

# Shutesbury Finance Committee Fiscal Year 21 Budget Report

## Shutesbury FY 21 Budget Expenses and Revenue Sources

### Expenses

Total budget expenses: \$6,601,165

### Revenue Sources

Residential taxes *	\$4,792,497
Commercial, Industrial and Personal Property taxes	\$225,000
Local Receipts (Excise tax, court fees, etc.)	\$253,153
PILOT (Payment In Lieu of Taxes DCR, ToA)	\$351,000
Estimated State aid **	\$482,732
Free Cash (cash reserves) ***	\$476,357
WPAT Septic Betterment Loan	<u>\$ 20,425</u>
<b>Total Revenues</b>	<b>\$6,601,164</b>

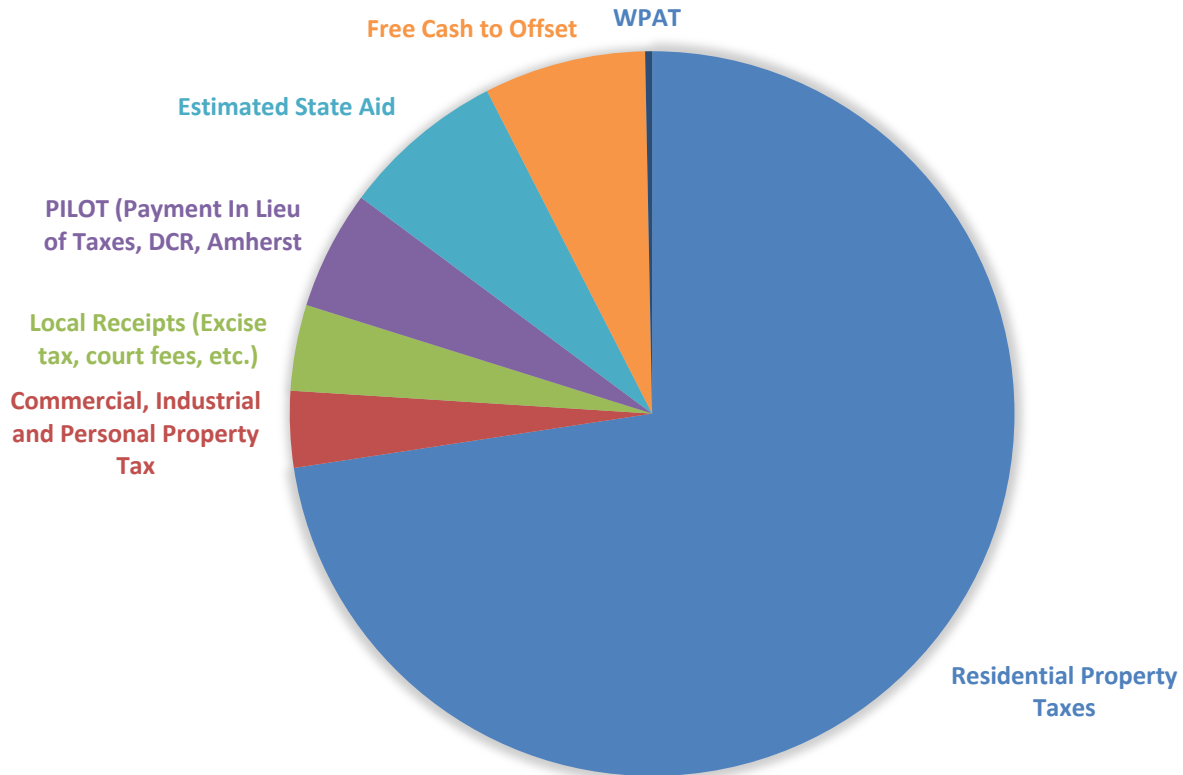
\* Estimated Tax rate:

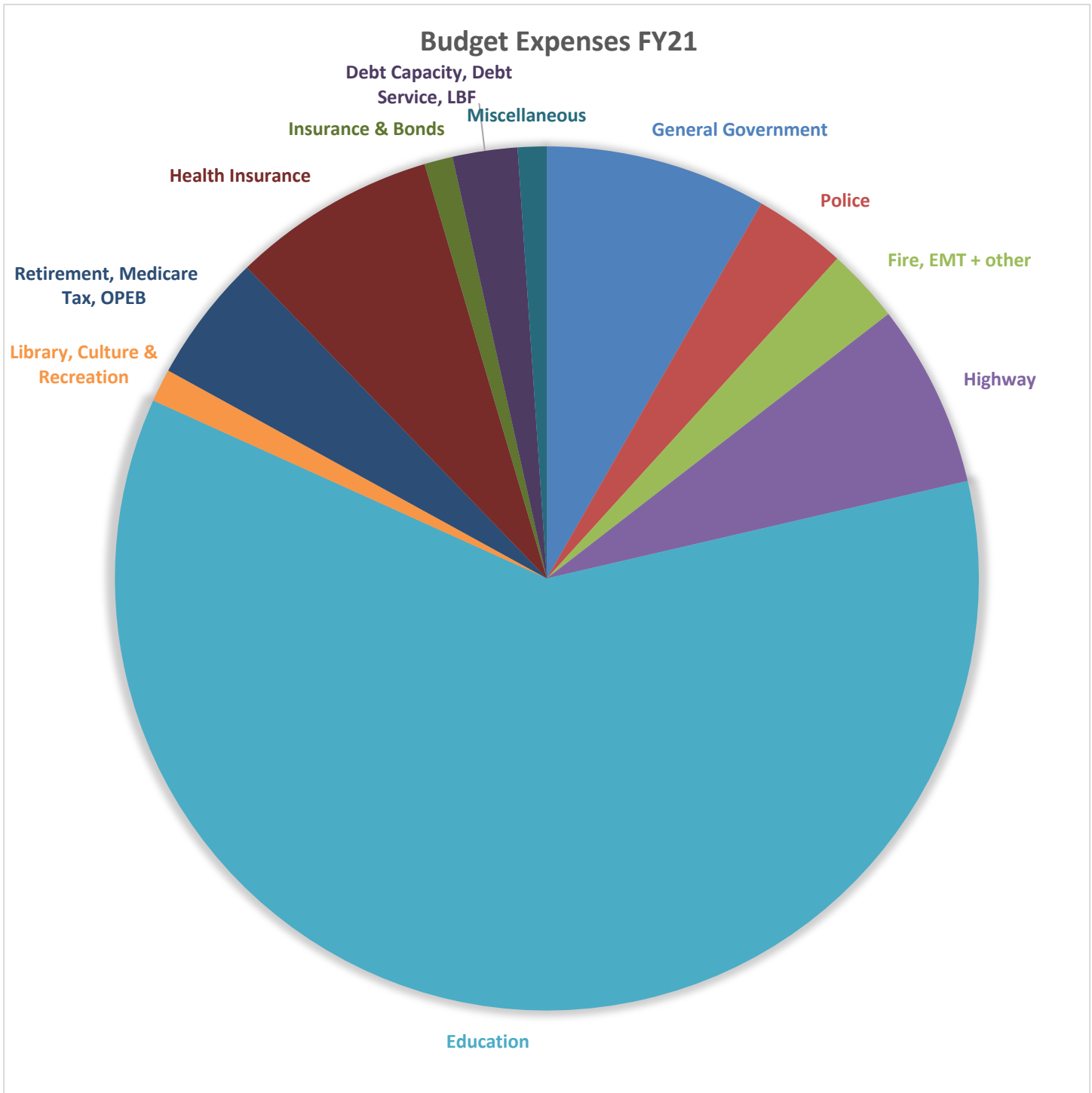
Total levy / assessed valuation \* 1000  
 $\$5,057,497 / \$223,454,454 = \$22.63$   
 (current rate \$24.04)

\*\* State aid: Estimated reduction of 30%

\*\*\* FY 20 free cash applied to Reduce  
 Taxes and Cover Loss in State Aid  
 One time use of free cash to give tax  
 relief

### Revenue Sources FY21





**We have prepared a balanced budget for FY21**

- 1. Significant Operating Increases and Decreases Compared to the FY20 Budget:**
  - A. Total Budget Increase: \$11,781
  - B. Elementary School: \$21,362 budget Increase
  - C. Elementary Transportation (regional bus contract): \$21,583 budget Increase
  - D. Health Insurance: \$30,059 Budget Increase
  - E. Town Employees Salary (excluding schools): \$17,294 Increase

- F. Retirement County: \$10,829 increase
- G. Regional School: Level funded regional budget from FY20, the change in assessment method moving closer to Statutory at 45%, created a \$99,771 Decrease for Shutesbury
- H. Transfer to the Unemployment fund of \$15,000 from Free Cash

**2. Larger Projected Revenue Increases/Decreases:**

- A. Net Tax Levy Used in FY21 Budget:
  - 1) Tax Levy 2.5% increase: \$135,797
  - 2) Portion of Tax Levy increase not used for FY21 budget: \$119,661
  - 3) Increase to Added to Excess Levy Capacity: \$367,338
- B. New Growth including Solar PILOT: \$119,661
- C. State Aid: Anticipated 30% Decrease, minus \$ 256,357 to be covered by free cash
- D. Total Projected Annual Tax Decrease of **\$350** on average home of \$242,448.

**3. Cash Reserves Summary, beginning balances**

- A. Free Cash (as of 7/1/2019) \$1,389,680
- B. Capital Stabilization: \$239,002
- C. Stabilization: \$269,431

**4. Finance Committee FY21 warrant article capital expenses recommended:**

- A. Funded from Free Cash: \$ 37,100**
  - 1) Elementary - floors \$ 25,000
  - 2) Elementary - conf room doors \$ 7,200
  - 3) Police - radar gun, breathalyzer \$ 2,200
  - 4) Fire Dept - door openers \$ 2,700

**B. Addition to Reserves from Project and Revolving Fund Returns:**

- 1) Fund 30 transfers \$ 95,644
- 2) SREC account closure \$ 54,423

**5. Cash Reserves if all warrant articles pass (Section 4 above):**

- A. Free Cash \$ 1,083,863
- B. Capital Stabilization: \$ 351,697
- C. Stabilization: \$ 282,299

**6. Upcoming Capital Projects –**

- A. Culvert on Locks Pond Road (by dam), \$500,000 grant received  
Additional funds needed to complete the project \$500,000
- B. Elementary school roof – grant funding denied \$1,000,000
- C. Paving – School \$50,000
- D. Capital Plan Upcoming Needs, dump truck, police cruiser, backhoe, and fire vehicle

**7. OPEB (Other Post Employment Benefits) Trust Fund**

- A. Actuarial liability: \$2,300,000
- B. Saved so far: \$595,505 before FY21 funding
- C. Annual funding from operating budget: \$50,000
- D. State gives towns 30 years to fund their liability

**8. Thoughts on the future**

- A. Continued maintenance to 40+ year old school building
- B. Storage of Public Records/Need for Additional Space
- C. Grant funding to add to the Library Building Fund
- D. Invest in projects that reduce operating costs (i.e. solar photovoltaic systems)
- E. School costs:
  - 1) Elementary and Regional school Covid-19 requirements are unknown, but they definitely will increase expenses. The town has been designated to receive up to \$156,410 of Cares Act money, on a reimbursement basis. We have requested reimbursement of \$9,001 to date. The town will work with the elementary and regional to help support their expenditures for Covid-19 related items and services.
  - 2) Ongoing loss of grant funds for early childhood education.
  - 3) Towns in region unable to agree on a long-term school budget assessment allocation method
  - 4) The region's health insurance costs