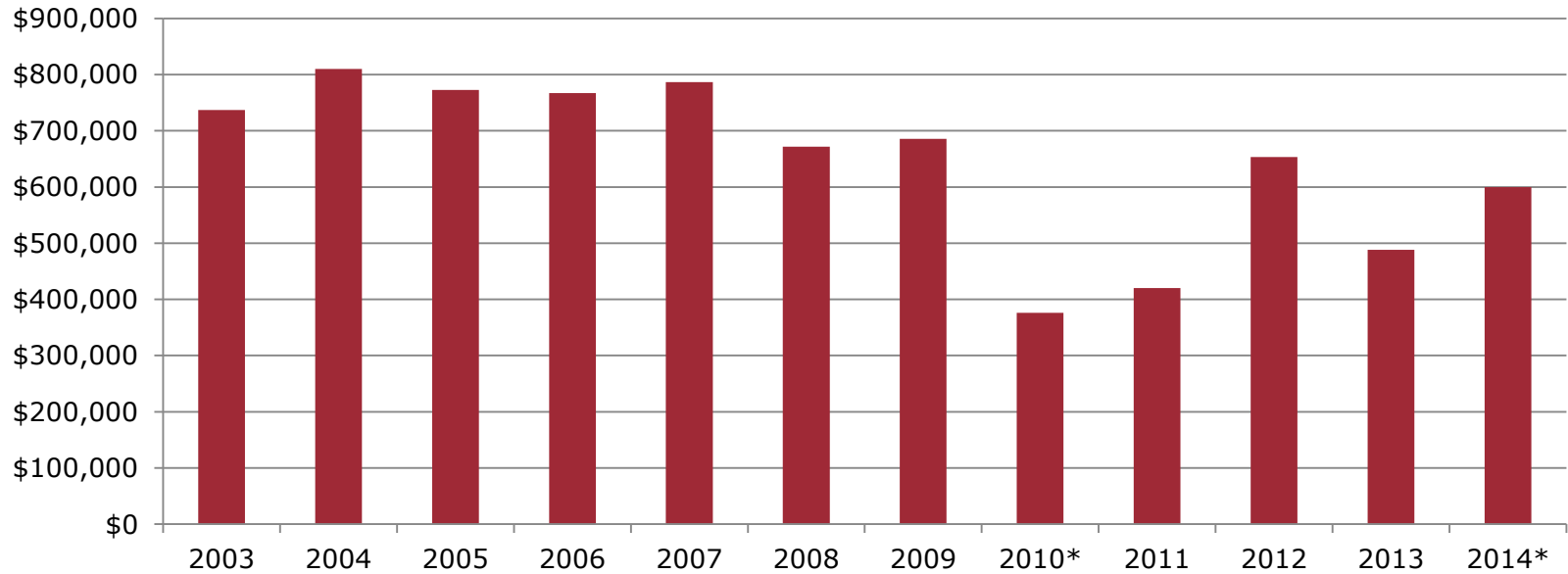
Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010*	2011	2012	2013
Residential Property Tax Levy	\$ 22,234,474	\$ 23,858,305	\$ 25,258,916	\$ 26,561,687	\$ 27,789,052	\$ 28,942,969	\$ 29,856,224	\$ 32,494,563	\$ 33,469,556	\$ 34,667,579	\$ 36,299,783
Commercial Property Tax Levy	\$ 4,635,353	\$ 4,886,676	\$ 4,792,902	\$ 4,466,692	\$ 4,976,264	\$ 4,984,671	\$ 5,253,743	\$ 5,707,666	\$ 5,850,598	\$ 5,999,515	\$ 6,328,257
Industrial Property Tax Levy	\$ 1,109,428	\$ 1,033,609	\$ 1,003,082	\$ 925,551	\$ 954,198	\$ 977,913	\$ 1,020,745	\$ 1,061,927	\$ 1,137,507	\$ 1,313,405	\$ 1,513,350
Personal Property Tax Levy	\$ 1,039,024	\$ 735,286	\$ 721,871	\$ 689,579	\$ 693,850	\$ 862,616	\$ 1,066,659	\$ 1,102,381	\$ 1,179,342	\$ 1,245,463	\$ 1,247,043
<b>Property Tax Total</b>	<b>\$ 29,018,279</b>	<b>\$ 30,513,876</b>	<b>\$ 31,776,771</b>	<b>\$ 32,643,509</b>	<b>\$ 34,413,364</b>	<b>\$ 35,768,169</b>	<b>\$ 37,197,371</b>	<b>\$ 40,366,537</b>	<b>\$ 41,637,003</b>	<b>\$ 43,225,962</b>	<b>\$ 45,388,432</b>
Less - Excluded Debt	\$ 2,224,367	\$ 2,251,168	\$ 2,031,985	\$ 1,380,541	\$ 1,569,870	\$ 1,457,740	\$ 1,342,770	\$ 1,220,649	\$ 1,104,422	\$ 1,008,478	\$ 1,640,306
Net Property Tax Revenue	\$ 26,793,912	\$ 28,262,708	\$ 29,744,786	\$ 31,262,968	\$ 32,843,494	\$ 34,310,429	\$ 35,854,601	\$ 39,145,888	\$ 40,532,581	\$ 42,217,484	\$ 43,748,126

\*Override of \$2 million

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# TAXES: New Growth FY2003 - FY2014

Source: DOR Municipal Data Bank



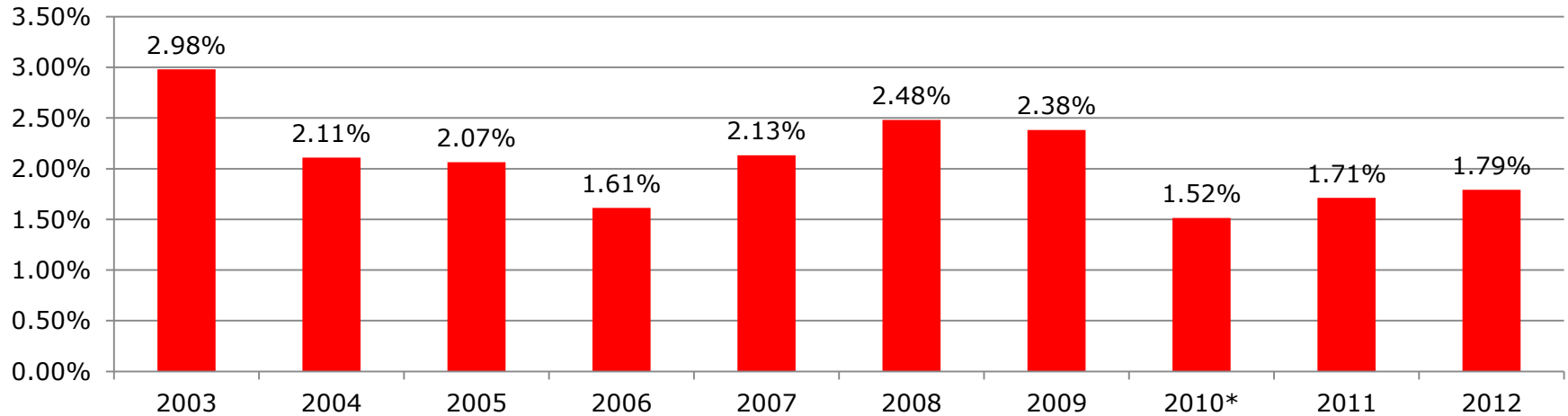
Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010*	2011	2012	2013	2014*
New Growth	\$ 737,153	\$ 809,930	\$ 772,535	\$ 766,958	\$ 786,917	\$ 671,636	\$ 685,701	\$ 375,927	\$ 420,416	\$ 653,585	\$ 488,041	\$ 600,000
Total Change in New Growth from Previous Year	\$ 737,153	\$ 72,777	\$ (37,395)	\$ (5,577)	\$ 19,959	\$ (115,281)	\$ 14,065	\$ (309,774)	\$ 44,489	\$ 233,169	\$ (165,544)	\$ 111,959
Percent Change in New Growth from previous year	52.15	9.87	(4.62)	(0.72)	2.60	(14.65)	2.09	(45.18)	11.83	55.46	(25.33)	22.94

\*2014 ESTIMATE

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# TAXES: Uncollected Taxes as a Percentage of Net Property Tax Levy FY2003 - FY2012

Source: End of Year Financials

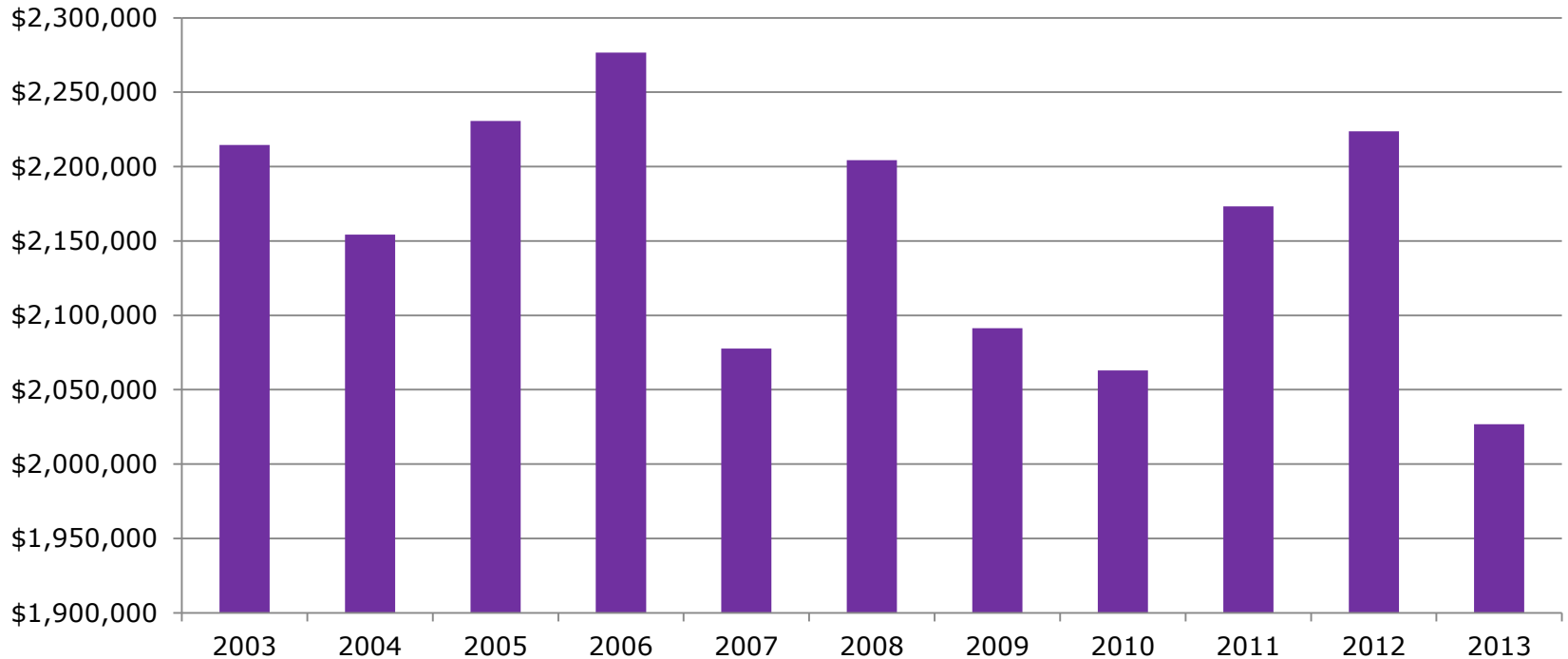


Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010*	2011	2012
Residential Property Tax Levy	\$ 22,234,474	\$ 23,858,305	\$25,258,916	\$ 26,561,687	\$ 27,789,052	\$ 28,942,969	\$ 29,856,224	\$ 32,494,563	\$ 33,469,556	\$ 34,667,579
Commercial Property Tax Levy	\$ 4,635,353	\$ 4,886,676	\$ 4,792,902	\$ 4,466,692	\$ 4,976,264	\$ 4,984,671	\$ 5,253,743	\$ 5,707,666	\$ 5,850,598	\$ 5,999,515
Industrial Property Tax Levy	\$ 1,109,428	\$ 1,033,609	\$ 1,003,082	\$ 925,551	\$ 954,198	\$ 977,913	\$ 1,020,745	\$ 1,061,927	\$ 1,137,507	\$ 1,313,405
Personal Property Tax Levy	<u>\$ 1,039,024</u>	<u>\$ 735,286</u>	<u>\$ 721,871</u>	<u>\$ 689,579</u>	<u>\$ 693,850</u>	<u>\$ 862,616</u>	<u>\$ 1,066,659</u>	<u>\$ 1,102,381</u>	<u>\$ 1,179,342</u>	<u>\$ 1,245,463</u>
Property Tax Total	\$ 29,018,279	\$ 30,513,876	\$31,776,771	\$ 32,643,509	\$ 34,413,364	\$ 35,768,169	\$ 37,197,371	\$ 40,366,537	\$ 41,637,003	\$ 43,225,962
Reserved for Abatements & Exemptions	<u>\$ 440,648</u>	<u>\$ 457,710</u>	<u>\$ 449,983</u>	<u>\$ 421,286</u>	<u>\$ 450,330</u>	<u>\$ 384,577</u>	<u>\$ 540,444</u>	<u>\$ 412,448</u>	<u>\$ 388,923</u>	<u>\$ 393,978</u>
Net Property Tax Levy	\$ 28,577,631	\$ 30,056,166	\$31,326,788	\$ 32,222,223	\$ 33,963,034	\$ 35,383,592	\$ 36,656,927	\$ 39,954,089	\$ 41,248,080	\$ 42,831,984
Uncollected Taxes as of June 30	\$ 851,482	\$ 634,150	\$ 647,021	\$ 520,095	\$ 724,017	\$ 877,863	\$ 873,123	\$ 605,336	\$ 706,531	\$ 767,097
<b>Uncollected Taxes as a Percentage of Net Property Tax Levy</b>	<b>2.98%</b>	<b>2.11%</b>	<b>2.07%</b>	<b>1.61%</b>	<b>2.13%</b>	<b>2.48%</b>	<b>2.38%</b>	<b>1.52%</b>	<b>1.71%</b>	<b>1.79%</b>

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# TAXES: Motor Vehicle Excise FY2003 - FY2014

Source: End of Year Financials



Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Motor Vehicle Excise	\$ 2,214,602	\$ 2,154,231	\$ 2,230,637	\$ 2,276,569	\$ 2,077,680	\$ 2,204,379	\$ 2,091,330	\$ 2,063,029	\$ 2,173,355	\$ 2,223,813	\$ 2,026,701
Change from previous year	\$ 90,971	\$ (60,371)	\$ 76,406	\$ 45,932	\$ (198,889)	\$ 126,700	\$ (113,049)	\$ (28,301)	\$ 110,326	\$ 50,458	\$ (197,112)
Percentage change from previous year	4.28	(2.73)	3.55	2.06	(8.74)	6.10	(5.13)	(1.35)	5.35	2.32	(8.86)

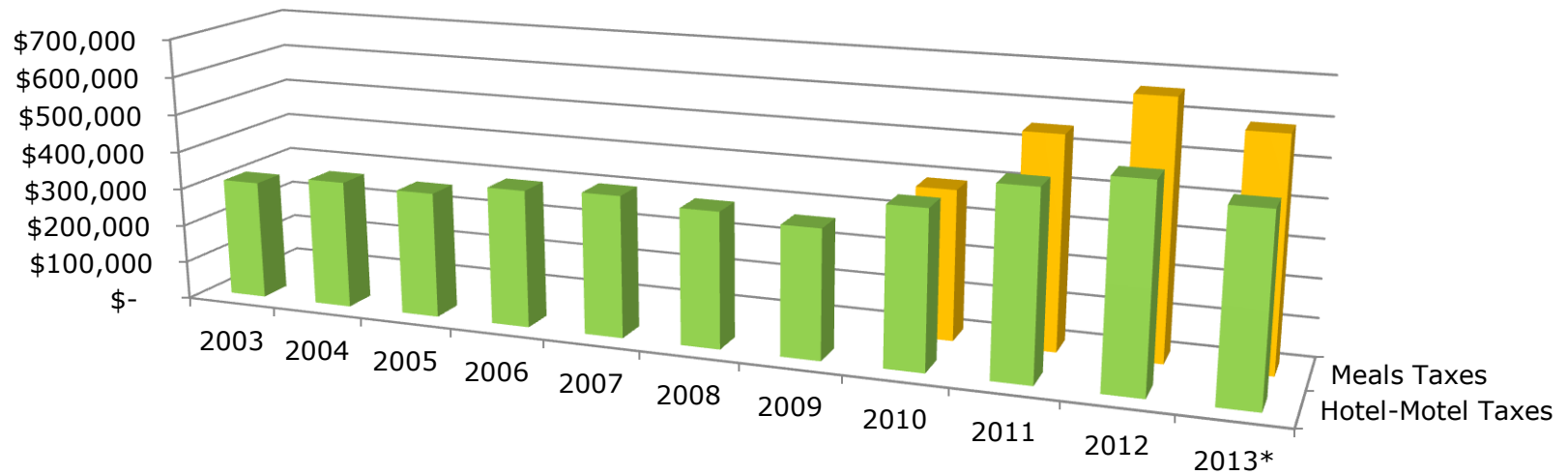
\*2013 ESTIMATE

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# TAXES: Hotel-Motel and Meals Tax FY2003 - FY2013

Source: End of Year financials

■ Hotel-Motel Taxes ■ Meals Taxes



Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
Hotel-Motel Taxes	\$ 313,224	\$ 336,309	\$ 329,332	\$ 359,388	\$ 368,770	\$ 352,264	\$ 334,406	\$ 407,727	\$ 481,230	\$ 520,001	\$ 475,830
Meals Taxes								\$ 389,700	\$ 549,624	\$ 659,041	\$ 590,560
Total	\$ 313,224	\$ 336,309	\$ 329,332	\$ 359,388	\$ 368,770	\$ 352,264	\$ 334,406	\$ 797,427	\$ 1,030,854	\$ 1,179,042	\$ 1,066,390
Change from Previous Year	\$ (52,567)	\$ 23,085	\$ (6,977)	\$ 30,056	\$ 9,382	\$ (16,506)	\$ (17,858)	\$ 463,021	\$ 233,427	\$ 148,188	\$ (112,652)
Percentage Change from Previous Year	-14.37	7.37	-2.07	9.13	2.61	-4.48	-5.07	138.46	29.27	14.38	-9.55

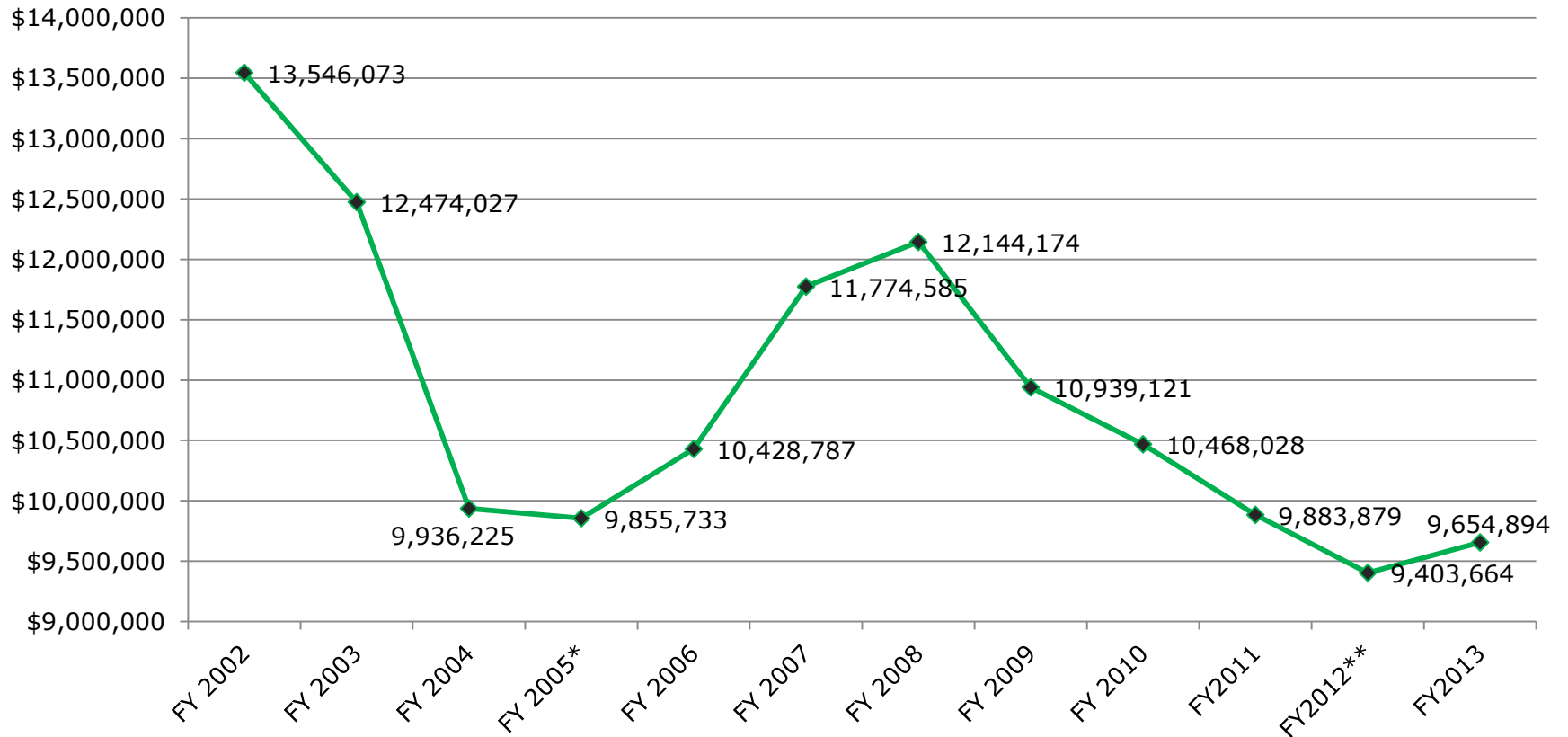
\*2013 Estimate

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# STATE AID: Net State Aid from FY2002 - FY2013

net state aid excludes offsets and MSBA payments

Source: End of Year Financials

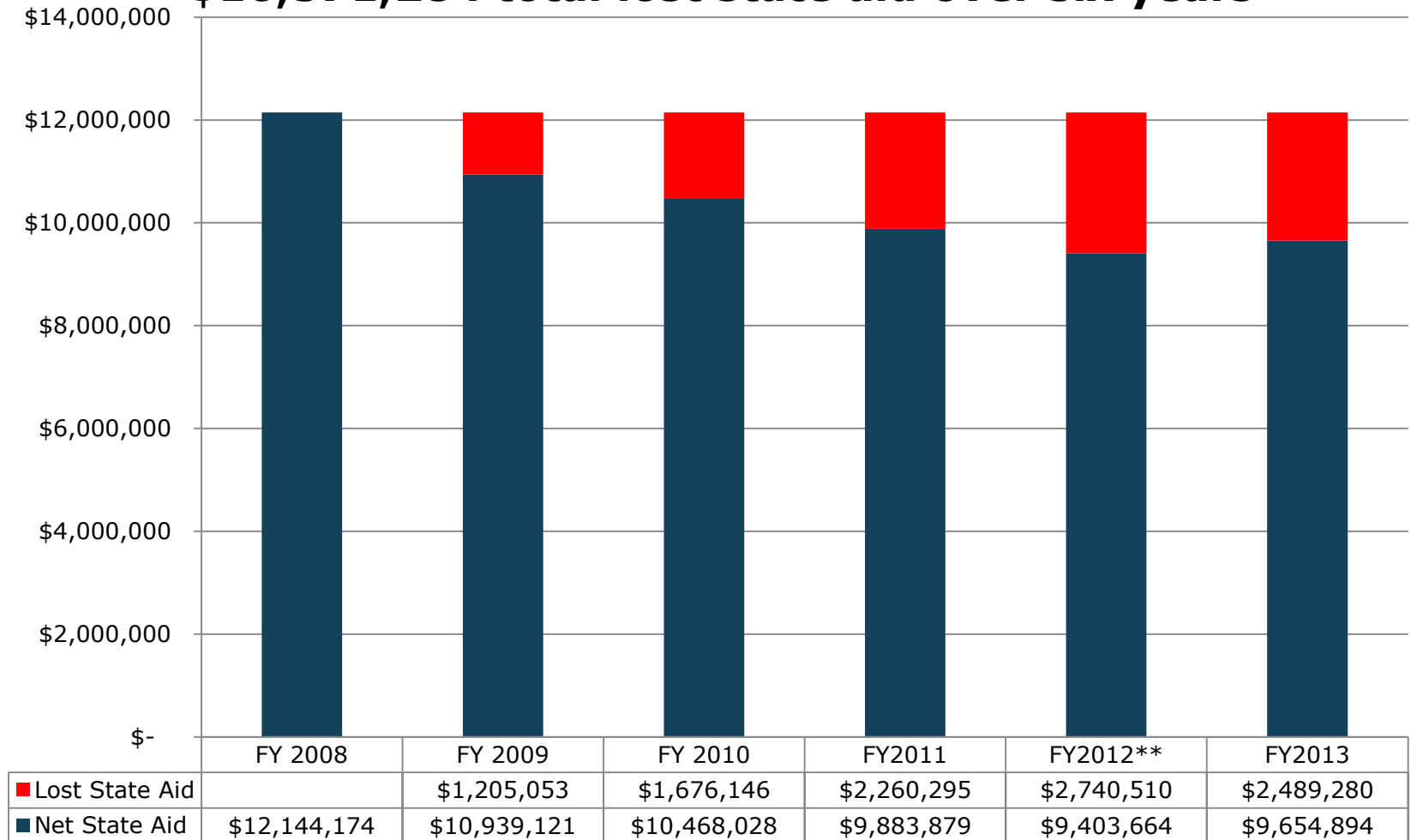


\*\*does not include supplemental appropriation October 2011

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# Net State Aid showing lost revenue if funding had been LEVEL since FY2008

**\$10,371,284 total lost state aid over six years**



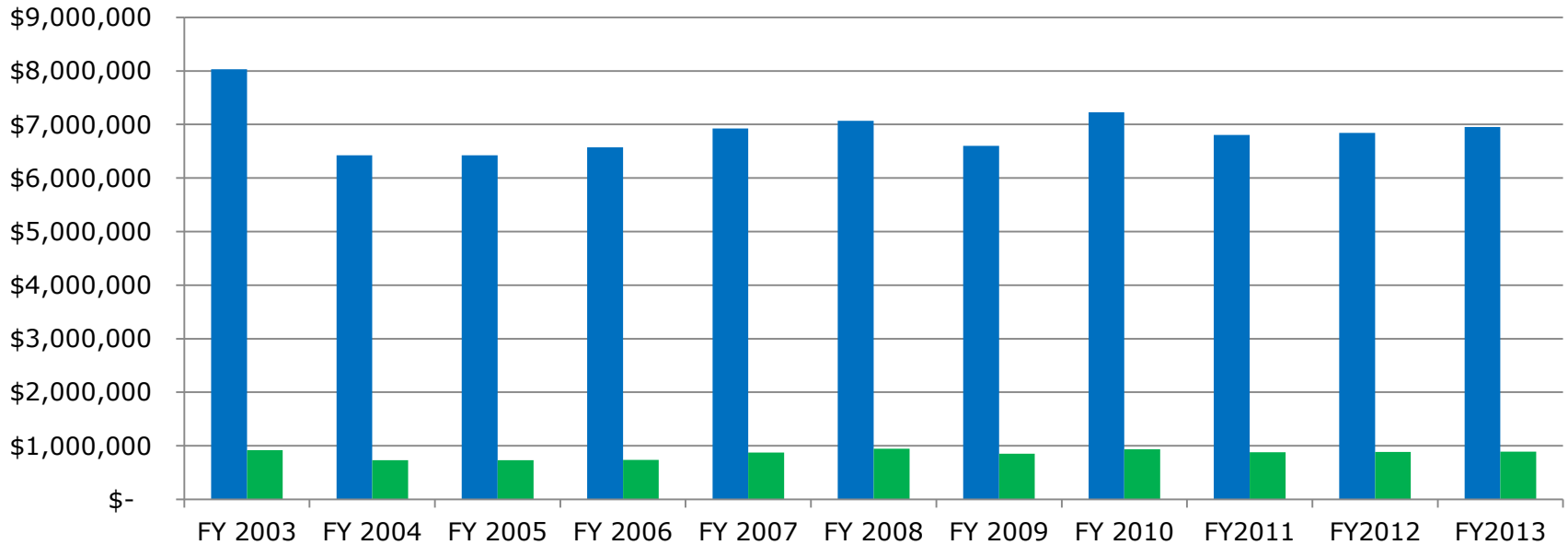
\*\*does not include supplemental appropriation October 2011

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# STATE AID: C.70 Education Aid FY2013 - FY2013

Source: Department of Elementary and Secondary Education

■ NPS ■ Smith Vocational



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
NPS	\$ 8,032,387	\$ 6,425,910	\$ 6,425,910	\$ 6,574,010	\$ 6,925,716	\$ 7,068,616	\$ 6,600,630	\$ 7,228,831	\$ 6,806,523	\$ 6,843,064	\$ 6,954,104
Smith Vocational	\$ 915,417	\$ 732,334	\$ 732,334	\$ 738,534	\$ 875,377	\$ 947,961	\$ 854,265	\$ 935,567	\$ 880,911	\$ 885,640	\$ 890,560
<b>Total</b>	<b>\$ 8,947,804</b>	<b>\$ 7,158,244</b>	<b>\$ 7,158,244</b>	<b>\$ 7,312,544</b>	<b>\$ 7,801,093</b>	<b>\$ 8,016,577</b>	<b>\$ 7,454,895</b>	<b>\$ 8,164,398</b>	<b>\$ 7,687,434</b>	<b>\$ 7,728,704</b>	<b>\$ 7,844,664</b>

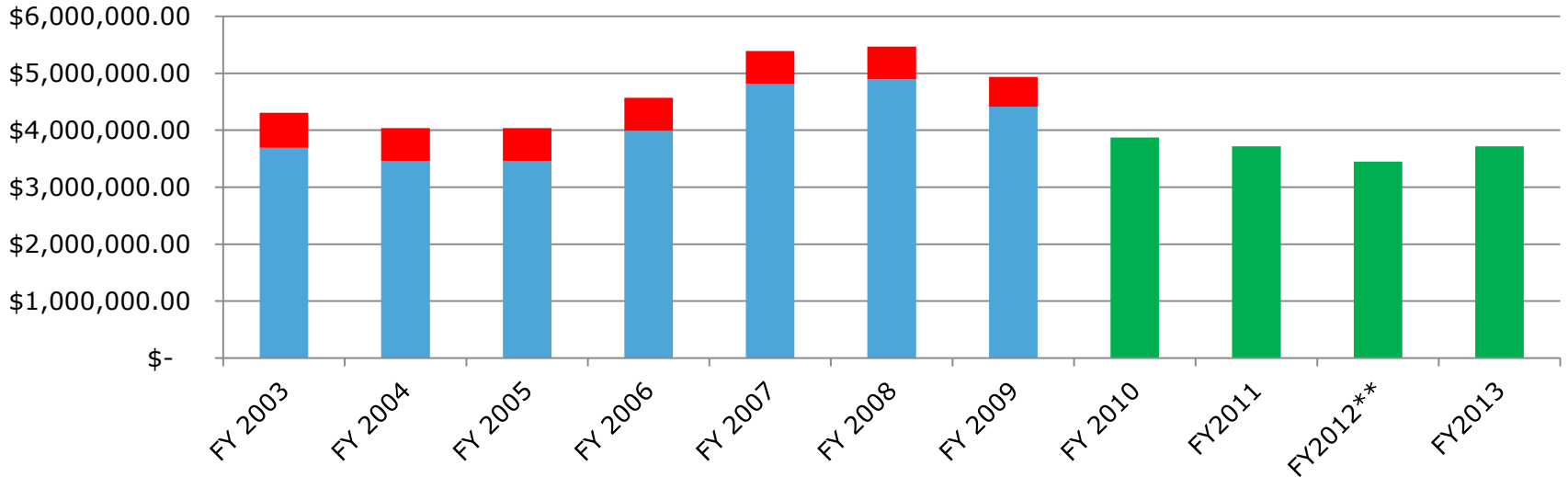
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# STATE AID: Unrestricted General Government Aid from the State FY2003 to FY2013

Source: End of Year Financials

■ Lottery ■ Additional Assistance ■ Unrestricted General Govt Aid



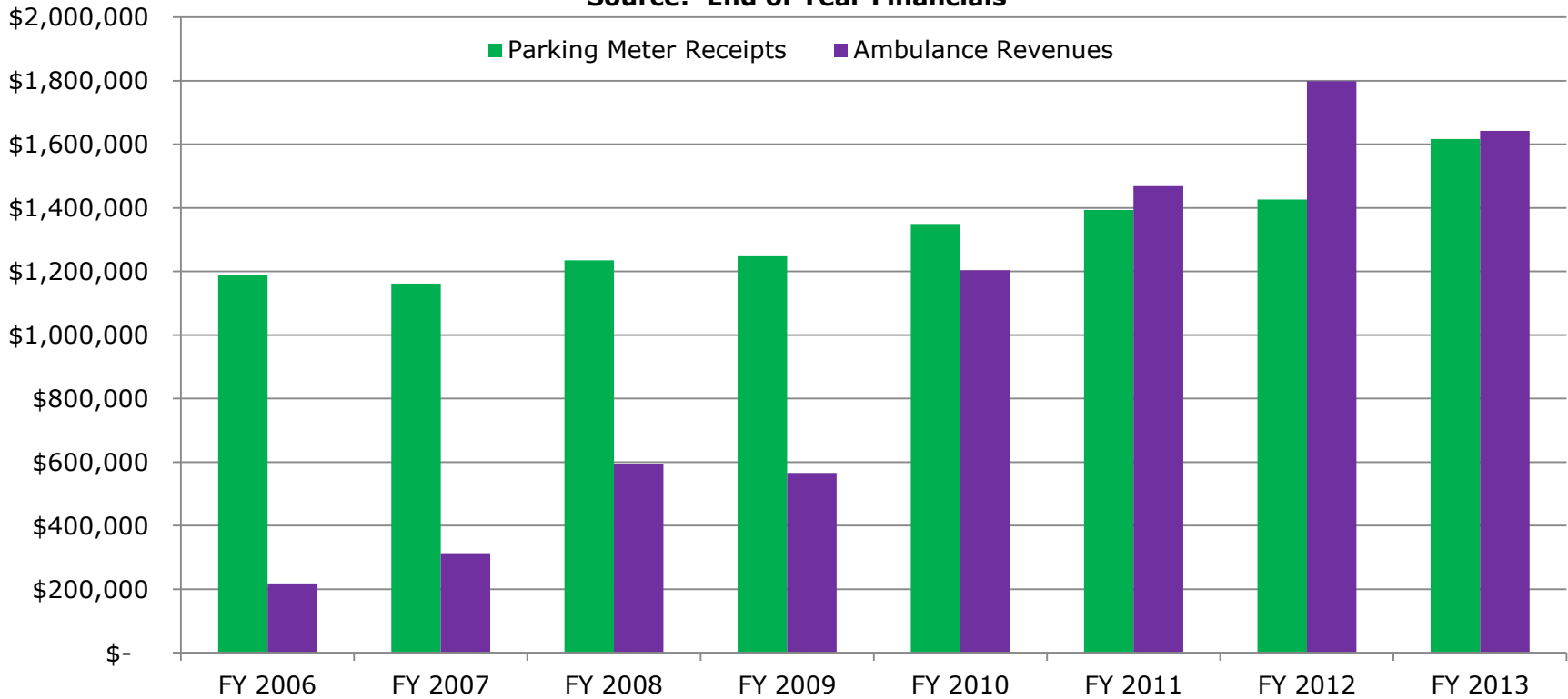
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY2011	FY2012**	FY2013	Budgeted
Lottery	\$ 3,690,997.00	\$ 3,460,946.00	\$ 3,460,946.00	\$ 3,990,786.00	\$ 4,814,888.00	\$ 4,892,383.00	\$ 4,415,639.00	\$ -	\$ -	\$ -	\$ -	
Additional Assistance	\$ 616,337.00	\$ 577,922.00	\$ 577,922.00	\$ 577,922.00	\$ 577,922.00	\$ 577,922.00	\$ 521,606.00	\$ -	\$ -	\$ -	\$ -	
Unrestricted General Govt Aid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,872,525.00	\$ 3,717,624.00	\$ 3,448,824.00	\$ 3,717,624.00	
	\$ 4,307,334.00	\$ 4,038,868.00	\$ 4,038,868.00	\$ 4,568,708.00	\$ 5,392,810.00	\$ 5,470,305.00	\$ 4,937,245.00	\$ 3,872,525.00	\$ 3,717,624.00	\$ 3,448,824.00	\$ 3,717,624.00	

\*\* does not include supplemental appropriation October 2011

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# CHARGES FOR SERVICES: Parking and Ambulance Revenue Used to Balance Budget FY2006 - FY2013

Source: End of Year Financials



	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Budgeted FY 2013
Parking Meter Receipts	\$ 1,187,095	\$ 1,161,517	\$ 1,235,453	\$ 1,248,273	\$ 1,349,701	\$ 1,393,875	\$ 1,426,480	\$ 1,616,806
Ambulance Revenues	\$ 218,500	\$ 313,000	\$ 594,000	\$ 566,200	\$ 1,203,607	\$ 1,468,682	\$ 1,799,346	\$ 1,642,769

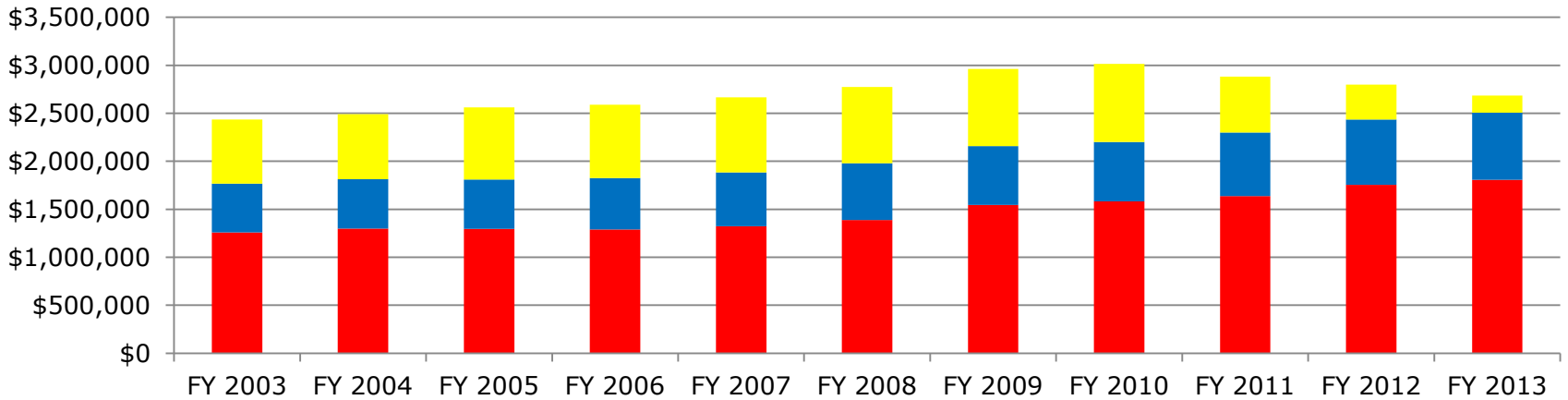
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# INTER-FUND OPERATING TRANSFERS - Enterprise Fund

## Indirects

Source: End of Year Financials

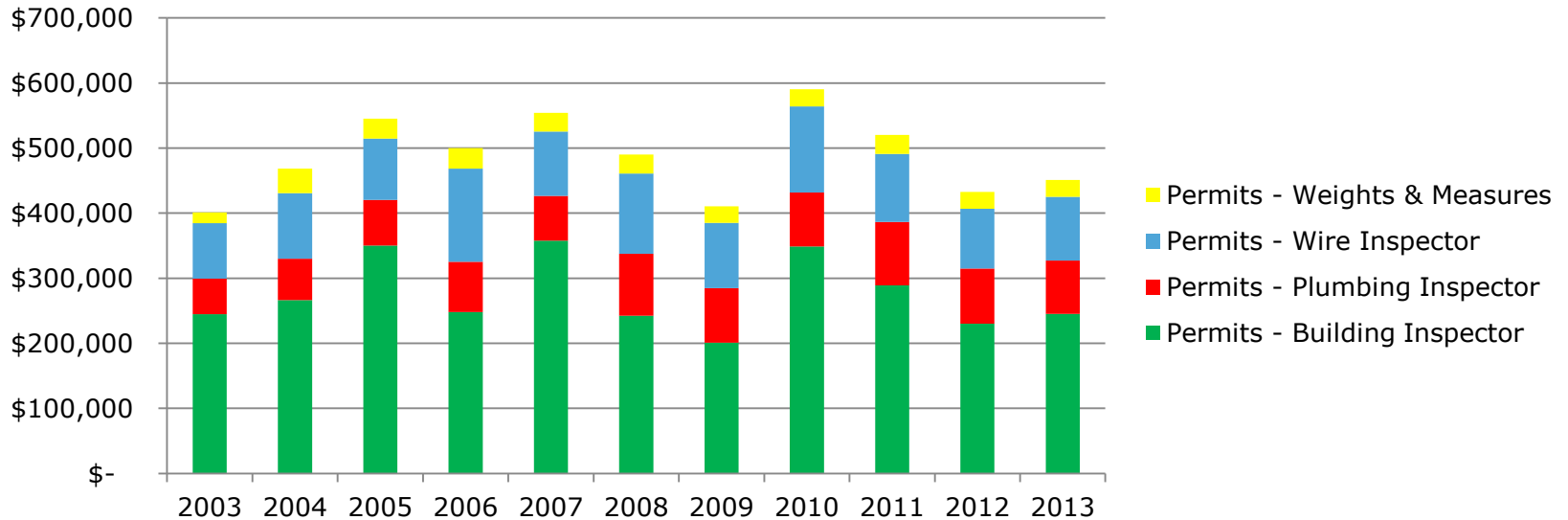
■ Sewer   
 ■ Water   
 ■ Solid Waste



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Sewer	\$ 1,258,646	\$ 1,299,581	\$ 1,295,227	\$ 1,290,992	\$ 1,324,980	\$ 1,388,264	\$ 1,546,261	\$ 1,581,602	\$ 1,638,743	\$ 1,756,160	\$ 1,806,937
Water	\$ 509,606	\$ 515,288	\$ 513,858	\$ 535,528	\$ 560,363	\$ 590,844	\$ 611,595	\$ 621,091	\$ 660,366	\$ 680,560	\$ 699,354
Solid Waste	\$ 668,570	\$ 676,354	\$ 753,596	\$ 763,428	\$ 781,800	\$ 794,612	\$ 804,665	\$ 811,080	\$ 584,483	\$ 363,434	\$ 178,589
<b>Total:</b>	<b>\$ 2,436,822</b>	<b>\$ 2,491,223</b>	<b>\$ 2,562,681</b>	<b>\$ 2,589,948</b>	<b>\$ 2,667,143</b>	<b>\$ 2,773,720</b>	<b>\$ 2,962,521</b>	<b>\$ 3,013,773</b>	<b>\$ 2,883,592</b>	<b>\$ 2,800,154</b>	<b>\$ 2,684,880</b>

## LICENSES AND PERMITS: Building, Plumbing, Wiring and Weights and Measures Permit Fees FY2003 - FY2013

Source: End of Year Financials

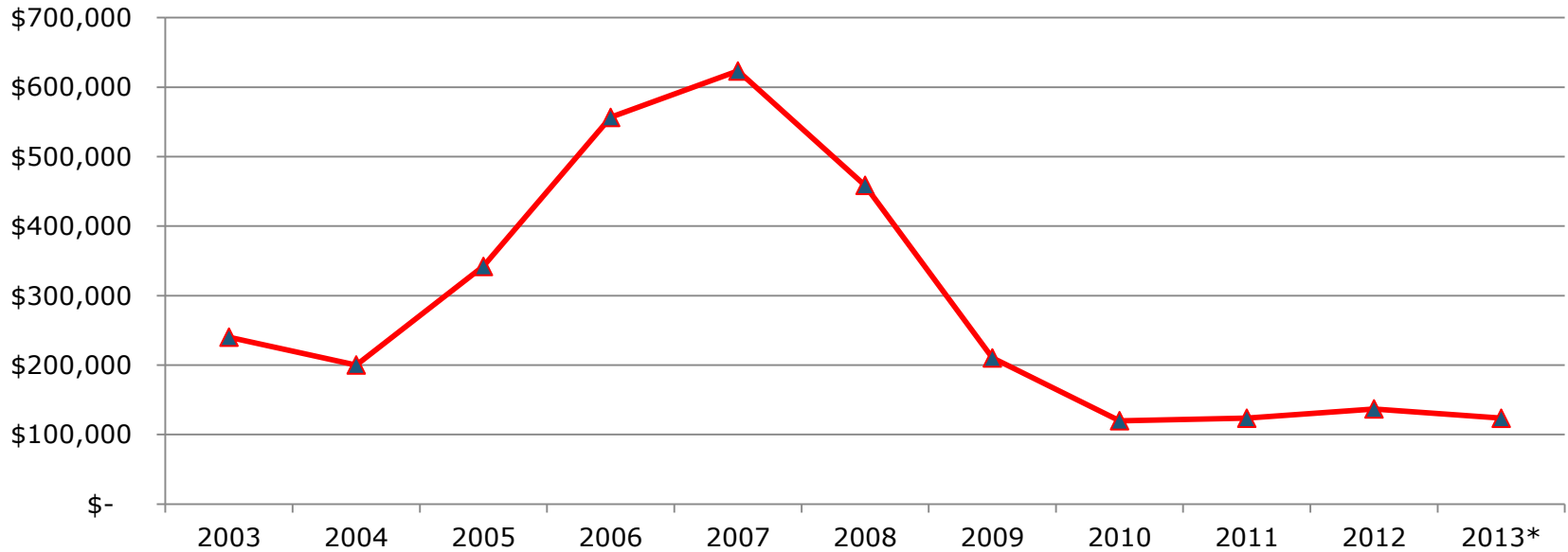


Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
Permits - Building Inspector	\$ 244,548	\$ 266,239	\$ 350,306	\$ 247,814	\$ 357,892	\$ 242,533	\$ 200,964	\$ 348,789	\$ 289,164	\$ 230,130	\$ 245,000
Permits - Plumbing Inspector	\$ 54,702	\$ 63,770	\$ 70,202	\$ 77,485	\$ 68,553	\$ 95,057	\$ 83,584	\$ 82,820	\$ 97,330	\$ 84,585	\$ 82,000
Permits - Wire Inspector	\$ 85,320	\$ 100,752	\$ 93,878	\$ 142,996	\$ 98,768	\$ 123,050	\$ 100,624	\$ 132,439	\$ 104,376	\$ 92,023	\$ 98,000
Permits - Weights & Measures	\$ 16,294	\$ 37,478	\$ 30,700	\$ 31,711	\$ 29,035	\$ 29,444	\$ 25,427	\$ 26,417	\$ 29,352	\$ 25,987	\$ 26,000
<b>Total Permit Revenues</b>	<b>\$ 400,864</b>	<b>\$ 468,239</b>	<b>\$ 545,086</b>	<b>\$ 500,005</b>	<b>\$ 554,248</b>	<b>\$ 490,083</b>	<b>\$ 410,599</b>	<b>\$ 590,465</b>	<b>\$ 520,222</b>	<b>\$ 432,725</b>	<b>\$ 451,000</b>
Change from Previous Year	\$ 108,848	\$ 67,375	\$ 76,847	\$ (45,081)	\$ 54,243	\$ (64,165)	\$ (79,484)	\$ 179,866	\$ (70,243)	\$ (87,498)	\$ 18,275
Percentage Change from Previous Year	37.27	16.81	16.41	(8.27)	10.85	(11.58)	(16.22)	43.81	(11.90)	(16.82)	4.22

\*2013 ESTIMATED

# MISCELLANEOUS REVENUE: Investment Income FY2003 - FY2013

Source: End of Year Financials



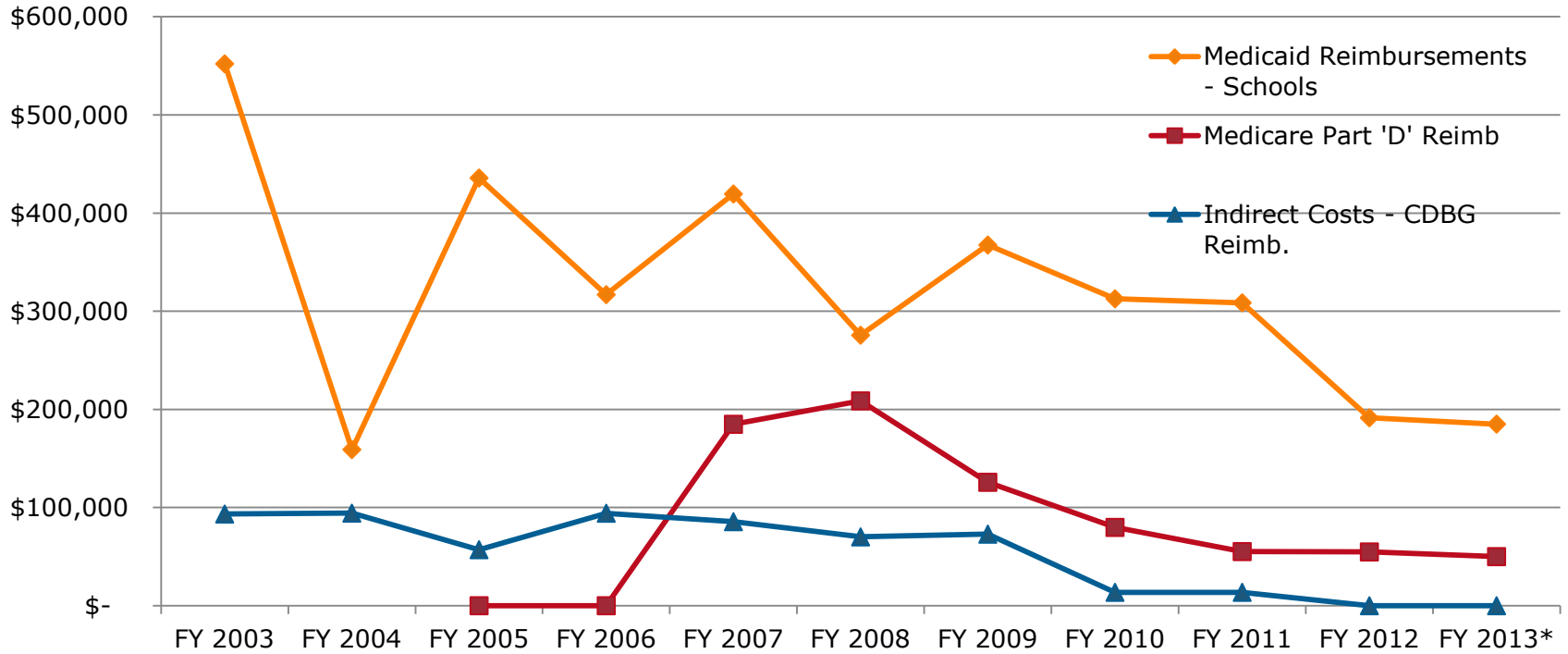
Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
Investment Income	\$ 240,203	\$ 200,166	\$ 341,974	\$ 556,430	\$ 623,188	\$ 458,686	\$ 210,258	\$ 119,975	\$ 123,556	\$ 136,956	\$ 123,500
Change from previous year	\$ (160,624)	\$ (40,037)	\$ 141,808	\$ 214,456	\$ 66,758	\$ (164,502)	\$ (248,428)	\$ (90,283)	\$ 3,581	\$ 13,400	\$ (13,456)
Percentage change from previous year	(40.07)	(16.67)	70.84	62.71	12.00	(26.40)	(54.16)	(42.94)	2.98	10.84	(9.82)

\*2013 ESTIMATED

April 3, 2013

# FEDERAL AID: Medicaid, Medicare and CDBG Indirect FY2013 - FY2013

Source: End of Year Financials



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013*
Medicaid Reimbursements - Schools	\$ 552,056	\$ 159,057	\$ 435,726	\$ 316,914	\$ 419,459	\$ 275,576	\$ 367,480	\$ 312,640	\$ 308,590	\$ 191,434	\$ 185,000
Medicare Part 'D' Reimb			\$ -	\$ -	\$ 184,834	\$ 208,656	\$ 125,745	\$ 79,792	\$ 55,160	\$ 54,789	\$ 50,000
Indirect Costs - CDBG Reimb.	\$ 93,436	\$ 94,300	\$ 57,080	\$ 94,223	\$ 85,640	\$ 70,136	\$ 72,888	\$ 13,668	\$ 13,668	\$ -	\$ -
	\$ 645,492	\$ 253,357	\$ 492,806	\$ 411,137	\$ 689,933	\$ 554,368	\$ 566,113	\$ 406,100	\$ 377,418	\$ 246,223	\$ 235,000

\*2013 ESTIMATE

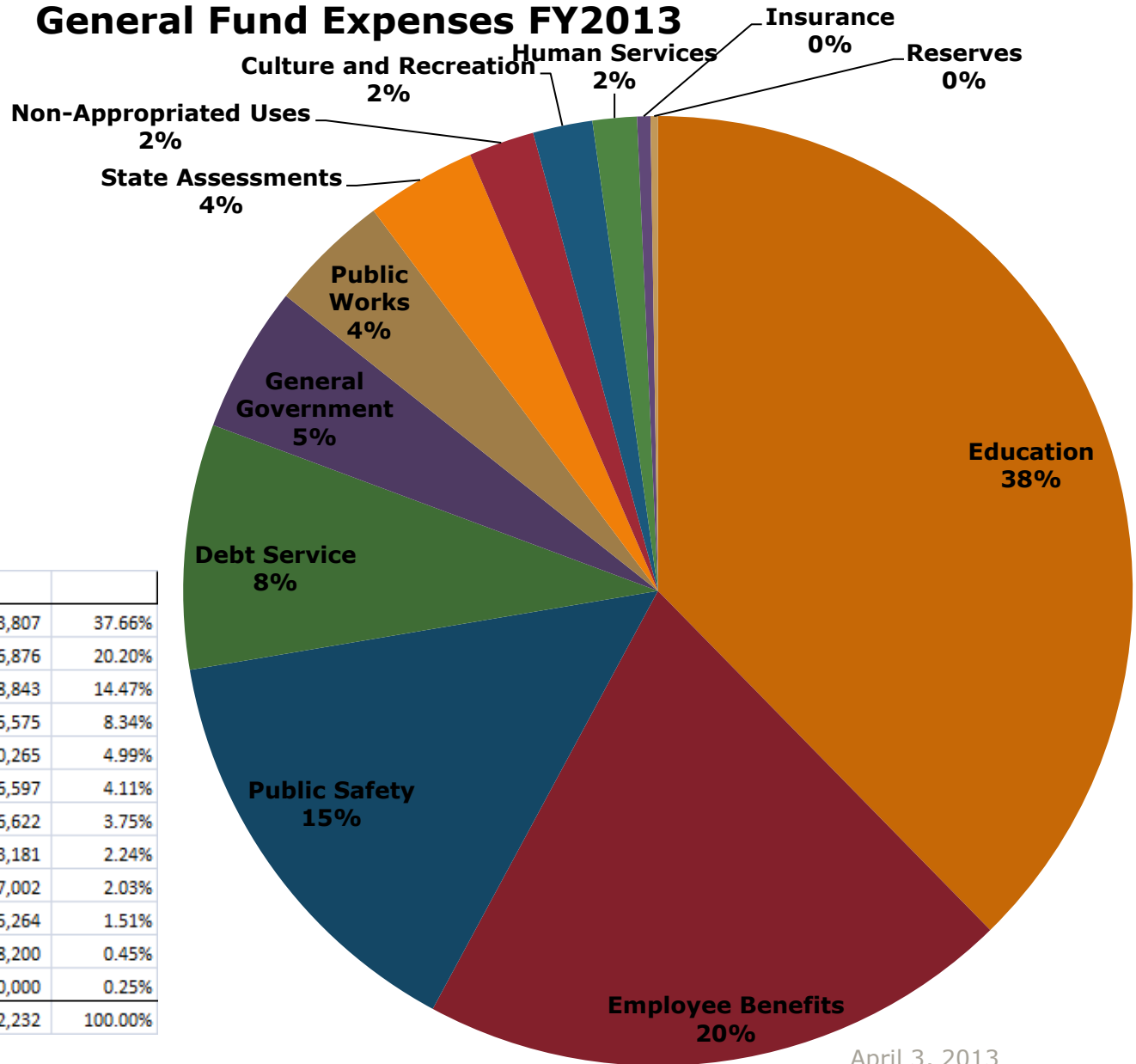
April 3, 2013



# Expense Trends

April 3, 2013

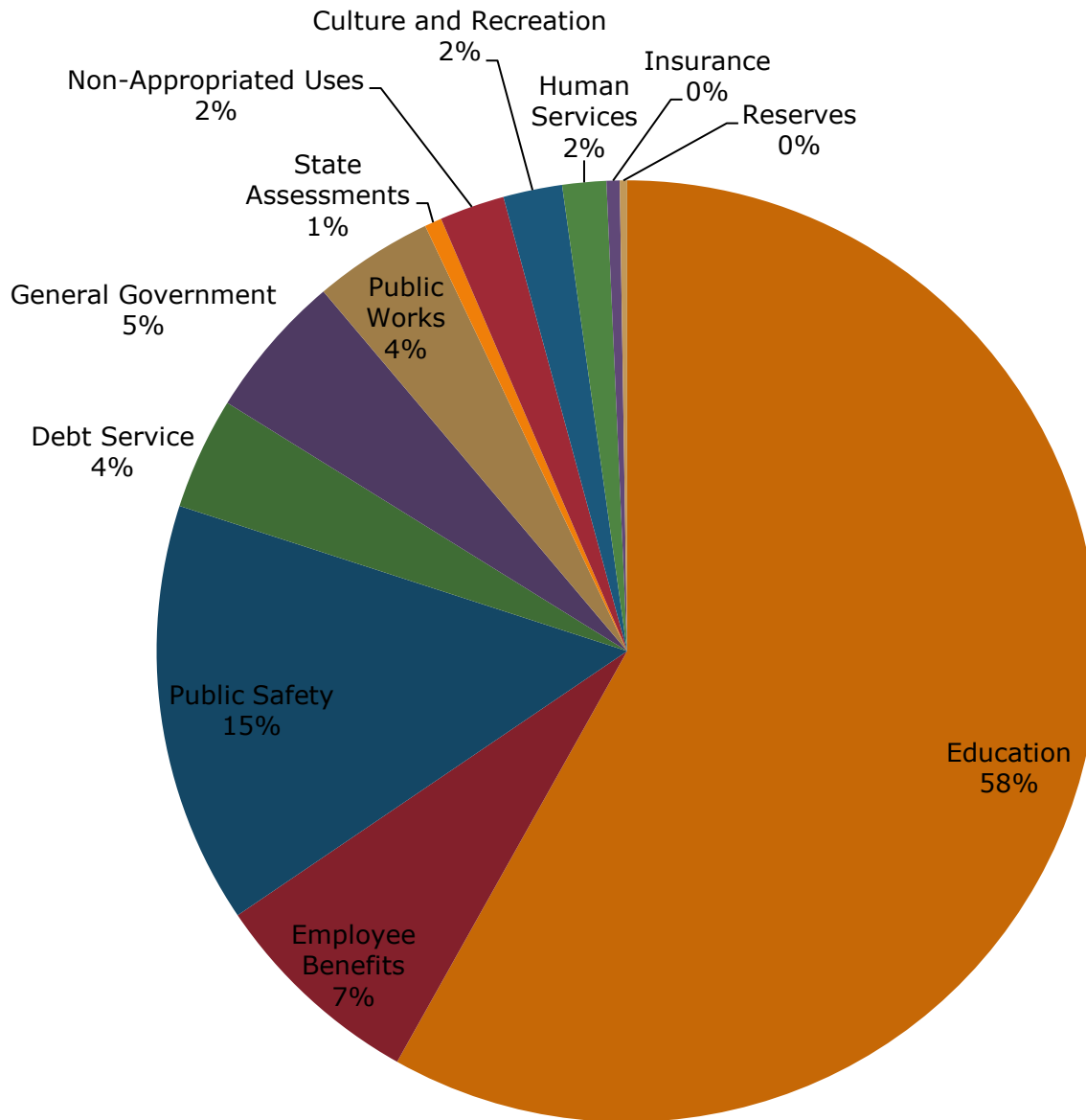
# General Fund Expenses FY2013



Fiscal Year 2013		
Education	\$ 29,873,807	37.66%
Employee Benefits	\$ 16,026,876	20.20%
Public Safety	\$ 11,478,843	14.47%
Debt Service	\$ 6,615,575	8.34%
General Government	\$ 3,960,265	4.99%
Public Works	\$ 3,256,597	4.11%
State Assessments	\$ 2,976,622	3.75%
Non-Appropriated Uses	\$ 1,773,181	2.24%
Culture and Recreation	\$ 1,607,002	2.03%
Human Services	\$ 1,195,264	1.51%
Insurance	\$ 358,200	0.45%
Reserves	\$ 200,000	0.25%
	\$ 79,322,232	100.00%

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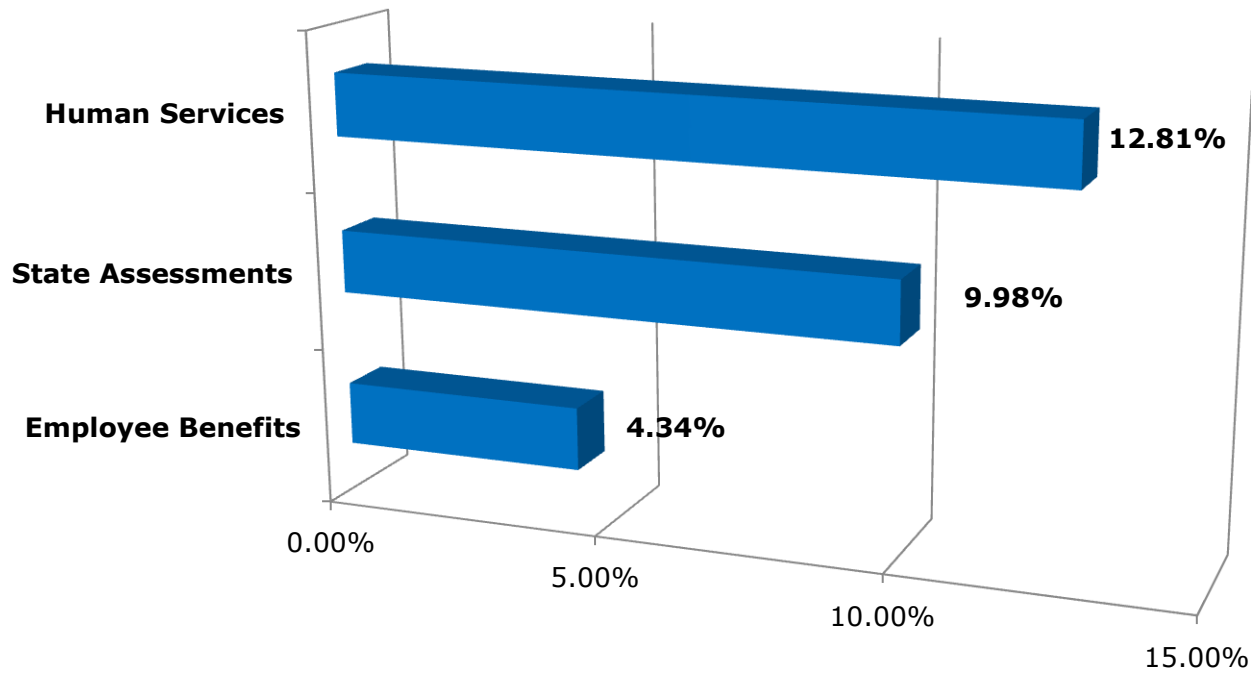
The largest programmatic expenditure in the general fund is education – for Northampton Public Schools and Smith Vocational and Agricultural High School

This chart shows the total Northampton spends on Education as 58% of the General Fund Budget in FY13. Included in this total is the appropriation, as well as debt service and capital costs for school department equipment and buildings, and school employee benefits, such as health insurance and retirement for staff and sending School Choice and Charter tuition.

- **Education: 37.66%**
  - Northampton Public Schools
  - Smith Vocational and Agricultural School
- **Employee Benefits: 20.20%**
  - Retirement
  - Workers Comp and Police and Fire Accident
  - Unemployment
  - Medical Insurance
  - Payroll Taxes
- **Public Safety: 14.47%**
  - Police
  - Fire and Ambulance
  - Parking Enforcement and Maintenance
  - Building Inspections
  - Emergency Management
- **Debt Service: 8.34%**
  - Long Term Bonds Principal and Interest
  - Short Term Borrowing Principal and Interest
  - Capital Leases
- **General Government: 4.99%**
  - Mayor and City Council
  - Auditor, Treasurer, Collector and Assessors
  - Legal Services
  - Human Resources
  - Management Information Services
  - City Clerk and Licensing Commission
  - Planning and Development
  - Central Services
- **Public Works: 4.11%**
  - Engineering and Administration
  - Streets – General and Snow and Ice
  - Storm Drains
  - Flood control
  - Cemeteries
  - DPW Parks and Recreation
- **State Assessments: 3.75%**
  - PVTA
  - RMV Non-Renewal Surcharge
  - Charter School Sending Tuition
  - School Choice Sending Tuition
- **Non-Appropriated Uses: 2.24%**
  - Overlay and Deficits
  - County Lock-Up
- **Culture and Recreation: 2.03%**
  - Forbes and Lilly Libraries
  - Recreation
  - First Night and Arts Council
- **Human Services: 1.51%**
  - Board of Health
  - Veterans
  - Council on Aging
- **Insurance: 0.45%**
  - General Liability, Property and Auto
  - Public Employees Liability
- **Reserves: 0.25%**
  - Cash Capital
  - Reserve for Personnel
  - Capital Stabilization Fund

# FY2013 General Fund Expenses

April 3, 2013



**FY2004 - FY2013**  
**General Fund Functional Spending Areas**  
**10 Year Average Percentage Increase**  
Source: End of Year Financials

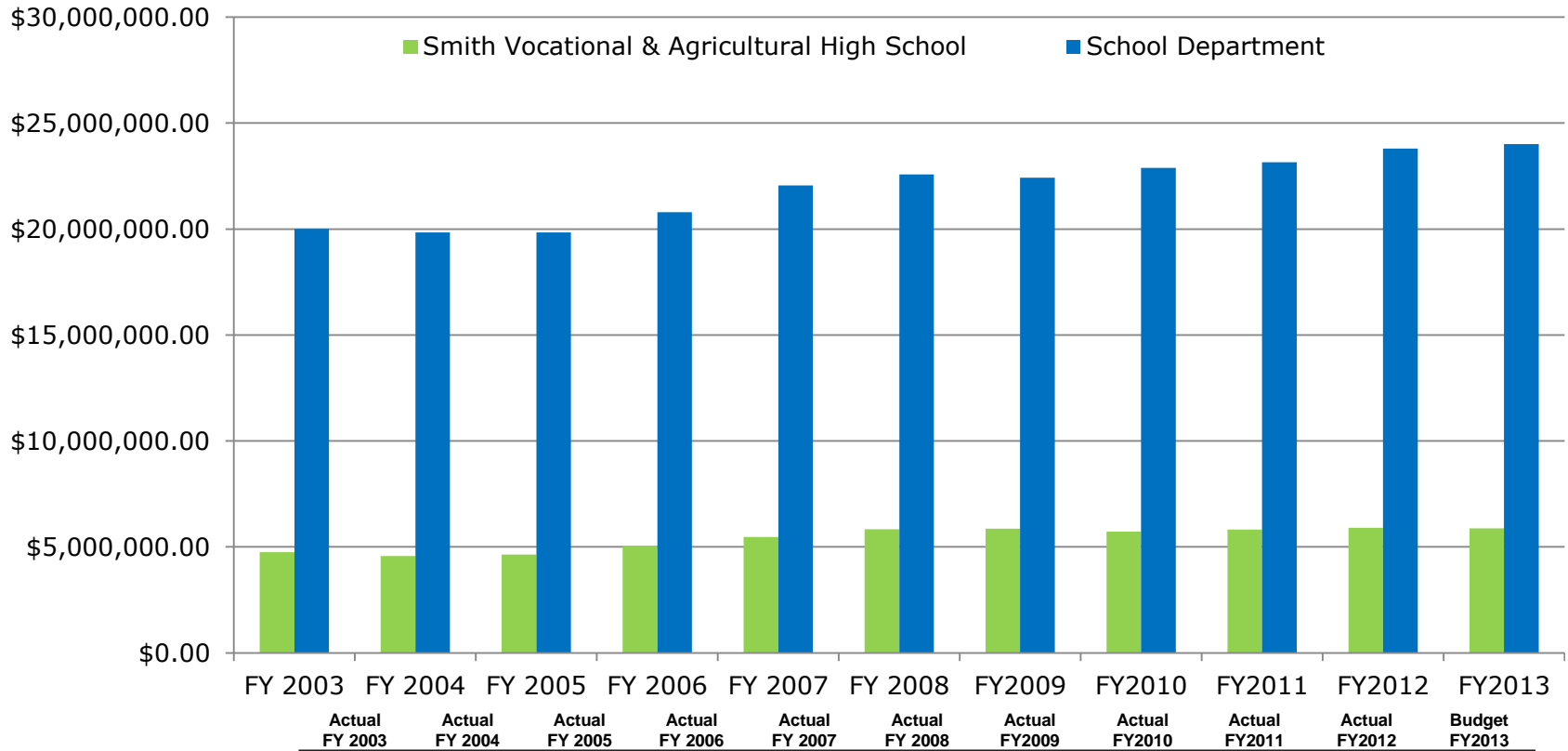
Human Services - increase driven primarily by Veterans Benefits

State Assessments - increase driven primarily by outgoing School Choice and Charter

Employee Benefits - increase driven primarily by Health Insurance

# EDUCATION: Education Appropriation from General Fund FY2003 - FY2013

Source: End of Year Financials



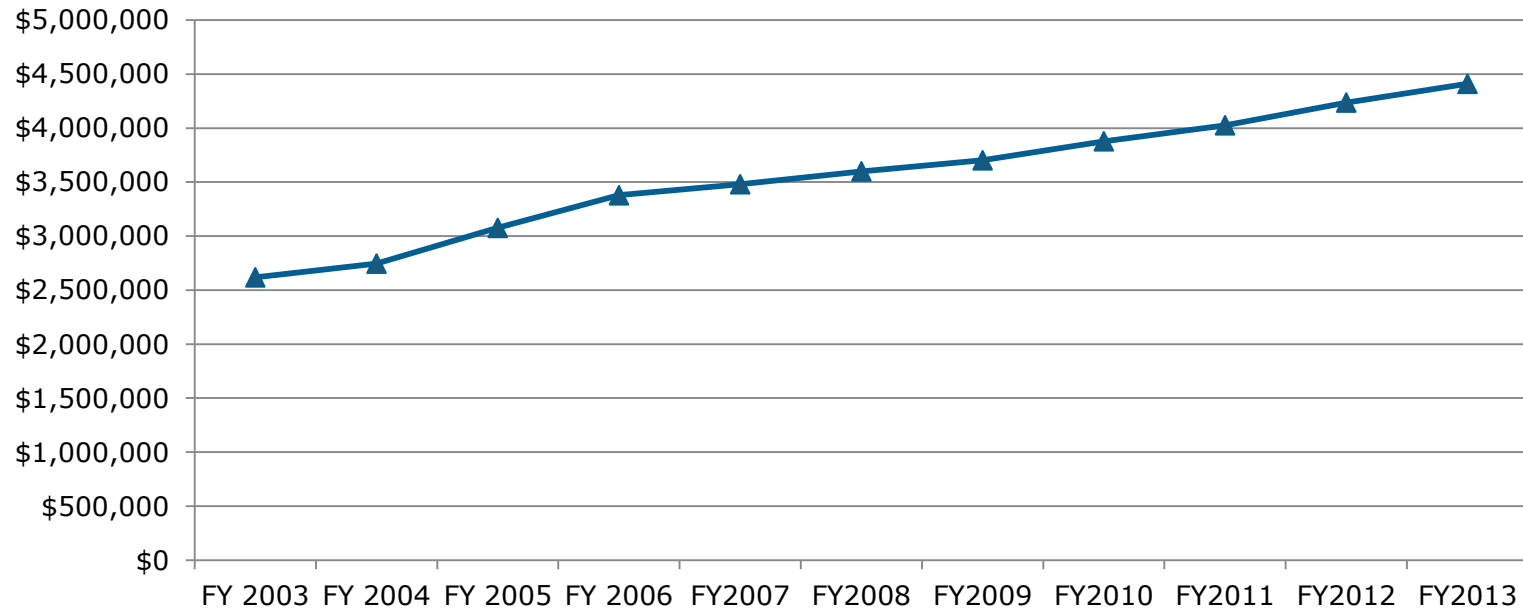
EDUCATION											
	Actual FY 2003	Actual FY 2004	Actual FY 2005	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY2009	Actual FY2010	Actual FY2011	Actual FY2012	Budget FY2013
Smith Vocational & Agricultural High School	4,756,339	4,572,398	4,635,000	5,022,405	5,470,219	5,835,262	5,863,580	5,715,472	5,825,366	5,906,058	5,870,164
School Department	20,010,412	19,835,000	19,835,000	20,789,112	22,054,895	22,572,614	22,422,081	22,881,500	23,157,544	23,795,643	24,003,643
	24,766,751	24,407,398	24,470,000	25,811,517	27,525,114	28,407,876	28,285,661	28,596,972	28,982,910	29,701,701	29,873,807
Education - % increase		-1.45%	0.26%	5.48%	6.64%	3.21%	-0.43%	1.10%	1.35%	2.48%	0.58%

April 3, 2013

10 YEAR AVE:	2.07%
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# EMPLOYEE BENEFITS: Retirement Assessment FY2003 to FY2013

Source: End of Year Financials

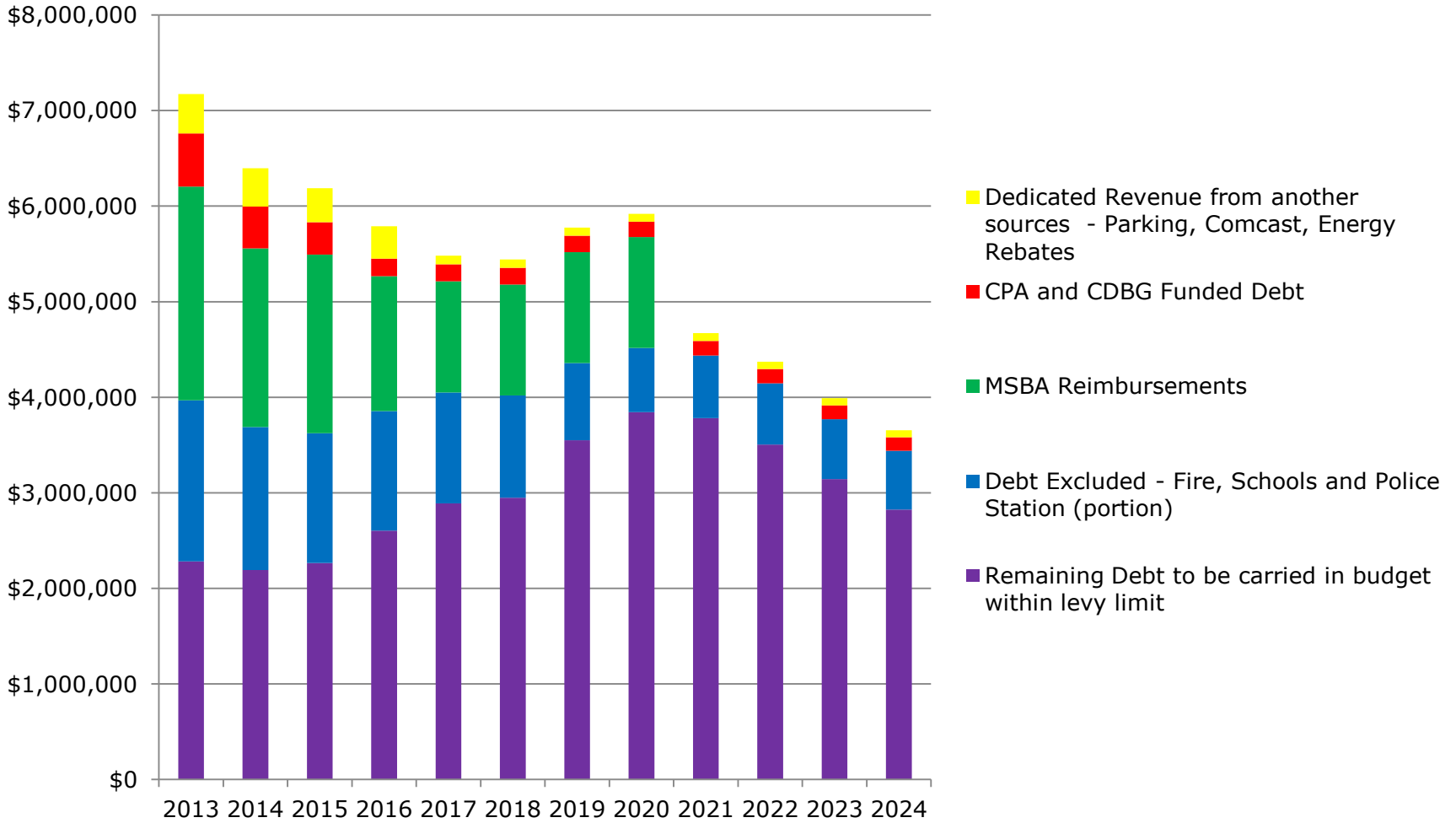


Retirement Assessment	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	
Contributory Retirement System	\$ 2,541,628	\$ 2,668,462	\$ 2,992,234	\$ 3,294,187	\$ 3,409,475	\$ 3,535,959	\$ 3,665,262	\$ 3,842,388	\$ 3,989,570	\$ 4,198,899	\$ 4,359,384	
Pensions and Annuities Non Contributory	\$ 76,393	\$ 77,075	\$ 83,874	\$ 83,855	\$ 70,896	\$ 63,331	\$ 36,731	\$ 35,624	\$ 36,617	\$ 37,690	\$ 50,632	
<b>Total Employee Health Insurance</b>	<b>\$ 2,618,021</b>	<b>\$ 2,745,537</b>	<b>\$ 3,076,108</b>	<b>\$ 3,378,042</b>	<b>\$ 3,480,371</b>	<b>\$ 3,599,290</b>	<b>\$ 3,701,993</b>	<b>\$ 3,878,012</b>	<b>\$ 4,026,187</b>	<b>\$ 4,236,589</b>	<b>\$ 4,410,016</b>	
Change from previous year	\$ 105,817	\$ 127,517	\$ 330,571	\$ 301,934	\$ 102,328	\$ 118,920	\$ 102,702	\$ 176,019	\$ 148,175	\$ 210,402	\$ 173,427	
Percentage change from previous year		4.21%	4.87%	12.04%	9.82%	3.03%	3.42%	2.85%	4.75%	3.82%	5.23%	4.09%

April 3, 2013

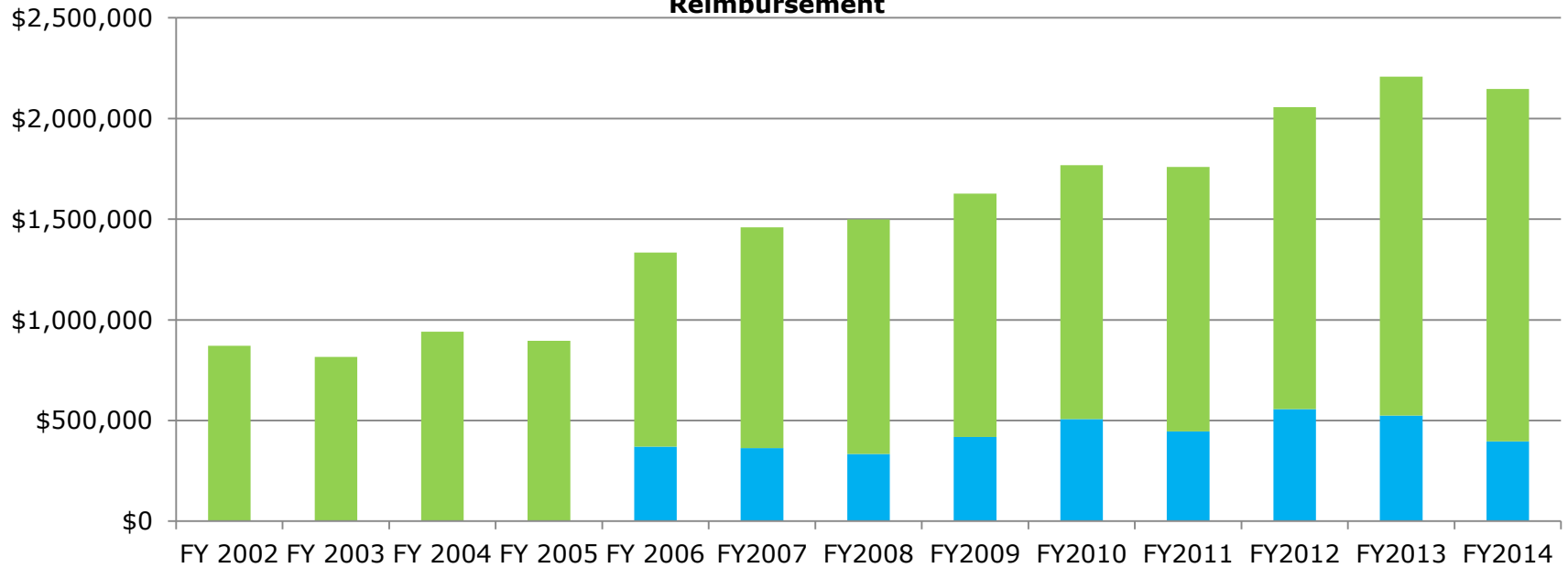
# DEBT: Future Projected Debt FY2013- FY2024

includes possible DPW Facility at \$8.5 million financed in General Fund and bonded in FY2016



# School Choice and Charter School Sending Tuition FY2003 to FY2013

Source: Department of Elementary and Secondary Education Net of Charter Reimbursement



	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
School Choice Sending Tuition	0	0	0	0	371,002	363,405	333,531	418,667	506,906	445,791	556,930	524,909	397,034
Charter School Sending Tuition Net of Reimbursement	871,823	815,171	941,703	896,257	963,922	1,096,368	1,164,742	1,208,915	1,260,655	1,312,998	1,499,976	1,682,306	1,749,885
<b>Total</b>	<b>871,823</b>	<b>815,171</b>	<b>941,703</b>	<b>896,257</b>	<b>1,334,924</b>	<b>1,459,773</b>	<b>1,498,273</b>	<b>1,627,582</b>	<b>1,767,561</b>	<b>1,758,789</b>	<b>2,056,906</b>	<b>2,207,215</b>	<b>2,146,919</b>
Change from previous year	195,255	(56,652)	126,532	(45,446)	438,667	124,849	38,500	129,309	139,979	(8,772)	298,117	150,309	(60,296)
Percentage change from previous year	28.86	-6.50	15.52	-4.83	48.94	9.35	2.64	8.63	8.60	-0.50	16.95	7.31	-2.73

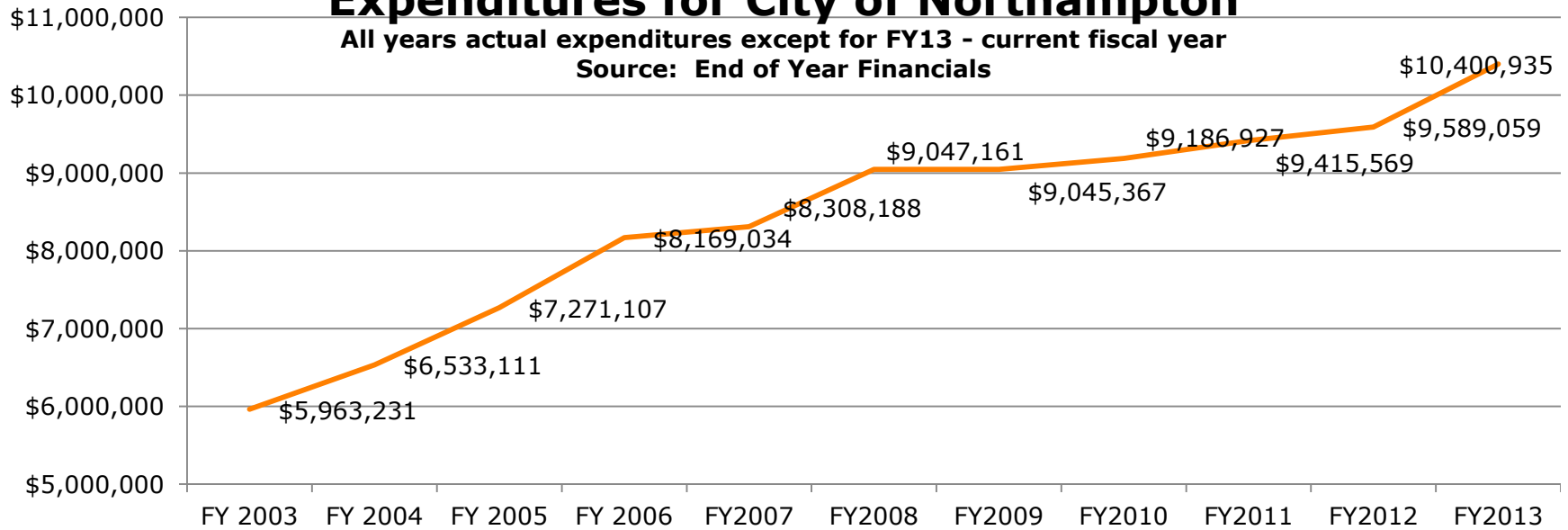
\*2014 Estimated Governor's Budget

April 3, 2013

# EMPLOYEE BENEFITS: Health Insurance Expenditures for City of Northampton

All years actual expenditures except for FY13 - current fiscal year

Source: End of Year Financials



	FY 2003	FY 2004	FY 2005	FY 2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013*
Group Medical Insurance	\$ 5,963,231	\$ 6,533,111	\$ 7,271,107	\$ 8,169,034	\$ 8,215,517	\$ 8,953,648	\$ 8,955,458	\$ 9,111,523	\$ 9,317,382	\$ 9,427,676	\$ 10,234,243
Employee Co-Pay Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ 33,900	\$ 34,639	\$ 33,364	\$ 20,350	\$ 43,700	\$ 110,262	\$ 104,692
Medicare Penalty	\$ -	\$ -	\$ -	\$ -	\$ 58,771	\$ 58,874	\$ 56,545	\$ 55,054	\$ 54,487	\$ 51,120	\$ 62,000
<b>Total Employee Health Insurance</b>	<b>\$ 5,963,231</b>	<b>\$ 6,533,111</b>	<b>\$ 7,271,107</b>	<b>\$ 8,169,034</b>	<b>\$ 8,308,188</b>	<b>\$ 9,047,161</b>	<b>\$ 9,045,367</b>	<b>\$ 9,186,927</b>	<b>\$ 9,415,569</b>	<b>\$ 9,589,059</b>	<b>\$ 10,400,935</b>
Change from previous year	\$ 559,974	\$ 569,880	\$ 737,996	\$ 897,927	\$ 139,154	\$ 738,973	\$ (1,794)	\$ 141,560	\$ 228,642	\$ 173,489	\$ 811,876
Percentage change from previous year	10.36	9.56	11.30	12.35	1.70	8.89	(0.02)	1.57	2.49	1.84	8.47

\*2013 Budgeted

April 3, 2013





# What This Means for FY2014

April 3, 2013

## UPDATED REVENUE CHANGES:

Prop 2 1/2 Increase	\$ 1,094,202
New Growth	\$ 600,000
Debt Exclusions	\$ (181,073)
Excess Levy Capacity	\$ 19,947
Other Taxes	\$ 97,658
Charges for Services	\$ 150,486
Licenses and Permits	\$ 21,225
Fines and Forfeits	\$ 37,000
State Aid	\$ 207,176
Offsets	\$ (16,418)
MSBA Reimbursement	\$ (367,721)
Federal Aid	\$ 3,000
Enterprise Fund Indirect	\$ (17,897)
Other Inter-Fund Transfers	\$ 6,852
Miscellaneous Revenue	\$ (43,389)
<b>ANTICIPATED NEW REVENUE</b>	<b>\$ 1,611,048</b>

# Revenue

April 3, 2013

## UPDATED EXPENDITURE CHANGES:

Retirement Assessment	\$ 243,285
Overlay	\$ 223,085
Charter School Sending Tuition	\$ 295,435
School Choice Sending Tuition	\$ (127,875)
Other Cherry Sheet Assessments	\$ (23,329)
Libraries (MAR)	\$ 21,239
Veterans Benefits	\$ 109,026
Legal	\$ 45,000
Unemployment*(not inc. FY14 layoffs)	\$ 42,625
Payroll Taxes	\$ 24,000
Workers Comp/Liability	\$ 20,888
Health Insurance	\$ 74,168
Cash Capital - not funded in FY13	\$ 175,000
Stabilization fund - not funded in FY13	\$ 150,000
Debt Service	\$ (659,771)
Schools	\$ 1,673,696
City Departments	\$ 270,000
City Collective Bargaining	\$ 449,900
<b>EXPENDITURE INCREASES</b>	<b>\$ 3,006,372</b>

# Expenses

April 3, 2013

Schools (includes 17 FTE positions)	\$ 775,424
City Departments (includes 5 FTE positions)	\$ 270,000
Outstanding Collective Bargaining (includes estimated Fire Dept JLMC decision FY11-13, Police Patrol and Sergeants FY12-FY13)	<u>\$ 349,900</u>
<b>Total Current Budget Gap</b>	<b>\$ 1,395,324</b>

# LEVEL SERVICE BUDGET GAP

April 3, 2013

## Next Steps

- March/April 2013 –  
Town Hall Budget meetings
- April 17, 2013 –  
Northampton Public Schools  
and Smith Vocational &  
Agricultural High School  
Adopted Budgets Submitted  
to the Mayor
- May 16, 2013 –  
Mayor presents FY2014  
Budget to City Council

### **Mayor's FY14 Town Hall Budget Meetings**

*The public is welcome to attend any and all of the meetings and questions or comments are appreciated*

Tuesday, March 12, 2013  
11:30am  
Northampton Senior Center

Wednesday, March 13, 2013  
7:00pm  
Leeds School Cafeteria

Monday, March 18, 2013  
7:00pm  
Bridge Street School Library

Wednesday, March 20, 2013  
7:00pm  
Northampton High School Little Theater

Monday, April 1, 2013  
7:00pm  
Ryan Road School Gymnasium

**Wednesday, April 3, 2013**  
**7:00pm**  
**Florence Community Center**