

# FINANCIAL FORECAST | TOWN OF HOLLAND

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A COMMUNITY COMPACT CABINET INITIATIVE

JULY 2017



# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

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**PREPARED BY:**

**DLS | Technical Assistance Bureau**

100 Cambridge Street, Boston, MA 02114

[www.mass.gov/dls](http://www.mass.gov/dls)



# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

Michael J. Heffernan  
Commissioner of Revenue

Sean R. Cronin  
Senior Deputy Commissioner

July 5, 2017

Board of Selectmen  
Town Hall  
27 Sturbridge Road  
Holland, MA 01521

Dear Board Members,

I am pleased to present the enclosed financial forecast for the Town of Holland as part of the Baker-Polito Administration's Community Compact Cabinet initiative. This collaborative program strives to create clear mutual standards, expectations, and accountability for both the state and municipalities. It is my hope that our guidance provides direction and serves as a resource for local officials as we build better government for our citizens.

If you have any questions regarding the report, please contact Zack Blake, Technical Assistance Bureau Chief, at (617) 626-2358 or [blakez@dor.state.ma.us](mailto:blakez@dor.state.ma.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Sean R. Cronin".

Sean R. Cronin  
Senior Deputy Commissioner



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## INTRODUCTION

At the request of the board of selectmen, the Division of Local Services (DLS) Technical Assistance Bureau (TAB) developed a five-year financial forecast for the Town of Holland. This project is the result of the Community Compact Cabinet initiative ([www.mass.gov/CCC](http://www.mass.gov/CCC)), whose goal is to encourage the implementation of municipal best practices that promote good governance by fostering efficiency, accountability, and transparency in local government. In addition to developing the forecast, TAB drafted financial policies to fulfill a separate CCC request, which is being provided in a separate report.

As a best practice, a financial forecast is an essential planning and policymaking tool that projects revenues and expenditures over a multiyear period. It is designed to allow a municipality to evaluate the impact of various decisions and policy choices over time (e.g., development and growth, collective bargaining, capital planning, long-term obligations, etc.). As a living document, the forecast includes reasonable assumptions that must be continually evaluated and updated to reflect changing circumstances and events. By doing so, it provides a fair representation of the community's fiscal future to help guide the budget and strategic planning processes.

To develop Holland's forecast, a team from TAB met with local officials, reviewed budget related documents, and analyzed financial data. This report breaks down the various revenue and expenditure components and provides the assumptions used to construct a five-year financial forecast for the town. It is accompanied by a detailed financial forecasting tool in Excel for local use. The source for all charts and graphs is the DLS databank unless otherwise noted.

## COMMUNITY PROFILE

The Town of Holland is located in the southeast corner of Hampden County on the Connecticut border. It is easily accessed from I-84 and the Mass Pike with central proximity to Boston, Hartford CT, Springfield, and Worcester. Holland's rural landscape is home to 2,500 year-round residents, but with its beautiful natural resources and the recreational opportunities provided by the Hamilton Reservoir and Holland Pond, the population more than doubles in the summer months.

Holland approved a FY2017 annual operating budget of \$7.6M to offer a range of municipal services, including police, fire, highway, library, senior and social services, and pre-k through 6<sup>th</sup> grade education at the Holland Elementary School. These services are provided by less than 50 full- and part-time permanent employees, another 50 part-time, seasonal, and on-call employees, and

many additional elected and appointed committee members. To support this budget, the town's average single-family tax bill was \$3,347 on an average single-family home value of \$197,801. By comparison, Holland's tax bill is 85 percent of the county average on home value that are slightly lower than the Hampden average.

Holland is to be commended for recent changes that have promoted structural and financial stability. These include the elections and appointments of new leaders on town policy boards, a shift to quarterly tax billings which are being done timely, a well-functioning financial team, outsourced accounting services, and new budgeting practices that do not include using reserves for operating expenses but for growing the reserve accounts instead. While these accomplishments have improved efficiencies and better positioned the community going forward, there is one last undertaking that has not been addressed: a multiyear forecast. A revenue and expenditure forecast provides a framework for long-term planning, helps a community detect fiscal challenges sooner, enables the development of strategies to address emerging issues, and allows the opportunity to analyze impacts of multiyear contracts and other financial trends.

The timing of this report coincided with the FY2018 budget cycle going into Holland's annual town meeting. As such, the financial forecast for FY2018 uses departmental budget information provided by the finance board, along with the latest information available from other relevant sources, such as state aid amounts.



## FIVE-YEAR FINANCIAL FORECAST

Financial forecasting involves projecting revenues and expenditures over a period of time. This allows the town to identify challenges, analyze different scenarios, and budget sustainably for the future. The attached forecast is intended to:

- Capture annual, data-driven snapshots of the town's financial condition
- Project data for five-year periods
- Integrate with the town's annual budget process and be updated for each budget cycle
- Serve as a public document that provides financial information to the community, town meeting, and relevant boards and committees
- Protect or otherwise enhance the town's credit rating

In the accompanying Excel workbook, we provide a five-year forecast with summary pages and detailed revenue and expense worksheets. The summary shown on the following page displays the general fund and indicates the amount of available discretionary funds available (surplus) or the revenue gap (shortfall). Also presented are key accounts, with projected fiscal year-end balances based on annual appropriations to the accounts, consistent with policy or practice, nominal annual interest, and no planned transfers from the accounts. On succeeding pages, we define each major revenue and expenditure category in greater detail along with the assumptions used to build the forecast.

## FIVE-YEAR FINANCIAL FORECAST

### Summary of Projected Revenues and Expenditures

Revenues	FY2016 Budget	FY2017 Budget	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected
Property Tax Levy	5,051,045	5,204,720	5,381,136	5,550,664	5,724,431	5,902,542	6,085,106
State Aid Cherry Sheet	1,368,806	1,446,986	1,504,140	1,494,728	1,504,455	1,509,751	1,519,739
Estimated Local Receipts	334,581	429,000	417,665	423,400	429,306	435,284	441,335
Free Cash	282,435	257,032	279,183	-	-	-	-
Available Funds/Other Financing	38,908	251,553	39,000	-	-	-	-
<b>Total Revenues</b>	<b>7,075,775</b>	<b>7,589,291</b>	<b>7,621,124</b>	<b>7,468,792</b>	<b>7,658,192</b>	<b>7,847,577</b>	<b>8,046,180</b>
<b>Total Revenues Percentage Change</b>		7.3%	0.4%	-2.0%	2.5%	2.5%	2.5%

### Expenditures

General Government	399,130	507,310	470,009	475,769	481,673	487,724	493,927
Public Safety	385,119	403,127	380,520	384,216	388,005	391,888	395,868
Education	3,883,182	4,027,321	4,081,939	4,222,055	4,337,276	4,455,697	4,577,410
Public Works/Cemetery	579,573	597,524	631,649	638,574	645,672	652,948	660,405
Health and Human Services	102,836	104,452	110,464	112,036	113,648	115,300	116,993
Culture & Recreation	65,463	84,899	93,476	94,961	96,484	98,044	99,644
Debt Service/Capital Plan	249,677	274,190	102,472	100,184	100,075	6,000	6,000
State Assessments	18,634	15,810	48,264	53,383	53,504	53,628	53,753
Fixed Costs/Benefits	605,916	678,500	735,947	754,401	818,440	888,462	965,035
Risk Management	85,460	100,649	111,324	117,447	123,906	130,721	137,911
Misc./Other Uses	99,517	404,232	398,598	159,079	160,973	162,867	164,853
Other Amounts Raised	323,582	391,278	398,761	399,885	401,031	402,201	403,393
<b>Total Expenditures</b>	<b>6,798,088</b>	<b>7,589,291</b>	<b>7,563,423</b>	<b>7,511,990</b>	<b>7,720,688</b>	<b>7,845,480</b>	<b>8,075,192</b>
<b>Total Expenditures Percentage Change</b>		11.6%	-0.3%	-0.7%	2.8%	1.6%	2.9%
<b>General Fund Surplus/(Shortfall)</b>	<b>277,686</b>	<b>0</b>	<b>57,701</b>	<b>(43,199)</b>	<b>(62,497)</b>	<b>2,097</b>	<b>(29,012)</b>

<b>GRAND TOTAL REVENUES</b>	<b>7,075,775</b>	<b>7,589,291</b>	<b>7,621,124</b>	<b>7,468,792</b>	<b>7,658,192</b>	<b>7,847,577</b>	<b>8,046,180</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>6,798,088</b>	<b>7,589,291</b>	<b>7,563,423</b>	<b>7,511,990</b>	<b>7,720,688</b>	<b>7,845,480</b>	<b>8,075,192</b>
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### COLA Impact

<b>GF Financial Impact of COLA Increase</b>				16,107	32,775	50,023	67,870
<b>Total Surplus/(Shortfall) after COLA</b>				<b>(59,306)</b>	<b>(95,272)</b>	<b>(47,926)</b>	<b>(96,882)</b>

Fiscal Year-End Balances	Balance 06/30/2015	Balance 06/30/2016	Projected 06/30/2017	Projected 06/30/2018	Projected 06/30/2019	Projected 06/30/2020	Projected 06/30/2021
General Stabilization	390,910	391,556	425,949	488,278	490,719	493,173	495,639
<b>General Stab Fund as % of Budget</b>	<b>5.8%</b>	<b>5.2%</b>	<b>5.6%</b>	<b>6.5%</b>	<b>6.4%</b>	<b>6.3%</b>	<b>6.1%</b>
Road Improvement Stabilization	67,024	102,313	32,572	86,781	162,276	240,053	320,121
Capital Stabilization	65,049	91,217	52,293	78,684	144,403	210,450	276,827
OPEB	52,788	77,788	102,788	127,788	152,788	177,788	202,788

## REVENUES

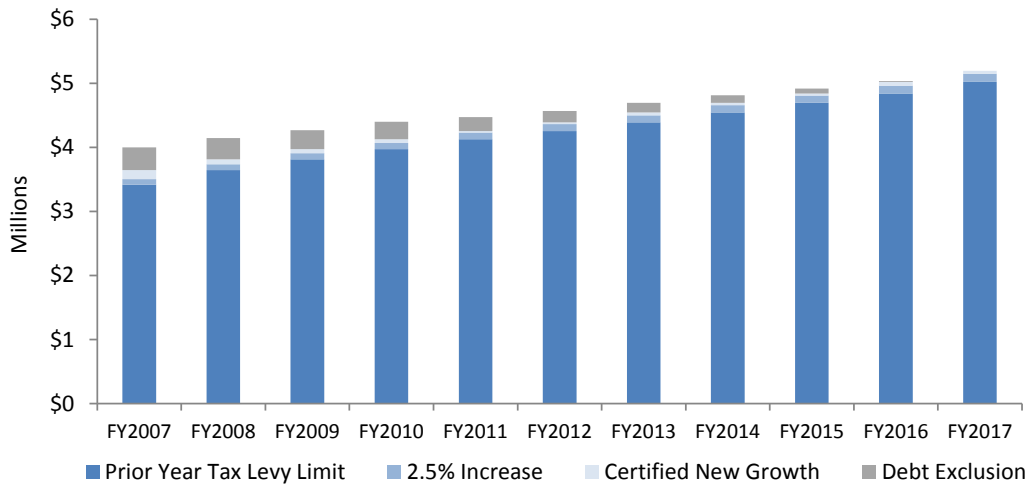
We recommend a moderately conservative approach to forecasting revenues. After reviewing historical information, conservative assumptions should be made about dollar or percentage adjustments to the current year's revenues to arrive at projections for the first forecast year. The same analysis should be made for each successive year, and the forecast should be revised as new information becomes available or as circumstances change. If projected revenues increase (e.g., Governor's budget, new growth, user fees, and free cash), then a corresponding expenditure increase may be made to the recommended operating or capital budget. Alternatively, the potential revenue gain could be diverted to reserves or be left unexpended and allowed to close at year-end to free cash. However, in the case of decreased projected revenues, difficult decisions will be required to balance the budget.

### TAX LEVY

The property tax levy is the revenue a community raises through real and personal property taxes, with year-to-year increases constrained by Proposition 2½. The annual growth in the tax levy limit increases automatically by 2.5 percent over the previous year's levy limit, plus an allowance for certain new construction and other additions to the tax rolls, known as new growth. A community may choose to increase its levy limit permanently through a voter-approved override or temporarily through a debt exclusion or capital outlay expenditure exclusion.

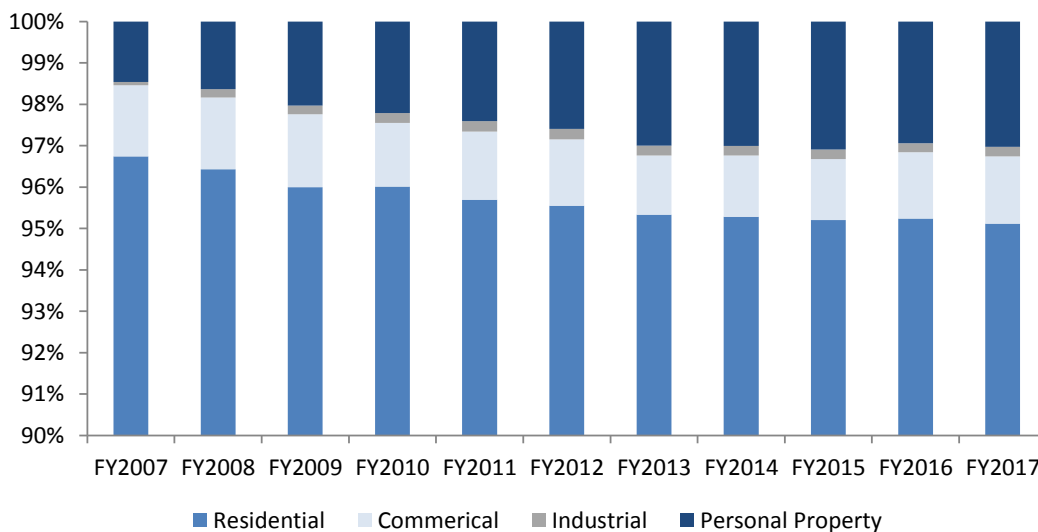
For 2017, Holland's property taxes were just over \$5.2M. With no operational overrides since FY1995, the levy's growth has been strictly attributable to the 2.5 percent annual increases and minimal new growth. Overall, Holland's levy has grown 30 percent since 2007, significantly less than the majority of communities in the county.

### TAX LEVY COMPONENTS



The real estate portion of the tax levy consists of property classified as residential, open space, commercial or industrial. In Holland, as with many small communities, the vast majority of the total assessed value is attributable to the residential class. The non-real estate portion is personal property, which generally includes utilities, goods, equipment, furniture, other movable objects, and second-home furnishings. With Holland’s substantial recreational opportunities, almost 25 percent of its residences are second homes, which provides for a slight increase in the personal property levy. Limited commercial and industrial complete the mix.

### TAX LEVY BY CLASS

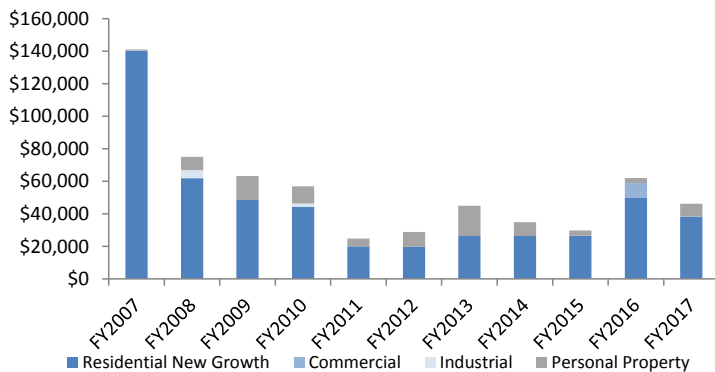


**New Growth:** New growth represents additional value added to the property tax base from new construction or improvements to existing properties. It can indicate whether or not the community

is experiencing positive real estate development, and in turn, what to expect in terms of property tax growth. Conversely, it also can show what, if any, new expenditures to anticipate with new developments (e.g., additional school children, public infrastructure, etc.). Town officials should consult with their local community development and building departments about permits and proposed construction within the town or in other nearby communities that might impact this analysis.

Assessors must value all real and personal property within their communities as of January 1 each year for the following fiscal year. Given Holland’s very limited and mostly fixed industrial and commercial base and moderate annual personal property growth, its new growth is driven by the construction and renovation of single-family homes. Trends in new growth follow the general economy, and as with most communities, Holland saw a sharp decline with the 2008 recession. Since bottoming out in FY2011, there has been a moderate increase, but FY2017 growth is still only a third of the pre-recession activity. Because of these trends, it is useful to analyze multiple time periods when making projections. As illustrated below, Holland’s ten-, five-, and three-year total new growth averages are relatively close. Therefore, with no known new development for the community, new growth in this forecast is conservatively projected at close to 75 percent of the ten-year average. The assessors submit new growth and property value information to DLS on Schedule LA-13, typically in the fall. The forecast should be updated to reflect new growth once it is certified by DLS.

*NEW GROWTH BY CLASS*



*NEW GROWTH AVERAGES THRU FY2017*

	Average Over Last 10 Years	Average Over Last 5 Years	Average Over Last 3 Years
Residential	36,246	33,547	38,321
Commercial/Industrial	1,598	1,820	3,014
Personal Property	<u>8,882</u>	<u>8,262</u>	<u>4,734</u>
Total	\$46,726	\$43,629	\$46,070

**Debt Exclusions:** In FY2016, the debt service on the high school was retired, marking the last of the outstanding excluded debt. Any additions or changes to excluded debt should be updated on the forecast’s debt worksheet to adjust the total tax levy. Debt exclusion information is entered on Schedule DE-1 on the tax rate.

## STATE AID

This is the combination of program revenues and reimbursements a community receives from the state as reported on the cherry sheet, which is the official notification from DLS of estimated aid to be paid and charges to be assessed. Aid proposals begin with the Governor's budget to the legislature in late January and continue through the spring into June, when the House and Senate approve the final budget. The state budget progress, reflecting each aid proposal and cherry sheet updates may be found on the DLS Municipal Databank/Local Aid Section's webpage, <http://www.mass.gov/dor/local-officials/municipal-databank-and-local-aid-unit/>.

The FY2018 figures used in this forecast are based on the Senate Ways and Means (SWM) budget proposal issued in mid-May and should be updated in the forecast as the state budget process unfolds.

**Chapter 70:** Using complex formulas, the Department of Elementary and Secondary Education (DESE) annually determines the total school foundation budget, minimum local contributions, and allocations of foundation budget between local and regional school districts. DESE then calculates the distribution of Chapter 70 educational aid and determines required net school spending (NSS) amounts. A community's required local contribution is a historical figure that takes into account an estimate of the percentage change in revenue growth (municipal revenue growth factor, or MRGF), enrollment trends, and inflation levels from the previous year. As a member of the Tantasqua Regional/School Union 61 Districts, Holland receives Chapter 70 aid only for students attending Holland Elementary School. After elementary school, school funding follows the students to Tantasqua Regional Middle and High Schools. More information may be found on DESE's school finance webpage, [www.doe.mass.edu/finance](http://www.doe.mass.edu/finance).

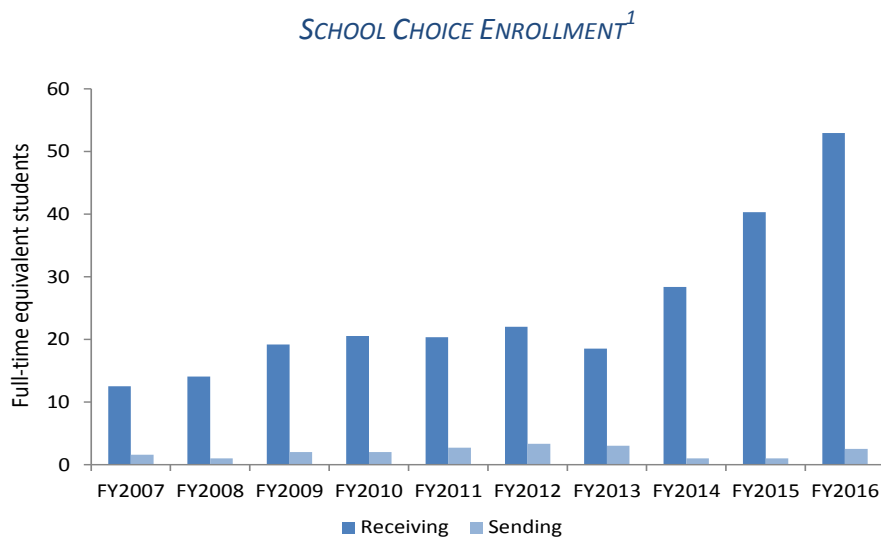
Although Holland Elementary School's enrollments have steadily declined, the town has been spending above its foundation budget, making Holland a minimum aid community. In the SWM FY2018 budget proposal, minimum aid is set at \$30 per pupil, which is an increase of \$4,560 in Chapter 70 educational aid from FY2017. This forecast includes the SWM FY2018 proposal and DESE's preliminary amounts (see the NSS worksheet). Total foundation budget and enrollments are not projected to increase from the FY2018 figures.

**Charter Tuition Assessment Reimbursement:** Charter tuition aid reimburses sending districts a portion of the costs associated with pupils attending charter schools. Cherry sheet estimates are derived from projecting upcoming school year enrollment and tuition rates using data collected

each year from charter schools. The reimbursement formula provides aid for the tuition of new students over a six-year schedule. Subject to appropriation in the final state budget, the first-year reimbursement is 100 percent, and then it will be 25 percent in each of the next five fiscal years. Annual adjustments are also made for tuition increases for existing students.

With the opening of the Old Sturbridge Academy Charter School in August 2017, the students of Holland Elementary School will have a local charter school alternative. In this forecast, the FY2018 sending figure is based on the SWM budget (two students), and it decreases to 25 percent of that for the remaining years, according to the funding formula. This will need to be updated for any additional Holland students who may attend the charter school.

**School Choice Receiving Tuition:** Holland Elementary School receives students through the school choice program. Because these students are not included in the foundation budget or counted in the enrollment, tuition received cannot be used to meet NSS requirements. These funds are deposited to a school choice revolving fund and available for expenditure by the school committee without further appropriation. The forecast includes the FY2018 proposed amount, and although the number of choice-in students has increased dramatically, it projects no further increase because this will not impact the town’s appropriation for education or foundation budget support maintenance.



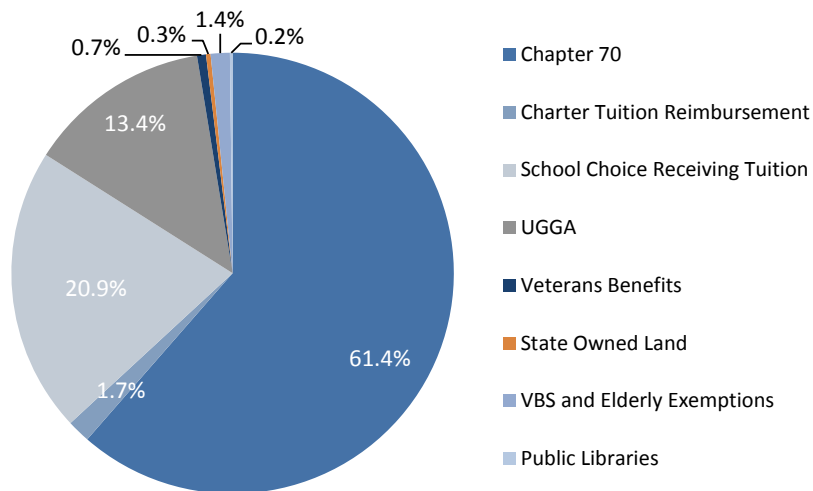
<sup>1</sup> Department of Elementary and Secondary Education

**Unrestricted General Government Aid (UGGA):** Based on equalized property valuation (EQV) and population, UGGA is funded from lottery and gaming revenue to provide general purpose assistance. Although increasing each of the last five years, UGGA in the two previous years declined, and a conservative 2.5 percent annual increase is forecast.

**Other Local Aid Accounts:** Holland receives reimbursements for veterans benefits, certain local property exemptions, and state-owned land. Reimbursement for veterans benefits is 75 percent of the amounts spent for allowable financial, medical, and burial benefits in the previous fiscal year. Property tax exemptions granted by the town to qualifying veterans, blind persons, surviving spouses, and elderly persons are fully reimbursed. Revenues lost due to tax-exempt, state-owned land are reimbursed based on property values and the latest three-year statewide average tax rate. Because each of these categories is based on the town’s actual experience, the aid amounts can be somewhat predictable. For this forecast, veterans benefits, reimbursements for exemptions, and state-owned land are all level funded.

To encourage and supplement library services and resources, the state provides additional aid for public libraries to use strictly for library purposes. This amount offsets a corresponding appropriation and is also level funded.

*FY2018 SENATE WAYS AND MEANS PROPOSED STATE AID*

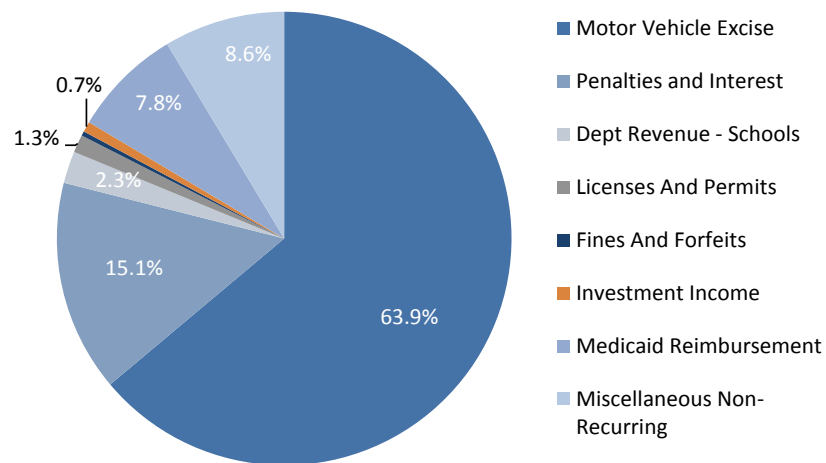




## LOCAL RECEIPTS

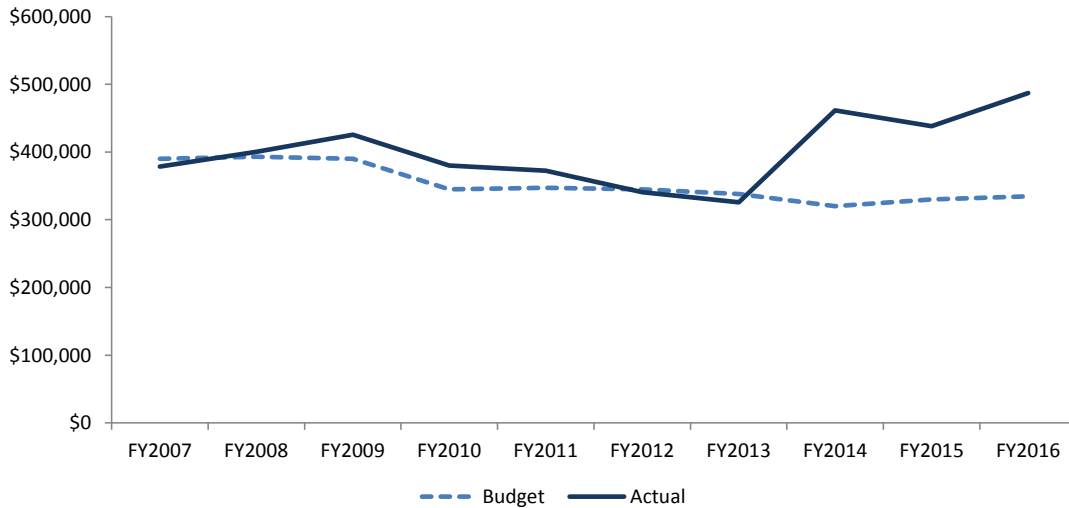
**Local Receipts:** Local receipts are locally generated revenues other than real and personal property taxes, such as motor vehicle excise, penalties and interest, investment income, charges, and fees. Budgeted at \$429,000 in FY2017, local receipts comprise close to 6 percent of Holland’s anticipated revenue. Historically in Holland, motor vehicle excise has comprised around 65 percent of this revenue category.

*FY2016 ACTUAL LOCAL RECEIPTS*



Local receipts generally reflect the health of the local economy and can significantly impact free cash. Policymakers should consider any negative trends as warning indicators. Since FY2013, Holland’s estimated local receipts have steadily increased while also consistently remaining below actual revenue received. A narrowing spread between actual and budgeted amounts underscores the importance of making conservative estimates.

### BUDGET TO ACTUAL LOCAL RECEIPTS



All receipt categories have been conservatively forecast at a growth of 1.5 percent (see the *Local Receipts* worksheet). Officials should monitor these receipts by comparing budget to actual to ensure that forecast figures continue to be reasonable. Local receipts are found on Page 3 the tax recap.

### AVAILABLE FUNDS/OTHER FINANCING SOURCES

Aside from the tax levy, state aid, and local receipts, a community may be able to draw on other funding sources. These can include appropriations of reserves, such as available free cash and stabilization funds, as well as other recurring or nonrecurring sources of revenue and special revenue sources, like Chapter 90 highway funds and receipts reserved for appropriation. Holland's FY2017 budget funding includes \$508,585 of available funds, \$257,032 of which is the total free cash certified as of July 1, 2016.

Communities primarily maintain reserves to have budgetary flexibility for unexpected events and significant disruptions in revenue-expenditure patterns and to provide a source of available funds for future capital expenditures. Not recommended but sometimes necessary, a town may appropriate from reserves to fund some portion of the current budget, in effect using one-time revenue. As a best practice, the use of free cash, stabilization fund, or any nonrecurring revenue to support the operating budget, reduce the tax rate, or pay any recurring expenditures should be avoided.

**Free Cash:** A community’s free cash represents the amount of unrestricted funds available for appropriation that have been certified by DLS as of July 1. On average, Holland’s annual certified free cash has been approximately \$230,000 for the last five years (July 1, 2012 through July 1, 2016), compared to an annual average of \$66,000 for the previous five years (July 1, 2007 through July 1, 2011). This turnaround is in part due to more conservative budgeting of local receipts, as was shown on the previous page.

Each year, the town has appropriated the total certified free cash balance for snow and ice deficits, one-time expenditures, debt service, and building stabilization reserves. Since free cash results from the spending and collection activity within a given fiscal year, it is vitally important that it not be routinely used to balance the budget, as there is no guarantee the free cash used to balance this year’s budget will be available for next year’s expenses. Any unappropriated free cash at year-end is added to the succeeding year’s certification. Communities are encouraged to retain a minimum percent of free cash to provide a positive starting balance for the following year.

*FREE CASH APPROPRIATIONS*

Free Cash Appropriations							
Fiscal Year	Certified Amount	Current Budget	Snow & Ice Deficit	General Stabilization Fund	Other Stabilization Funds	Capital Projects/ Other	Total
2011	189,767	93,000	-	100,000	-	-	193,000
2012	13,923	-	-	86,150	89,767	13,750	189,667
2013	220,942	-	-	2,678	-	11,245	13,923
2014	108,319	-	-	80,942	-	140,000	220,942
2015	282,435	44,779	53,540	-	-	10,000	108,319
2016	257,032	-	106,870	-	-	175,565	282,435
2017	279,183	172,000	16,779	29,393	15,000	23,860	257,032

**Stabilization Funds:** Holland has six stabilization funds established for different purposes as allowed in [M.G.L. c. 40, §5B](#): general, capital, road improvement, dam maintenance, cyclic expenses, and catch basin. Since FY2010, there has been an effort to increase the general stabilization fund balance, while at the same time plan and save for other known expenses, such as the roads, dam, and routine capital. Balances accumulated in stabilization funds automatically carry forward from one fiscal year to the next, including earned interest.

A historical analysis of reserve levels allows the town to identify negative trends and plan proactively. The Government Finance Officers Association recommends that communities reserve between 5 and 15 percent of net operating revenue. Furthermore, credit rating agencies look more favorably on communities with healthy reserve levels. The following table shows Holland’s stabilization fund balances relative to its total general fund budget from FY2010 to FY2016. Even with a limited stabilization funding plan and consistent use of free cash, the town has managed to keep the total reserve balance above 6 percent. Nevertheless, local officials should adhere to clear policies on when to appropriate from reserve funds and to designate a safe target balance.

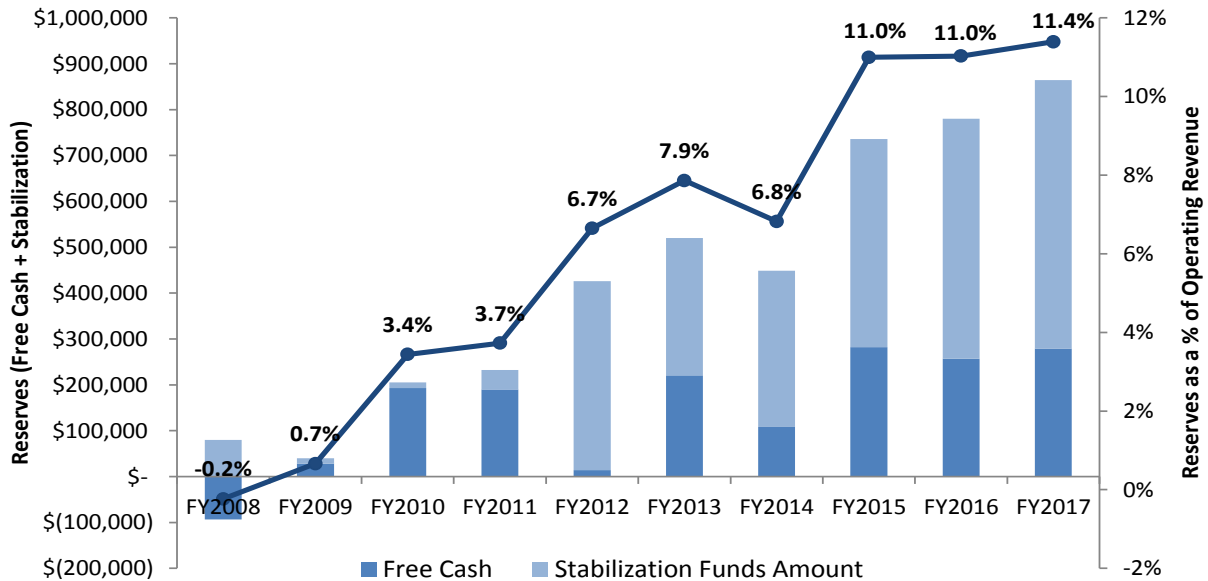
As with free cash, Holland has effectively built up its stabilization reserves in recent years. From 2007 through 2011, the average annual total balance of the funds was \$111,500. However, this total grew to an annual average of \$440,000 in the years 2012 through 2016 as shown below.

*FISCAL YEAR-END STABILIZATION FUND BALANCES*

<b>Stabilization Funds</b>									
<b>Fiscal Year</b>	<b>General</b>	<b>General Stabilization as % of GF Budget</b>	<b>Catch Basin</b>	<b>Road Improvement</b>	<b>Capital</b>	<b>Dam Maintenance*</b>	<b>Cyclic Expense*</b>	<b>Total all Funds</b>	<b>Total Stabilization as % of GF Budget</b>
2010	42,216	0.7%	260	-	-	-	-	42,476	0.7%
2011	228,694	3.6%	260	182,920	-	-	-	411,874	6.4%
2012	232,193	3.5%	260	66,599	-	-	-	299,052	4.5%
2013	273,522	4.2%	260	66,789	-	-	-	340,571	5.2%
2014	386,492	5.8%	260	66,924	-	-	-	453,676	6.8%
2015	390,910	5.5%	260	67,024	65,049	-	-	523,243	7.4%
2016	391,556	5.2%	260	102,313	91,217	-	-	585,346	7.7%

\*These funds were established at the May 2016 Annual Town Meeting with an initial appropriation to be made in FY2017

*FREE CASH AND STABILIZATION FUNDS BALANCES*



**OPEB Fund:** The town adopted [M.G.L. c. 32B, §9A](#), establishing an other postemployment benefits (OPEB) fund. OPEB refers to benefits other than pensions that are earned during an employee’s active working career but not actually paid until after the employee retires. By far, the most significant of these is health insurance, but they may also include life insurance, dental, or other benefits. Since FY2015, Holland has annually appropriated \$25,000 into its OPEB Fund. Future annual contributions of \$25,000 are projected.

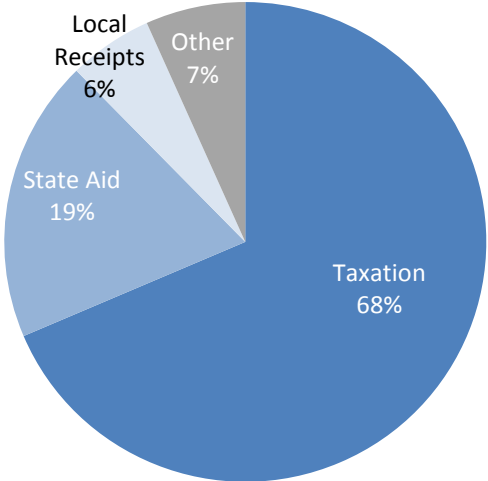
**Overlay Surplus:** Any balance in the overlay reserve account in excess of the remaining amount of the warrant to be collected or abated may be certified by the assessors as surplus and appropriated for any lawful purpose. Although Holland does not routinely use overlay surplus as an available source, it was used it to supplement FY2016’s budget, leaving an account balance of just over \$76,000. The overlay account should be reviewed annually as part of the budget process to determine if a portion can be declared surplus. Any unappropriated overlay surplus at the end of the fiscal year becomes free cash. The forecast does not project the availability or use of overlay surplus over the next five years. Overlay amounts can be found Schedule OL-1 of the tax recap.

**Chapter 90/Highway Funds:** Based on an analysis of Holland’s road miles, population, and employment, the Massachusetts Department of Transportation annually notifies the town of Chapter 90 highway grant funds. Because expending Chapter 90 funds no longer requires annual appropriation, the forecast does not include projections.

**REVENUE SUMMARY**

The Revenues worksheet has formula links to the *New Growth, Net School Spending (NSS), Local Receipts,* and *Available Funds* worksheet and from them calculates a grand total.

*FY2017 TOTAL BUDGET REVENUE*  
*\$7,589,291*



## EXPENDITURES

Holland should determine a particular approach for forecasting expenditures. Options to consider are a maintenance (level service) budget, a level funded budget, or a budget that adjusts expenditures by a specified percentage increase or decrease (either across the board or by department).

A maintenance budget projects what it costs to maintain the current level of staffing and mix of services into the future. Negotiated collective bargaining cost increases, salary step increases, and longevity pay can all be projected to the year the contracts end. Possible personnel costs associated with future contracts should not be included because the purpose of the forecast is to determine what revenue is left after the maintenance budget is funded. Because of contractual obligations and the impact of inflation on expenses, a maintenance budget will almost always be greater than the prior year's appropriation.

A level funded budget appropriates the same amount of money to each municipal department and is tantamount to a budget cut from the prior year. Inflation in mandated costs and other fixed expenses still must be covered, usually at the expense of the general government operating budget.

This forecast's operating budget projections are based on a maintenance budget, with no major program changes envisioned in the near future. Increases are projected based on historical expenditures and trends.

### **Municipal Departments**

In this forecast, departments are grouped by major categories that are consistent with required state expenditure reporting (see the *Expenditure* worksheet). These include: General Government, Public Safety, Education, Public Works, Health and Human Services, and Culture/Recreation. Broken out separately are Personal Services, Expenses, and Capital Outlay (i.e., recurring equipment and other purchases with useful life expectancies of less than five years with costs under \$25,000).

**Personal Services:** With the exception of the school department, no employees are covered by collectively bargained contracts, nor are there any wage classification and compensation schedules. Compensation increases are determined by departmental requests and finance board recommendations.

Proposed changes in personnel costs are captured separately in the cost-of-living adjustment (COLA) worksheet. The COLA worksheet estimates the impact of future compensation increases for approval by town meeting. By omitting personnel cost changes, the forecast can determine the remaining revenue. At the same time, the COLA information provides policymakers with a tool to analyze future personnel costs.

For illustration and based on consistent historical appropriations, subsequent years (FY2019 through FY2022) are presented with annual 2 percent COLA increases for all appointed employees and elected department heads. To consider different scenarios, percentage increases can be entered for each year to generate the estimated impacts. Other elected officials are included on the worksheet without increases.

*FINANCIAL IMPACT OF COLA*

**Financial Impact Analysis**

		0%	2%	2%	2%	2%	
	FY2016 Actual	FY2017 Budgeted	FY2018 Budgeted	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2021 Projected
<b>Town Compensation Plan</b>							
General Government	82,811	99,752	110,113	110,113	110,113	110,113	110,113
Police	157,917	169,066	174,510	174,510	174,510	174,510	174,510
Firefighters	31,078	34,561	35,598	35,598	35,598	35,598	35,598
Inspectional Services	19,559	21,705	22,194	22,194	22,194	22,194	22,194
Public Works	204,676	214,309	221,479	221,479	221,479	221,479	221,479
Human Services	36,518	43,197	46,069	46,069	46,069	46,069	46,069
Culture/Recreation (Library)	30,907	33,074	34,066	34,066	34,066	34,066	34,066
Town Compensation	563,465	615,664	644,029	644,029	644,029	644,029	644,029
<b>Financial Impact of COLA</b>			<b>0</b>	<b>13,067</b>	<b>26,589</b>	<b>40,582</b>	<b>55,061</b>

**Expenses and Capital Outlay:** Expenses are projected to increase by 2.5 percent per year. Historical expenditures have fluctuated greatly by department and require yearly examination for proper funding. Police and public works are the only departments with routine capital outlays which are appropriated in special articles and funded by reserves. These and other capital expenditures are captured in the Miscellaneous/Other Financing Uses section.

**Education**

As stated previously, DESE determines the town’s annual required NSS amount, which is the sum of the Chapter 70 aid plus a required district contribution. The local school’s combined projected choice (sending) and charter tuition assessments, municipal costs, and local school committee appropriations must meet or exceed the projected NSS requirement. Elementary school department expenses are projected to grow at 2.5 percent annually.



As a member of Tantasqua Regional/School Union 61 Districts, Holland sends its middle and high school students to the district schools beginning in grade 7. Holland's funding obligation to Tantasqua is determined by DESE in the same manner as for the Holland Elementary School. The annual NSS amount is assessed to the five member towns based on each town's percentage share of student enrollment. Two additional components not part of the NSS calculation also make up the annual assessment: 1) debt service payments, if any, and 2) transportation costs. Regional school assessments are projected to grow at 3 percent annually and school transportation expenses at 5 percent. The debt for the high school was retired in FY2016.

### **Debt Service and Capital**

Holland currently has one long-term and one short-term debt obligation, having recently retired several short-term issuances and excluded debt. Although we have not projected future debt service for the town, a generally accepted benchmark provides that debt service should be maintained at 5 to 10 percent of operating revenue.

### **Risk Management**

Risk management comprises the town's casualty and liability insurances, including property and auto coverage. It also covers public official bonds, which are provided through the Massachusetts Interlocal Insurance Association (MIIA), and the police and fire Chapter 111F insurance provided by Chubb Insurance. Based on previous experience, these insurances are projected to increase at 5.5 percent annually. The public official bonds are budgeted with the treasurer's expenses.

### **Employee Benefits**

Employee benefits include group health and life insurances, retirement, Medicare, and workers' and unemployment compensations. Combined, these expenditures are \$653,500, or just over 9 percent of the total general fund operating budget approved for FY2017.

**Group Health & Life Insurance:** For permanent employees regularly scheduled for 20 hours or more, Holland offers medical insurance through the Hampshire County Group Insurance Trust and group life insurance through Boston Mutual. The Town continues to provide health and life insurance as postemployment benefits to its eligible retirees. Current approximately 55 active employees are eligible, and about two-thirds of them elect to receive these benefits. Employees pay 35 percent of the premiums, with the town paying the remaining 65 percent. Health insurance costs have fluctuated

greatly over the last several years, there is no certainty as to the cost of future insurance plans, and it is not possible to predict the percentage of employees who will enroll in them. Given these factors, the projected increase is 10 percent annually, but this will need to be carefully monitored.

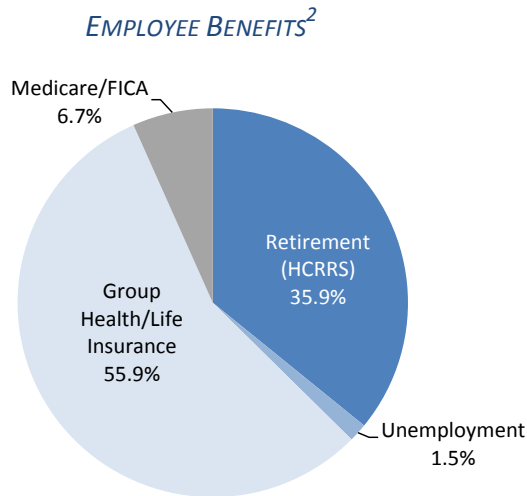
**Retirement:** The town is a member of the Hampden County Regional Retirement System (HCRRS). Permanent employees working a minimum of 20 hours per week and earning at least \$5,000 per year must become members of the HCRRS. This excludes the town's elementary school teachers and other eligible school employees, who must join the Massachusetts Teachers Retirement System. For Holland, less than 30 employees are members of HCRRS. The system's funding schedule increases each year and is estimated to be fully funded in 2037, based on a 7.875 percent assumed rate of investment return. Every other year, an actuarial valuation is prepared that takes into account system activity and investment return, so the numbers will change and should be revised accordingly. The town must make its annual retirement payment by December 31; however, it may make payment on July 1 for close to a 1.2 percent discount. In the January 1, 2016 valuation, the actuary capped the appropriation increases at 8 percent per year and therefore 8 percent was also used in the forecast.

Because economic assumptions about investment earnings, future salary increases, and employee population are some of the driving components used to calculate the required appropriation, any instability in these factors can cause great fluctuations and require this budget item to be monitored and updated as amounts become known.

Part-time, seasonal, or temporary workers who are not eligible to participate in the retirement system must participate in an equivalent retirement plan as permitted by the federal Omnibus Budget Reconciliation Act of 1990 (OBRA). A deferred compensation plan, which has a contribution level of at least 7.5 percent of an employee's gross compensation per pay period, is considered a qualifying retirement plan. All Holland employees not eligible for HCRRS are contributing to an OBRA plan.

**Medicare:** For all employees hired after April 1, 1986, a 1.45 percent Medicare tax is withheld from their paychecks and matching amounts paid by the community. Without a wage schedule or compensation plan, no further wage increases are included in this forecast. Therefore, this line has been forecast with level funding after FY2018. The forecast will need to be revised with any personnel cost changes. A corresponding 1.45 percent increase is factored into the COLA worksheet to more closely approximate the budgetary impact of any wage increase scenarios.

**Unemployment Compensation:** Unemployment compensation is designed to pay benefits to workers who lose their jobs through no fault of their own, and it is funded based on employees' salaries and claims filed. With little activity and never exceeding the appropriated amount, this account is forecast with level funding.



### **OTHER AMOUNTS TO BE RAISED**

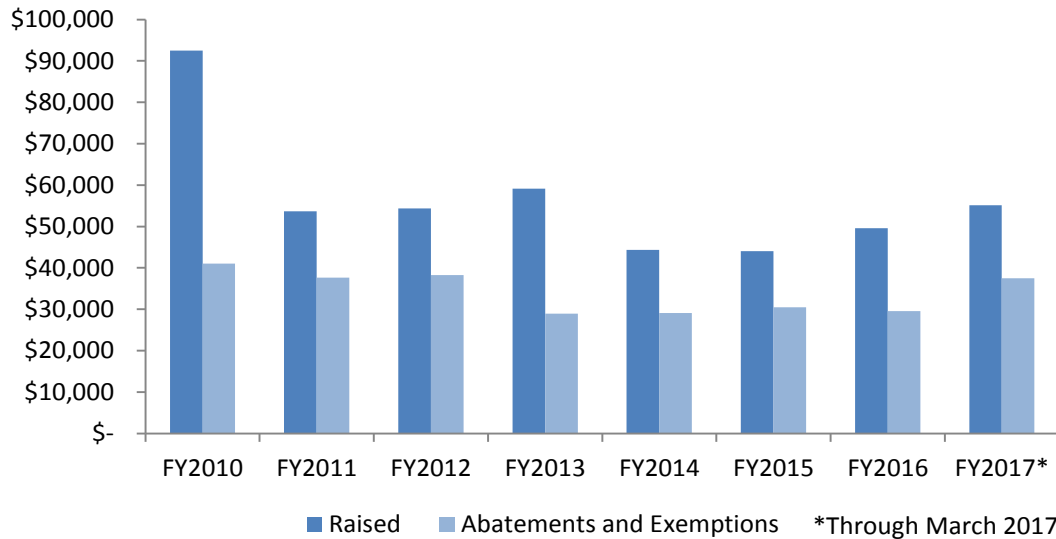
Typically raised on the tax recap sheet rather than through operating budgets, these amounts include prior-year deficits, court judgments, cherry sheet offsets, intergovernmental charges, and the allowance for property abatements and exemptions (overlay). Deficits and court judgments are not forecast and would need to be included in the event something materializes. Cherry sheet offsets are expenses that correspond to the aid the state distributes to Holland for school choice receiving tuition and the Holland Public Library. Because offset amounts must be held in separate accounts and used to support the applicable programs, the expenditure is equal to the revenue.

Holland's overlay account has increased less than 2 percent since FY2011, of which less than 70 percent has been used for abatements and exemptions. The overlay is projected to continue increasing 2 percent annually, keeping pace with the growth in the levy.

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<sup>2</sup> Holland FY2017 Budget

### OVERLAY ACCOUNT



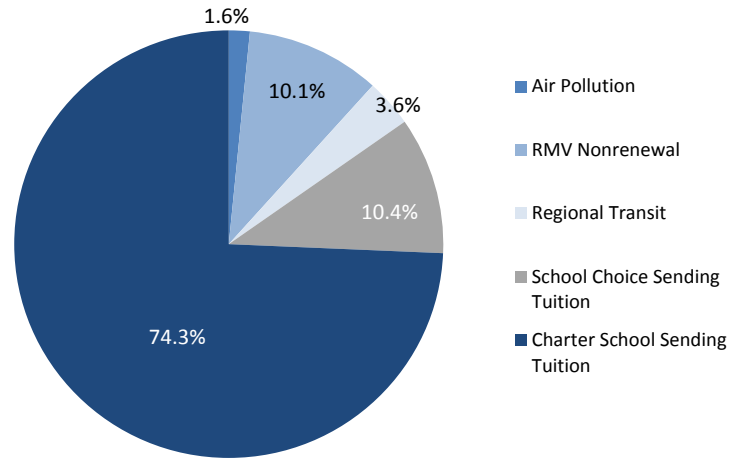
### STATE ASSESSMENTS

Holland pays various state assessments for participating in state and regional programs reported on the cherry sheet. The FY2018 assessment figures used in this forecast are based on the SWM budget proposal, should be monitored throughout the state budget process, and be revised as needed.

Education assessments are the largest and now include school choice sending tuition and charter school sending tuition. Since inception, school choice sending has averaged less than two students; therefore, the assessment remains minimal and is level forecast. Charter schools receive per-pupil payments from sending districts equal to the average cost per student in that district. The initial tuition assessment for the new charter school is for the two currently enrolled students. This item will fluctuate due to annual enrollments and per student costs and is projected to increase 15 percent annually.

Other state assessments include air pollution, regional transit, and Registry of Motor Vehicles (RMV) charges. The forecast projects regional transit and air pollution control assessments to each increase 1.5 percent annually based on historical average changes. The RMV surcharge is a reimbursement to the RMV for marking licenses or registrations for nonrenewal due to nonpayment of taxes or fines. This amount has varied over the last few years and is conservatively forecast to increase 2 percent annually.

*FY2018 SENATE WAYS AND MEANS PROPOSED STATE ASSESSMENTS*



**MISCELLANEOUS/OTHER FINANCING USES**

Miscellaneous expenditures and transfers to other funds include the finance board’s reserve fund, special articles, transfers out of the general fund, and prior-year expenditures.

**Reserve Fund:** The finance board fund has been sufficiently budgeted in the past at \$25,000, and this has been continued in the forecast.

**Other:** Special articles include capital outlay for equipment purchases, building maintenance, and departmental requests, and snow and ice deficits funded from free cash and stabilization funds. In addition, the town has contributed to the general and other special purpose stabilization funds. Local policy should guide the balances of these funds with annual appropriations being made in pursuit of target levels. To continue the practice established by Holland over the last few years and consistent with policy<sup>3</sup>, the forecast provides for the following annual stabilization funds appropriations:

- General: 1 percent of general fund revenues until the balance is at least 5 percent of the general fund budget
- Road improvement: 1 percent of general fund revenues

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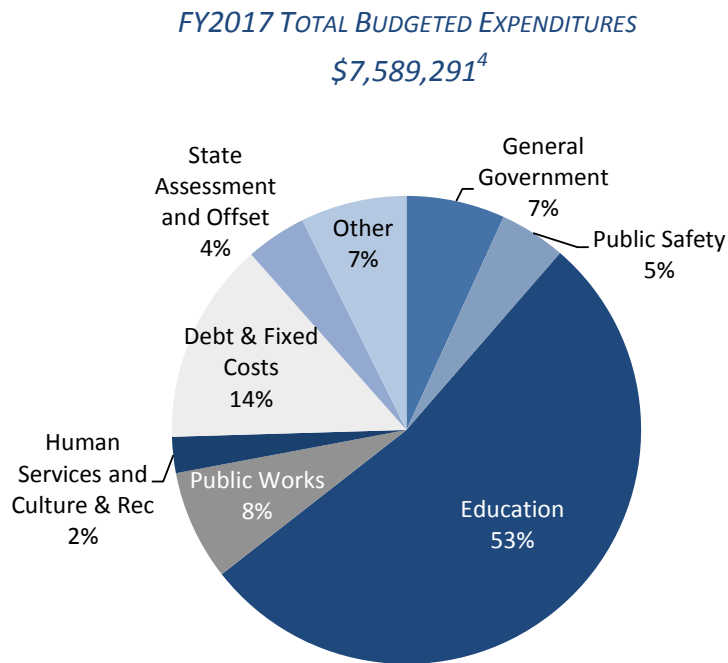
<sup>3</sup> Town of Holland Financial Reserves Policy

- Dam maintenance: \$10,000
- Capital: \$65,000
- Cyclic Expenses: \$9,000

Also continuing is the annual funding of \$25,000 to the OPEB fund. Funding for all these funds is through appropriations as a part of the budget process. This forecast does not project the use of free cash.

Once the tax rate is set, a community may use available funds to supplement the current year's budget through June 30 and report the usage on the subsequent tax recap. In the current budget year, the prior-year expenditures are reported in this group, making sure that the budgeted revenues balance with gross appropriations as reported on the tax recap. When the fiscal year-end closing is completed, expenses would be reflected in the appropriate department from the prior year.

**EXPENDITURE SUMMARY**




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<sup>4</sup> Holland FY2017 Budget

## FORECAST ASSUMPTIONS TABLE

	FY2018	FY2019	FY2020	FY2021	FY2022
<b>REVENUES:</b>					
Levy	<ul style="list-style-type: none"> <li>▪ Conservative new growth estimates</li> <li>▪ Levy to the maximum allowable amount</li> </ul>				
State Aid	<ul style="list-style-type: none"> <li>▪ Chapter 70: payments for Holland Elementary School and made directly to the Tantasqua Regional/School Union 61 District for post 6<sup>th</sup> grade students</li> <li>▪ UGGA increased 2.5 percent annually</li> <li>▪ Veterans benefits level funded</li> <li>▪ Exemptions, state-owned land, and the library offset level funded</li> </ul>				
Local Receipts	<ul style="list-style-type: none"> <li>▪ Conservative projections – 1.5 percent</li> </ul>				
Available Funds/ Other Financing Resources	<ul style="list-style-type: none"> <li>▪ Free cash certifications are not projected</li> <li>▪ Stabilization funds show available balances as calculated on activity through June 2016. Not included as funding sources</li> <li>▪ Chapter 90/Highway Funds are not projected</li> <li>▪ Overlay surplus is not projected</li> </ul>				
<b>EXPENDITURES:</b>					
Personnel Services	<ul style="list-style-type: none"> <li>▪ No existing contracts or compensation plan</li> <li>▪ COLA adjustment worksheet provided to estimate future increases</li> <li>▪ Future COLA increases are included at 2 percent for impact</li> </ul>				
Expenses and Capital Outlay	<ul style="list-style-type: none"> <li>▪ Expenses are projected to increase 2.5 percent annually</li> <li>▪ No projected departmental capital outlay</li> </ul>				
Education	<ul style="list-style-type: none"> <li>▪ Elementary school expenses projected to increase 2.5 percent annually</li> <li>▪ Regional school assessment is projected to increase 3 percent annually and transportation 5 percent annually</li> <li>▪ No current debt assessment</li> </ul>				
Debt Service	<ul style="list-style-type: none"> <li>▪ Based on existing payment schedules</li> <li>▪ Temporary interest is projected to be \$6,000 annually after current obligations are satisfied</li> </ul>				
Capital Plan	<ul style="list-style-type: none"> <li>▪ No projections for a capital plan</li> </ul>				
Risk Management	<ul style="list-style-type: none"> <li>▪ Police &amp; fire accident and property &amp; auto insurances are all projected to increase 5.5 percent</li> </ul>				
Employee Benefits	<ul style="list-style-type: none"> <li>▪ Group health and life insurance are projected to increase 10 percent annually</li> <li>▪ Retirement is projected to increase 8 percent annually</li> <li>▪ Medicare/FICA are level funded</li> <li>▪ Workers' compensation level funded</li> </ul>				
Other Amounts To Be Raised	<ul style="list-style-type: none"> <li>▪ Cherry sheet offsets expenses are equal to the estimated revenues</li> <li>▪ Overlay is forecast to increase 2 percent annually</li> </ul>				
State Assessments	<ul style="list-style-type: none"> <li>▪ State assessments are projected to increase 1.5 percent annually, with RMV surcharge increasing 2 percent annually</li> </ul>				
Miscellaneous	<ul style="list-style-type: none"> <li>▪ Stabilization funds level funded based on current practice                             <ul style="list-style-type: none"> <li>○ General Stabilization – 1% general fund revenues until equal 5% of general fund budget</li> <li>○ Road Improvement Stabilization - 1% general fund revenues</li> <li>○ Dam Stabilization - \$10,000</li> <li>○ Capital Stabilization - \$65,000</li> <li>○ Cyclic Stabilization - \$9,000</li> </ul> </li> <li>▪ Reserve fund is level at \$25,000</li> <li>▪ OPEB continues at \$25,000</li> </ul>				

## UPDATING THE FORECAST

Annually, the town should update the forecast after the end of the fiscal year. The budget fiscal year should be updated to reflect actual expenditures, the current year’s budget entered, and another column added to maintain the five-year forecast model. The process of making these changes is straightforward, but great care should be taken to preserve the spreadsheets and formulas. For these reasons, Holland should create a copy of the forecast in an Excel workbook before proceeding.

**First:** Insert a column after the last displayed year to each worksheet.

**Second:** Highlight the last projected column from the fiscal year to the bottom, and then from the bottom (a + will be in the corner) drag it to the right, creating a copy of the content and all links under a new fiscal year. Repeat this process in each worksheet. There should always be a blank column between the last projected year and the dark gray column preceding the Average Percent Change and/or Projection Percent columns.

FY2022 Projected		Average Percent Change	Projection Percent
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**Third:** Enter actual expenditures for the recently closed fiscal year and the new budget as adopted. The Projection Percent will carry forward to columns added in the above step, although the historical average percentage should be updated to include the recently closed fiscal year.

Particular attention should be paid to:

- State Aid – Enter final estimates.
- Local Receipts – Enter the actual collections on the lower part of the worksheet.
- Available funds – At the close of the fiscal year, the 6/30 available balances for the stabilization funds should be entered. Enter the free cash amount when certified by DLS.
- Debt — Enter from debt service payment schedules.

**Fourth:** When the new tax recap is approved by DLS, review and balance the current year’s budgeted revenues (*Revenues* worksheet) to the recap figures and the budgeted expenditures to the revenues on the Summary worksheet (the total surplus/ (shortfall) should be zero). It is at this time that the new growth, levy limit, total tax levy, estimated receipts, and other amounts to be raised will be finalized.



## ADDITIONAL GUIDANCE

### **Wage and Salary Parameters**

Although the Finance Board typically proposes employee pay increases as part of the budget process, there have been increase requests proposed directly by town meeting attendees, in both circumstances without benefit of compensation plans or schedules. In a 2008 financial management report, TAB recommended Holland conduct a municipal salary survey to verify that personnel earnings are appropriate throughout town and as compared to the region. We also recommended determining employee pay through a job classification schedule based on the level and complexity of work performed and areas of responsibility, with each job group assigned to a corresponding pay scale. We still consider this to be good advice for establishing a more systematic way to plan for personnel costs.

### **Budget Presentation**

Rather than alphabetically, we recommend the town restructure its budget format to be organized by the broad categories contained in the year-end Schedule A report submitted to DLS. By reorganizing the presentation of line-item appropriations, residents and policymakers will gain a clearer picture of where money is spent. The [Schedule A Addendum](#) provides a detailed breakout of the line-items that should appear under each budget category. The current articles that separately appropriate portions of debt service for specific project borrowings should be replaced by a single line item in the operating budget, which displays consolidated debt service amounts by type (i.e., long-term principal, long-term interest, short-term pay down, and short-term interest). These numbers should tie to the debt schedules that the treasurer is required to maintain.

To provide historical context for proposed spending, the budget should also include actual expenditures for the last completed fiscal year and appropriations for the current fiscal year. Additionally, the total amount of the budget being voted and its required funding sources should be clearly identified (e.g., raise and appropriation, appropriate free cash, transfer from stabilization) to represent a balanced budget.

### **Management Structure**

We believe Holland should reexamine the following three recommendations TAB made in the 2008 report.

Centralized management: TAB routinely recommends centralized organizational structures, noting that towns of all sizes benefit from a full-time, professional manager or town administrator in town hall to whom all department heads are accountable and whose role is defined in bylaw. This person has the lead role in providing the type of financial coordination and analysis needed by town policymakers to make informed decisions. Currently, at the selectmen's direction and without bylaw definition, Holland's part-time executive secretary oversees various daily affairs, but functions missing from her assigned responsibilities include management of day-to-day financial operations, preparation of annual and long-term revenue projections, and preparation of the initial draft of the annual budget.

Convert the treasurer and collector to appointed and combine offices: Although Holland's treasurer and collector offices are staffed with knowledgeable, competent professionals, it may be difficult to find capable replacements if one or both of these individuals chooses to leave or retire. Converting these positions to appointed would expand the pool of potential candidates and thereby increase the likelihood of replacing the incumbents with those of equal skill. A vacancy in one or both of these offices would present the opportunity to combine them into one full-time position. Their parallel responsibilities provide the opening for structural efficiencies and potential cost savings. There would probably still be a need for a part-time assistant in each office. However with cross-training, the assistant could cover office responsibilities when needed, providing consistent service to the staff and residents.

## APPENDIX



## REVENUE

	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected
<b>PROPERTY TAX LEVY</b>								
Prior Year Tax Levy Limit	4,711,533	4,859,172	5,043,332	5,215,742	5,381,136	5,550,664	5,724,431	5,902,542
Amended Prior Growth	-	634	-	-	-	-	-	-
2.5% Increase	117,788	121,495	126,083	130,394	134,528	138,767	143,111	147,564
Certified New Growth	29,851	62,031	46,327	35,000	35,000	35,000	35,000	35,000
Override	-	-	-	-	-	-	-	-
<b>TAX LEVY LIMIT TOTAL</b>	<b>4,859,172</b>	<b>5,043,332</b>	<b>5,215,742</b>	<b>5,381,136</b>	<b>5,550,664</b>	<b>5,724,431</b>	<b>5,902,542</b>	<b>6,085,106</b>
Debt Exclusion(s)	76,975	13,298	(1,125)	-	-	-	-	-
Capital Expenditure Exclusion(s)	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-
<b>MAXIMUM ALLOWABLE LEVY ①</b>	<b>4,936,147</b>	<b>5,056,630</b>	<b>5,214,617</b>	<b>5,381,136</b>	<b>5,550,664</b>	<b>5,724,431</b>	<b>5,902,542</b>	<b>6,085,106</b>
LESS Excess Tax Levy Capacity ②	955	5,585	9,897					
<b>TOTAL Tax Levy ③</b>	<b>4,935,192</b>	<b>5,051,045</b>	<b>5,204,720</b>	<b>5,381,136</b>	<b>5,550,664</b>	<b>5,724,431</b>	<b>5,902,542</b>	<b>6,085,106</b>

① DLS, Gateway, Taxrate, Levy Limit

② DLS, Gateway, Taxrate, LA-5

③ DLS, Gateway, Taxrate, Tax Rate Recap, Page 1

### STATE AID CHERRY SHEET

Chapter 70 Education Aid	907,048	911,123	919,098	923,658	928,218	932,778	932,778	937,338
Charter Tuition Reimbursement	-	-	-	25,351	6,338	6,338	6,338	6,338
School Lunch (Offset)	1,014	-	-	-	-	-	-	-
School Choice Receiving Tuition (Offset)	208,347	246,248	299,281	314,631	314,631	314,631	314,631	314,631
Unrestricted General Government Aid	179,600	186,066	194,067	201,636	206,677	211,844	217,140	222,568
Veterans Benefits	3,403	4,101	11,866	9,842	9,842	9,842	9,842	9,842
State Owned land	5,099	5,099	5,038	5,033	5,033	5,033	5,033	5,033
Exemptions VBS and Elderly	13,624	13,445	14,926	20,979	20,979	20,979	20,979	20,979
Public Library (Offset)	2,714	2,724	2,710	3,010	3,010	3,010	3,010	3,010
Adjustment								
<b>TOTAL Cherry Sheet ④</b>	<b>1,320,849</b>	<b>1,368,806</b>	<b>1,446,986</b>	<b>1,504,140</b>	<b>1,494,728</b>	<b>1,504,455</b>	<b>1,509,751</b>	<b>1,519,739</b>

④ [municipal databank and local aid](#)

### ESTIMATED LOCAL RECEIPTS

1. Motor Vehicle Excise	268,000	294,581	311,000	315,665	320,400	325,206	330,084	335,035
2a. Meals Excise	-	-	-	-	-	-	-	-
2b. Room Excise	-	-	-	-	-	-	-	-
2c. Other Excise	-	-	-	-	-	-	-	-
3. Penalties/Interest on Taxes and Excises	35,000	30,000	65,000	65,900	66,800	67,800	68,800	69,800
4. Payment In Lieu of Taxes	1,000	-	-	-	-	-	-	-
5. Charges for Services-Water	-	-	-	-	-	-	-	-
6. Charges for Services-Sewer	-	-	-	-	-	-	-	-
7. Charges for Services-Hospital	-	-	-	-	-	-	-	-
8. Charges for Services-Solid Waste Fees	-	-	-	-	-	-	-	-
9. Other Charges for Services	-	-	-	-	-	-	-	-
10. Fees	15,000	5,000	10,500	10,600	10,700	10,800	10,900	11,000
11. Rentals	-	-	-	-	-	-	-	-
12. Dept. Revenue-Schools	-	-	-	-	-	-	-	-
13. Dept. Revenue-Libraries	-	-	-	-	-	-	-	-
14. Dept. Revenue-Cemeteries	-	-	-	-	-	-	-	-
15. Dept. Revenue-Recreation	-	-	-	-	-	-	-	-
16. Other Departmental Revenue	-	-	-	-	-	-	-	-
17. Licenses/Permits	4,000	3,000	6,000	6,000	6,000	6,000	6,000	6,000
18. Special Assessments	-	-	-	-	-	-	-	-
19. Fines and Forfeits	-	-	1,000	1,000	1,000	1,000	1,000	1,000
20. Investment Income	2,000	2,000	3,500	3,500	3,500	3,500	3,500	3,500
21. Medicaid Reimbursement	5,000	-	30,000	15,000	15,000	15,000	15,000	15,000
22. Misc. Recurring	-	-	2,000	-	-	-	-	-
23. Misc. Non-Recurring	-	-	-	-	-	-	-	-
<b>TOTAL Local Receipts</b>	<b>330,000</b>	<b>334,581</b>	<b>429,000</b>	<b>417,665</b>	<b>423,400</b>	<b>429,306</b>	<b>435,284</b>	<b>441,335</b>

### AVAILABLE FUNDS

Free Cash	108,319	282,435	257,032	279,183	-	-	-	-
Other Available Funds	-	38,908	251,553	39,000	-	-	-	-
<b>TOTAL Available Funds</b>	<b>108,319</b>	<b>321,343</b>	<b>508,585</b>	<b>318,183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>TOTAL GENERAL FUND REVENUES</b>	<b>6,694,360</b>	<b>7,075,775</b>	<b>7,589,291</b>	<b>7,621,124</b>	<b>7,468,792</b>	<b>7,658,192</b>	<b>7,847,577</b>	<b>8,046,180</b>
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<b>GRAND TOTAL REVENUES</b>	<b>6,694,360</b>	<b>7,075,775</b>	<b>7,589,291</b>	<b>7,621,124</b>	<b>7,468,792</b>	<b>7,658,192</b>	<b>7,847,577</b>	<b>8,046,180</b>
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# NEW GROWTH

	FY2005 Budget	FY2006 Budget	FY2007 Budget	FY2008 Budget	FY2009 Budget	FY2010 Budget	FY2011 Budget	FY2012 Budget	FY2013 Budget	FY2014 Budget	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected
Residential New Growth	67,587	115,314	140,142	61,960	48,585	44,369	20,085	19,727	26,398	26,372	26,523	50,108	38,333	30,000	30,000	30,000	30,000	30,000
Commercial (C)	2,484	144	380	153	-	-	-	-	-	55	-	8,836	207	-	-	-	-	-
Industrial (I)	-	-	-	4,727	-	2,004	-	-	-	-	-	-	-	-	-	-	-	-
Personal Property (P)	2,077	5,182	522	8,198	14,783	10,564	4,828	9,131	18,663	8,447	3,328	3,087	7,787	5,000	5,000	5,000	5,000	5,000
CIP New Growth	4,561	5,326	902	13,078	14,783	12,568	4,828	9,131	18,663	8,502	3,328	11,923	7,994	5,000	5,000	5,000	5,000	5,000
<b>TOTAL New Growth ①</b>	<b>72,148</b>	<b>120,640</b>	<b>141,044</b>	<b>75,038</b>	<b>63,368</b>	<b>56,937</b>	<b>24,913</b>	<b>28,858</b>	<b>45,061</b>	<b>34,874</b>	<b>29,851</b>	<b>62,031</b>	<b>46,327</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>

① DLS, Gateway, Tax Rate, LA-13 Tax Levy Base Growth, column K

**3-year average**

Residential	107,681	105,805	83,562	51,638	37,680	28,060	22,070	24,166	26,431	34,334	38,321
CIP	3,596	6,435	9,588	13,476	10,726	8,842	10,874	12,099	10,164	7,918	7,748
<b>Total</b>	<b>111,277</b>	<b>112,241</b>	<b>93,150</b>	<b>65,114</b>	<b>48,406</b>	<b>36,903</b>	<b>32,944</b>	<b>36,264</b>	<b>36,595</b>	<b>42,252</b>	<b>46,070</b>

**5-year average**

Residential	86,718	82,074	63,028	38,945	31,833	27,390	23,821	29,826	33,547
CIP	7,730	9,331	9,232	10,878	11,995	10,738	8,890	10,309	10,082
<b>Total</b>	<b>94,448</b>	<b>91,405</b>	<b>72,260</b>	<b>49,823</b>	<b>43,827</b>	<b>38,129</b>	<b>32,711</b>	<b>40,135</b>	<b>43,629</b>

**10-year average**

Residential	57,054	52,948	46,427	36,246
CIP	9,234	9,111	9,771	10,480
<b>Total</b>	<b>66,288</b>	<b>62,058</b>	<b>56,198</b>	<b>46,726</b>

**10-year HIGH**

Residential	140,142	140,142	140,142	61,960
CIP	18,663	18,663	18,663	18,663

**10-year LOW**

Residential	19,727	19,727	19,727	19,727
CIP	902	902	902	3,328

## SCHOOL AID ANALYSIS

	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 House Budget	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected
<b>Foundation and Local Contribution ①</b>								
Total Foundation Budget	3,859,089	3,744,964	3,779,942	3,822,744	3,822,744	3,822,744	3,822,744	3,822,744
Total Minimum Local Contribution	2,251,493	2,251,570	2,204,490	2,207,477	2,207,477	2,207,477	2,207,477	2,207,477

### Allocations on Foundation Shares ①

Holland Elementary Foundation Budget	1,736,862	1,599,127	1,464,807	1,606,423	1,606,423	1,606,423	1,606,423	1,606,423
Holland Elementary Minimum Local Contribution	1,013,330	961,437	854,286	927,643	927,643	927,643	927,643	927,643
Foundation Aid	723,532	637,690	610,521	678,780	678,780	678,780	678,780	678,780

### Share of Total Foundation ①

Percent Holland Elementary	0.4501	0.4270	0.3875	0.4202	0.4202	0.4202	0.4202	0.4202
Percent Tantasqua	0.5499	0.5730	0.6125	0.5798	0.5798	0.5798	0.5798	0.5798

Holland Elementary Foundation Enrollment	185	163	145	152	152	152	152	152
\$/Per Pupil Rate	25	25	55	30	30	30	30	30
Per Pupil Aid	4,625	4,075	7,975	4,560	4,560	4,560	4,560	4,560
Non-operating District Reduction to Foundation	-	-	-	-	-	-	-	-
<b>Total Chapter 70</b>	<b>907,048</b>	<b>911,123</b>	<b>919,098</b>	<b>923,658</b>	<b>928,218</b>	<b>932,778</b>	<b>932,778</b>	<b>937,338</b>
Prior FY Carry-Over ②	-	-	-	-	-	-	-	-
Required Net School Spending	1,920,378	1,872,560	1,773,384	1,851,301	1,855,861	1,860,421	1,860,421	1,864,981

### Indirect Costs Municipal Side

Charter Tuition	-	-	-	35,894	36,791	37,711	37,711	38,654
Choice Tuition	5,000	5,000	10,000	5,000	5,000	5,000	5,000	5,000
Charter Tuition Reimbursement	-	-	-	25,351	6,338	6,338	6,338	6,338
Net Choice/Charter	5,000	5,000	10,000	15,543	35,454	36,373	36,373	37,316
Municipal costs	378,583	384,986	406,817	410,885	414,994	419,144	419,144	423,335
Net Indirect Costs Municipal Side ②	383,583	389,986	416,817	426,428	450,448	455,517	455,517	460,652
Budgeted School Committee Appropriation ②	2,449,018	2,330,216	2,332,806	2,460,979	2,522,503	2,585,566	2,650,205	2,716,460
<b>Combined Municipal and School Expenditures</b>	<b>2,832,601</b>	<b>2,720,202</b>	<b>2,749,623</b>	<b>2,887,407</b>	<b>2,972,951</b>	<b>3,041,083</b>	<b>3,105,723</b>	<b>3,177,112</b>
Over/(under) Required NSS	912,223	847,642	976,239	1,036,106	1,117,090	1,180,662	1,245,302	1,312,131

① School Finance, Chapter 70 Program, Chapter 70 State Aid and Spending Requirement.

### School finance, Chapter70

② Actual figure from the End of Year Report, Schedule 19 as approved by the Department of Elementary and Secondary Education (DESE).

	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2021 Projected
<b>School Choice Receiving Tuition ④⑤</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>					
FTE	28	40	53					
Tuition	208,347	246,248	299,281	314,631	314,631	314,631	314,631	314,631
<b>School Choice Receiving Tuition ④⑤</b>	<b>Final</b>	<b>Final</b>	<b>Final</b>					
FTE	40	53						
Tuition	246,248	299,281						

### School Choice Sending Assessments ④

FTE	1	1	2					
Tuition	5,000	5,000	10,000	5,000	5,000	5,000	5,000	5,000
<b>School Choice Sending Assessments ④</b>	<b>Final</b>	<b>Final</b>						
FTE	1	3						
Tuition	5,000	13,520						

### ④ School Finance, School Choice.

⑤ All school choice tuition revenue received is deposited to a school choice revolving account and has no impact on the NSS.

These funds are available for expenditure by the school committee without further appropriation.

## LOCAL RECEIPTS

### Local Receipts Budget Projections

	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected
1. Motor Vehicle Excise	268,000	294,581	311,000	315,665	320,400	325,206	330,084	335,035
2a. Meals Excise	-	-	-	-	-	-	-	-
2b. Room Excise	-	-	-	-	-	-	-	-
2c. Other Excise	-	-	-	-	-	-	-	-
3. Penalties/Interest on Taxes and Excises	35,000	30,000	65,000	65,900	66,800	67,800	68,800	69,800
4. Payment In Lieu of Taxes	1,000	-	-	-	-	-	-	-
5. Charges for Services-Water	-	-	-	-	-	-	-	-
6. Charges for Services-Sew er	-	-	-	-	-	-	-	-
7. Charges for Services-Hospital	-	-	-	-	-	-	-	-
8. Charges for Services-Solid Waste Fees	-	-	-	-	-	-	-	-
9. Other Charges for Services	-	-	-	-	-	-	-	-
10. Fees	15,000	5,000	10,500	10,600	10,700	10,800	10,900	11,000
11. Rentals	-	-	-	-	-	-	-	-
12. Dept. Revenue-Schools	-	-	-	-	-	-	-	-
13. Dept. Revenue-Libraries	-	-	-	-	-	-	-	-
14. Dept. Revenue-Cemeteries	-	-	-	-	-	-	-	-
15. Dept. Revenue-Recreation	-	-	-	-	-	-	-	-
16. Other Departmental Revenue	-	-	-	-	-	-	-	-
17. Licenses/Permits	4,000	3,000	6,000	6,000	6,000	6,000	6,000	6,000
18. Special Assessments	-	-	-	-	-	-	-	-
19. Fines and Forfeits	-	-	1,000	1,000	1,000	1,000	1,000	1,000
20. Investment Income	2,000	2,000	3,500	3,500	3,500	3,500	3,500	3,500
21. Medicaid Reimbursement	5,000	-	30,000	15,000	15,000	15,000	15,000	15,000
22. Misc. Recurring	-	-	2,000	-	-	-	-	-
23. Misc. Nonrecurring	-	-	-	-	-	-	-	-
<b>TOTAL Local Receipts-Budget ①</b>	<b>330,000</b>	<b>334,581</b>	<b>429,000</b>	<b>417,665</b>	<b>423,400</b>	<b>429,306</b>	<b>435,284</b>	<b>441,335</b>

### Local Receipts Actual

	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual
1. Motor Vehicle Excise	294,582	311,138						
2a. Meals Excise	-	-						
2b. Room Excise	-	-						
2c. Other Excise	-	-						
3. Penalties/Interest on Taxes and Excises	74,464	73,480						
4. Payment In Lieu of Taxes	-	-						
5. Charges for Services-Water	-	-						
6. Charges for Services-Sew er	-	-						
7. Charges for Services-Hospital	-	-						
8. Charges for Services-Solid Waste Fees	-	-						
9. Other Charges for Services	-	-						
10. Fees	10,632	-						
11. Rentals	-	-						
12. Dept. Revenue-Schools	-	11,124						
13. Dept. Revenue-Libraries	-	-						
14. Dept. Revenue-Cemeteries	-	-						
15. Dept. Revenue-Recreation	-	-						
16. Other Departmental Revenue	-	-						
17. Licenses/Permits	6,925	6,185						
18. Special Assessments	-	-						
19. Fines and Forfeits	2,995	1,573						
20. Investment Income	2,379	3,604						
21. Medicaid Reimbursement	38,912	38,111						
22. Misc. Recurring	-	-						
23. Misc. Nonrecurring	7,153	41,939						
<b>TOTAL Local Receipts-Actual ①</b>	<b>438,042</b>	<b>487,153</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Difference: Actual over Budget</b>	<b>108,042</b>	<b>152,572</b>						

① DLS, Gateway, Tax Rate, Tax Rate Recap, page 3



## AVAILABLE FUNDS

	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected
<b>Free Cash-Appropriated</b>								
Prior Year Purposes	-	-	-	-	-	-	-	-
Current Budget	44,779	-	172,000	85,000	-	-	-	-
General Stabilization Fund	-	-	29,393	54,900	-	-	-	-
Road Improvement Stabilization Fund	-	-	-	43,777	-	-	-	-
Capital Stabilization Fund	-	-	-	-	-	-	-	-
Dam Maintenance Stabilization Fund	-	-	15,000	20,000	-	-	-	-
Cyclic Expense Stabilization Fund	-	-	-	-	-	-	-	-
Capital Items/Special Articles	10,000	175,565	23,860	20,000	-	-	-	-
Snow and Ice	53,540	106,870	16,779	55,506	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total Free Cash Appropriated ①</b>	<b>108,319</b>	<b>282,435</b>	<b>257,032</b>	<b>279,183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Available Funds</b>								
General Stabilization fund (SF)	-	-	-	-	-	-	-	-
Road Improvement Stabilization Fund	-	-	70,000	-	-	-	-	-
Capital Stabilization Fund	-	38,908	38,924	39,000	-	-	-	-
Dam Maintenance Stabilization Fund	-	-	-	-	-	-	-	-
Cyclic Expense Stabilization Fund	-	-	-	-	-	-	-	-
Overlay Surplus	-	-	-	-	-	-	-	-
Interfund Transfers to Stabilization Fund(s)	-	-	63,329	-	-	-	-	-
Interfund Transfers	-	-	79,300	-	-	-	-	-
<b>Total Other Available Funds ②</b>	<b>-</b>	<b>38,908</b>	<b>251,553</b>	<b>39,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL Available Funds</b>	<b>108,319</b>	<b>321,343</b>	<b>508,585</b>	<b>318,183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

① DLS, Gateway, Tax Rate, Tax Rate Recap, pages 2 and 4 and town meeting minutes.

② DLS, Gateway, Tax Rate, B2 Other Funds.

	Fiscal Year Certified as of:	FY2015 07/01/2014	FY2016 07/01/2015	FY2017 07/01/2016	FY2018 07/01/2017	FY2019 07/01/2018	FY2020 07/01/2019	FY2021 07/01/2020	FY2022 07/01/2021
Total General Fund Budget <sup>③</sup>		6,694,360	7,075,775	7,589,291	7,563,423	7,511,990	7,720,688	7,845,480	8,075,192
Free Cash Certified Amount <sup>④</sup>		282,435	257,032	279,183					
Free Cash as % of Total General Fund Budget		4.22	3.63	3.68					

③ DLS, Gateway, Tax Rate, Tax Rate Recap, page 2, minus line IIIb. 2, 3 and 4

④ DLS, Gateway, Tax Rate, B1 Free Cash

	Available Balance as of:	06/30/2014	06/30/2015	06/30/2016	06/30/2017	06/30/2018	06/30/2019	06/30/2020	06/30/2021
General Stabilization Fund (SF) Available Balance <sup>⑤</sup>		386,492	390,910	391,556	425,949	488,278	490,719	493,173	495,639
Catch Basin Stabilization Fund <sup>⑥</sup>		260	260	260	-	-	-	-	-
Road Improvement Stabilization Fund		66,924	67,024	102,313	32,572	86,781	162,276	240,053	320,121
Capital Stabilization Fund		-	65,049	91,217	52,293	78,684	144,403	210,450	276,827
Dam Maintenance Stabilization Fund		-	-	-	67,089	97,574	108,112	118,703	129,346
Cyclic Expense Stabilization Fund		-	-	-	11,240	20,341	29,488	38,680	47,919
<b>Combined Stabilization Funds Available Balance</b>		<b>453,676</b>	<b>523,243</b>	<b>585,344</b>	<b>589,143</b>	<b>771,659</b>	<b>934,999</b>	<b>1,101,059</b>	<b>1,269,852</b>
General SF as % of Total General Fund Budget <sup>⑦</sup>		5.77	5.52	5.16	5.63	6.50	6.36	6.29	6.14

⑤ Balance Sheet

⑥ May 2017 ATM transferred balance of Catch Basin Stabilization Fund to Road Improvement Stabilization Fund

⑦ General Stabilization Policy target balance = 5% of General Fund Budget

## EXPENDITURES

	FY2015 Actual	FY2016 Actual	FY2017 Budget	FY2018 Budget	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected
<b>GENERAL GOVERNMENT</b>								
Personal Services - Elected Board/Stipend	16,074	16,450	17,300	17,300	17,300	17,300	17,300	17,300
Personal Services - Elected Dept Heads	76,903	82,597	84,663	87,202	87,202	87,202	87,202	87,202
Personal Services	106,257	82,811	99,752	110,113	110,113	110,113	110,113	110,113
Expenses	174,923	217,272	276,735	230,394	236,154	242,058	248,109	254,312
Capital Outlay	8,497	-	3,860	-	-	-	-	-
Reserve Fund	-	-	25,000	25,000	25,000	25,000	25,000	25,000
<b>TOTAL General Government</b>	<b>382,654</b>	<b>399,130</b>	<b>507,310</b>	<b>470,009</b>	<b>475,769</b>	<b>481,673</b>	<b>487,724</b>	<b>493,927</b>
<b>PUBLIC SAFETY</b>								
Police Personal Services	142,907	157,917	169,066	174,510	174,510	174,510	174,510	174,510
Police Expenses	24,309	25,337	28,350	31,796	32,591	33,406	34,241	35,097
Police Capital Outlay	-	38,907	38,924	-	-	-	-	-
<b>Total Police</b>	<b>167,216</b>	<b>222,162</b>	<b>236,340</b>	<b>206,306</b>	<b>207,101</b>	<b>207,916</b>	<b>208,751</b>	<b>209,607</b>
Fire Personal Services	26,880	31,078	34,561	35,598	35,598	35,598	35,598	35,598
Fire/Ambulance Expenses	110,748	111,676	108,721	114,622	117,488	120,425	123,435	126,521
Fire Capital Outlay	-	-	-	-	-	-	-	-
<b>Total Fire</b>	<b>137,628</b>	<b>142,754</b>	<b>143,282</b>	<b>150,220</b>	<b>153,086</b>	<b>156,023</b>	<b>159,033</b>	<b>162,119</b>
Animal Control/Inspectional PS	19,800	19,559	21,705	22,194	22,194	22,194	22,194	22,194
Animal Control/Inspectional Expenses	1,369	644	1,800	1,800	1,836	1,873	1,910	1,948
<b>Total ACO/Inspectional Services</b>	<b>21,169</b>	<b>20,203</b>	<b>23,505</b>	<b>23,994</b>	<b>24,030</b>	<b>24,067</b>	<b>24,104</b>	<b>24,142</b>
<b>TOTAL Public Safety</b>	<b>326,013</b>	<b>385,119</b>	<b>403,127</b>	<b>380,520</b>	<b>384,216</b>	<b>388,005</b>	<b>391,888</b>	<b>395,868</b>
<b>EDUCATION</b>								
Holland Elementary School	2,322,451	2,320,584	2,332,806	2,460,979	2,522,503	2,585,566	2,650,205	2,716,460
Tantasqua Representative	300	-	300	300	300	300	300	300
Tantasqua Assessment	1,393,990	1,480,106	1,636,210	1,592,442	1,640,215	1,689,422	1,740,104	1,792,308
Tantasqua Debt	30,849	13,298	(1,125)	(28,007)	-	-	-	-
Tantasqua Transportation	56,535	69,194	59,130	56,225	59,036	61,988	65,087	68,342
<b>Total Tantasqua Regional School</b>	<b>1,481,674</b>	<b>1,562,598</b>	<b>1,694,515</b>	<b>1,620,960</b>	<b>1,699,552</b>	<b>1,751,710</b>	<b>1,805,492</b>	<b>1,860,949</b>
<b>TOTAL Education</b>	<b>3,804,125</b>	<b>3,883,182</b>	<b>4,027,321</b>	<b>4,081,939</b>	<b>4,222,055</b>	<b>4,337,276</b>	<b>4,455,697</b>	<b>4,577,410</b>
<b>PUBLIC WORKS</b>								
Personal Services - Stipends	1,422	900	1,050	1,050	1,050	1,050	1,050	1,050
Personal Services - Elected Dept Heads	62,025	63,576	65,165	67,120	67,120	67,120	67,120	67,120
Highway/Cemetery Personal Services	205,539	204,676	214,309	221,479	221,479	221,479	221,479	221,479
Highway/Cemetery Expenses	282,622	207,663	222,000	260,000	266,500	273,163	279,992	286,991
Highway Capital Outlay	185,571	20,000	20,000	-	-	-	-	-
<b>Total Highway/Cemetery</b>	<b>737,179</b>	<b>496,814</b>	<b>522,524</b>	<b>549,649</b>	<b>556,149</b>	<b>562,812</b>	<b>569,641</b>	<b>576,640</b>
Snow Removal Personal Services	36,224	14,769	25,000	25,000	25,000	25,000	25,000	25,000
Snow Removal Expenses	115,197	56,679	40,000	40,000	40,000	40,000	40,000	40,000
<b>Total Snow Removal</b>	<b>151,421</b>	<b>71,447</b>	<b>65,000</b>	<b>65,000</b>	<b>65,000</b>	<b>65,000</b>	<b>65,000</b>	<b>65,000</b>
Street Lighting	19,217	11,311	10,000	17,000	17,425	17,861	18,307	18,765
<b>TOTAL Public Works</b>	<b>907,817</b>	<b>579,573</b>	<b>597,524</b>	<b>631,649</b>	<b>638,574</b>	<b>645,672</b>	<b>652,948</b>	<b>660,405</b>
<b>HEALTH &amp; HUMAN SERVICES</b>								
Personal Services - Stipends	1,500	1,495	1,500	1,500	1,500	1,500	1,500	1,500
Personal Services	30,197	36,518	43,197	46,069	46,069	46,069	46,069	46,069
Expenses	37,551	55,311	59,755	62,895	64,467	66,079	67,731	69,424
Capital Outlay	24,985	9,513	-	-	-	-	-	-
<b>TOTAL Human Services</b>	<b>94,233</b>	<b>102,836</b>	<b>104,452</b>	<b>110,464</b>	<b>112,036</b>	<b>113,648</b>	<b>115,300</b>	<b>116,993</b>

	FY2015 Actual	FY2016 Actual	FY2017 Budget	FY2018 Budget	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected
<b>CULTURE/RECREATION</b>								
Personal Services	27,016	30,907	33,074	34,066	34,066	34,066	34,066	34,066
Expenses	39,550	34,556	51,825	59,410	60,895	62,418	63,978	65,578
Capital Outlay	-	-	-	-	-	-	-	-
<b>TOTAL Culture/Recreation</b>	<b>66,566</b>	<b>65,463</b>	<b>84,899</b>	<b>93,476</b>	<b>94,961</b>	<b>96,484</b>	<b>98,044</b>	<b>99,644</b>

<b>DEBT SERVICE/CAPITAL PLAN</b>								
Long-Term Debt	51,858	6,832	7,190	6,717	6,584	6,475	-	-
Long-Term Debt Interest	2,025	639	-	155	-	-	-	-
Temporary Pay Down	148,779	239,905	257,000	85,000	85,000	85,000	-	-
Temporary Interest	3,727	2,301	10,000	10,600	8,600	8,600	6,000	6,000
Projected New Debt Service	-	-	-	-	-	-	-	-
Capital/Special Articles	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>TOTAL Debt Service &amp; Capital</b>	<b>206,389</b>	<b>249,677</b>	<b>274,190</b>	<b>102,472</b>	<b>100,184</b>	<b>100,075</b>	<b>6,000</b>	<b>6,000</b>

<b>RISK MANAGEMENT</b>								
Municipal Insurance	92,572	85,460	100,649	111,324	117,447	123,906	130,721	137,911
<b>TOTAL Risk Management</b>	<b>92,572</b>	<b>85,460</b>	<b>100,649</b>	<b>111,324</b>	<b>117,447</b>	<b>123,906</b>	<b>130,721</b>	<b>137,911</b>

<b>EMPLOYEE BENEFITS</b>								
Retirement	175,354	212,389	234,500	245,447	219,591	237,158	256,131	276,621
Unemployment Compensation	8,953	5,155	10,000	8,000	10,000	10,000	10,000	10,000
Group Health/Life Insurance	317,524	325,123	365,500	414,500	455,950	501,545	551,700	606,869
OPEB	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Medicare/FICA	37,353	38,249	43,500	43,000	43,860	44,737	45,632	46,545
<b>TOTAL Employee Benefits</b>	<b>564,184</b>	<b>605,916</b>	<b>678,500</b>	<b>735,947</b>	<b>754,401</b>	<b>818,440</b>	<b>888,462</b>	<b>965,035</b>

<b>MISC./ OTHER FINANCING USES</b>								
Prior Year Purposes	-	-	-	1,798	-	-	-	-
Court Judgements	5,250	-	-	-	-	-	-	-
Capital/Special Articles	-	-	161,172	178,283	-	-	-	-
General Stabilization Fund Appropriation	-	-	5,000	5,000	-	-	-	-
Dam Stabilization Fund Appropriation	-	-	18,867	10,000	10,000	10,000	10,000	10,000
Road Stabilization Fund Appropriation	3,842	34,145	41,182	10,000	74,688	76,582	78,476	80,462
Other Special Stab Fund(s) Appropriation	65,000	65,000	65,000	74,000	74,000	74,000	74,000	74,000
Transfer to Stabilization Funds	-	-	63,329	54,900	-	-	-	-
Pioneer Valley Planning Commission	372	372	382	391	391	391	391	391
Continuing Appropriations	-	-	49,300	10,000	-	-	-	-
Snow and Ice Deficit	-	-	-	54,226	-	-	-	-
Appropriation Adjustment	-	-	-	-	-	-	-	-
<b>TOTAL Misc. Appropriations</b>	<b>74,464</b>	<b>99,517</b>	<b>404,232</b>	<b>398,598</b>	<b>159,079</b>	<b>160,973</b>	<b>162,867</b>	<b>164,853</b>

<b>TOTAL General Fund Appropriation</b>	<b>6,456,476</b>	<b>6,455,873</b>	<b>7,182,204</b>	<b>6,818,989</b>	<b>7,058,722</b>	<b>7,266,153</b>	<b>7,389,652</b>	<b>7,618,046</b>
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<b>STATE ASSESSMENTS</b>								
Air Pollution	735	742	760	760	771	783	795	807
RMV Non-Renewal Surcharge	2,966	3,221	3,220	4,880	4,953	5,027	5,103	5,179
Regional Transit	5,000	1,152	1,830	1,730	1,765	1,800	1,836	1,873
School Choice Sending Tuition	3,220	13,519	10,000	5,000	10,000	10,000	10,000	10,000
Charter School Sending Tuition	-	-	-	35,894	35,894	35,894	35,894	35,894
<b>TOTAL State Assessments</b>	<b>11,921</b>	<b>18,634</b>	<b>15,810</b>	<b>48,264</b>	<b>53,383</b>	<b>53,504</b>	<b>53,628</b>	<b>53,753</b>

<b>OTHER AMOUNTS TO BE RAISED</b>								
Deficits/Judgements/Tax title	-	-	-	-	-	-	-	-
Cherry Sheet Offsets	212,075	248,972	301,991	317,564	317,564	317,564	317,564	317,564
Snow and Ice Deficit	-	-	-	-	-	-	-	-
Tax Title	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Abatements & Exemptions (Overlay)	44,036	49,610	55,095	56,197	57,321	58,467	59,637	60,829
Other-Prior Year Deficit	585	-	9,192	-	-	-	-	-
<b>TOTAL Other Amounts Raised</b>	<b>256,695</b>	<b>323,582</b>	<b>391,278</b>	<b>398,761</b>	<b>399,885</b>	<b>401,031</b>	<b>402,201</b>	<b>403,393</b>

<b>TOTAL GENERAL FUND</b>	<b>6,787,636</b>	<b>6,798,088</b>	<b>7,589,291</b>	<b>7,563,423</b>	<b>7,511,990</b>	<b>7,720,688</b>	<b>7,845,480</b>	<b>8,075,192</b>
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<b>GRAND TOTAL Expenditures</b>	<b>6,787,636</b>	<b>6,798,088</b>	<b>7,589,291</b>	<b>7,563,423</b>	<b>7,511,990</b>	<b>7,720,688</b>	<b>7,845,480</b>	<b>8,075,192</b>
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## DEBT

	FY2015 Actual	FY2016 Actual	FY2017 Budget	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected
General Fund Debt Service	7,758	7,471	7,190	6,872	6,584	6,475	-	-
General Fund Excluded Debt Service	46,125	-	-	-	-	-	-	-
Temporary Pay Down	148,779	239,905	257,000	85,000	85,000	85,000	-	-
Temporary Interest	3,727	2,301	10,000	10,600	8,600	8,600	6,000	6,000
<b>Total Debt Budget</b>	<b>206,389</b>	<b>249,677</b>	<b>274,190</b>	<b>102,472</b>	<b>100,184</b>	<b>100,075</b>	<b>6,000</b>	<b>6,000</b>
Regional School Debt Service <sup>①</sup>	30,849	13,298	(1,125)	-	-	-	-	-
<b>Grand Total Debt</b>	<b>237,238</b>	<b>262,975</b>	<b>273,065</b>	<b>102,472</b>	<b>100,184</b>	<b>100,075</b>	<b>6,000</b>	<b>6,000</b>

### Long-Term Principal

MWPAT - Landfill	6,858	6,832	7,190	6,717	6,584	6,475	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total Principal</b>	<b>6,858</b>	<b>6,832</b>	<b>7,190</b>	<b>6,717</b>	<b>6,584</b>	<b>6,475</b>	<b>-</b>	<b>-</b>

### Long-Term Interest

MWPAT - Landfill	900	639	-	155	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total Interest</b>	<b>900</b>	<b>639</b>	<b>-</b>	<b>155</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### TOTAL LT Debt Service Principal + Interest

	7,758	7,471	7,190	6,872	6,584	6,475	-	-
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### Short-Term Principal

Circle H Land	42,500	41,000	34,000	-	-	-	-	-
2011 Storm	44,779	153,155	-	-	-	-	-	-
Fire Equipment - BAN Pay down	61,500	-	-	-	-	-	-	-
Highway Truck	-	45,750	138,000	-	-	-	-	-
Fire Truck - Tanker - BAN Pay down	-	-	85,000	85,000	85,000	85,000	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total Principal</b>	<b>148,779</b>	<b>239,905</b>	<b>257,000</b>	<b>85,000</b>	<b>85,000</b>	<b>85,000</b>	<b>-</b>	<b>-</b>

### Short-Term Interest

Circle H Land	682	405	-	-	-	-	-	-
2011 Storm	2,391	825	-	-	-	-	-	-
Fire Equipment - BAN Pay down	393	-	-	-	-	-	-	-
Energy Grant	262	86	-	-	-	-	-	-
Highway Truck	-	985	-	-	-	-	-	-
Fire Truck - Tanker - BAN Pay down	-	-	4,000	2,600	2,600	2,600	-	-
Other Temporary interest	-	-	6,000	8,000	6,000	6,000	6,000	6,000
	-	-	-	-	-	-	-	-
<b>Total Interest</b>	<b>3,727</b>	<b>2,301</b>	<b>10,000</b>	<b>10,600</b>	<b>8,600</b>	<b>8,600</b>	<b>6,000</b>	<b>6,000</b>

### TOTAL ST Debt Service Principal + Interest

	152,506	242,205	267,000	95,600	93,600	93,600	6,000	6,000
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### Excluded Principal

Fire/Highway Building	45,000	-	-	-	-	-	-	-
Fire Truck	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total Excluded Principal</b>	<b>45,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Excluded Interest

Fire/Highway Building	1,125	-	-	-	-	-	-	-
Fire Truck	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total Excluded Interest</b>	<b>1,125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### TOTAL Excluded Debt Service Principal + Interest

	46,125	-	-	-	-	-	-	-
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### Regional School Debt (Excluded) <sup>①</sup>

Tantasqua High School	30,849	13,298	(1,125)	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total Regional School Debt (Excluded)</b>	<b>30,849</b>	<b>13,298</b>	<b>(1,125)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>①</sup> Budgeted with the Tantasqua annual assessment