

FINANCIAL ANALYSIS | CITY OF NORTH ADAMS

AUGUST 2020



DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

PREPARED BY:

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DLS | Technical Assistance Bureau

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DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Geoffrey E. Snyder
Commissioner of Revenue

Sean R. Cronin
Senior Deputy Commissioner

August 17, 2020

City of North Adams
C/O Mayor Thomas W. Bernard
10 Main Street
North Adams, MA 01247

Dear Mayor Bernard,

I am pleased to deliver the enclosed financial analysis for the City of North Adams. 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.

Sincerely,

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

Sean R. Cronin
Senior Deputy Commissioner

Supporting a Commonwealth of Communities

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INTRODUCTION

The Division of Local Services, Technical Assistance Bureau has developed this financial analysis for the City of North Adams at the request of the Mayor. This project arose from a desire by the Mayor and his team to better understand and visualize the significant financial headwinds facing the community. By examining core financial and demographic metrics over a ten-year span, this analysis helps illustrate to city leadership, residents, and others the financial challenges that exist in North Adams. It also raises important questions about the need to right size service levels, spur economic development, and address limitations posed by Proposition 2½. We hope these indicators serve as a baseline for discussions on how best to chart a strategic path forward for the city.

FINANCIAL ANALYSIS METHODOLOGY

This analysis measures the financial condition of North Adams using eleven key performance indicators as adapted from the system developed by the International City/County Management Association (ICMA): Net Operating Revenues, Economic Growth Revenues, State Aid, Property Taxes, Outstanding Receivables, Operating Expenditures, Personnel Costs, Pension Liability, Debt, Reserves, and Population and Enrollment.

Performing a regular analysis of a city's financial condition provides valuable insight into the current state of a community's finances. ICMA defines the measure of a municipality's fiscal condition as its ability to "maintain existing service levels, withstand local and regional economic disruptions, and meet the demands of natural growth, decline, and change." How resilient a community is to internal and external fiscal challenges, therefore, requires the examination of long-term financial trends. While no single trend is an indicator of fiscal stress, together they form a baseline from which to judge the overall direction a community is moving.

While this analysis is intended to help formulate a baseline of the financial condition of North Adams, it is equally important to gather additional information on other aspects that influence the community's long-term success. Organizational factors such as the structure of government and management capacity, along with environmental factors including political culture, must also be incorporated into an overall framework to fully gauge the city's fiscal condition. We further suggest that any assumptions drawn from this historical trend analysis about future performance be reviewed. Such a forecast is influenced by ever evolving conditions related to the economy, service levels, and municipal finance regulations, for example.

Our financial analysis below begins with a brief community profile of North Adams by summarizing the city's history, local area, and organization of government. It then delves into each key

performance indicator through narrative discussion and a series of charts to illustrate key points. In each case, we define the metrics used to measure performance, note important financial ratios, and highlight benchmarks viewed as best practice. Overall, it is our hope that this financial analysis of North Adams leads to further examination and policy discussions among city leadership and residents alike on how best to move the city forward.

COMMUNITY PROFILE

North Adams is a small city located in the northwest corner of Massachusetts near the Vermont and New York borders. Originally a part of Adams, North Adams separated and was incorporated in 1878 as a town and shortly afterwards as a city in 1895.

Historically serving as a regional manufacturing center in the Berkshires, North Adams flourished up until the turn of the twentieth century. By 1900, the city had an estimated population of over 24,000 persons. However, at about this time, the closure or relocation of mills in North Adams had begun, and like the experience in other communities around the Commonwealth, the local economy began to struggle.

By 1942, the Sprague Electric Company purchased a former print works mill in the city and went on to become a major research and development center for electricity and semi-conducting materials. Sprague designed and manufactured crucial pieces for weapons systems during World War II and launch systems for space exploration, employing over 4,000 workers by 1966. However, the competition from electronic component manufacturers abroad led to the Sprague's decline and eventual closure in 1985.

The closure of Sprague Electric heavily impacted North Adams. The city's unemployment rate was 8.9 percent (3.9 percent statewide) in 1985 and grew to 11.7 percent (6.3 percent statewide) by 1990. Since the 1940s, the city's population had steadily declined. Prior to Sprague's closing, the population was down to 18,063 persons (1980 Census) from 22,213 persons (1940 Census), a decrease of almost 19 percent. After the facility closed, the population dropped further to 16,797 persons (1990 Census).

Today, North Adams is best known as the home of the largest contemporary art museum in the United States, the Massachusetts Museum of Contemporary Art, which has become a center for tourism, culture, and recreation. The Massachusetts Museum of Contemporary Art (MASS MoCA), which opened in 1999, took over a decade to plan, design, get legislative and financial support. To offset the operating costs of the facility and help stimulate further growth in and around the community, MASS MoCA has developed and leased space to restaurants and a variety of commercial enterprises and has partnered with regional educational, museum and arts programs.

Despite this momentum, the city continues to experience economic issues. According to the most recent Census estimates, the population of North Adams is now 12,904, making it the smallest city in the state. The city's 2018 equalized property values (EQV) per capita are \$59,111, or 34 percent of the state average of \$165,919, and fourth lowest in the state. Similarly, well below the state average, the city's per capita income is \$16,956 or eighth lowest. Taken together, these two indicators reflect the significant challenges the city faces as one of the poorest communities in the Commonwealth.

North Adams is governed by a mayor-council form of government, all of whom are elected to two-year terms. The mayor oversees all departments (except the city clerk) and chairs the school committee. As chief executive officer, he also develops the city's annual budget that is adopted by the city council, as the legislative body, and is supported by a chief administrative officer.

FINANCIAL INDICATORS

To get a sense of the financial condition of North Adams, it is important to begin by building an understanding of the community's fiscal health across key areas. Making full sense of the data also requires knowing where a fiscal snapshot fits in along a broader trend. To establish a trend requires reaching back into historical data for at least the past ten years, if possible, and updating with current data as available. Many of these trends must also account for the long-term effects of inflation. This allows the indicator to show the degree of an apparent increase in revenues being absorbed by rising costs.

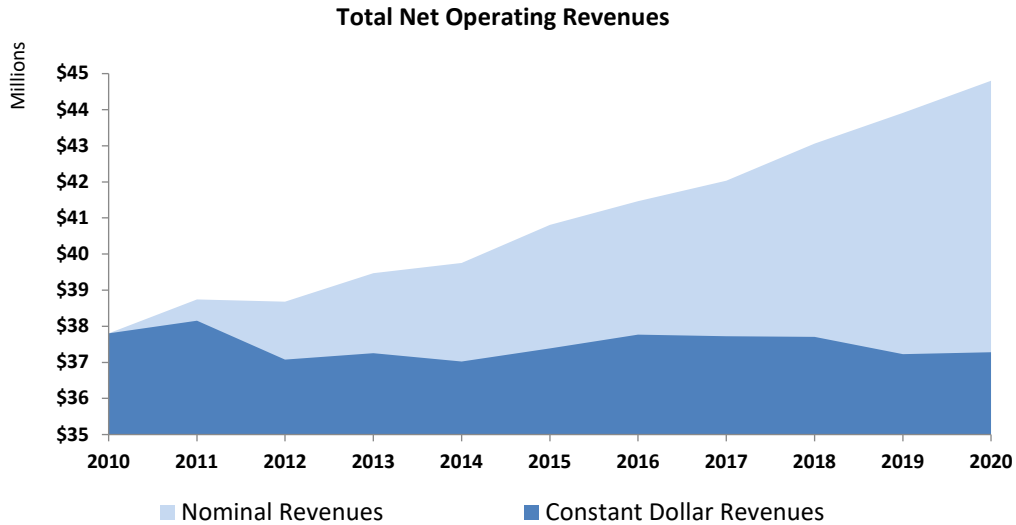
On the following pages, we have identified eleven revenue, expenditure, and demographic indicators that track specific metrics to determine whether a trend is or could be a source of financial stress. While analyzing these indicators does not definitively score a community's fiscal health, they can provide a wholistic view of concerning trends based on data from the past. As these are lagging indicators, any unfavorable findings serve as a starting point for further investigation rather than as a blueprint for immediate action. All support data for each indicator is included in the Appendix.

Net Operating Revenues

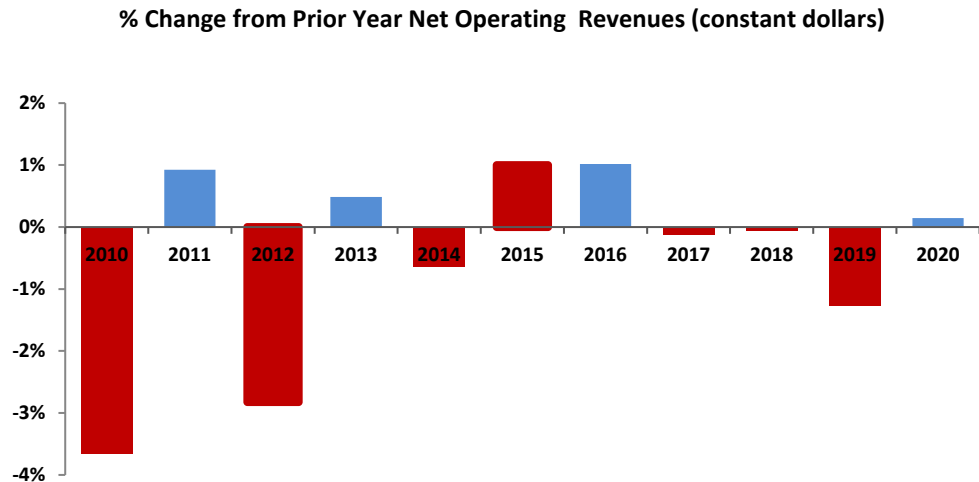
Rating: *Marginal*

The net operating revenue indicator tracks the city's available revenues over time. Net operating revenues are calculated by using the total gross revenue available from all sources, less tax revenue raised from a debt exclusion, appropriated free cash, or an available fund. Revenue raised for the purpose of servicing exempt debt is temporary and tied to a specific use, and so excluding it from this calculation provides a more accurate representation of the revenue available to the city for funding routine public services. This indicator also compares the nominal net operating revenues to constant

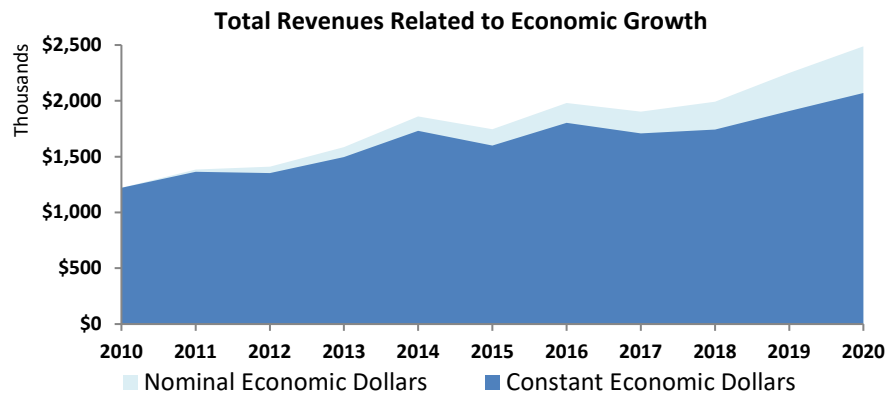
dollar revenues, which are simply net operating revenues adjusted for inflation. In nearly all cases, this metric will increase over time because of growth associated with Proposition 2 ½ and the general need to raise additional revenue year-over-year as costs increase. By adjusting the metric for inflation, we see how much of that revenue growth was absorbed by rising costs.



Consistent revenue growth is one measure of a community’s ability to maintain existing service levels in the face of increasing costs. Ideally, the annual percentage increase from prior year revenues should be steady, positive, and predictable. A trend of decreasing net operating revenues, after accounting for the effects of inflation, is a warning indicator. If municipal revenues are declining, they may soon be insufficient to maintain a consistent level of service. Likewise, a high degree of volatility in the rate of year-to-year change may also be a warning sign. Between FY10 to FY20 North Adams net operating revenues have remained relatively flat. From FY16 to FY19 North Adams experienced consistent decreases in net operating revenues on a constant dollar basis.

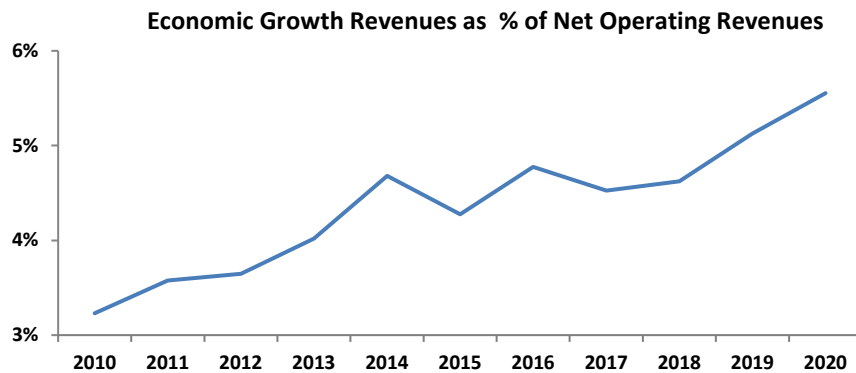


The Economic Growth Revenues indicator measures the sum of economic revenues as a percentage of Net Operating Revenues over time. The revenue sources identified in this indicator include building-related fees and permits, local options taxes such as meals, rooms, or other excise, and motor vehicle excise receipts. Additionally, while it is not technically a local receipt, new growth in the property tax is included here since it is reflective of new building activity from economic development. Like the previous indicator, the nominal and constant dollar economic growth revenues are to show inflation.



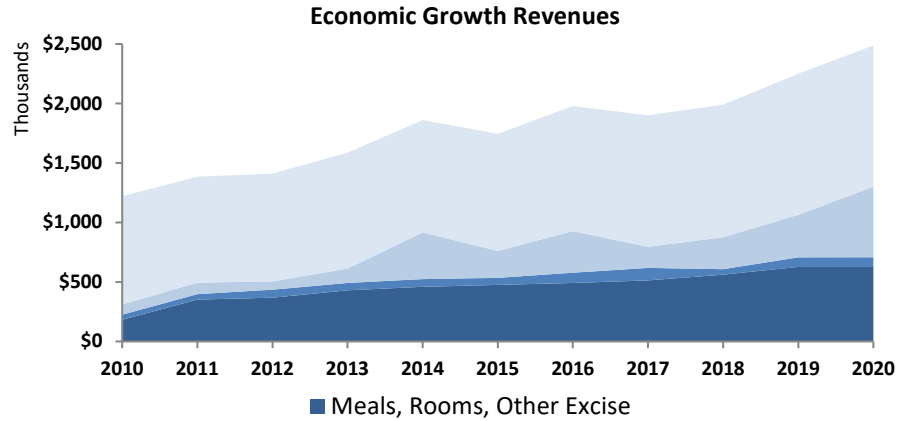
Periods of healthy economic activity are often linked to increased local development, which creates new growth for the property tax levy while also generating increases in certain fees, excise, and personal property tax collections. Conversely, a downturn in the economy may lead to stalled development, which adversely affects these revenue streams. Maintaining a balance between revenues tied closely to economic growth and other sources helps mitigate against economic slowdowns. It is also

important to review any inflation factors and the overall proportion of economic growth-related revenues in comparison to total revenues to monitor the budget’s exposure to economic trends.



North Adams’ economic growth revenues have been inconsistent, generally keeping pace with inflation remaining above 3%, but under 6% of its total annual operating revenues. Fiscal year 2020

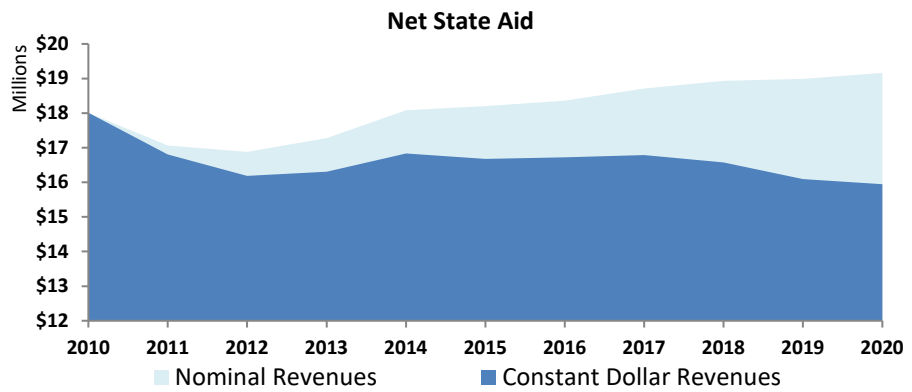
is the high point at 5.55% of revenue, owing largely to a spike in new growth from personal property. The trend has moderated significantly since FY17 and has seen consistent increases on an annual basis.



State Aid

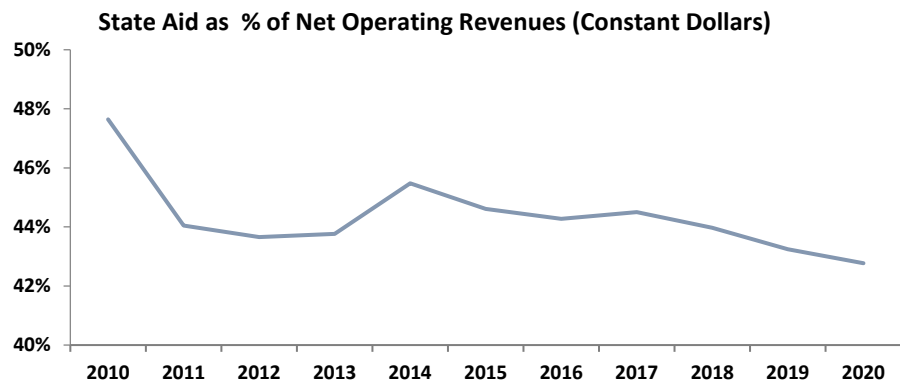
Rating: *Unfavorable*

The state aid indicator measures “cherry sheet aid” as a percentage of net operating revenues. The largest sources of state aid are generally attributed to Chapter 70 and Unrestricted General Government



Aid. The state also charges communities for several different services. These Cherry sheet revenue offsets, including state reimbursements and assessments, should be removed from the gross state aid figure. This yields a Net State Aid figure, which is the specific metric used for this indicator. State aid is an important part of a community’s total revenue picture that can vary based on state and federal policy and economic conditions.

State Aid is the largest source of revenue for North Adams, representing nearly 43% of its total operating revenue. Any declining trend in state aid as a percentage of total revenue would have a significant impact on the city and be considered a warning indicator.

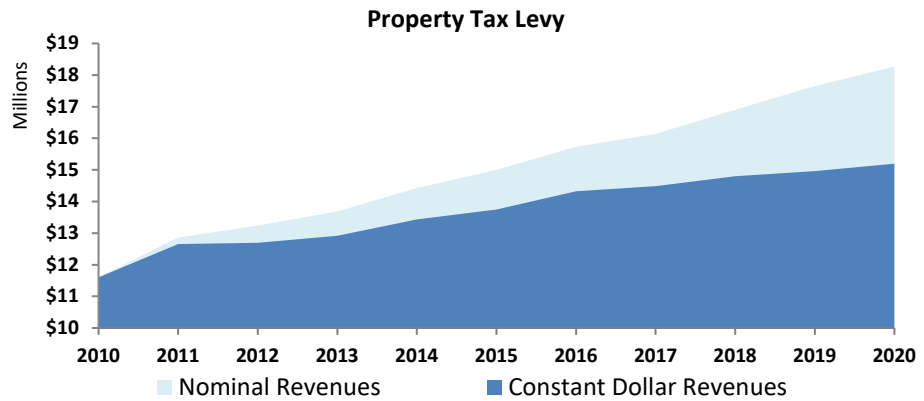


On a constant dollar basis, North Adams' total state aid fluctuates between just under \$16M to just over \$18M. Since FY17, the city's state aid as a percent of net operating revenues has declined in each year. As a result, this indicator should be considered Unfavorable.

Property Taxes

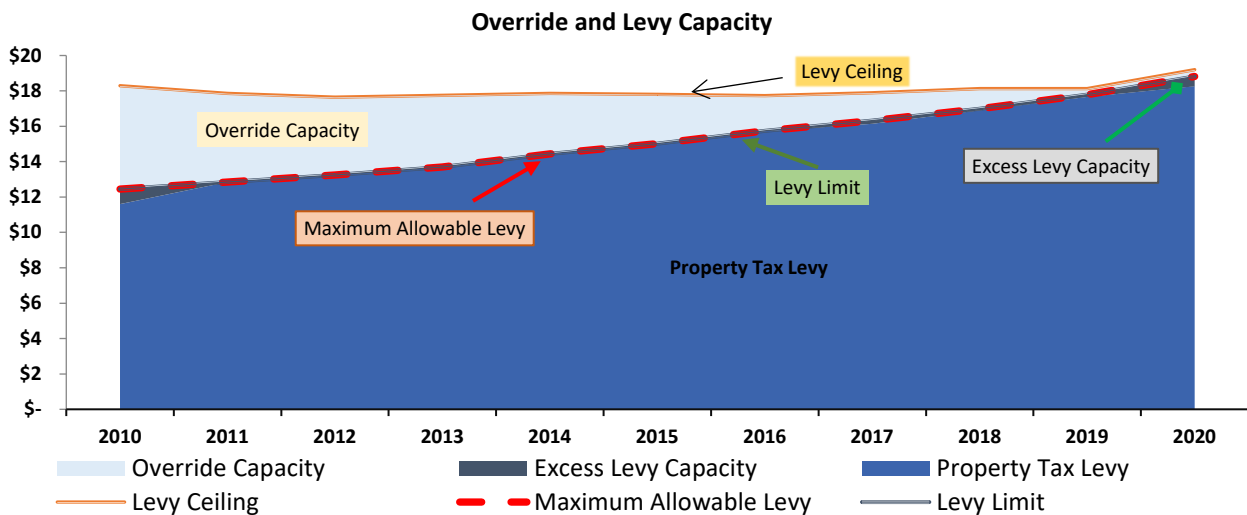
Rating: *Unfavorable*

The property tax indicator measures growth of the property tax levy, which is the largest revenue source for most communities. Tracking the levy's growth over time is especially important in



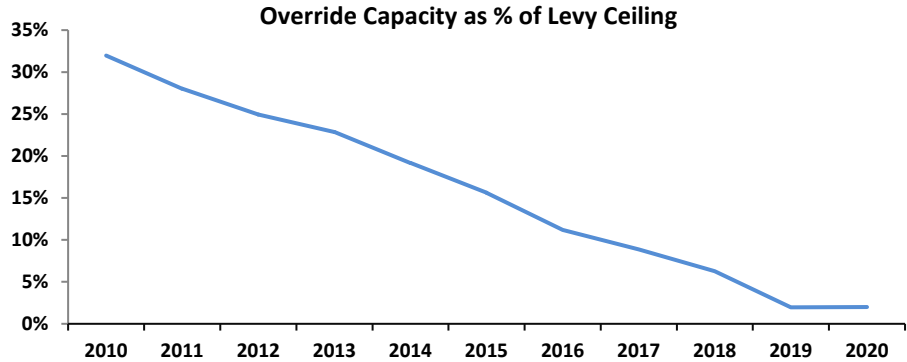
determining the continued strength and dependability of a municipality's revenue stream. Like the prior two indicators, this tracks the property tax levy, adjusted for inflation, as well as the tax levy as a percentage of total revenues. Any debt or capital exclusions are subtracted from the tax levy when monitoring this indicator.

Tax levy growth is attributed to the 2.5% annual increase in the levy limit allowed by Proposition 2.5 as well as annual new growth. There is also a set cap on the size of a community's maximum allowable levy, called the Levy Ceiling. This is an amount equal to 2.5% of the community's total assessed value. Even if a community passes an override to exceed their levy limit, this amount may not exceed the levy ceiling. In cases where the levy limit calculation would produce a number greater than the levy ceiling, the levy ceiling must be used in its place. If a community can no longer increase its levy limit



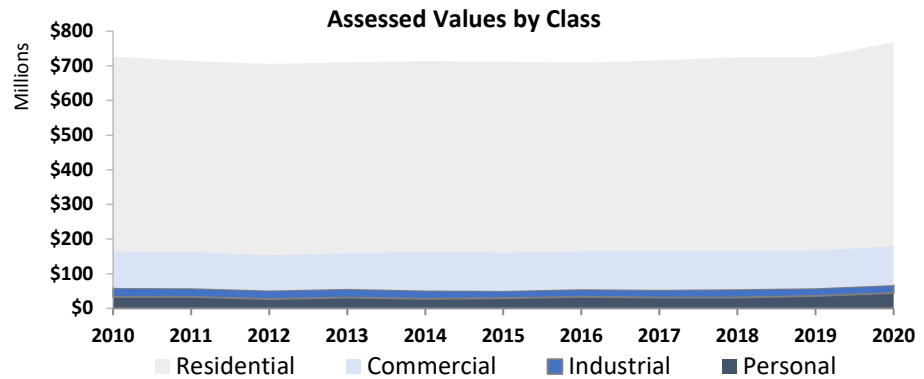
normally, it is said to have reached the "levy cap." When a community reaches this point, its ability to raise the property tax is severely constrained, leading to the potential for significant revenue problems. Voter approved debt and capital exclusions allow a community to go above its levy ceiling.

North Adams typically taxes to its maximum allowable levy except for FY20. This does not leave much room to increase taxes unless the community passes an override or exclusion. Additionally, the City's



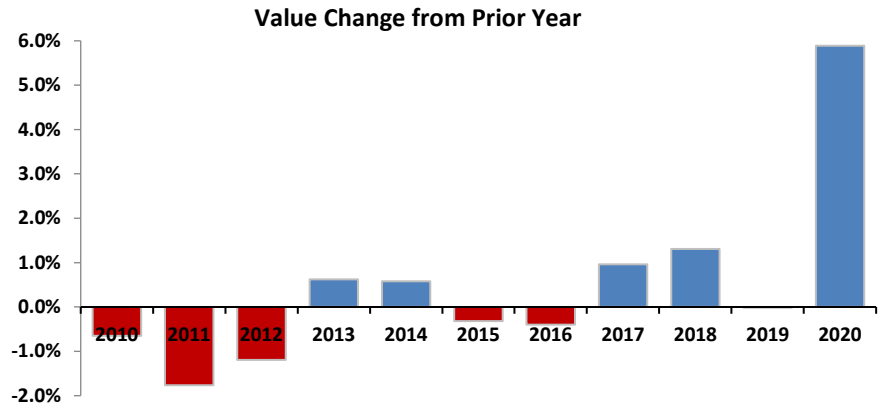
override capacity is at an all-time low of \$385,621. This leaves very little room for North Adams to pass an override to support the budget and remain within the levy ceiling. New growth has generally been inconsistent, with a spike in personal property values in FY20. As assessed values remain flat, North Adams continues to creep closer and closer to its levy ceiling. Because North Adams is approaching its levy ceiling, this indicator portrays an unfavorable situation for future tax levying capacity.

Additionally, although the total assessed values in North Adams have increased by \$40,830,622 since FY10, or 5.61%, the trend has been very inconsistent. The city experienced declining



values between FY11-FY13, again in FY15-FY16, and finally in FY19. In FY20, North Adams saw a \$42,689,754 or 5.89% increase in values from FY19. Because of the inconsistency with assessed values over time, North Adams has an unfavorable indicator rating. Fluctuations in values impact the levy ceiling and constrains the amount of property taxes that North Adams can raise each year.

Overall, property tax revenue in North Adams has seen minimal annual growth on both a nominal and constant dollar basis, indicating that it is barely keeping pace with inflation. If this rate continues,

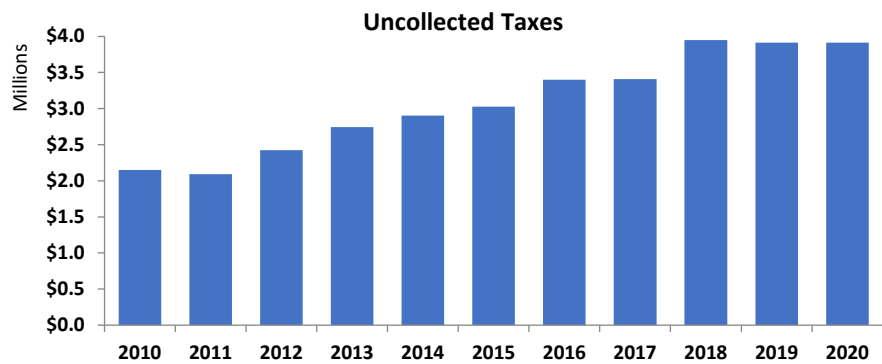


inflation will surpass the annual growth rate. Therefore, this indicator is unfavorable.

Outstanding Receivables

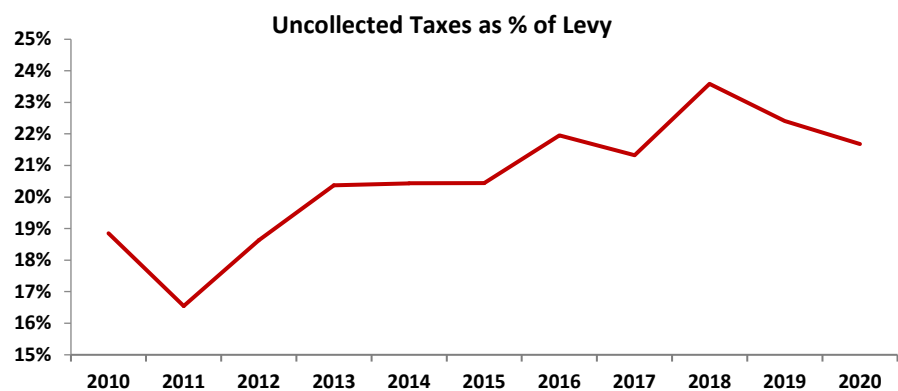
Rating: *Unfavorable*

The last revenue indicator measures cumulative uncollected receivables in a community as of June 30th. When these uncollected receivables are divided by the net property tax levy, which



is the tax levy reduced by the overlay, it demonstrates a community’s ability to collect taxes. Tax delinquency may lead to a decrease in liquidity and affect cashflow, which will make it harder to pay for routine obligations and could result in the need to issue short-term debt. A trend in uncollected property taxes greater than 5% of the total annual property tax levy, net of overlay, is generally a warning indicator.

North Adams' uncollected taxes as a percentage of the property tax levy has increased from 18.9% in FY10 to 21.7% in FY20, which is well above the 5% amount considered a warning in this indicator. The data shows that the



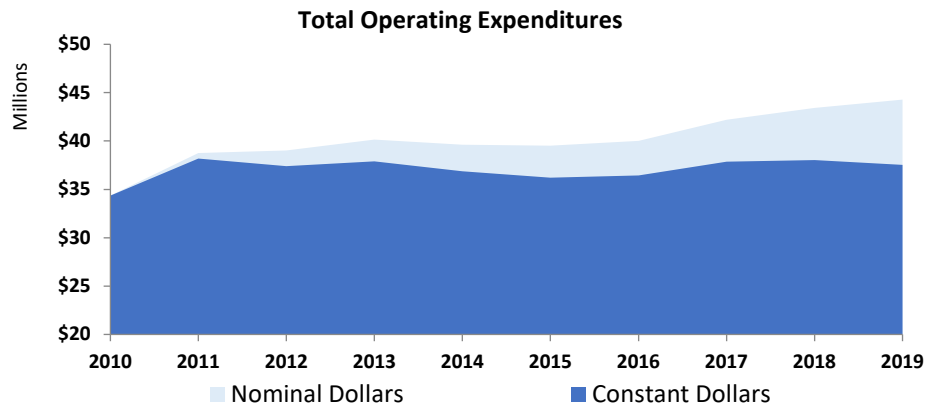
city's uncollected tax receivables continues to fluctuate each year. Because of the relatively high rate of uncollected taxes, this indicator is rated as unfavorable and action should be taken to reduce the percent of outstanding receivables.

Operating Expenditures

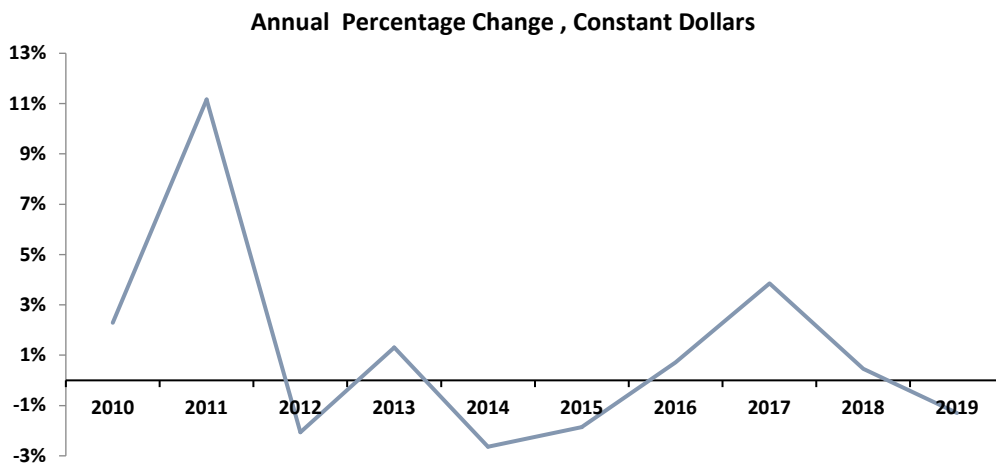
Rating: *Marginal*

This indicator measures the annual percentage change in total operating expenditures. It is natural for spending to increase over time, so an upward trend in expenditures is not itself a warning. Steep increases in annual operating costs, after accounting for inflation, may indicate that a community's spending is

unsustainable, or that it has been consistently unable to anticipate service requirements, without accompanying budget adjustments.

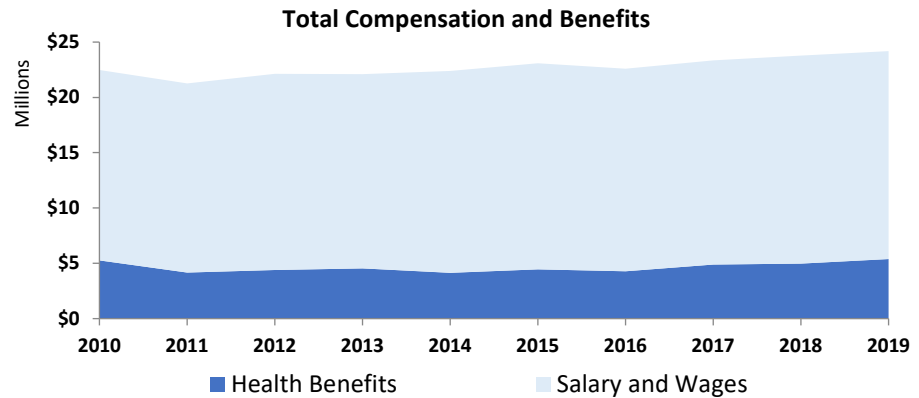


On a constant dollar basis, North Adam's annual operating expenditures have fluctuated over time. A spike in FY11 was caused by reporting Health Insurance in the general fund as opposed to a health claims trust fund. From FY15 to FY18 North Adams saw a slow increase in constant dollars, however, FY19 saw a decrease.

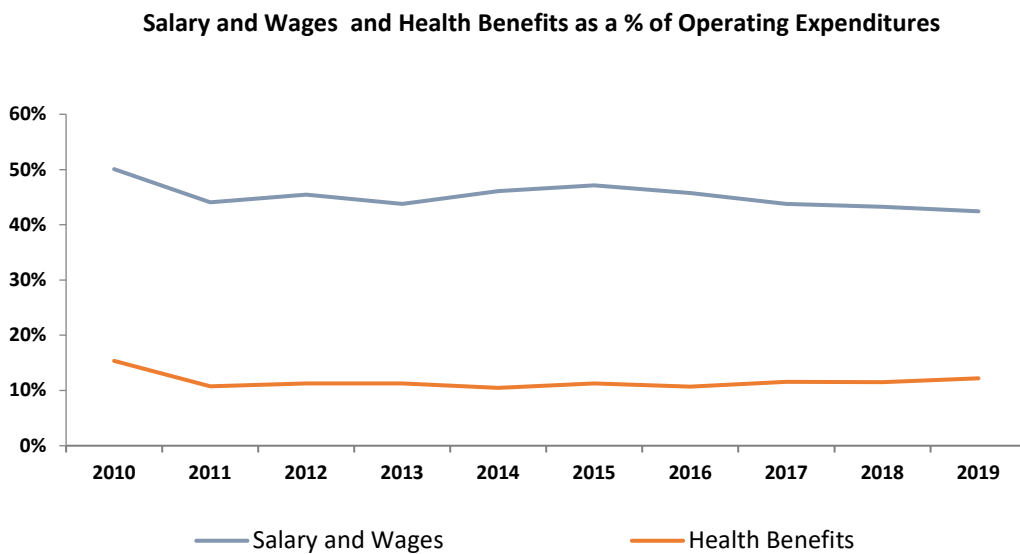


This indicator measures salaries, wages, and employee health benefits as a percentage of a community's annual operating expenditures. As generally the largest segment of a community's overall operating expenses, it is important to monitor trends in personnel-related costs. A trend of increasing salaries, wages, and employee health benefits as a percentage of a community's annual operating expenditures may indicate that those costs are rising at an unsustainable rate. As these costs grow relative to

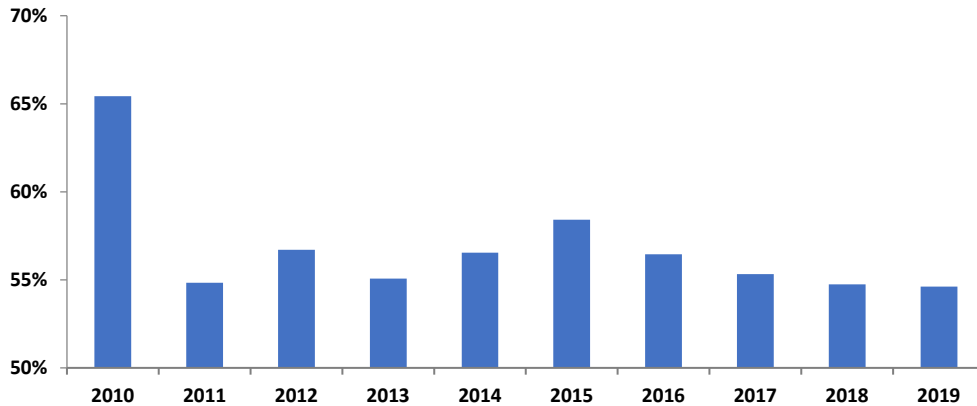
the total budget, they may crowd out departmental spending on other areas, including routine facility maintenance and necessary capital investment.



In North Adams, the cost of regular compensation relative to the city's overall operating budget has declined from a high of 50.07% in FY10 to a low of 42.43% in FY2019. Health benefits have remained steady over time relative to the city's overall operating budget. Salary and Wages and Health Benefits as a percent of operating expenditures has declined from 65.44% in FY10 to 54.61% in FY19. This reduction in compensation as a percent of operating expenditures results in a favorable recommendation for this indicator.



Total Compensation As a % of Operating Expenditures



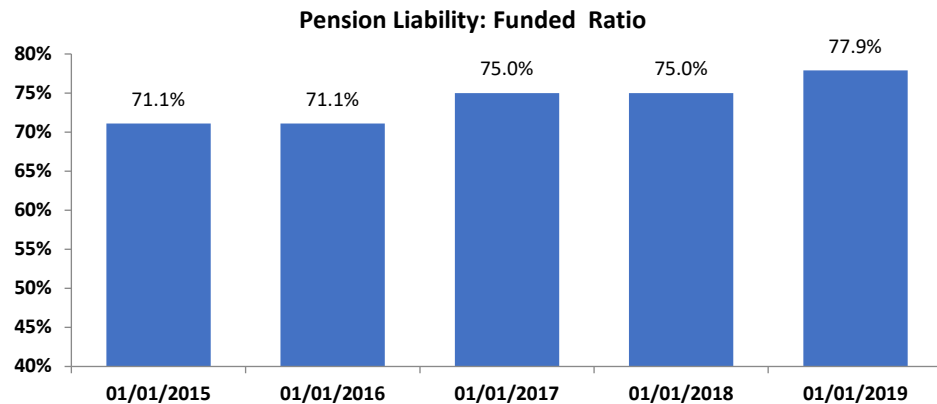
Pension Liability

Rating: *Favorable*

This indicator measures the health of a community's pension system, including the funded ratio,

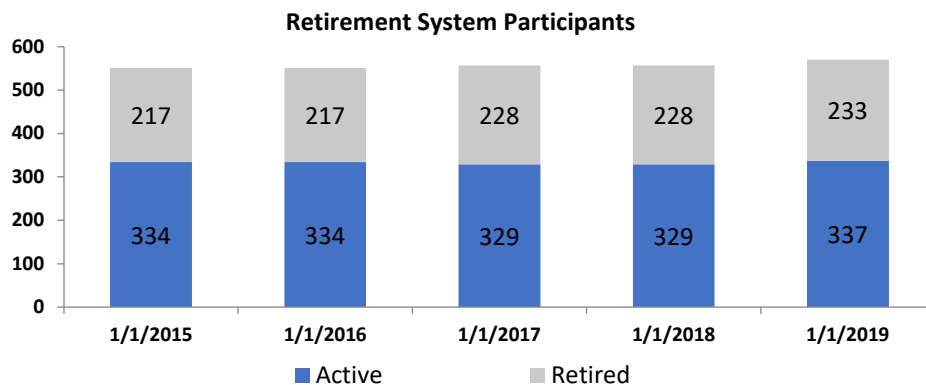
which is the total value of a pension plan's assets weighed against its accrued liabilities. Tracking the liability, the number of participants, the assumed rate of return, the year the plan is estimated to be

fully funded, and the ratio of retired to active participants are all important to understanding the long-term health of the fund.



A decreasing funded ratio indicates that the community's ability to cover its accrued pension liability is diminishing, which

may put pressure on the budget in the future as other items may need to be cut to make pension payments. In addition, a system's balance of active, contributing



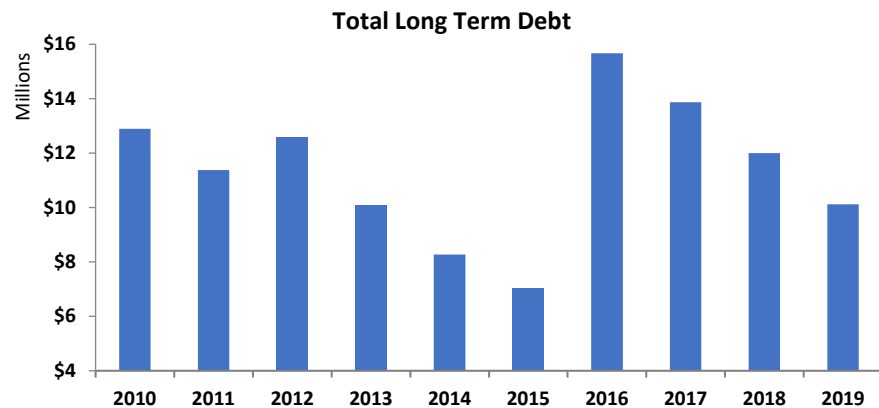
members to those who are retired and drawing benefits is also important. If too few are contributing and too many are drawing benefits, it may indicate that the system will soon be unable to cover its liabilities.

Data for the North Adams Contributory Retirement System shown here is from PERAC and the Cities Annual reports. As of January 2019, the system was 77.9% funded with a 7.25% assumed rate of return and a target date of 2029 for full funding. The funded ratio continues to increase with each actuarial valuation that takes place every two years as required by PERAC. Throughout the period shown here, the ratio of active to retired employees has remained positive but has decreased from 1.54 in 2015 to 1.45 in 2019.

Debt

Rating: Marginal

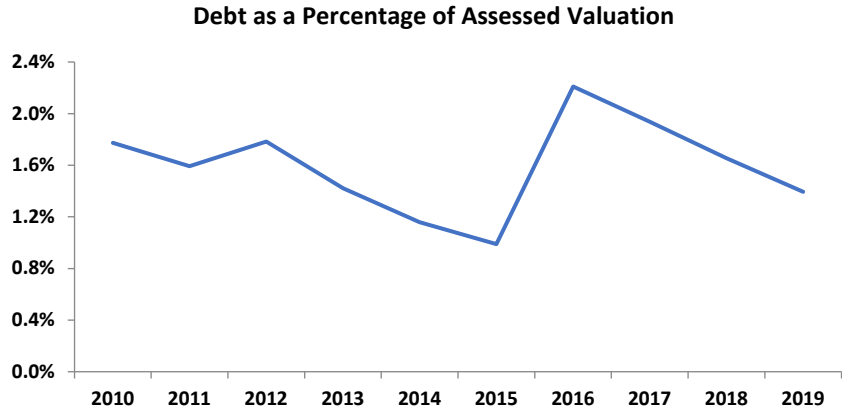
This indicator measures a community's total long-term debt burden and debt levels per capita. In most cases, a municipality's long-term debt obligations may not exceed 5% of



its assessed valuation. While a high debt load may be an indication of fiscal strain, low and decreasing debt may indicate underinvestment in capital assets and infrastructure. Local officials should also seek to maintain a prudent, consistent debt level so that as debt is retired, new debt is issued. Ideally, a community's debt level and issuance should be set by financial policies and meet its capital investment needs.

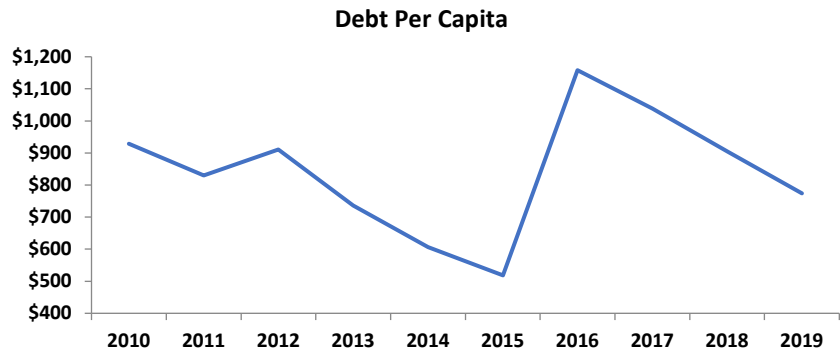
This indicator also measures annual principal and interest payment obligations associated with the issuance of long-term and short-term debt. Annual debt service more than 10% of net operating revenues may indicate that the community's debt load is too high. Heavy debt loads may negatively affect a community's ability to maintain spending on essential services as more revenues must be set aside for service debt. When viewing this indicator, it is important to note that exempt debt service is funded with a dedicated revenue stream via a debt exclusion. If exempted debt service is increasing, that does not mean additional stress on the operating budget since there is additional property taxes being raised to fund the debt service.

North Adams' debt burden is well below the 10 percent threshold. However, debt has steadily declined from a high in FY16 of 2.21% to 1.39% of assessed valuation in FY2019, indicating plenty of capacity for taking on

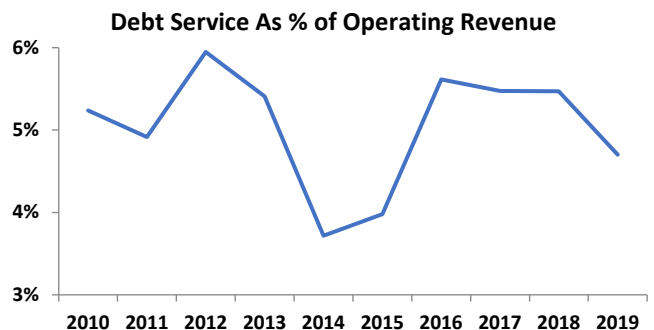
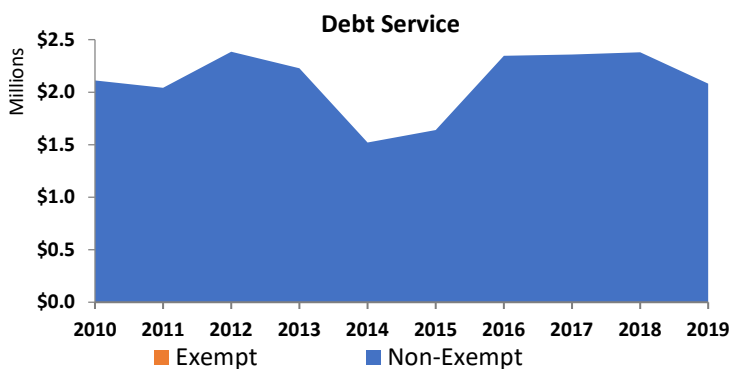


additional debt as capital needs arise. However, as debt continues to drop off, it is important to reinvest those funds in capital related projects. If the operating budget eats up the savings from the debt roll off, investment in capital projects will continue to decrease and create future problems. This indicator rates North Adams as marginal because debt as a percentage of assessed valuation continues to decline.

Declining from 5.24% in FY2010 to 4.70% in FY2019, North Adams' proportion of debt to operating revenue is well below the 20 percent threshold and does not present a danger of straining departmental



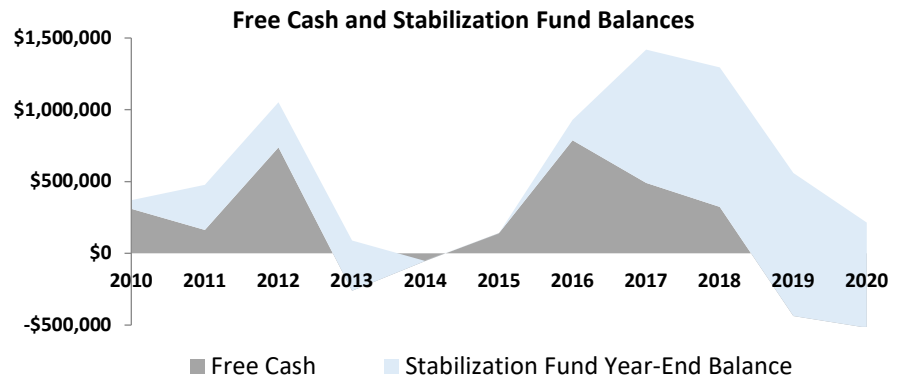
spending. However, the consistent decrease from FY16-FY19 may indicate a diminishing capacity for capital investment. Officials should examine their future capital needs and determine whether increased investment will be necessary to maintain its capital plan.



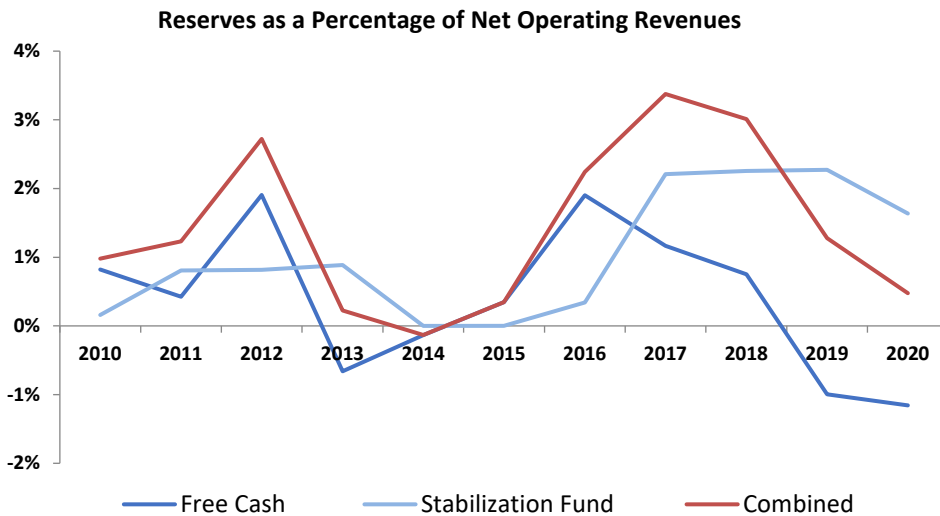
Reserves

Rating: *Unfavorable*

This indicator measures the balance of free cash and stabilization fund reserves. Keeping healthy reserve levels allows a community to finance emergencies, unforeseen needs, or other specific purposes. Communities

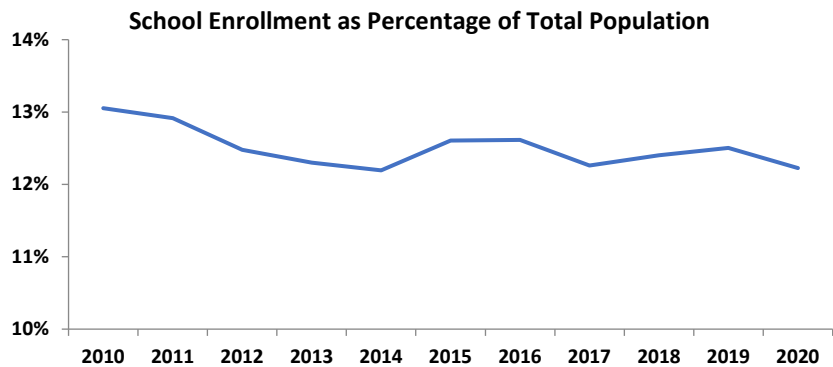
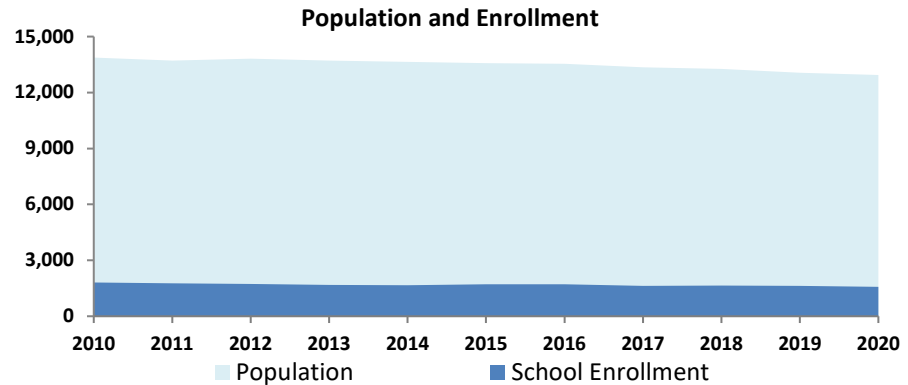


should seek combined reserve balances between 7-10% of revenues. Ideally, target reserve levels should be set by policy. Declining reserves as a percentage of a city's net operating revenue is considered a warning indicator by credit rating agencies and may indicate a declining ability to finance town obligations in the face of an emergency.



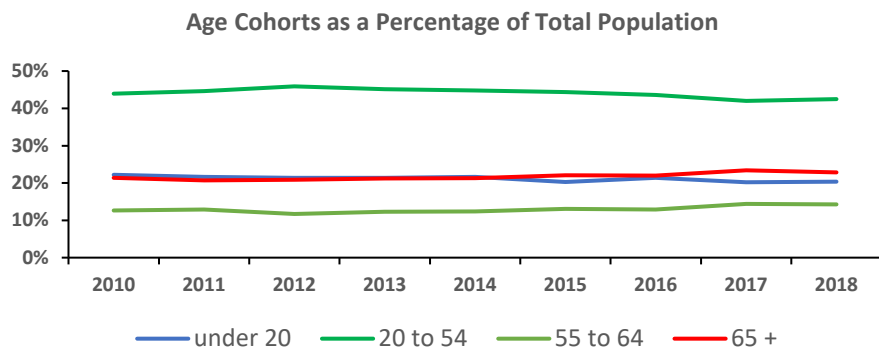
In all cases, North Adams reserve levels have been extremely low since FY10. In FY17 reserve levels (free cash & Stabilization) as a percentage of net operating revenues were at a high of 3.38%. As a best practice, DLS recommends that a community maintain a reserves balance between 8 - 12% of net operating revenues. North Adams has an unfavorable reserve rating because of the City's inability to maintain an adequate balance.

This indicator measures a community's total population, the age cohorts within the population, and school enrollment. Age cohorts are divided into four groups to give local officials a sense of the population that is of school age, of prime working age, close to retirement, and elderly. Population changes over time may indicate a need to adjust municipal service levels and should be monitored to better



plan for future expenses. As the number of residents increase or decrease, there is a need to right size service levels accordingly for police and fire protection, local roads and infrastructure repair, etc. Additionally, population changes will likely result in swings in school-age enrollment, which greatly impacts education costs.

The population in North Adams has remained relatively steady since FY2010, slightly decreasing from a high of 13,874 in FY10 to a low of 12,946 in FY20. In FY12, North Adams saw its only increase in



population since FY10. Total school enrollment and enrollment as a percentage of the population has decreased since FY2010, indicating lower demand on the school system over time.

RATING SUMMARY

Net Operating Revenues:	Marginal	Personnel Costs:	Favorable
Economic Growth Revenues:	Marginal	Pension Liability:	Favorable
State Aid:	Unfavorable	Debt:	Marginal
Property Taxes:	Unfavorable	Reserves:	Unfavorable
Outstanding Receivables:	Unfavorable	Population and Enrollment:	Marginal
Operating Expenditures:	Marginal		

The goal of this analysis is to provide valuable information regarding the past, present, and future direction of the financial condition North Adams. Although unforeseen events like COVID-19 can create a fiscal crisis, the signs of distress in North Adams have been manifesting themselves over many years. Economic, demographic, and institutional factors have all lead to the current financial condition in which the city finds itself. These financial challenges are also typically interconnected. For community like North Adams, local leadership needs to develop a clear understanding of the causes of this fiscal stress and begin to pursue opportunities for corrective action. Generally, more than one reason will be identified, and some factors fall outside local control. In more complex situations like these, the city will require the assistance of a broad coalition of leadership from community, region, and the state.

DATASETS

Net Operating Revenues

Fiscal Year	Gross Operating Revenues	Less: Free Cash Used to Reduce Tax Rate	Less: Other Funds Used to Reduce Tax Rate	Less: Other Appropriated Free Cash	Less:	Less: Exempt Debt	Net Operating Revenues	CPI-U, prior calendar year	CPI-U adjustment	Net Operating Revenues (Constant Dollars)	Percent Change from Prior Year
					Available Funds/One-Time Revenues						
2010	\$40,330,550	\$0	\$0	\$226,000		\$0	\$37,804,291	233.8	100.0%	\$37,804,291	-3.65%
2011	\$41,527,663	\$0	\$680,000	\$310,049		\$0	\$38,741,753	237.4	98.5%	\$38,154,262	0.93%
2012	\$40,093,740	\$166,000	\$0	\$329,833		\$0	\$38,678,465	243.9	95.9%	\$37,076,774	-2.82%
2013	\$41,156,019	\$0	\$0	\$570,915		\$0	\$39,472,926	247.7	94.4%	\$37,257,853	0.49%
2014	\$40,890,354	\$0	\$0	\$0		\$0	\$39,758,533	251.1	93.1%	\$37,019,295	-0.64%
2015	\$41,193,557	\$0	\$0	\$0		\$0	\$40,811,552	255.2	91.6%	\$37,389,267	1.00%
2016	\$41,775,649	\$0	\$0	\$140,822		\$0	\$41,468,397	256.7	91.1%	\$37,769,034	1.02%
2017	\$43,083,373	\$0	\$0	\$992,752		\$0	\$42,032,621	260.5	89.8%	\$37,724,479	-0.12%
2018	\$43,503,451	\$0	\$0	\$284,288		\$0	\$43,057,271	267	87.6%	\$37,703,333	-0.06%
2019	\$44,282,313	\$0	\$0	\$324,132		\$0	\$43,910,137	275.8	84.8%	\$37,223,314	-1.27%
2020	\$45,279,305	\$0	\$0	\$0		\$0	\$44,801,959	281	83.2%	\$37,276,506	0.14%

Data Source: Tax Recap

Economic Growth Revenues

Fiscal Year	Net Operating Revenues (constant dollars)	Building-Related Fees and Permits	Meals, Rooms, other Excise	Motor Vehicle Excise	New Growth				Total Economic Growth Revenues (Adjusted for Inflation)				
					Residential	Commercial/Industrial	Personal Property	Total New Growth	Nominal Economic Dollars	CPI-U, prior calendar year	CPI-U adjustment	Constant Economic Dollars	As a % of Net Operating Revenues
2010	\$37,804,291	\$41,860	\$182,799	\$908,673	\$53,897	\$5,449	\$28,680	\$88,026	\$1,221,358	233.8	100.0%	\$1,221,358	3.23%
2011	\$38,154,262	\$46,719	\$351,728	\$891,838	\$35,322	\$20,113	\$39,393	\$94,828	\$1,385,113	237.4	98.5%	\$1,364,109	3.58%
2012	\$37,076,774	\$67,764	\$368,123	\$906,803	\$12,859	\$5,785	\$49,875	\$68,519	\$1,411,209	243.9	95.9%	\$1,352,770	3.65%
2013	\$37,257,853	\$61,581	\$429,304	\$973,135	\$29,625	\$24,610	\$67,865	\$122,100	\$1,586,120	247.7	94.4%	\$1,497,113	4.02%
2014	\$37,019,295	\$64,535	\$459,078	\$943,379	\$26,692	\$303,336	\$63,577	\$393,605	\$1,860,597	251.1	93.1%	\$1,732,407	4.68%
2015	\$37,389,267	\$59,366	\$476,502	\$983,496	\$35,748	\$18,459	\$170,805	\$225,012	\$1,744,376	255.2	91.6%	\$1,598,100	4.27%
2016	\$37,769,034	\$86,467	\$490,974	\$1,052,170	\$41,254	\$81,706	\$227,288	\$350,248	\$1,979,859	256.7	91.1%	\$1,803,238	4.77%
2017	\$37,724,479	\$104,793	\$512,103	\$1,106,982	\$33,961	\$70,922	\$73,223	\$178,106	\$1,901,984	260.5	89.8%	\$1,707,040	4.53%
2018	\$37,703,333	\$46,055	\$560,795	\$1,113,430	\$7,299	\$76,040	\$187,400	\$270,739	\$1,991,019	267.0	87.6%	\$1,743,447	4.62%
2019	\$37,223,314	\$80,451	\$626,992	\$1,187,030	\$14,483	\$77,521	\$264,114	\$356,118	\$2,250,591	275.8	84.8%	\$1,907,861	5.13%
2020	\$37,276,506	\$80,929	\$626,992	\$1,187,030	\$9,307	\$42,272	\$541,553	\$593,132	\$2,488,083	281.0	83.2%	\$2,070,156	5.55%

Data Source: Town revenue reports, Tax Recap, Form LA-13

State Aid

Fiscal Year	Cherry Sheet Revenue Less Offsets	Less MSBA Reimbursements	Net State Aid	CPI-U adjustment	Net State Aid (Constant Dollars)	Net Operating Revenues (Constant Dollars)	Net State Aid as % Operating Revenue
2010	\$18,670,565	-\$659,939	\$18,010,626	100.0%	\$18,010,626	\$37,804,291	47.6%
2011	\$17,724,449	-\$659,939	\$17,064,510	98.5%	\$16,805,739	\$38,154,262	44.0%
2012	\$17,544,995	-\$659,939	\$16,885,056	95.9%	\$16,185,839	\$37,076,774	43.7%
2013	\$17,937,398	-\$659,939	\$17,277,459	94.4%	\$16,307,912	\$37,257,853	43.8%
2014	\$18,081,878		\$18,081,878	93.1%	\$16,836,093	\$37,019,295	45.5%
2015	\$18,204,122		\$18,204,122	91.6%	\$16,677,601	\$37,389,267	44.6%
2016	\$18,360,976		\$18,360,976	91.1%	\$16,723,008	\$37,769,034	44.3%
2017	\$18,707,078		\$18,707,078	89.8%	\$16,789,692	\$37,724,479	44.5%
2018	\$18,932,509		\$18,932,509	87.6%	\$16,578,354	\$37,703,333	44.0%
2019	\$18,988,997		\$18,988,997	84.8%	\$16,097,272	\$37,223,314	43.2%
2020	\$19,162,290		\$19,162,290	83.2%	\$15,943,571	\$37,276,506	42.8%

Data Source: DLS Municipal Databank

Property Taxes

Fiscal Year	Property Tax Levy	Less Debt Exclusions	Net Property Tax Levy	CPI-U adjustment	Net Tax Levy (constant dollars)	% Change from prior year	Prop Tax as a % Operating Revenue
2010	\$11,601,589	\$0	\$11,601,589	100.0%	\$11,601,589	3.39%	30.7%
2011	\$12,854,165	\$0	\$12,854,165	98.5%	\$12,659,241	9.12%	33.7%
2012	\$13,241,152	\$0	\$13,241,152	95.9%	\$12,692,830	0.27%	35.7%
2013	\$13,686,385	\$0	\$13,686,385	94.4%	\$12,918,356	1.78%	36.7%
2014	\$14,429,007	\$0	\$14,429,007	93.1%	\$13,434,894	4.00%	39.0%
2015	\$15,003,929	\$0	\$15,003,929	91.6%	\$13,745,763	2.31%	40.1%
2016	\$15,732,057	\$0	\$15,732,057	91.1%	\$14,328,613	4.24%	41.7%
2017	\$16,139,226	\$0	\$16,139,226	89.8%	\$14,485,033	1.09%	42.8%
2018	\$16,904,531	\$0	\$16,904,531	87.6%	\$14,802,544	2.19%	44.8%
2019	\$17,652,040	\$0	\$17,652,040	84.8%	\$14,963,912	1.09%	47.4%
2020	\$18,264,782	\$0	\$18,264,782	83.2%	\$15,196,819	1.56%	49.0%

Fiscal Year	Prior Year Tax Levy Limit	2.5% Increase	Certified New Growth	Levy Limit	Levy Ceiling	Prop Tax Levy (net of Debt Exclusions)	Maximum Allowable Levy	Property Tax Levy	Excess Levy Capacity	Override Capacity	Override Capacity as % Levy Ceiling
2010	\$12,059,380	\$301,485	\$88,026	\$12,448,891	\$18,298,543	\$11,601,589	\$12,448,891	\$11,601,589	\$847,302	\$5,849,653	32.0%
2011	\$12,448,891	\$311,222	\$94,828	\$12,854,941	\$17,858,899	\$12,854,165	\$12,854,941	\$12,854,165	\$776	\$5,003,958	28.0%
2012	\$12,854,941	\$321,374	\$68,519	\$13,244,834	\$17,645,883	\$13,241,152	\$13,244,834	\$13,241,152	\$3,682	\$4,401,049	24.9%
2013	\$13,244,834	\$331,121	\$122,100	\$13,698,055	\$17,756,149	\$13,686,385	\$13,698,055	\$13,686,385	\$11,670	\$4,058,094	22.9%
2014	\$13,698,055	\$342,451	\$393,605	\$14,434,111	\$17,858,513	\$14,429,007	\$14,434,111	\$14,429,007	\$5,104	\$3,424,402	19.2%
2015	\$14,434,111	\$360,853	\$225,012	\$15,019,976	\$17,801,701	\$15,003,929	\$15,019,976	\$15,003,929	\$16,047	\$2,781,725	15.6%
2016	\$15,019,976	\$375,499	\$350,248	\$15,745,723	\$17,730,832	\$15,732,057	\$15,745,723	\$15,732,057	\$13,666	\$1,985,109	11.2%
2017	\$15,745,723	\$393,643	\$178,106	\$16,317,472	\$17,901,330	\$16,139,226	\$16,317,472	\$16,139,226	\$178,246	\$1,583,858	8.8%
2018	\$16,317,472	\$407,937	\$270,739	\$16,996,148	\$18,136,070	\$16,904,531	\$16,996,148	\$16,904,531	\$91,617	\$1,139,922	6.3%
2019	\$16,996,148	\$424,904	\$356,118	\$17,777,170	\$18,133,108	\$17,652,040	\$17,777,170	\$17,652,040	\$125,130	\$355,938	2.0%
2020	\$17,777,170	\$444,429	\$593,132	\$18,814,731	\$19,200,352	\$18,264,782	\$18,814,731	\$18,264,782	\$549,949	\$385,621	2.0%

Fiscal Year	Residential	Commercial	Industrial	Personal	Total Value	Value Change from Prior Year	Levy Ceiling
2009	\$569,989,276	\$102,130,248	\$27,677,280	\$32,144,930	\$731,941,734		
2010	\$562,104,232	\$105,965,641	\$25,940,412	\$33,173,180	\$727,183,465	-0.65%	\$18,179,587
2011	\$551,223,772	\$105,006,719	\$25,366,412	\$32,759,040	\$714,355,943	-1.76%	\$17,858,899
2012	\$551,439,312	\$102,416,830	\$24,956,712	\$27,022,460	\$705,835,314	-1.19%	\$17,645,883
2013	\$550,494,039	\$103,891,550	\$24,596,362	\$31,263,993	\$710,245,944	0.62%	\$17,756,149
2014	\$550,177,979	\$112,075,190	\$24,565,662	\$27,521,697	\$714,340,528	0.58%	\$17,858,513
2015	\$550,769,529	\$110,853,671	\$20,917,862	\$29,526,989	\$712,068,051	-0.32%	\$17,801,701
2016	\$543,776,097	\$110,504,423	\$21,608,722	\$33,344,021	\$709,233,263	-0.40%	\$17,730,832
2017	\$549,867,934	\$112,505,659	\$22,168,722	\$31,510,866	\$716,053,181	0.96%	\$17,901,330
2018	\$559,122,708	\$111,212,748	\$23,590,217	\$31,517,127	\$725,442,800	1.31%	\$18,136,070
2019	\$556,831,349	\$110,802,875	\$22,084,312	\$35,605,797	\$725,324,333	-0.02%	\$18,133,108
2020	\$588,142,937	\$112,664,615	\$22,651,662	\$44,554,873	\$768,014,087	5.89%	\$19,200,352

Data Source: Tax Recap and DLS Databank

Uncollected Receivables

Fiscal Year	Property Tax Levy	Less Overlay	Net Property Tax Levy	Cumulative Uncollected Receivables as of June 30th	Cumulative Uncollected Receivables as % Tax Levy
2010	\$11,601,589	-\$201,424	\$11,400,165	\$2,149,114	18.85%
2011	\$12,854,165	-\$202,069	\$12,652,096	\$2,093,338	16.55%
2012	\$13,241,152	-\$225,418	\$13,015,734	\$2,424,940	18.63%
2013	\$13,686,385	-\$219,743	\$13,466,642	\$2,743,697	20.37%
2014	\$14,429,007	-\$225,299	\$14,203,708	\$2,902,867	20.44%
2015	\$15,003,929	-\$199,886	\$14,804,043	\$3,026,278	20.44%
2016	\$15,732,057	-\$237,608	\$15,494,449	\$3,401,370	21.95%
2017	\$16,139,226	-\$151,916	\$15,987,310	\$3,409,371	21.33%
2018	\$16,904,531	-\$160,233	\$16,744,298	\$3,949,576	23.59%
2019	\$17,652,040	-\$171,563	\$17,480,477	\$3,916,696	22.41%
2020	\$18,264,782	-\$200,368	\$18,064,414	\$3,916,696	21.68%

Data Source: DLS Databank

Operating Expenditures

Fiscal Year	Nominal Dollars	CPI-U adjustment	Constant Dollars	% Change
2009	\$33,812,820	99.3%	\$33,582,996	
2010	\$34,351,347	100.0%	\$34,351,347	2.29%
2011	\$38,774,681	98.5%	\$38,186,691	11.17%
2012	\$39,014,571	95.9%	\$37,398,961	-2.06%
2013	\$40,139,068	94.4%	\$37,886,613	1.30%
2014	\$39,616,384	93.1%	\$36,886,940	-2.64%
2015	\$39,515,113	91.6%	\$36,201,542	-1.86%
2016	\$40,029,157	91.1%	\$36,458,188	0.71%
2017	\$42,185,535	89.8%	\$37,861,720	3.85%
2018	\$43,434,663	87.6%	\$38,033,799	0.45%
2019	\$44,282,816	84.8%	\$37,539,240	-1.30%

Fiscal Year	Education	Debt Service	Fixed Costs	Public Works	Police	Fire	Other Public Safety	Human Services	Culture and Recreation	General Government	Assessments /Other
2009	\$15,636,149	\$2,327,012	\$2,301,335	\$4,690,841	\$1,598,597	\$1,332,924	\$494,559	\$428,942	\$660,797	\$1,304,539	\$3,037,125
2010	\$16,379,572	\$2,112,698	\$2,365,473	\$4,466,674	\$1,510,887	\$1,277,690	\$495,361	\$531,797	\$595,052	\$1,310,398	\$3,305,745
2011	\$16,308,398	\$2,040,943	\$6,716,852	\$3,967,443	\$1,668,704	\$1,381,193	\$450,028	\$639,507	\$541,212	\$1,347,368	\$3,713,033
2012	\$16,455,012	\$2,384,779	\$6,809,365	\$3,892,784	\$1,809,056	\$1,290,512	\$161,052	\$824,748	\$532,587	\$1,248,279	\$3,606,397
2013	\$16,550,456	\$2,226,150	\$7,098,831	\$4,235,080	\$1,858,860	\$1,483,186	\$174,872	\$858,201	\$459,898	\$1,406,089	\$3,787,445
2014	\$16,738,081	\$1,520,066	\$6,886,784	\$4,226,975	\$1,821,190	\$1,621,158	\$176,605	\$915,897	\$458,419	\$1,359,230	\$3,891,979
2015	\$16,717,427	\$1,638,572	\$7,290,272	\$4,296,023	\$1,677,089	\$1,542,108	\$306,019	\$849,329	\$461,140	\$1,279,111	\$3,458,023
2016	\$16,869,110	\$2,345,792	\$7,305,457	\$3,775,489	\$1,798,861	\$1,634,556	\$375,603	\$901,705	\$528,270	\$1,392,139	\$3,102,175
2017	\$17,832,034	\$2,358,876	\$8,005,379	\$3,706,419	\$1,956,479	\$1,642,694	\$412,294	\$953,731	\$524,458	\$1,564,229	\$3,228,942
2018	\$18,251,569	\$2,380,665	\$8,256,431	\$3,732,683	\$1,942,356	\$1,741,376	\$440,598	\$922,681	\$553,313	\$1,424,360	\$3,788,631
2019	\$18,473,525	\$2,081,219	\$8,771,496	\$3,825,053	\$2,116,616	\$1,882,638	\$338,453	\$865,477	\$592,941	\$1,514,636	\$3,820,762

Data Source: Schedule A

Personnel Costs

Fiscal Year	Operating Expenditures	Salary and Wages	Health Benefits	FTE	As a % of Operating Expenditures			Per FTE		
					Salary and Wages	Health Benefits	Total Compensation	Salary and Wages	Health Benefits	Total Compensation
2009	\$33,812,820	\$19,356,367	\$5,310,874	888						
2010	\$34,351,347	\$17,201,114	\$5,276,799	825	50.1%	15.4%	65.4%	\$20,850	\$6,396	\$27,246
2011	\$38,774,681	\$17,095,223	\$4,169,540	752	44.1%	10.8%	54.8%	\$22,733	\$5,545	\$28,278
2012	\$39,014,571	\$17,730,621	\$4,395,687	755	45.4%	11.3%	56.7%	\$23,484	\$5,822	\$29,306
2013	\$40,139,068	\$17,574,405	\$4,529,705	745	43.8%	11.3%	55.1%	\$23,590	\$6,080	\$29,670
2014	\$39,616,384	\$18,251,653	\$4,148,366	723	46.1%	10.5%	56.5%	\$25,244	\$5,738	\$30,982
2015	\$39,515,113	\$18,631,025	\$4,454,473	764	47.1%	11.3%	58.4%	\$24,386	\$5,830	\$30,217
2016	\$40,029,157	\$18,306,440	\$4,288,584	707	45.7%	10.7%	56.4%	\$25,893	\$6,066	\$31,959
2017	\$42,185,535	\$18,458,034	\$4,881,425	686	43.8%	11.6%	55.3%	\$26,907	\$7,116	\$34,023
2018	\$43,434,663	\$18,791,351	\$4,988,380	690	43.3%	11.5%	54.7%	\$27,234	\$7,230	\$34,463
2019	\$44,282,816	\$18,791,351	\$5,391,092	690	42.4%	12.2%	54.6%	\$27,234	\$7,813	\$35,047

Data Source: Schedule A

Pension Liability

Report Date	Unfunded Liability	% Funded	Assumed Rate of Return	Year Fully Funded	Active	Retired	Total Participants	Ratio of Active to Retired
1/1/2015	\$20,800,000	71.10%	7.50%	2029	334	217	551	1.54
1/1/2016	\$20,800,000	71.10%	7.50%	2029	334	217	551	1.54
1/1/2017	\$19,300,000	75.00%	7.40%	2029	329	228	557	1.44
1/1/2018	\$19,300,000	75.00%	7.40%	2029	329	228	557	1.44
1/1/2019	\$18,500,000	77.90%	7.25%	2029	337	233	570	1.45

Data Source: PERAC Annual Reports & North Adams Retirement Board Annual Reports

Debt

Fiscal Year	Assessed Valuation	Bonds Outstanding	Population	Debt as % Assessed Valuation	Debt Per Capita
2010	\$727,183,465	\$12,888,590	13,874	1.77%	\$929
2011	\$714,355,943	\$11,378,018	13,711	1.59%	\$830
2012	\$705,835,314	\$12,585,038	13,816	1.78%	\$911
2013	\$710,245,944	\$10,087,110	13,708	1.42%	\$736
2014	\$714,340,528	\$8,269,262	13,646	1.16%	\$606
2015	\$712,068,051	\$7,040,403	13,583	0.99%	\$518
2016	\$709,233,263	\$15,672,461	13,533	2.21%	\$1,158
2017	\$716,053,181	\$13,863,814	13,353	1.94%	\$1,038
2018	\$725,442,800	\$11,997,513	13,263	1.65%	\$905
2019	\$725,324,333	\$10,114,117	13,068	1.39%	\$774

Fiscal Year	Non-Exempt Debt Service	Exempt Debt Service	Total Debt Service	Operating Revenue	Debt Service As % of Net Operating Revenue		
					Non-Exempt	Exempt	Total
2010	\$2,112,698	\$0	\$2,112,698	\$40,330,550	5.24%	0.00%	5.24%
2011	\$2,040,943	\$0	\$2,040,943	\$41,527,663	4.91%	0.00%	4.91%
2012	\$2,384,779	\$0	\$2,384,779	\$40,093,740	5.95%	0.00%	5.95%
2013	\$2,226,150	\$0	\$2,226,150	\$41,156,019	5.41%	0.00%	5.41%
2014	\$1,520,066	\$0	\$1,520,066	\$40,890,354	3.72%	0.00%	3.72%
2015	\$1,638,572	\$0	\$1,638,572	\$41,193,557	3.98%	0.00%	3.98%
2016	\$2,345,792	\$0	\$2,345,792	\$41,775,649	5.62%	0.00%	5.62%
2017	\$2,358,876	\$0	\$2,358,876	\$43,083,373	5.48%	0.00%	5.48%
2018	\$2,380,665	\$0	\$2,380,665	\$43,503,451	5.47%	0.00%	5.47%
2019	\$2,081,219	\$0	\$2,081,219	\$44,282,313	4.70%	0.00%	4.70%

Data Source: Debt Schedules & DLS Databank

Reserves

Fiscal Year	Free Cash	Stabilization Fund Year- End Balance	Combined Reserves	Net Operating Revenues	<i>As a Percentage of Net Operating Revenues</i>		
					Free Cash	Stabilization Fund	Combined
2010	\$310,049	\$60,300	\$370,349	\$37,804,291	0.82%	0.16%	0.98%
2011	\$163,833	\$313,360	\$477,193	\$38,741,753	0.42%	0.81%	1.23%
2012	\$737,222	\$315,988	\$1,053,210	\$38,678,465	1.91%	0.82%	2.72%
2013	-\$260,011	\$349,062	\$89,051	\$39,472,926	-0.66%	0.88%	0.23%
2014	-\$52,695	\$82	-\$52,613	\$39,758,533	-0.13%	0.00%	-0.13%
2015	\$140,822	\$244	\$141,066	\$40,811,552	0.35%	0.00%	0.35%
2016	\$787,752	\$141,066	\$928,818	\$41,468,397	1.90%	0.34%	2.24%
2017	\$489,580	\$929,480	\$1,419,060	\$42,032,621	1.16%	2.21%	3.38%
2018	\$324,132	\$971,378	\$1,295,510	\$43,057,271	0.75%	2.26%	3.01%
2019	-\$437,098	\$997,763	\$560,665	\$43,910,137	-1.00%	2.27%	1.28%
2020	-\$518,362	\$732,222	\$213,860	\$44,801,959	-1.16%	1.63%	0.48%

Data Source: Debt Schedules & DLS Databank

Reserves

Fiscal Year	Population	School Enrollment	Enrollment as % Population	Age Cohort			
				under 20	20 to 54	55 to 64	65 +
2010	13,874	1,811	13.05%	22.2%	43.9%	12.6%	21.4%
2011	13,711	1,771	12.92%	21.6%	44.6%	12.9%	20.7%
2012	13,816	1,724	12.48%	21.4%	45.9%	11.7%	20.9%
2013	13,708	1,686	12.30%	21.4%	45.1%	12.3%	21.2%
2014	13,646	1,664	12.19%	21.6%	44.8%	12.4%	21.3%
2015	13,583	1,712	12.60%	20.3%	44.4%	13.1%	22.1%
2016	13,533	1,707	12.61%	21.4%	43.6%	12.9%	22.0%
2017	13,353	1,637	12.26%	20.2%	42.0%	14.4%	23.4%
2018	13,263	1,645	12.40%	20.3%	42.5%	14.3%	22.9%
2019	13,068	1,634	12.50%	n/a	n/a	n/a	n/a
2020	12,946	1,583	12.23%	n/a	n/a	n/a	n/a

Data Source: US Census