



# FY2021 Budget Presentation

June 8, 2020



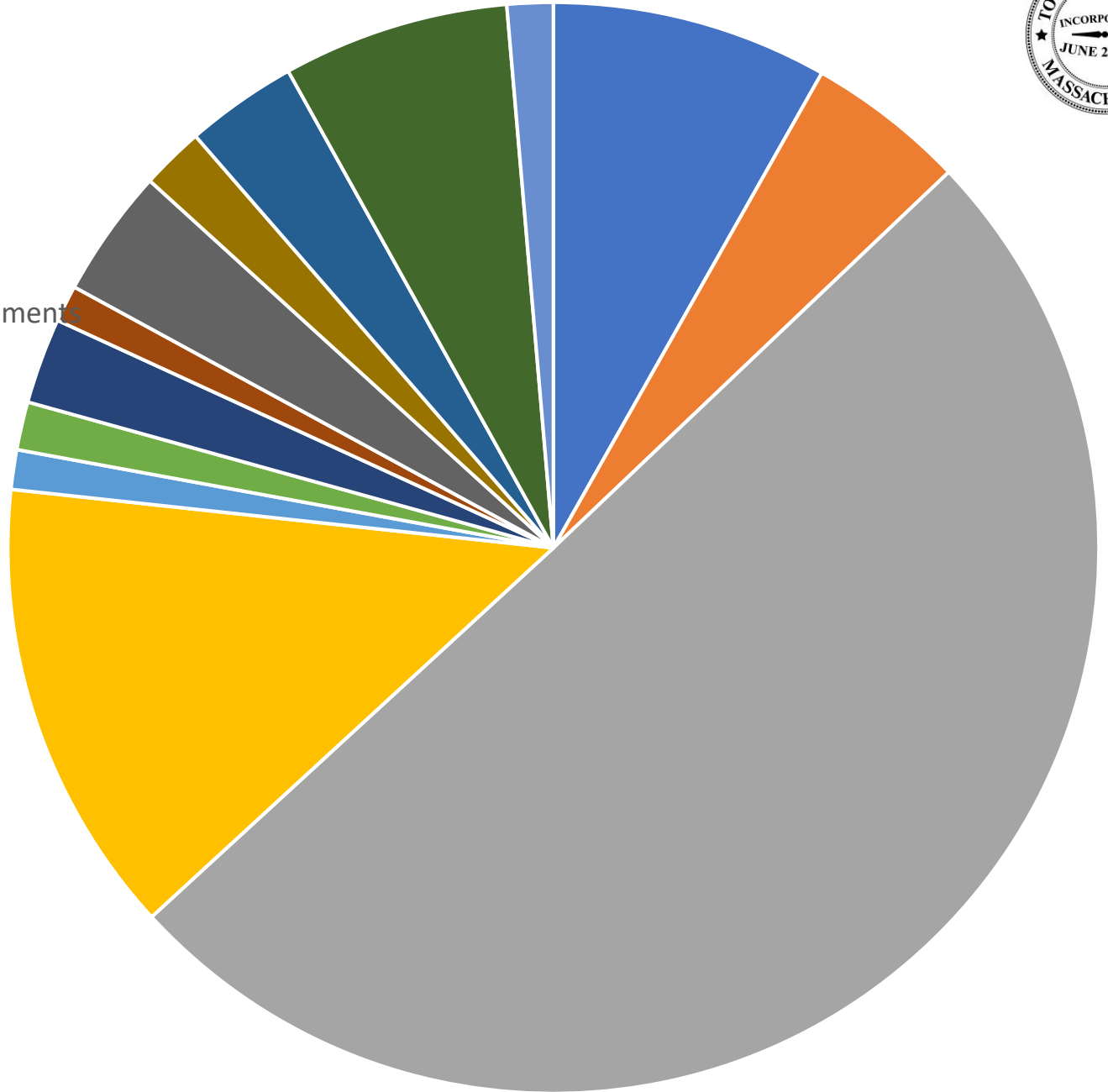
## Key Account Comparisons

Account	FY 2020	FY 2021	(\$) Change	(%) Increase
General Government	\$456,836	\$456,315	-\$521	-0.1%
Public Safety	\$248,304	\$262,647	\$14,343	5.8%
Education	\$2,770,846	\$2,708,617	-\$62,229	-2.2%
Public Works	\$689,036	\$754,367	\$65,331	9.5%
Health & Human Services	\$53,879	\$65,335	\$11,456	21.3%
Culture & Recreation	\$91,342	\$79,342	-\$12,000	-13.1%
Debt Sevice	\$204,671	\$88,235	-\$116,436	-56.9%
Intergovernmental Assessments	\$55,867	\$60,614	\$4,747	8.5%
Benefits	\$194,329	\$210,492	\$16,163	8.3%
Warrant Articles	\$441,173	\$662,400	\$221,227	50.1%
Capital Requests	\$325,000	\$76,000	-\$249,000	-76.6%
Total Operating Budget	\$5,531,283	\$5,424,364	-\$106,919	-1.9%

# Budget Breakdown



- General Government
- Public Safety
- Education
- Public Works
- Health/Human Services
- Culture/Recreation
- Debt Service
- Inter-governmental Assessments
- Benefits
- Ambulance Assessment
- Sewer/WWTP EF
- Broadband EF (MLP)
- Capital Expenditures





# FY2021 BUDGET OVERVIEW

	RAISE / APPROPRIATE	DEBT EXCLUSION	FREE CASH	OTHER SOURCE	FY21 TOTAL
<b>GENERAL GOVERNMENT</b>	\$ 456,315				\$ 456,315
<b>PUBLIC SAFETY</b>	\$ 243,239		\$ 13,283	\$ 6,125	\$ 262,647
<b>EDUCATION</b>	\$2,412,352	\$ 60,713	\$ 235,552		\$2,708,617
<b>PUBLIC WORKS</b>	\$ 754,367				\$ 754,367
<b>HUMAN SERVICES</b>	\$ 65,335				\$ 65,335
<b>CULTURE AND RECREATION</b>	\$ 79,342				\$ 79,342
<b>DEBT SERVICE</b>	\$ 7,500	\$ 80,735			\$ 88,235
<b>INTER GOV</b>	\$ 60,614				\$ 60,614
<b>BENEFITS</b>	\$210,492				\$210,492
<b>OMNIBUS BUDGET</b>	<b>\$4,289,556</b>	<b>\$ 141,448</b>	<b>\$ 248,835</b>	<b>\$ 6,125</b>	<b>\$4,685,964</b>
<b>WARRANT ARTICLES</b>	\$ 103,929			\$ 558,471	\$ 662,400
<b>CAPITAL REQUESTS</b>			\$ 50,000	\$ 26,000	\$ 76,000
<b>TOTAL OPERATING BUDGET</b>	<b>\$4,393,485</b>	<b>\$ 141,448</b>	<b>\$ 298,835</b>	<b>\$ 590,596</b>	<b>\$5,424,364</b>

# Raise & Appropriate



FY21 DEBT EXCLUSION	
MTRSD	\$ 60,713
Highway Garage	\$ 70,735
Broadband Debt (Interest)	\$ 10,000
<b>FY21 Debt Exclusion</b>	<b>\$ 141,448</b>

ESTIMATED STATE & LOCAL FUNDS	
Estimated Final State Aid	\$ 250,000
Estimated Local Receipts	\$ 275,000
School Transportation	\$ 0
Cherrysheet Assessments	(\$ 3,986)
Overlay	(\$ 25,000)
<b>(B) Estimated State &amp; Local Funds</b>	<b>\$ 496,014</b>

LEVY LIMIT CALCULATIONS	
FY20 Levy Limit	\$ 4,215,661
Plus 2.5%	\$ 105,392
Plus New Growth	\$ 20,000
FY21 Levy Limit	\$ 4,341,053
Plus Debt Exclusion for FY21	\$ 141,448
<b>(A) FY21 Maximum Allowable Levy</b>	<b>\$ 4,482,501</b>



<b>FROM OTHER AVAILABLE FUNDS</b>			
	<b>CURRENTLY AVAILABLE</b>	<b>FY21 REQUESTED</b>	<b>BALANCE</b>
Free Cash	\$ 378,835	\$ 298,835	\$ 80,000
Animal Control (RF)	\$ 9,188	\$ 6,125	\$ 3,063
Overlay Surplus (BOA)	\$ 45,810	\$ 26,000	\$ 19,810
<b>ENTERPRISE FUNDS</b>			
WWTP (EF)	\$ 184,371	\$ 184,371	\$ 0
Broadband (EF)	\$ 374,140	\$ 374,140	\$ 0
<b>(C) From Other Available Funds</b>	<b>\$ 992,344</b>	<b>\$ 889,471</b>	<b>\$ 102,873</b>



## TOTAL AVAILABLE FUNDS

<b>FY21 EXCESS (DEFICIT)</b>	
(A) FY21 Maximum Allowable Levy	\$ 4,482,501
(B) Estimated State & Local Funds	\$ 496,014
(C) From Other Available Funds	\$ 889,471
<b>TOTAL AVAILABLE FUNDS</b>	<b>\$ 5,867,986</b>
<b>TOTAL FUNDS REQUESTED FY21</b>	<b>\$5,424,364</b>
<b>EXCESS (DEFICIT)</b>	<b>\$443,622</b>



## ASHFIELD'S FINANCIAL WELL-BEING

- To keep the Reserve Margin in the 10% - 15% range recommended in Ashfield's Financial Policies, the Total Reserves must remain between \$542,964 and \$813,665.
- Given the \$504,774 in Stabilization, Free Cash must remain between \$37,663 and \$308,891.

FY21 RESERVES	
Free Cash	\$ 80,000
Stabilization	\$ 504,774
<b>Total Reserves</b>	<b>\$ 584,774</b>
<b>Reserve Margin</b>	<b>10.8%</b>





# COST DRIVERS

## **Education (-2.2%), -\$62,229,**

- This reflects a modified budget submitted by the school district. The district was required by the state to plan a 1/12 budget based on FY20 state funding. This budget will be in place for the first few months of FY21.
- Given significant decreases expected in state funding, and potential increases to local costs that could result from ongoing safety precautions related to the pandemic, this number will undoubtedly change.

## **Public Works (9.5%), \$65,331**

- Increased Recycling costs will add \$31,293 to the FY21 budget.
- Highway Labor costs will increase by \$32,418. This is largely due to (1) hiring a replacement for an employee who has retired, and (2) increasing a laborer position from part time to full time

## **Health & Human Services (21.3%), \$11,456**

- The majority of the increase is due to Ashfield's \$9,514 share of the cost of benefits for Senior Center personnel.



## **COST DRIVERS**

### **Benefits (8.3%), \$16,163**

- Virtually every year the cost of employee and retiree benefits increases.

### **Warrant Articles (50.1%), \$221,227**

- Ashfield's assessment for the HAEMS Ambulance has increased by \$15,961.
- The Broadband Enterprise Fund has increased by \$368,100 due to the revenues and expenses expected for FY21.



## How Does This Affect YOU?

- Fiscal Year 2020:
  - The Average Single Family Valuation was **\$267,378**
  - The Average Single Family Tax Bill was **\$4,455**

Given the budget currently proposed for Fiscal Year 2021:

- The estimated Tax Rate is \$15.48 per \$1,000 of Valuation
- The estimated Tax for the Average Single Family Valuation is:

$$\$267.378 \times \$15.48 = \mathbf{\$4,139}$$

- The estimated Decrease in the Average Single Family Tax Bill is:

$$\$4,455 - \$4,139 = \mathbf{\$316 \text{ Decrease for FY21}}$$



## ADDITIONAL INFORMATION

### Things to Consider

- Broadband financing will affect Ashfield's annual budget and tax rate for approximately the next decade.
- Massachusetts legislators are currently struggling with a shortfall of at least \$5 billion in revenues that will have a significant impact on state funding for and potentially beyond FY21.
  - Ashfield will receive less funding than anticipated from the state in FY21. Senator Hinds' office recommends that, until we know how much we will receive, we use the amount we received in FY10 as an estimate for FY21 state funding.
  - The MTRSD has been informed by the state that districts should plan on at least a 20% reduction in aggregate state aid for FY21. As a result, the District has sent a "1/12 budget" to the Department of Elementary and Secondary Education (DESE) for approval. This budget will assume the same level of revenue monthly as the district received in FY20. The District will operate on this 1/12 budget for at least the first several months of FY21.
- Local Receipts in Ashfield have been less than anticipated recently. If this trend continues it may affect the local receipts for FY21.



## Possible Implications for the FY21 Budget & Funding

- The FY21 Excess(Deficit) table shows that there is currently \$443,622 of Total Available Funds that have not been used in the FY21 budget. This amount can offset some unexpected funding shortfalls.
- The original FY21 MTRSD budget was higher by approximately \$57,000 per month than the 1/12 budgets will be, which should help to compensate for some of the expected state funding shortfall.
- Changes may need to be made to the FY21 budget based on information not currently available. This could affect the overall budget as well as the estimated tax rate.