

Proposed Operating and Capital Budgets

Fiscal Year 2020

April 30, 2019



Fiscal Year 2020 Proposed Budget

Strategy: build levy capacity to address year to year assessment changes by dividing allowable increases evenly between Town Operating Expenses and School Assessment.

	<u>FY 2020</u>
Prop 2 ½ Allowable Growth	\$124,318
Estimated New Growth	\$38,901
<u>Excess Capacity</u>	<u>\$88,157</u>
TOTAL	\$ 251,376
[Divide evenly Between School/Town]	

Fiscal Year 2020 Proposed Budget Strategy

School Side

Town Side

50% of allowable increase	\$ 125,688
<i>less</i> FY 19 one time appropriation	<u>\$ 187,800</u>
Total	\$ 313,488
FY 20 School Increase	<u>\$ (1,432)</u>
Available	\$ 312,056

50% of allowable increase	\$ 125,688
Available	\$ 125,688

Proposed FY 2020 one-time expenses \$ 234,080
 Proposed FY 2020 recurring increases \$ 114,601

Fiscal Year 2020 Proposed Budget

Basic breakdown

	\$	% vs. FY 2019
Total Operating	\$5,819,146	+3.28
Town Operating	\$3,033,394	+6.45
School	\$2,785,752	+<0.01

Fiscal Year 2020 Proposed Budget Expense Highlights

Increase services/programs:

- Additional Full Time Highway Laborer (\$62,155 includes benefits)
- Police Department: 2 Additional 8 hour shifts to extend coverage to 8:00 AM to midnight seven days a week (\$26,837)
- First time budgets for ADA Coordinator, Alternate Building Inspector, Historical Commission, and Commission on Disabilities (total \$3,550)

Employee-related increases:

- 3% Cost of Living Allowance (COLA) for qualified positions as well as increases in contracts (\$26,837)
- Wage Increases: Full Time Police Officer to \$22.00, Part Time Police Officers to \$18.00, Library Assistant and Transfer Station Attendant to \$15.00 (\$5,625)
- Increase to Town's Retirement Assessment (\$13,326)

Fiscal Year 2020 Proposed Budget

Trend Analysis Fiscal Year 2017- Fiscal Year 2020

	FY 17	FY18	FY19	FY20 (proposed)
General Government	6.4%	6.0%	6.2%	6.3%
Highway	18.2%	17.2%	17.2%	18.1%
Schools	51.4%	53.7%	50.5%	49.3%
Culture and Recreation	2.0%	2.0%	2.0%	2.3%
Protection Persons & Property	6.6%	6.2%	6.9%	7.7%
Health & Human Services	2.0%	1.9%	2.1%	2.2%
Debt & Interest	4.2%	3.9%	2.8%	2.8%
Unclassified	9.1%	9.0%	12.2%	11.6%
TOTAL BUDGET	\$5,306,468	\$5,609,249	\$5,633,848	\$5,818,146
Increase v. Prior Year	4.1%	5.7%	0.4%	3.3%
Tax Rate (per \$1000/assessed valuation)	\$9.80	\$10.45	\$10.34	To be determined
Increase v. Prior Year	2.1%	6.6%	(1.0%)	

Fiscal Year 2020 Proposed Budget

Town Operating Budget

Increases	\$ 256,539
Decreases	\$ 71,241
<i>Net Budget Increase/Decrease</i>	<i>\$ 185,298</i>

**Tax Rate Impact based on FY 18 assessed values and total revenue is
\$.38/\$1000 of assessed value**

Fiscal Year 2020 Proposed Amounts to Raise & Appropriate

• Stabilization (ongoing)	\$ 150,000	(Article 28)
• Rights of Way -Four Bridge Projects	\$ 35,000	(Arts 44-47)
• Cemetery Projects (ongoing trees/roads)	\$ 19,980	(Article 15)
• Umpachene Falls Park Erosion (engineering)	\$ 11,000	(Article 19)
• Tree Maintenance Projects (ongoing)	\$ 10,000	(Article 24)
• Voting Tabulator (cost of machine)	\$ 5,700	(Article 12)
• Hazardous Mitigation Plan Update (match)	<u>\$ 2,400</u>	(Article 23)
	\$ 234,080	

Southern Berkshire Regional School District Budget

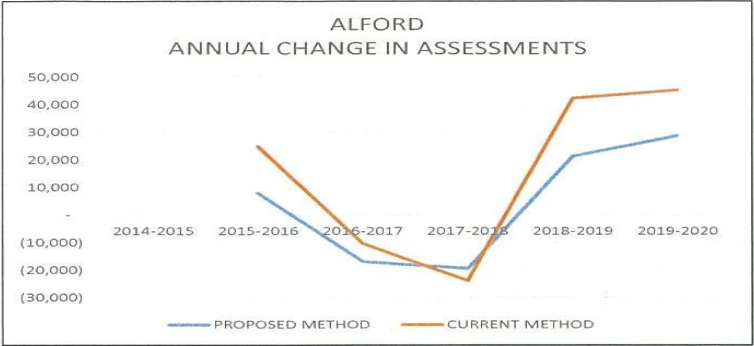
(Article 16)

Total five town school assessment	
Operating and Transportation	\$ 13,210,186
Capital	<u>\$ 358,461</u>
Subtotal	\$ 13,568,647
Roof/Boiler Bond	<u>\$ 375,950</u>
	\$ 13,944,597
New Marlborough assessment*	
Operating and Transportation	\$ 2,709,542
Capital	<u>\$ 76,210</u>
Subtotal	\$ 2,785,752
Roof/Boiler Bond	<u>\$ 79,929</u>
	\$ 2,865,681

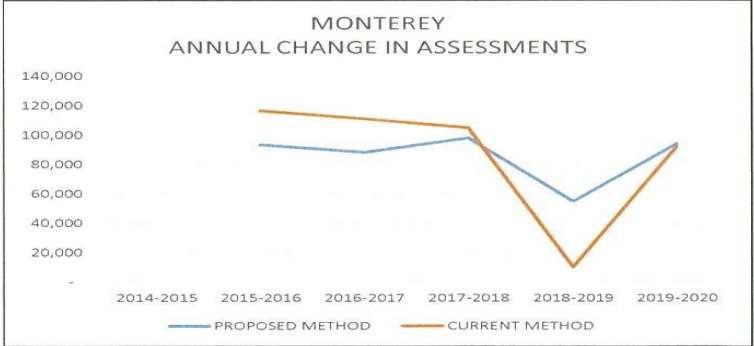
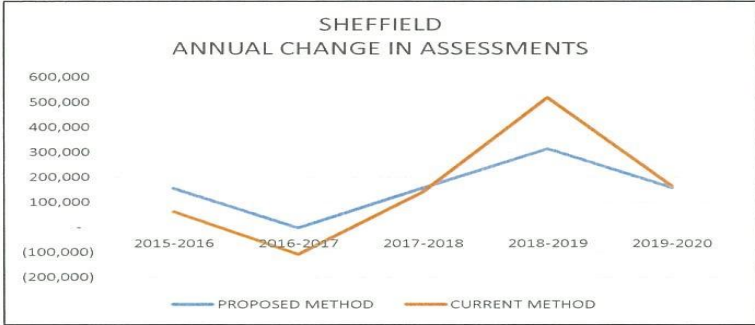
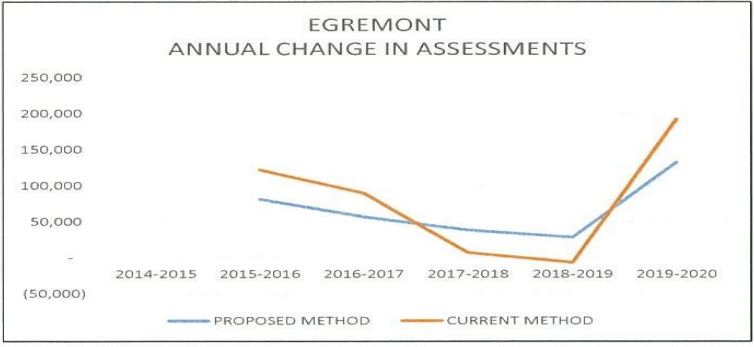
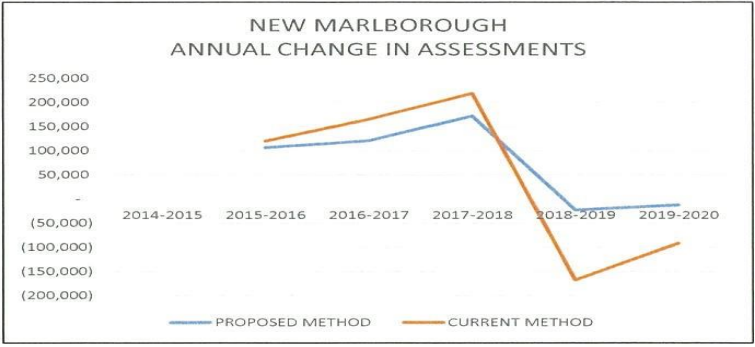
*FY 2020 share (20.55% of district budget) is based on proposed amended assessment formula

New Assessment Formula—Annual Change in Assessments by Town

(Article 36)



ANNUAL CHANGE IN ASSESSMENTS



School Budget Historical Share and % of Town Budget

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 (proposed)
NM % of Budget	20.7	22.0	22.8	20.9	20.6
NM Assessment	2,709,299	2,938,274	3,143,681	2,841,455	2,865,680
% of Town Budget	50.4	50.0	50.9	50.4	49.2

Fiscal Year 2020 Debt Service Schedule

(Article 26)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Loader	17,797				
Hwy Truck	24,420				
Hwy Truck	46,384	45,492			
Fire Truck (2025)	72,600	70,400	68,200	66,000	63,800
Grader (2029)		45,500	44,200	42,900	41,600
School Roof/Boiler* (2032)	57,135	79,929	98,161	98,161	98,161
TOTAL	218,336	241,321	210,561	207,061	203,561
*School Roof/Boiler amounts estimated after FY 2020 based on FY 2018 levels					

Fiscal Year 2020 Reserves

Free Cash and Stabilization Resources

Stabilization

Fund Balance	\$707,187
Reserve (10%)	<u>\$603,054</u>
Available for use	\$104,133
Proposed	\$ 0

Certified Free Cash

Free Cash Amount	\$616,406
Reserve (0%)	\$_____
Available for use	\$616,406
Proposed	\$474,000

Proposed Free Cash Expenditures

Certified Free Cash	\$616,406	
Road Projects	\$ 219,000	(Article 29)
Highway mid-size truck	\$ 140,000	(Article 31)
Highway Yard Paving	<u>\$ 115,000</u>	(Article 30)
Total Expenditures	<u>\$ 474,000</u>	
Remainder thru 6/30/19	\$ 142,406	

Fiscal Year 2020 Proposed Stabilization Expenditures and Additions

Stabilization Fund Bal.	\$ 707,187	
Transfer from Free Cash	\$ 0	
Raise and Appropriate	<u>\$ 150,000</u>	(Article 28)
Subtotal	\$ 857,187	

Outlook for the Future— Capital Expenses and Revenues

Capital Expenses:

- Town Hall – Renovations for ADA Compliance
- Roads/Culverts – Update to 5 year road plan
- Other Capital – Equipment purchases in excess of \$1.5 million thru 2025
- Broadband – \$62,500 per year for 15 years

Revenues:

- Payments in Lieu of Taxes (PILOT) for Solar Projects
 - Signed agreement for annual payment of \$45,750/year for 20 years
 - Second agreement to be negotiated
- Proposed local excise taxes (town meeting approval required)
 - Meal tax of 0.75%
 - Occupancy tax of 6%
 - Estimated revenue +\$60,000

Local Option Meals Excise Tax (Article 34)

- Massachusetts General Law 64L Section 2(A)
- allows municipalities to tax 0.75% on top of existing state tax of 6.25%
- Local Option tax applies to restaurant meals originating within the town
- Local option tax will take effect July 1 if voted in at Annual Town Meeting
- Tax collected by Mass Department of Revenue and distributed to the town
- Mass Department of Revenue figures estimate restaurant tax would have generated \$26,000 in local tax in 2016

Local Option Room Occupancy Excise (Article 35)

- Massachusetts General Law Chapter 64G Section 3(A)
- Allows municipality to tax up to 6% on top of state tax of 5.7%; proposed rate for New Marlborough is 6%
- Local Option applies to all room occupancies subject to state room occupancy excise
 - Hotel, motel, lodging house and bed and breakfast
 - Short term rentals—occupied property where at least one room or unit is rented out through use of advance registration when rental is not for more than 31 consecutive calendar days. Rentals of 14 days or fewer in a single calendar year are exempt from tax but must register.
- State excise tax already in effect for hotels; effective date for short term rentals is July 1
- Local option excise will take effect July 1 if voted in at Annual Town Meeting
- Tax collected by Mass Department of Revenue and distributed to the town
- Mass Department of Revenue estimates existing rooms would have generated \$42,000 in local tax last year

Fiscal Year 2020 Presentation

Questions, comments and discussion

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All article numbers refer to FY 20 Annual Town Meeting Warrant