

FINANCE COMMITTEE
REPORT AND RECOMMENDATIONS
For the
ANNUAL TOWN MEETING
GOSHEN, MASSACHUSETTS
July 25, 2020



Includes FY 2021 Contingent Budget

FINANCE COMMITTEE:

KRISTINE BISSELL, ANN DERES, ANGELA OTIS,

GINA M. PAPINEAU AND DAWN SCAPAROTTI

Finance Committee Report and Recommendation

Annual Town Meeting

July 25, 2020

Table of Contents

➤ Finance Committee	
○ Letter to Goshen Residents	1
○ Committee Activity	2, 3
○ Role and Responsibility	4
➤ Considerations – Revenues, Expenses, Capital, Taxes	6, 7, 8,
➤ Conclusions & Recommendations	
○ Summary	9
○ \$105K General Budget Override for \$105K – Why is it needed?	10, 11, 12
○ \$ 70K General Budget Override for \$ 70K – Why is it needed?	14,15
➤ Capital Projects with Financial implications	
○ Broadband	16
○ New Hingham School Roof	17
○ Landfill Cap	17
○ Multi-Use Public Safety / Highway Building	17,18,19
➤ Multi-Year Capital Plan	
○ With Projects	20
○ With Sources of Funds and Cash Flow	21
➤ Stabilization Accounts and Free Cash	22
➤ FY 2021 Contingent Budget Key Components	23
➤ Charts	24-27
➤ FY 2021 Contingent Budget	
○ Community Partner and Municipal Department Summary	28
○ FY 2021 Contingent Budget Line Code Detail	29 - 33
○ Levy Limit Calculation	34
➤ Chart – FY 2021 Contingent Budget By Traditional Municipal Departments	35
➤ Goshen Statistics: Households, Population , Student Enrollment	36 - 37
➤ Goshen Property Tax Impacts	38
➤ Municipal Terms Glossary	39 -41

July 15, 2020

Dear Goshen Tax Payers,

This has been a challenging time for all residents of Goshen, our hilltown neighbors, the Commonwealth and beyond. To say that this budget season has been daunting for many within the Town's committees, departments and affiliated community partners, is an understatement. We have all persevered.

We have continued to work on behalf of our Town's residents to develop a comprehensive financial strategy that builds on our progress and positions us to move steadily towards our financial and operational goals. Despite the additional complications and work presented by the Covid-19 pandemic, we have tried to provide material in advance of the Annual Town Meeting (ATM) and to find ways to allow for community questions and review so residents can be informed for the ATM. It is not available two weeks prior to our meeting, which is our goal. This is the best we could do this year.

The Finance Committee has thought long and hard about our recommendations. We are unanimously affirmed in our belief that despite the unsettled times, there are issues we must address this year. This is the culmination of work that was started in 2015. We believe that the changes we recommend are essential. To let them go beyond FY 2021 will impact the community and our ability to provide the necessary services, some of which are delivered by our municipal partners, including the Highland Ambulance, 2 regional schools, vocational high school, health agent, etc. We have tempered our requests, but we firmly believe the ones we have made are essential and will position us to enhance our operations and financial strength long-term.

Our committee's recommendations have come about through detailed examination and analysis. Ultimately, however, it is up to the voters in the Town to evaluate. We invite people to join the Finance Committee meetings at any time during the year to provide your feedback and contribute to the discussions.

*Due to the COVID-19 coronavirus the **Annual Town Meeting, held on July 25th at 9:30** will be held in a 100' x 40' tent behind the Town Offices at 40 Main Street, with appropriate safety protocols, including masks and physical distancing. The information in this booklet is prepared for that meeting, where we will be voting on warrant articles, many of which relate to the FY 2021 budget.*

If you have questions after reviewing the material in this booklet you may:

- 1. **Submit questions** to the Finance Committee email : finance@goshen-ma.us*
- 2. We will post the questions, and any answers we can provide, on the Finance Committee page of the Goshen Website by Wednesday, July 22nd;*
- 3. **The Finance Committee will hold an outdoor informational session in the large tent behind the Town offices on Thursday, July 23 at 6:30 pm;***
- 4. There will be an opportunity for questions during the ATM on Sat., July 25th.*

We respectfully submit our findings and recommendations for your consideration and encourage you to submit questions and look forward to talking with you at the opportunities listed above.

Respectfully Submitted, The Goshen Finance Committee

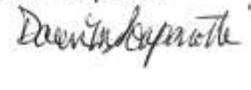
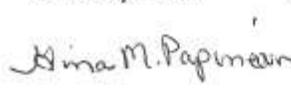
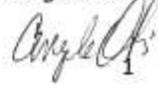
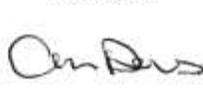
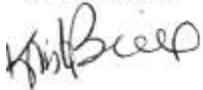
Kristine Bissell

Ann Deres

Angela Otis

Gina Papineau

Dawn Scaparotti



FINANCE COMMITTEE ACTIVITY

1. The Finance Committee's intent is to be fully transparent. Our commitment is to provide the best information possible for voters to consider as they make their decisions. The disclosures and communications are only limited by our time; there are no hidden facts or agendas;
2. We have reviewed areas of best practices as it relates to operating budget and capital plan funding strategies;
3. We work deliberately to assess the Town's needs, and evaluate the multiple trade-offs inherent in funding a variety of disparate requests. We work hard to understand the many departments and municipal partner's budget requests;
4. Our community partners' assessments represent 62% of the town's costs and we continue to work with them to understand the details behind their requests. Since the three school assessments represent the biggest portion of our community partner charges, we attend numerous school committee meetings in Chesterfield and Westhampton to listen and learn about the critical services being provided and their financial implications. Lots of questions have been asked over the last year to ensure we understand their requests, and work equally hard to convey the Town's financial priorities and constraints;
5. This year we did not solicit budget requests from all of our departments as most would need to be level funded. We did consult with departments about major changes they were experiencing and factored that in. Time was prioritized to understand the larger issues and areas of major impacts in addition to debating the strategy to move the Town forward financially. In developing the budgets we reviewed municipal departmental needs and the critical functions provided by community partners. Trade-offs between short and long-term considerations were also reviewed.
6. We carefully evaluated all operating budget, capital requests and current projects on the capital plan with financial implications, including the broadband project and some larger, as yet unapproved, projects;
7. We have looked at tax and income data from various sources. Some of the data needs further review. For example, the Low-Moderate Income Index produced from HUD data lists all towns in MA from highest need (10) to lowest need (1). Goshen has moved from almost the highest need (9) in 2019 to a 2 for 2020, indicating we have almost as low a need as Longmeadow, a 1 on that scale. We have reached out to those who produce and use this data to understand how it was collected and validate its accuracy as it may impact various assessments and grant applications. We find it difficult to believe we have moved from being among the highest need communities to among the lowest. This needs more investigation.

FINANCE COMMITTEE ACTIVITY CONTINUE

8. We have made recommendations that we believe will maintain and strengthen the long-term operational and financial stability of the Town, which has been one goal of the Select Board in recent years. In support of the Select Board's goal, we have recommended adopting best practices in capital and operating budgeting. This, along with the more frequent audits which the Select Board has pursued, will position the Town for the lowest borrowing rates, and eventually, to fund the majority of our projects *without* the need for constant debt exclusions, and to minimize borrowing, thereby saving the Town money over time;
9. This report is purposefully comprehensive for 2 reasons.
 - This is the first request for an override for the Town in 30 years. We do not make it lightly and want you to understand why we firmly believe we need one, even at this time.
 - Due to COVID 19 we will not have opportunities, as we did last year, for a slide presentation.
10. Through this report we have provided pertinent information that informs voters about the potential impacts of their voting options. By holding an outdoor information session in advance of the annual Town meeting we have provided a way for individuals to ask questions and seek additional information. We realize all too well that it is a lot to take in, especially in a compressed timeframe.
11. Ultimately it is up to the voters to decide resource levels and distribute those scarce resources. They are informed by those whom they have elected and who have a detailed understanding of the various tradeoffs, requirements and implications. The voter decisions will be enhanced by open dialogue and discussion of the facts

FINANCE COMMITTEE ROLE AND RESPONSIBILITY

1. Finance Committee members are volunteers elected by the Town;
2. Their responsibility is to provide oversight of all financial matters related to the development, management, and monitoring of the Town's annual operating budget, capital plans and active projects;
3. Because it is impossible for all voters to be completely informed about all the details of the Town's financial position, the Finance Committee has an advisory role in making recommendations to the Select Board and Town Meeting;
4. The process of making recommendations is designed to respect and acknowledge the complexity of goals, concerns, and variable needs of the community, and financial impact on the community;
5. Their evaluations reflect both a short-term and long-term perspective in preserving the financial stability of the community;
6. The Finance Committee collaborates with the Selectboard and other committees and employees including the Capital Planning Committee, Board of Assessors, Treasurer and Accountant on financial issues that arise during the fiscal year and is responsible for approving transfers of reserve funds during the year.

NOTES

CONSIDERATIONS – Revenues, Expenses, Capital & Taxes

1. The Town has limited sources of revenue to cover our expenses - mostly property taxes, some state aid and local receipts;
2. For decades, there has been a concerted effort to keep our property taxes as low as possible. We have been successful. Our tax assessments are the lowest in our Hampshire Regional District (see page 6). This means of course, we must keep our expenses equally low. We have lived within proposition 2 ½ for 30 years, which limits overall increases in the taxes that can be raised to 2.5% of the previous year's levy ;
3. This has meant that during this period Finance Committee practice has been to “shuffle the pieces of the pie”, shrinking some budgets to accommodate others, so as to be able to meet all the municipal expenses and community partner assessments and live within the annual allowable 2.5% increases in taxes;
4. Some expenses, especially partner assessments, often increase more than 2.5% due to contractual commitments, or to meet operational changes in services provided, or to cover unfunded, or underfunded state mandates such as public safety training, special education, regional school transportation, charter school and school choice;
5. The size of the pie has not kept pace with the inflationary pressures experienced by both the municipality and its partners in various expense line-codes; neither has it kept pace with the increasing complexities of running a municipal organization. We have juggled limited staffing, mostly part time, and a decreasing pool of volunteers to support the important committees and boards necessary to perform critical municipal functions. Many of the same volunteers are on multiple committees;
6. This year the State recalculated the amount it indicates the Town “can afford” to pay for schools based on their review of the Towns residents’ income and property values. This resulted in a significant increase in Goshen’s share of education related expenses;
7. In addition to increasing our contribution to the elementary school, this year the State is projecting reductions in state aid due to COVID 19;
8. The Town has a capital plan that is updated annually. A source of funds must be identified for each project within the plan. The Town voted to establish a capital stabilization account where we save the necessary funds to pay for the approved capital. Purchases and loan repayments are made out of this account;
9. We have been aggressively funding the stabilization account, through free cash and other stabilization fund balances. This has been an important step forward in planning for our Town’s capital needs;
10. This form of funding alone, however, is not a sustainable one. If we are to meet our capital needs, we have to budget an annual contribution that follows best practice guidelines of 3 to 5 percent of the annual budget or tax levy (\$92K to \$155K). Last year was the first year we were able to fund \$22K in the budget.

CONSIDERATIONS Revenues, Expenses, Capital & Taxes continued

HAMPSHIRE REGIONAL DISTRICT TOWNS TAX RATES AND ASSESSMENTS

Town	Tax Rate ¹	Avg Assessed Value ¹	Total Tax Bill ¹	Median Income 2011-2015 ²	# of Hseholds ^{3,4}	Population Estimate ^{2,3}	LMI Index 2019, 2020 ⁵	Assessed Town Value (millions)
Williamsburg	\$ 20.62	\$ 277,232	\$ 5,717	\$ 65,855	1,118	2,469	4 / 7	\$ 6.6
Westhampton	\$ 20.32	\$ 292,578	\$ 5,945	\$ 81,635	623	1,638	5 / 2	\$ 4.8
Chesterfield	\$ 20.11	\$ 234,685	\$ 4,720	\$ 64,167	511	1,249	9 / 6	\$ 3.1
Southampton	\$ 15.82	\$ 324,246	\$ 5,130	\$ 79,858	2,249	6,152	4 / 5	\$ 12.7
Goshen	\$ 15.11	\$ 245,837	\$ 3,715	\$ 71,118	581	1,070	9 / 2	\$ 2.5
Town	Tax Rate	Assessed	Bill	Income		Estimate	2019, 2020	
Williamsburg	\$ 20.62	\$ 250,000	\$ 5,155	\$ 65,855	1,118	2,469	4 / 7	\$ 6.6
Westhampton	\$ 20.32	\$ 250,000	\$ 5,080	\$ 81,635	623	1,638	5 / 2	\$ 4.8
Chesterfield	\$ 20.11	\$ 250,000	\$ 5,028	\$ 64,167	511	1,249	9 / 6	\$ 3.1
Southampton	\$ 15.82	\$ 250,000	\$ 3,955	\$ 79,858	2,249	6,152	4 / 5	\$ 12.7
Goshen	\$ 15.11	\$ 250,000	\$ 3,778	\$ 71,118	416	1,070	9 / 2	\$ 2.5

¹ Department of Revenue

² Boston Metropolitan Planning Organization

³ 2010 Census

⁴ 2010 Census reflects FT Households of 416 for Goshen; with 165 seasonal it would be 581 households.

⁵ The Low-Moderate Income Index produced from HUD data lists all towns in MA from highest need (10) to lowest need (1). We have moved from almost the highest need (9) in 2019 to a 2 for 2020, indicating we have almost as low a need as Longmeadow, a 1 on that scale. We have reached out to those who produce and use this data to understand how it was collected and validate its accuracy. We have not been able to verify its accuracy. We find it difficult to believe we have moved from being among the highest need communities to among the lowest. We do not know if this same data is generating impacts to our minimum educational contributions erroneously, or, if, in fact, the incomes being used are an accurate reflection of our community.

CONCLUSIONS AND RECOMMENDATIONS - Summary

1. It is not possible to meet the reasonable budget requirements of the various community partners and municipal departments within the current limits of the town's revenues;
2. Beyond that we can no longer postpone the judicious funding of capital we have approved and capital we are projecting to need. To ensure we can meet our capital needs, we must set aside sufficient money each year in our operating budget to fund a capital stabilization account, from which purchases are made once approved at Town meeting;
3. As we state, due to increased costs across the board, we can no longer shuffle the pieces of the pie through a tug-of-war process that pits one deserving entity against another. It leads to contempt for the areas asking for more money and those who have to defer another year to get theirs;
4. After careful analysis, consideration and discussion, it is the Finance Committee's recommendation that the Town "increase the size of the pie" available to be divided. In other words, to increase the amount of funds available to be appropriated annually in our budget. This is known as a Proposition 2 ½ override because it allows us to increase our tax levy by more than 2.5% of the previous year's levy limit;
5. This general budget override will help us to be able to more adequately address:
 - saving to fund our capital purchases in the next 5 – 10 years and beyond,
 - unfunded state mandates within our schools and municipalities,
 - the staffing to meet the complexities within both,
 - the inflationary pressures of contractual obligations,
 - projected reductions in state aid this year due to COVID-19 and anticipated decreases in New growth and local receipts thereafter;
6. Without qualified volunteers or paid staff in sufficient numbers, with reasonable stipends/wages, some things just do not get done - information and communication suffer; volunteers burn out. Residents complain because their expectations are not being met. The expectations, expenses and work are not adequately aligned. Quite simply there is too much work for too few people.
7. Let us be clear, this budget submission still leaves gaps in what the departments and partners have submitted as requests and what they will be able to do. We feel everyone has trimmed as much as possible and we need to fund at this level;
8. While there will always be a process that judiciously allocates scarce resources, we must have reasonably adequate funds to allocate. We participate in regional school systems with 4 other towns, all of whom have considerably higher taxes from which to fund both the municipal expenditures and their community partner assessments, and they still struggle. Many of them have had overrides during the 30 year period when we have not.

CONCLUSIONS AND RECOMMENDATIONS – Summary

7. As was anticipated and discussed last year, in order to meet the reasonable needs of both the Town departments and our schools, **an override from the limitations of Proposition 2 ½ has become necessary.**
8. This will be one step toward strengthening the Town’s ability to fund our long-term capital plan and municipal operations, while balancing the needs of and obligations to our elementary and high schools, and other critical functions provided outside our town such as Highland Ambulance, Veteran Services, Health Agent, and HRMC services.
9. Given the projected reductions in state aid and the other costs necessary to meet contractual obligations, and support municipal and partner services, the finance committee is asking the Town to vote on **2 general budget overrides totaling \$175K. One for \$105K and one for \$70K.**
10. In order to continue the services that we have within the Town and with its municipal partners, and in order to make adjustments to those services that require it, we need to increase the size of the pie we distribute; We suggest a general budget override for \$175K which can be isolated into 2 “voting bites”:
 - \$ 70 K Capital Stabilization Funding Increases
 - \$105K Operating Budget Increases
 - \$ 175.0K TOTAL Primary Drivers
11. We realize we cannot solve all the issues in one year, therefore this budget request attempts to address some of the partner’s needs and some of the municipalities’. We anticipate it will be a multi-year process to address the multitude of issues, but we must begin to do so.
12. Once we reset our budget allocation amount, our departments and partners must continue to work cooperatively within the levy limit parameters and give and take from year to year, so we can manage the key elements of our operations within the constraints. If we cannot, we must cut our service levels or once again, increase our taxes.

WHY DO WE NEED A GENERAL BUDGET OVERRIDE FOR \$105K?

1. Within the current limits of the town's taxes, it is not possible to meet the reasonable requirements of the town's departments (public safety, public health, administration, public works and community services) and various community partners (schools, ambulance, veteran's services, health agent, insurance, etc.).
2. Due to increases in both the Town of Goshen department budgets and community partner assessments, we are unable to cover the increases with our current revenues. Funding the budget even at level service has become more difficult for years. We have cut things from the budget and deferred requests and tried to stretch people's capacity for work each year until we have reached a limit.
3. We anticipated the need for an override and have openly discussed this with the Select Board, school committee and at the Town's ATM last year. Both the community partners and departments believe they have trimmed "the fat". Even if the Town departments removed all the new or "discretionary" increases, we still cannot meet our budget. It would require deep cuts across the board. If the community assessments cannot be changed, it would require deeper cuts into already tight departmental budgets, which have been level funded for years and have been kept low to accommodate the lower resident taxes and increased community partner assessments.
4. Salaries across the various positions are below market and below that of Towns in our district. We have needed to make some adjustments for some time but have been unable. These staff and committees have kept working despite not getting increases at least 4 times in the period we reviewed. Most, if not all, community partners provided annual COLA salary increases to their staff during this same period.
5. The Finance Committee recommends a \$175K general budget override for FY 2021. We have broken it into two general budget override components that we can vote on separately. This will give the voters the most flexibility and control. One of the general budget overrides is for \$105K, to address community partner assessments and department budgets.

WHY DO WE NEED A GENERAL BUDGET OVERRIDE FOR \$105K? continued

Most of the increases reflect contractual changes related to level services, mandated requirements, requests submitted multiple years in a row, but not able to be funded. Several of these reflect significant work being performed but not compensated. The primary drivers of the override requests are as follows:

Community Partner Assessments

\$ 46.6K	New Hingham - salary and benefit increases and funds a capital project
\$ 22.0K	Benefit Costs for 5 eligible employees & General Insurance
\$ 8.9K	Highland ambulance salary & benefit increases to increase EMT & paramedics salary \$1 / hour from \$13 to \$14/ hr. and \$15 – \$21, to \$16 – \$22/hr.
\$ 6.2K	Vocational High School
\$ 6.0K	Audit Expenses due to move from bi-annual to annual audits
\$ 0.6K	Health Agent and HRMC
\$ 0.3K	Veteran Services
\$ 90.6K	Subtotal Community Partners Increases
<u>\$ (12.7K)</u>	Offset by Decreases at HRHS
\$ 77.9K	Total Community Partner Increases

Reduction in State Aid

\$ 30.0K	Total Estimated Reduction in State-Aid
-----------------	---

Mandated or Required Municipal Department Expenditures

\$ 9.4K	Change in worldwide disposal of recycled material
\$ 4.3K	Election Expense due to increased elections this year
<u>\$ 1.9K</u>	Property mapping to graphical interface system (GIS) per DOR
\$ 15.6	Total Mandated for Municipal Departments

WHY DO WE NEED A GENERAL BUDGET OVERRIDE FOR \$105K? continued

Municipal Department Budgets – Level Service

\$ 9.4K	Reflects 2% COLA increase for salary /stipends in municipality
\$ 4.6K	Server upgrade, required software and hardware updates
\$ 4.6K	Reserve Fund increased due to uncertainty around expenses for COVID
\$ 2.5K	Contractual increases for Town mowing
\$ 1.6K	Minute Taker hours increased for more select board meetings
\$ 1.5K	Increased BOH activity
\$ 1.2K	Mandated Animal Control Officer Training academy & vehicle repairs
\$ <u>1.5K</u>	Miscellaneous Line Items
\$ 26.9K	Subtotal Municipal Departments Level Services Increases

Municipal Department Requests unable to be funded for last 3 years

\$ 15.0K	Paid support for some Board/Committee/ Project work. This is level services as well.
\$ 3.6K	Transfer of a portion of unpaid volunteer hours for IT support to vendor hours also level service
\$ 3.0K	Part-time Highway position. Summer work including covering vacations.&New
\$ <u>4.0K</u>	Certification stipend for assessor, treasurer, collector and Town Clerk per MGL. These certifications have been held by the assessor and treasurer for 9 & 4 years, respectively, but we have not been able to fund this for those employees as the budgets did not support it. This represents \$13K of unpaid labor for this alone since they were both certified. This is level service as well.
\$ 25.6K	Subtotal Municipal Depart increases for items unable to be funded to date

New Requests

\$ 2.4K	1.4K MLP insurance for the hut and electronics & 1K MLP manager stipend
\$ 9.4K	Part-time administrative clerk. Communities around us have had town administrators for 13 -20 years and have systems and administration in place. We are playing catch up. We need consistent help to catch up on establishing basic things including enhanced communication, and other critical activities related to ongoing administration.
<u>\$ 11.8</u>	Subtotal Municipal Department for New Requests
\$ 78.9	Total Municipal Departments, including mandated

Notes

WHY DO WE NEED A GENERAL BUDGET OVERRIDE FOR \$70K?

1. Due to increases in both the Town of Goshen department budgets and community partner assessments, we are unable to cover the increases with our current revenues. Funding the budget even at level service has become more difficult for years. We have cut things from the budget and deferred requests and tried to stretch people's capacity for work each year until we have reached a limit.
2. We anticipated the need for an override and have openly discussed this with the Select Board, school committee and at the Town's ATM last year. Both the community partners and departments believe they have trimmed "the fat". Even if the Town departments removed all the new or "discretionary" increases, we still cannot meet our budget. It would require deep cuts across the board. If the community assessments cannot be changed, it would require deeper cuts into already tight departmental budgets, which have been level funded for years and have been kept low to accommodate the lower resident taxes and increased community assessments.
3. The Finance Committee believes we need a general budget override for FY 2021 in the amount of \$175K. We have broken it into two pieces, to give the voters the most flexibility and control. One of the components of the general budget override is for \$105K, to address community partner assessments and department budgets, and the other is for \$70K, primarily aimed at saving to repay loans for capital we have already purchased and to save for items we know we will need to purchase.
4. Until 2016 we did not have a formal way to evaluate the Town's short and long term capital acquisitions. When money was available from *free cash* (the money left over from the previous year's budget and any local or state revenues in excess of those projected) we would buy a piece of equipment, or set aside some money to replace one very large item.

WHY DO WE NEED A GENERAL BUDGET OVERRIDES FOR \$70K? continued

1. That year a comprehensive capital planning process was established which has positioned us to consider our short and long-term capital needs. It allows for the thoughtful planning, evaluation and funding of our capital needs and cash flow requirements. The plan is updated annually. See page 18 and 19
2. The Town voted to establish a capital stabilization account where we save to accumulate the necessary funds to pay for the capital the Town wants to purchase. Purchases and loan repayments are made from this account. The Town ultimately has the control over all of these funds. Nothing can be spent from this fund without bringing the recommendations before the Town each year for approval. This requires a 2/3rds vote, not a simple majority. Some Towns accumulate their free cash and carry it over from year to year for this purpose because it requires a simple majority vote to purchase capital. We have tried to provide recommendations that give the voters maximum control.
3. We have been aggressively funding the stabilization account, through free cash and other stabilization fund balances. This has been an important step forward in planning for our Town's capital needs.
4. This form of funding alone, however, **is not a sustainable one**. If we are to meet our capital needs, we have to budget an annual contribution that follows best practice guidelines of 3 to 5 percent of the annual budget or tax levy (\$92K to \$155K).
5. As a result, and as discussed at last year's ATM, the FY 2021 budget includes a request for funding at the \$92K level, the low end of the guideline. This is **up \$70K** from the modest \$22K included in the FY 2020 budget.
6. This action, combined with the judicious use of free cash, when available, will position us to:
 - a. meet most of our needs with borrowing only when it makes sense, thereby saving money,
 - b. use debt exclusions sparingly;
7. This is a prudent and necessary step to position us to meet our ongoing and long-term capital needs. It is the reason for the \$70K general budget override request.

PROJECTS ON CAPITAL PLAN WITH FINANCIAL IMPLICATIONS

The Broadband Project

Work continues on the fiber optic broadband project with completion expected by May of 2021. Much of the first phase was devoted to the “make-ready” work. This involves replacing poles along which the fiber will be hung. This work is controlled by National Grid and Verizon, who own the poles. Because there were so many poles to be updated, many more than in the original model, this process has been quite extended, but is necessary in order to build the network. Current budget and revenues for the project are as follows (excluding financing costs):

Estimated Projected Capital Costs

WG&E Design and Construction Engineering	\$ 50,000	Contract amount
Utility Make Ready	\$ 1,253,058	Utility projections
Fiber Network Construction - Labor	\$ 520,000	Tri-Wire construction contract
Construction – Materials	\$ 250,000	WGE supplies to Tri Wire
Municipal Network Labor & Materials	\$ 15,000	Connects individual components to town
Hub Build-out and electronics	\$ 356,460	HUT ordered
Lifeline	\$ 5,500	Discount for eligible low income homes
Police Detail	\$ 100,000	TBD -estimate 2 officers 26 wks.
Drop Network (from curb to home)	\$ 600,000	Labor & materials.
Projected Broadband Capital Costs	\$ 3,150,018	Estimates as of June 2020

Sources of Funds to Pay for Capital Costs

EOHED Grant 1 MA. Exec Off of Housing & Econ Dev	\$ (770,000)	Original grant: Prof Svc & construction
EOHED Grant 2a MA. Exec Off of Housing & Econ De	\$ (532,337)	Supplemental funds for Excess Make Ready
EOHED Grant 2b MA. Exec Off of Housing & Econ Dev	\$ (177,446)	Potential add 'l Make Ready Funds
State Drop Subsidy Grant	\$ (140,000)	Take rate & rule dependent
Total Potential Grants / Subsidy Available	\$ (1,613,000)	
Approved Broadband Borrowing	\$ (1,400,000)	Debt Exclusion approved 2015
Total Funds Identified for Capital Costs	\$ (3,013,000)	

Difference \$ 137,018**

**Additionally, we have been awarded a grant of \$261,762 through our partnership with Westfield Gas & Electric, based on Federal Connect America Funding (CAF II). It is payable in equal annual installments of \$26,176 over 10 years. Funds are conditional, based on federal requirements. There may be additional grant monies on the horizon but it is unclear at this time. If costs hold as estimated, and no additional grant monies are received, we may need to identify additional sources of funding for \$137,018 or make other policy adjustments, even though we have also been awarded the \$261,762 as stated above in that it comes in over 10 years.

PROJECTS WITH FINANCIAL IMPLICATIONS continued

New Hingham School Roof Replacement

We celebrate the completion of the New Hingham School Roof. Once the bids came in for the roof, the school committee voted to choose the asphalt shingle bid of \$189,000 versus the metal roof bid of \$799,000. With an enhanced warranty, upgraded shingles and underlayment, the roof was completed for \$261,679. Goshen's share was \$129,214. This does not include financing costs.

Landfill Project

This project, originally approved and funded at the May 21, 2018 Annual Town Meeting and subsequently at the Special Town Meeting on Sept 17, 2018 was to repair erosion of the landfill cap at the transfer station in accordance with requirements of the Massachusetts Department of Environmental Protection (DEP). The work occurred in 2019 and 2020. The project is in the last phase of remediation and review. To date we are within the authorized debt exclusion borrowing amount of \$655K. Once the final reviews are complete and any costs associated with it are known, we will report the final numbers.

Multi-Use Public Highway/Safety Building

The only portion of this project where funds are being requested at this time is a feasibility study to investigate the appropriate and optimal design criteria & design, including location, cost, scale and potential phasing of a multi-use building to replace (or enhance) the current highway building / garage and the police and emergency management areas.

The total project is to create a multi-use, municipal safety facility to more adequately house the employees, offices, vehicles, and other essential material and equipment of the Highway, Police and emergency management functions, including the critical storage of the increasingly burgeoning tons of salt and sand associated with the winter road work. The feasibility phase will help to ensure that the scale and design of the project is realistic from a people, project planning, implementation and pricing perspective.

The highway garage is a very old, energy inefficient, 30' x 60' concrete block structure with 2 bay garaging. It is far too small and does not allow room for storage of all vehicles and essential equipment (plows, trucks, tractors). While the highway garage is heated, it is not sufficiently warm for the employees. An energy study was conducted by UMass within the last two years indicating the building is losing 70% of its heat through the uninsulated cinder block walls.

Multi-use Public Highway/Safety Building continued

To make matters worse, the walls are decaying from the ground up. The expensive equipment cannot be kept under cover as there is inadequate room. Two of the 12 vehicles/equipment can barely fit under cover in “heated space”.

There is maybe a foot or so clearance when the truck is fully in the garage and only 2 inches to maneuver through the garage doors, when the plow attachments are on...which they typically are in the winter months. Staff cannot perform routine maintenance on the trucks inside, as most towns do, due to space limitations, including vertical space (i.e., not sufficient room to open hood of trucks). During cold weather this is a major problem, as the employees must be outside to do both repairs and necessary standard and recurring preparations (install plow attachments, plow blades, hydraulic adjustments, etc.).

It is also very challenging to get the outside equipment cleaned off and running during ice and snow events. The equipment parked outdoors needs to be plugged in to block heaters to keep the engine warm enough to start. This is a constant problem as the heaters are very expensive and do not last very long. Even more serious is that it puts employees at risk and town’s people as well as it degrades response time and adds working hours to an already aggressive schedule during inclement weather. Further compounding the winter work is the inadequate storage capacity of the undersized poll-style sand and salt storage shed that is approximately 40’ x 60’. Both are circa 1950’s.

The typical minimum size of a storage shed for a town with our needs is 60’ x 100’. Annually the Town of Goshen uses over 2000 tons of salt and sand to address our 26+ miles of road. The shed holds only 340 tons of material, consequently the 3 person crew needs to stop plowing the roads and travel to the sand quarry to load up additional tons of sand during a storm as there are multiple passes on roads required for each storm, and increasingly so with the numbers of ice storms. These trips are often at inconvenient times and in the midst of the worst weather. Additionally, the building has a metal roof with screws that have been impacted by the sun so it leaks. Attempts are made every year to replace the screws and caulk the spots to try and keep the material dry. The combination of issues makes working in these conditions unsustainable.

The Police Station is housed in a small, cramped partitioned space within the Town Office Building at 40 Main Street on the basement level with water infiltration and air quality challenges and potential health safety risks. Additionally, there is no place for covered garaging of Police vehicles. There currently is not an emergency management operations facility, other than a closet that houses material and some limited equipment.

Multi-use Public Highway/Safety Building continued

Ultimately the project will be designed to improve response times, and efficiency of the Highway Department, as well as improve safety for its residents and safety and working conditions for employees. Further, it will extend the life cycle of department vehicles and equipment.

Over time, it is proposed that the facility will benefit the Town by:

- extending the life of vehicles which are currently parked uncovered outside and subject to the corrosive elements of the severe weather of the Berkshire foothills,
- providing appropriate space for storage of critically needed salt and sand in an adequately sized co-located shed and for other necessary supplies, materials and equipment,
- improving critical response time to the broader region by providing more efficient use of time and space,
- mitigating weather-related vehicular accidents by improving road conditions for our region,
- allowing for more strategic planning of hauling and therefore potential reduction of OT hours in the long run as it will require fewer trips to get salt and sand,
- improving the safety and working conditions for our employees,

COVID 19

- Since the pandemic occurred after our FY 2020 budgets were set, there were no available funds to cover purchases for COVID 19 related supplies. The Select Board chair applied to the Division of Local Revenue to get permission to overspend our budget so we could purchase personal protective equipment and other necessary supplies for our public safety and other essential services that continued throughout the declared emergency.
- Through the CARES act grant we have access to funds to offset any COVID expenditures that meet the established guidelines through December of 2020. There is a strict application process to receive the reimbursement which the Select Board's office is actively pursuing. Through the work of our BOH chair as a participant in the Foothills Public Health District we were the shared recipient of another COVID grant which has enabled the hiring of a public health nurse to lead the contact tracing and allowed the Town to purchase other COVID related supplies.

MULTI-YEAR CAPITAL PLAN – Projects

CAPITAL PLAN, SOURCES OF FUNDS Thru 2025													
Project / Item Description	Acquired / Approved	Last Pymnt	Purchase Price	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Previously committed (2014 - 2020)													
PD 2013 FORD Expedition	2014	2019	39,640	8,142	0	0	0	0	0				
HW 2014 MACK in 2014	2014	2019	187,176	38,184	0	0	0	0	0				
HW 2016 FORD small plow/dump truck	2015	2020	88,033	17,778	17,421								
HW 2008 Dump Truck used	2017	2022	41,170	9,090	8,876	8,662	8,448	0	0				
PD 2017 FORD Interceptor	2018	2022	45,000	9,954	9,716	9,477	9,239		0				
FD Replace Chief's 2007 Vehicle: SUV	2020	2020	50,923		50,923	0	0	0	0				
FD replace 1987 Brush Truck: pick-up w	2020	2020	72,141		70,000	0	0	0	0				
HW 2017 Caterpillar (CH 90 pymt)	2019	2019	125,900	109,000	0	0	0	0	0				
HW 2018 Mack approved STM 2019	2019	2029	220,000			26,510	26,257	25,960	25,619	25,234	25,234	25,234	25,234
Educ - Temp Roof Repair & Architect	2019	2019	40,000	40,000									
PD replace 2010 crown vic w 2019 SUV	2020	2025	53,375		0	12,081	11,803	11,525	11,247	10,969			
HW 2019 Ford F350 replaces 1986 milita	2020	2025	31,475			7,095	6,932	6,769	6,605	6,442			
NH Roof Replacement (shingles)	2020	2029	129,214		0	18,078	17,466	16,966	16,465	15,965	15,464	14,964	14,463
IT Server Replacement	2020	2020	30,000		30,000								
IT Hardware and Software	2020	2020	10,000		10,000								
PD required 3 portable radios - 800 syst	2020	2020	21,000		21,000								
PH Landfill Cap	2019	2039	655,000		2,770	37,853	37,853	37,853	37,853	37,853	37,853	37,853	37,853
IT Broadband Fiber Optic*	2021	2041	1,400,000	0	0	12,899	136,500	133,000	129,500	126,000	122,500	119,000	115,500
FD - new well	2020	2020	16,000		16,000								
Subtotal Committed as of FY 2020			3,256,047	232,148	236,705	132,656	254,498	232,073	227,289	222,462	201,051	197,050	193,050
FY 2021 Requested													
Multi-Use Building Feasibility/Design /Land	2021	2021	216,814			216,814							
Subtotal Requested in FY 2021			216,814	0	0	216,814	0	0	0	0			
FY 2022 Requested - estimated													
PH - Paper Container - Transfer station	2022	2020	7,879				7,879	0	0				
HW Kubota Tractor	2022	2032	50,000					12,065	11,622	11,178	11,178	11,178	11,178
Multi-use Public Safety Building	2022	2052	2,500,000					214,583	210,292	206,000	201,708	201,708	201,708
Subtotal Requested as of FY 2022			2,557,879	0	0	0	7,879	226,648	221,913	217,178	212,887	212,887	212,887
FY 2023 Requested													
PH -Bulky Waste/ Demolition Container - Transfer station								8,000					
IT - Accounting Platform	2023	2023	40,000					40,000					
Town Building Improvements	2023	2023	70,000				50,000						
FD Kovatch Pumper (20yrs)	2023	2043	614,938						55,344	54,114	52,885	51,655	50,425
PD Ford Expedition	2023	2028	64,587						16,938	16,374	16,374	16,374	16,374
Subtotal Requested as of FY 2023			789,525	0	0	0	50,000	48,000	72,283	70,488	69,258	68,028	66,799
FY 2024 Requested													
PH Metal Container	2024	2024	8,867						8,867				
PD Speed Limit Radar Digital Display Trailer	2024	2024							8,018				
Subtotal Requested as of FY 2024									16,885				
FY 2025 Requested													
12 cylinder apparatus replacements	2025	2025	14,353							14,353			
Replace FD '02 Ford Rescue [56 Rescue 1]	2025	2035	208,764							17,745	17,745	17,745	17,745
IT Server Replacement	2025	2025	36,896							36,896			
Subtotal Requested as of FY 2025			260,013	0	0	0	0	0	0	68,994	17,745	17,745	17,745
Total Project Requests			7,089,145	232,148	236,705	349,469	312,377	506,720	538,370	579,123	500,941	495,710	490,480

MULTI-YEAR CAPITAL PLAN – SOURCES OF FUNDS & CASH FLOW

				FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Source of Funds:													
Capital Stabilization Fund				49,954	86,716	55,163	104,230	318,901	299,208	345,191	272,239	272,239	272,239
Debt Exclusion - Approved					2,770	68,830	191,819	187,819	183,818	179,817	175,817	171,816	167,816
Debt Exclusion - Anticipated									55,344	54,114	52,885	51,655	50,425
Free Cash-FY 2018 certified 2019				55,416									
Free Cash-FY 2019 certified in 2020					8,876	216,814							
Free Cash - FY Future years						8,662	8,448						
Chapter 90 (bucket loader)				100,000									
Fire Stabilization Fund					120,923	0	0	0	0				
Other - (e.g., Grant / Dept.)				26,778	17,421		7,879						
Other - General Stabilization													
Total Projects Funded				7,089,145	232,148	236,705	349,469	312,377	506,720	538,370	579,123	500,941	495,710
Capital Stabilization Beginning Balance													
Beginning Balance				156,556	504,206	663,948	717,599	743,788	601,527	431,302	215,437	85,197	-45,042
Transfers OUT for approved to be paid from capital stab				(49,954)	(86,716)	(55,163)	(44,992)	(44,254)	(43,471)	(42,645)	(25,234)	(25,234)	(25,234)
Transfers OUT for requested to be paid from capital stab					0	0	(107,118)	(226,648)	(255,737)	(302,546)	(247,005)	(247,005)	(247,005)
Transfers OUT for other considerations to be paid from capital stab**							(13,702)	(13,359)	(13,017)	(12,674)	(12,332)	(11,898)	(11,647)
Transfers IN from free cash - certified 2018 & allocated May 2018 ATM				85,000									
Transfers IN from free cash - certified 2019 & allocated May 2019 ATM					224,000								
Transfers IN from free cash - certified 2020 & allocated July 2020 ATM						16,814							
Transfers IN from free cash future years							100,000	50,000	50,000	50,000	50,000	50,000	50,000
Transfers IN from other				312,605									
Transfers IN from annual budget appropriations					22,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Ending Balances in Capital Stabilization Account				504,206	663,491	717,599	743,788	601,527	431,302	215,437	85,197	-45,042	-175,281
Debt Exclusions & Other Considerations													
	FY Year Acquired	Last Pymnt	Exclusion Amt	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Approved Debt Exclusions													
EDUC HRHS Renovations		2020		28,496	29,024	0	0	0					
IT Broadband Fiber Optic*	2021	2041	1,400,000	0	0	12,899	136,500	133,000	129,500	126,000	122,500	119,000	115,500
PH Landfill Cap	2019	2040	655,000	0	2,977	37,853	37,853	37,853	37,853	37,853	37,853	37,853	37,853
NH Roof Replacement (asphalt)	2020	2030	129,214		0	18,078	17,466	16,966	16,465	15,965	15,464	14,964	14,463
Total Approved Debt Exclusions			2,055,000	28,496	32,001	68,830	191,819	187,819	183,818	179,817	175,817	171,816	167,816
	Date Planned	Last Pymt	Exclusion Amount	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
** potential additional broadband funding	see page 15		137,018				13702	13359	13017	12674	12332	11989	11647
Anticipated Debt Exclusions													
Kovatch Pumper (20 yrs)*	2023	2043	614,938						55,344	54,114	52,885	51,655	50,425

Stabilization Accounts Balances and Free Cash

Over the years, the town has appropriated funds into stabilization accounts to assist in Goshen's long-term financial management. A town vote is required to move funds in or out of these accounts. The approximate stabilization fund balances prior to and after the July 2020 Annual Town Meeting (ATM) actions, assuming all warrant articles pass, are listed below:

	Before ATM	After A ATM Articles
1. General Stabilization	\$ 267,060	\$ 267,060
2. Capital Stabilization	\$ 663,937	\$ 717,599
3. Fire Vehicle Stabilization	\$ 10,721	\$ 10,721
4. Audit Stabilization	\$ 15,000	\$ 15,000
5. Assessor Property Revaluation	\$ 32,728	\$ 32,728
6. Town Building Stabilization	\$ 1,260	\$ 1,260
7. Free Cash**	<u>\$ 225,675</u>	<u>\$ 0</u>
Total Stabilization and Free Cash	\$1,216,381	\$ 1,043,922

** Free cash typically includes actual receipts in excess of revenue estimates and unspent appropriated departmental budget amounts for the year just ended, plus unexpended or unallocated free cash from the previous year (our town allocates all its free cash from year to year so we typically do not have any unallocated free cash from a previous year. Free Cash is considered a revenue source calculated and certified by the state Department Of Revenue.

FY 2021 CONTINGENT BUDGET key components

The information below is the basis of the charts that follow.

EXPENSE SUMMARY

	FY 2021 Contingent Budget	
○ Community Partner Assessments	\$ 1,955,070	62%
○ Municipal Department Expenses	\$ 1,141,947	36%
○ Debt Exclusions	<u>\$ 68,833</u>	2%
○ Total Contingent Budget	\$ 3,165,850	

REVENUE SOURCES

	FY 2021 Estimated	
○ Property Taxes	\$ 2,467,144	86%
○ State Aid	\$ 212,536	7%
○ Motor Vehicle Excise Tax	\$ 150,000	5% (Local Receipts)
○ Departmental Revenues	<u>\$ 62,700</u>	2% (Local Receipts)
○ Total Revenues	\$ 2,892,380	

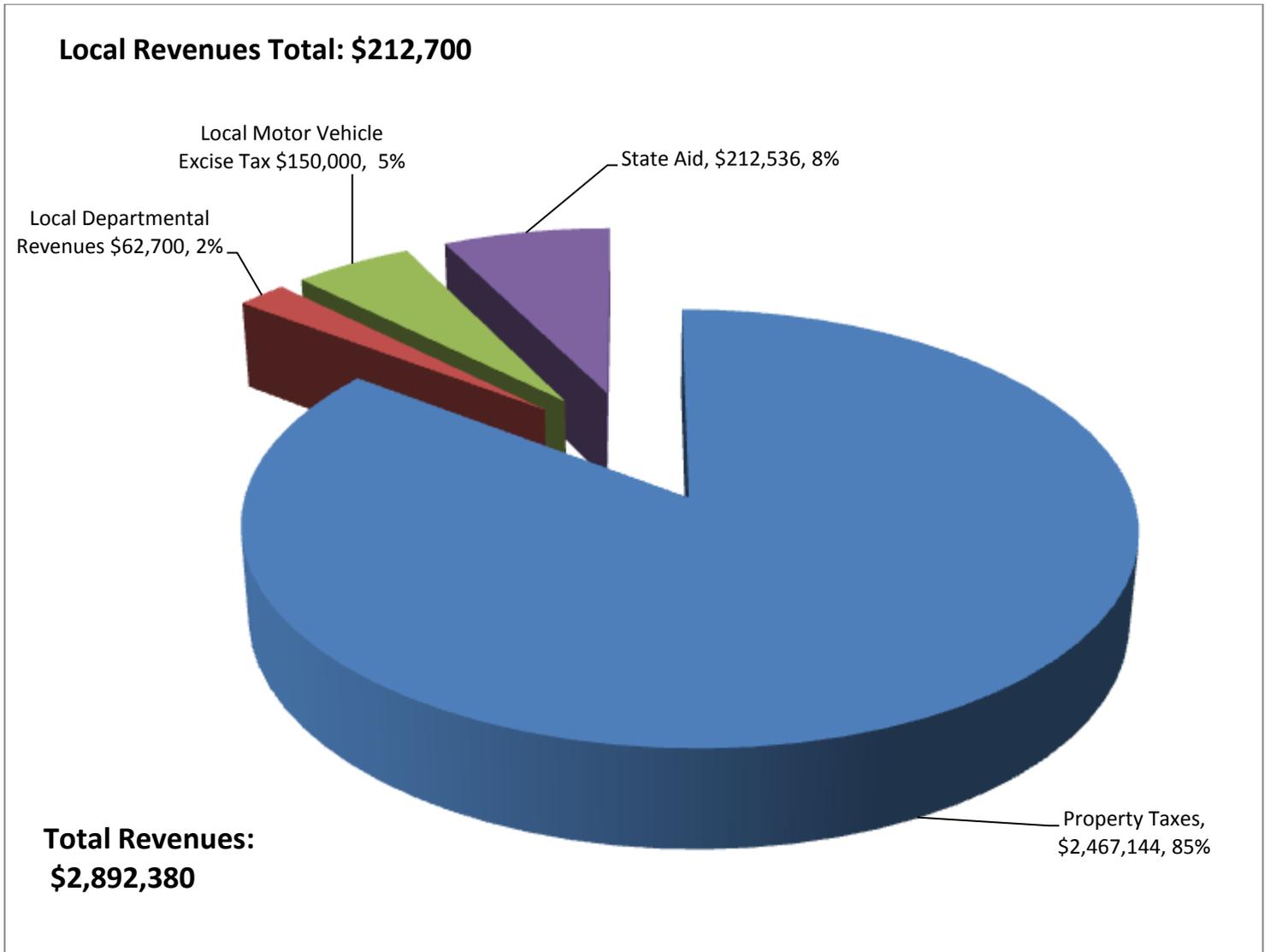
LEVY LIMIT SUMMARY

○ Amount to be raised by taxes	\$ 2,764,942	to cover the FY 2021 Contingent budget
○ Maximum amount you can raise	<u>\$ 2,593,812</u>	includes 2 ½% increase + new growth (\$20k)
○ Difference: over / (under) levy	\$ 171,129	Amount we are short.

BUDGET OVERRIDE NEEDED

\$ 175,000

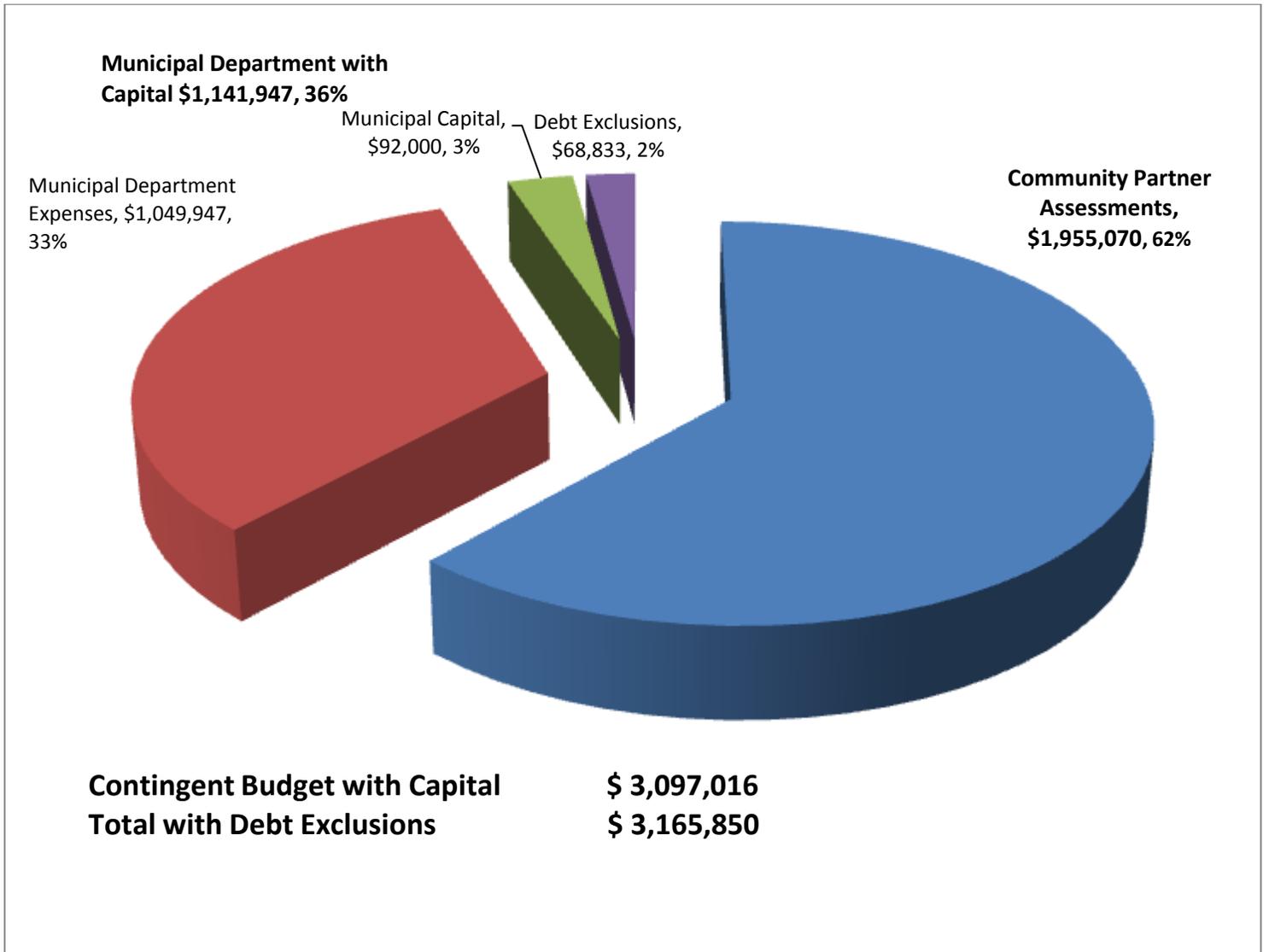
FY 2021 REVENUE SOURCES



This shows the limited sources of revenues available to cover the Town’s budgets, with 85% coming from real estate and personal property taxes. State aid is usually about \$30K higher. Other towns might have more commercial business to add to the tax revenues; ours are limited, as are our sources of departmental revenues.

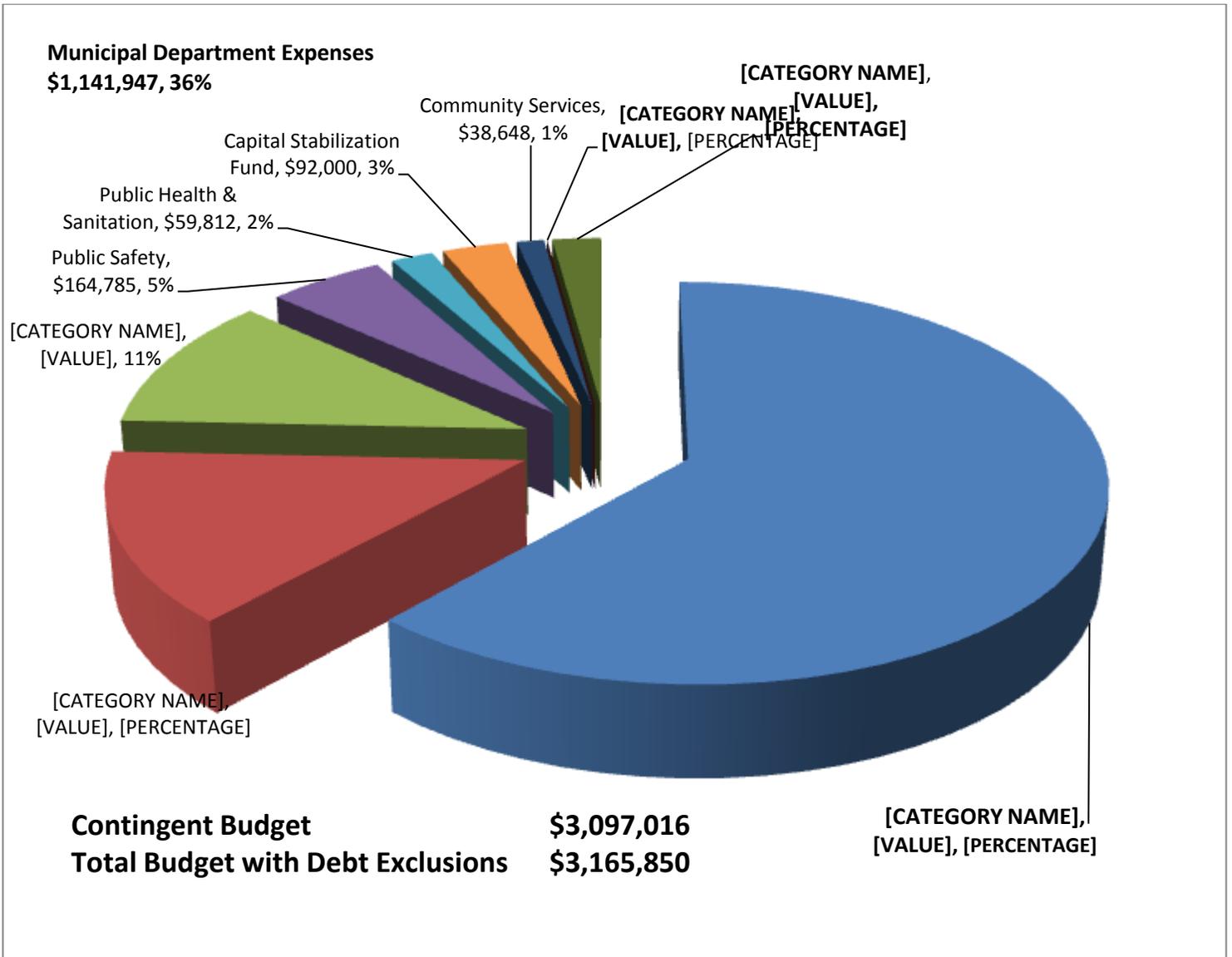
We need to consider what other sources of revenue we can generate that would supplement our tax revenue, in addition to trying to carefully manage our expenses.

FY 2021 CONTINGENT BUDGET TOTAL BY CATEGORY



This shows how the “budget pie” is generally divided between municipal departmental expenses, representing 36% of the total budget and community partners’ assessments representing 62%. Included in the 36% for department expenses is 3% for funds set aside for current and future capital for the Town (labeled municipal capital). Debt Exclusions make up another 2%. These reflect taxes the Town has voted to authorize for a period of time, for specific projects such as broadband, the school roof and landfill cap repair. It also shows the limited portion of our budget for which we actually have control. We can only shuffle the pieces so many ways.

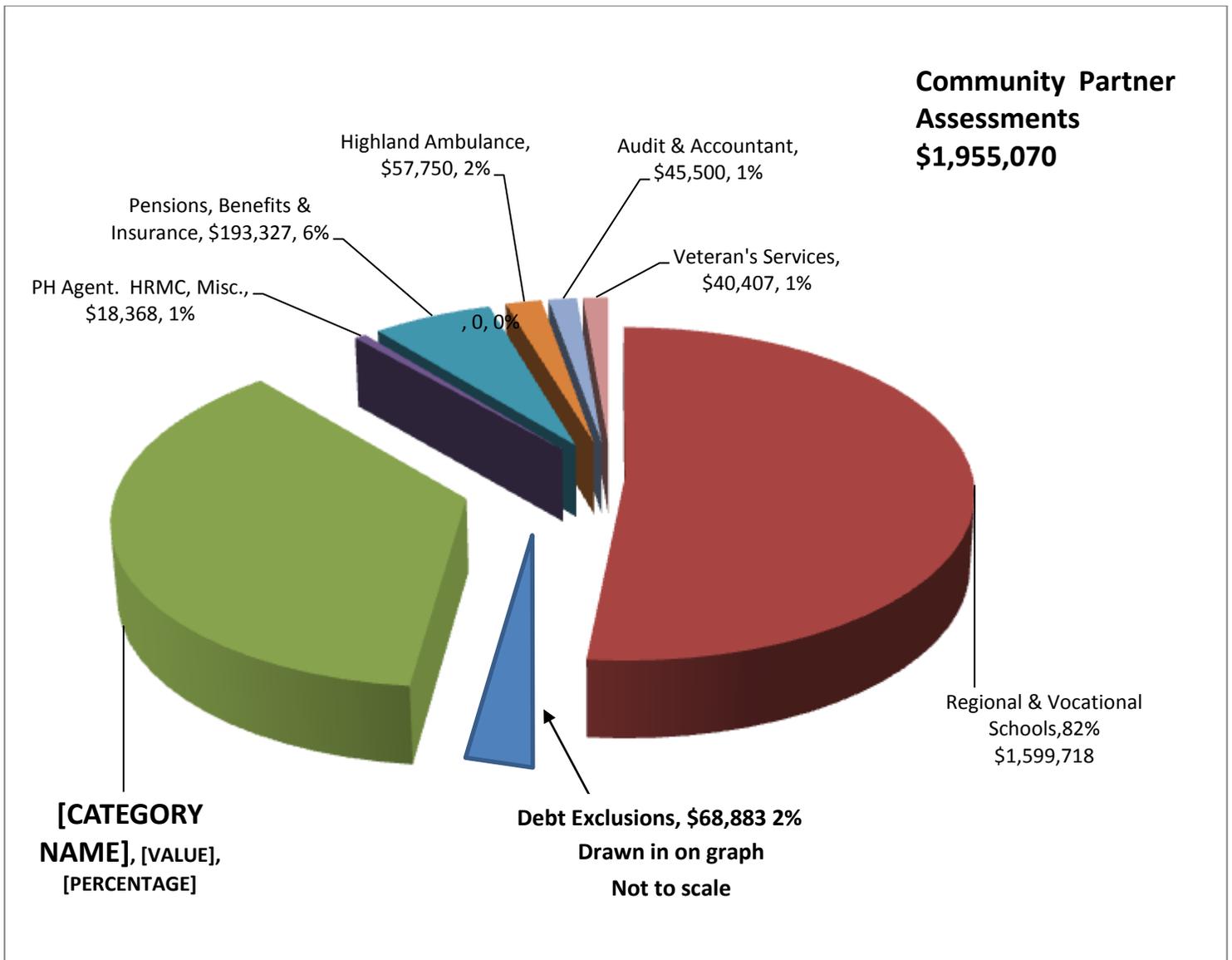
Total FY 2021 Contingent Budget with Department Expense Detail



This chart shows how the municipal department wedge of the pie is divided among the various town functions.

After 30 years of inflationary pressures, contractual obligations, and changing landscape, it takes a lot of work for the municipal departments and community partners to squeeze into this pie.

Total FY 2021 Contingent Budget with Community Partner Detail



This chart shows how the community partner wedge of the budget pie is divided among the various partners who assess the town for our portion of what they spend providing services on our behalf

The partners have a lot of services to provide to the Town’s residents and have an equally difficult time trying to manage it all.

FY 2021 CONTINGENT BUDGET			
Community Partners and Municipal Departments Summary			
		Proposed	\$ Difference
For ATM	FY 2020	FY 2021	Inc./ (Dec)
	Approved Budget	Contingent Budget	From FY 2020
Community Partner Assessments	1,877,076	1,955,070	77,994
As a % of contingent budget	65%	62%	29%
Municipal Department Expenses			
Level Service	913,881	940,878	26,997
Mandated	49,076	64,700	15,624
Unfunded	0	25,600	25,600
New	8,000	18,770	10,770
Depart Subtotal without Capital	970,957	1,049,948	78,991
As a % of contingent budget	33%	33%	30%
Capital Funding	22,000	92,000	70,000
As a % of contingent budget	1%	3%	26%
Municipality Total with capital	992,957	1,141,948	148,991
As a % of contingent budget	34%	36%	56%
Contingent Budget before Debt Service	2,870,033	3,097,017	226,984
Debt Exclusions	29,024	68,833	39,809
As a % of contingent budget	1%	2%	15%
Total Contingent Budget with Debt Service	2,899,057	3,165,850	266,793

NOTES

FY 2021 CONTINGENT BUDGET - by line code

		Proposed	\$ Difference	Percent	
For ATM	FY 2020	FY 2021	Inc./ (Dec)	Inc./ (Dec)	
	Approved Budget	Contingent Budget	From FY 2020	FY 2020	
7	General Government				
8	Moderator Salary	169	172	3	2.0%
9	Selectboard Stipend	7,096	7,238	142	2.0%
11	Minutes Recorder Salary	4,029	5,670	1,641	40.7%
12	Town Administration	44,000	44,880	880	2.0%
13	Administrative Clerk Salary	0	9,360	9,360	100.0%
14	Selectboard's Expense	9,150	9,333	183	2.0%
15	Selectboard's Audit Expense	7,000	13,000	6,000	85.7%
16	Town Legal Expense	13,000	13,000	0	0.0%
18	Finance Committee Expense	431	440	9	2.1%
19	Accountant Assessment	32,500	32,500	0	0.0%
20	Accountant Expense	3,619	3,600	(19)	-0.5%
21	Board of Assessors' Stipend	6,826	6,963	137	2.0%
22	Assistant Assessor Salary	17,395	17,743	348	2.0%
23	Assessor's Clerk Salary	2,958	3,017	59	2.0%
24	Assessors Expense	8,600	10,500	1,900	22.1%
25	Assessor Consultant	4,500	4,500	0	0.0%
26	Treasurer Salary	15,388	15,696	308	2.0%
27	Asst. Treasurer Salary	2,080	2,800	720	34.6%
28	Treasurer Expense	5,760	5,985	225	3.9%
29	Tax Possession Expense	4,000	5,000	1,000	25.0%
30	Short Term Debt Interest	500	1,100	600	120.0%
31	Town Collector Salary	11,085	11,307	222	2.0%
32	Asst. Tax Collector salary	2,080	2,800	720	34.6%
33	Tax Collector Expense	11,100	11,100	0	0.0%
34	Tax Title Expense	1,200	1,200	0	0.0%
35	Town Clerk Salary	11,445	11,674	229	2.0%
36	Asst. Town Clerk Salary	1,400	1,428	28	2.0%
37	Town Clerk Expense	2,100	2,100	0	0.0%
38	Town Clerk Elections	5,000	9,300	4,300	86.0%
39	Registrar of Voters	100	100	0	0.0%
41	Conservation Comm. Expense	450	450	0	0.0%
43	Planning Board Expense	700	700	0	0.0%
44	Zoning Appeals Board Expense	0	0	0	0.0%
45	Town Building Janitor Salary	11,424	11,652	228	2.0%
46	Town Building Maintenance Exp.	50,000	50,000	0	0.0%
47	Town Office IT Expense	22,133	30,370	8,237	37.2%
48	Pioneer Valley Assessment	175	175	0	0.0%
49	Hampshire Council of Governments	514	0	(514)	-100.0%
50	Certification		4,000	4,000	
51	Reserve Fund	25,440	30,000	4,560	17.9%
52	Total General Government	345,347	390,852	45,505	13.2%
53	As a % of Appropriations before debt	12.0%	12.6%	20.0%	

FY 2021 CONTINGENT BUDGET - by line code

		Proposed	\$ Difference	Percent
For ATM	FY 2020	FY 2021	Inc./(Dec)	Inc./(Dec)
	Approved Budget	Contingent Budget	From FY 2020	FY 2020
59 Public Safety				
60 Police Chief Stipend	6,635	6,768	133	2.0%
61 Police Officers Wages	43,567	44,438	871	2.0%
62 Police Admin Asst. Salary	2,965	3,024	59	2.0%
63 Police Department Expense	19,078	19,078	0	0.0%
64 Police Officers Mandated Training	8,704	8,704	0	0.0%
65 Hampshire Sheriff's Assessment	1,001	1,001	0	0.0%
66 Constable Salary	220	224	4	2.0%
67 Fire Chief Stipend	7,689	7,843	154	2.0%
68 Fire Department Expense	39,315	39,315	0	0.0%
69 Volunteer Firefighters Incentives	10,000	10,000	0	0.0%
70 Emergency Mang. Director Salary	2,253	2,298	45	2.0%
71 Emergency Management Exp	450	900	450	100.0%
72 Emergency Operations Center Exp.	900	900	0	0.0%
73 Highland Ambulance Assessment	48,854	57,750	8,896	18.2%
74 Building Inspector Salary	9,551	9,742	191	2.0%
75 Building Insp. Assistant Salary	4,776	4,872	96	2.0%
76 Building Inspector Expense	450	450	0	0.0%
77 Electrical Inspector Fees	0	0	0	0.0%
78 Plumbing & Gas Inspector Salary	1,346	1,373	27	2.0%
79 Plumbing & Gas Insp. Expense	100	100	0	0.0%
80 Animal Control Officer Salary	2,800	2,856	56	2.0%
81 Animal Control Expense	750	1,900	1,150	153.3%
82 Injured On Duty Insurance	8,250	8,300	50	0.6%
83 Total Public Safety	219,654	231,836	12,182	5.5%
84 As a % of Appropriations before debt	7.7%	7.5%	5.4%	
87 Public Works	164,331.18	177,356.00	3,222.18	1.96%
88 Highway Salaries	161,109	167,356	6,247	3.9%
89 Equipment Repair	30,000	30,000	0	0.0%
90 Fuel Expense	29,000	29,000	0	0.0%
91 Town Garage Expense	13,250	13,250	0	0.0%
92 General Highway Expense	83,700	83,700	0	0.0%
93 Highway Road Improvement	30,000	30,000	0	0.0%
94 Winter Highway Snow Removal	53,000	53,000	0	0.0%
95 Cemetery Superintendent Salary	959	978	19	2.0%
96 Town Property Mowing	13,000	15,517	2,517	19.4%
97 Tree Warden Expense	6,250	6,250	0	0.0%
98 Street Lights	2,764	2,764	0	0.0%
99 Water Specialist	300	300	0	0.0%
100 Municipal Lighting Plant/Broadband	7,000	9,410	2,410	34.4%
101 Wired West Assessment	1,000	0	(1,000)	-100.0%
102 Total Public Works	431,332	441,525	10,193	2.4%
103 As a % of Appropriations before debt	15.0%	14.3%	4.5%	

FY 2021 CONTINGENT BUDGET - by line code

		Proposed	\$ Difference	Percent	
	For ATM	FY 2020	FY 2021	Inc./ (Dec)	
		Approved Budget	Contingent Budget	From FY 2020	
				Inc./ (Dec)	
				FY 2020	
109	Public Health & Sanitation				
110	PH Animal Inspector Salary	628	641	13	2.0%
111	PH Animal Inspector Expense	50	150	100	200.0%
113	Public Health Expense	500	2,000	1,500	300.0%
114	PH Transfer Station Salary	10,376	10,584	208	2.0%
115	Hilltown Resource Mange. Coop.	4,229	4,190	(39)	-0.9%
116	Hilltown Resource Waste Pick-Up	1,500	1,538	37	2.5%
117	PH Waste Disposal Expense	35,476	44,900	9,424	26.6%
118	Public Health Agent Assessment	12,379	13,002	623	5.0%
119	Total Public Health & Sanitation	65,138	77,004	11,866	18.2%
120	As a % of Appropriations before debt	2.3%	2.5%	5.2%	
123					
124	Community Services	0.0271			
125	Council on Aging Salaries	2,992	3,052	60	2.0%
126	Council on Aging Expense	3,070	4,070	1,000	32.6%
127	Veterans' Agent Assessment	4,769	5,081	312	6.5%
128	Veterans' Expense	75	75	0	0.0%
129	Veterans' Services	35,251	35,251	0	0.0%
130	Library Expense	8,562	8,776	214	2.5%
131	Recreation Commission Expense	5,000	4,000	(1,000)	-20.0%
132	Historical Commission Expense	3,600	3,600	0	0.0%
133	Open Space Comm. Expense	150	150	0	0.0%
134	Committee Longevity Program	500	0	(500)	-100.0%
135	Project/ Board/Committee Support	0	15,000	15,000	100.0%
136	Total Community Services	63,969	79,055	15,086	23.6%
137	As a % of Appropriations before debt	2.2%	2.6%	6.6%	
140	Pensions and Insurance				
141	County Retirement	68,826	68,826	0	0.0%
142	Group Life Insurance-Town Share	469	481	12	2.5%
143	Health Insurance-Town Share	34,730	53,100	18,370	52.9%
144	Workers Compensation	12,000	13,862	1,862	15.5%
145	Unemployment Compensation	3,648	3,648	0	0.0%
146	Medicare Tax - Town Share	6,610	7,110	500	7.6%
147	General Insurance	36,750	38,000	1,250	3.4%
148	Total Pensions and Insurance	163,033	185,027	21,994	13.5%
149	As a % of Appropriations before debt	5.7%	6.0%	9.7%	

FY 2021 CONTINGENT BUDGET - by line code					
	For ATM	FY 2020	Proposed FY 2021	\$ Difference Inc./ (Dec)	Percent Inc./ (Dec)
		Approved Budget	Contingent Budget	From FY 2020	FY 2020
155	Capital Stabilization Fund	22,000	92,000	70,000	318.18%
156	As a % of Appropriations before debt	0.8%	3.0%	30.8%	
159	Education				
160	New Hingham Assessment	777,201	805,668	28,467	3.7%
161	New Hingham Capital Improvements		18,162	18,162	100.0%
162	Total New Hingham	777,201	823,830	46,629	6.0%
163	Hampshire Regional Assessment	547,101	528,333	(18,768)	-3.4%
164	Hampshire Reg. Capital Assessment		6,090	6,090	100.0%
165	Total HRHS	547,101	534,423	(12,678)	-2.3%
166	Vocational Tuition	194,592	200,700	6,108	3.1%
167	Vocational Transportation	40,666	40,765	99	0.2%
168	Total Education	1,559,560	1,599,718	40,158	2.6%
169	As a % of Appropriations before debt	54.34%	51.65%	17.7%	
173	Total Appropriations Before Debt Service	2,870,033	3,097,016	226,983	7.91%
175	Debt Service / Debt Exclusions				
176	New Hingham Reg School Debt Svc	0	0	0	0.0%
177	HRHS Renovation Debt Service	29,024	0	(29,024)	-100.0%
178	New Hingham Roof Debt Exclusion	0.00	18,078.19	18,078.19	100.0%
179	Landfill Cap Repair Debt Exclusion	0.00	37,856.00	37,856.00	100.0%
180	Broadband Debt Exclusion	0.00	12,899.00	12,899.00	100.0%
182	Debt Svc / Debt Exclusion Total	29,024	68,833	39,809	137.2%
183	As a % of Appropriations	1.00%	2.17%	14.92%	
185	Total Education w/ School Debt	1,588,584	1,617,796	29,212	1.8%
186	As a % of appropriation	54.8%	51.1%	10.9%	
188	Total Budget w debt - Use for Levy Limit Calculation	2,899,057	3,165,850	266,793	9.2%

FY 2021 CONTINGENT BUDGET - LEVY LIMIT

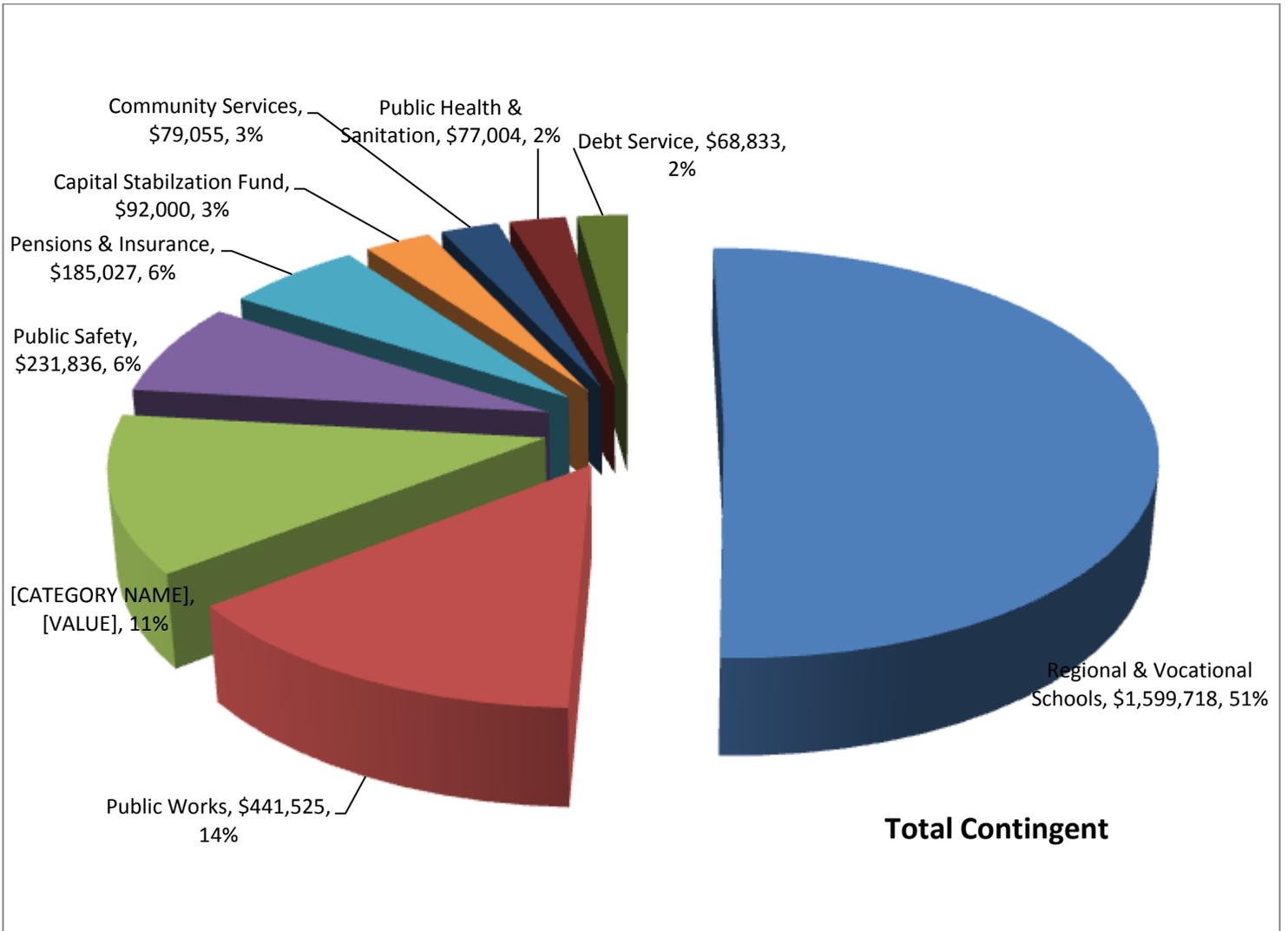
	TOPIC	FY 2021 Contingent Budget	Explanation / How obtained	as of 7/18/2020
Calculation to determine amount to be raised by taxes				
1	Contingent Budget Appropriations	3,165,849.60	Raise and Appropriate Budget FY 2021 - Proforma	
2 Plus	Other Charges to be Covered		review state website: updated May 5, 2020	
	Charges due state	1,968.00	Misc expenses due to the state - on cherry sheet	
	Offset receipts : library	2,360.00	Amount State provides and secures for library - on cherry sheet	
	Assessors overlay	20,000.00	Assessors determine based on estimated exemptions and abatements	
	Total Charges	24,328.00		
3 Minus	State Aid & Local Receipts			
	State Aid	212,536.00	General unrestricted aid and school aid - on cherry sheet (reduced this year)	
	Local Vehicle Excise Tax	150,000.00	State Aid reduced by 30.8K from \$243.4: UGGA 25% and Chapter 70 (schools)10'	
	Estimated Local Receipts	62,700.00	Estimated receipts, including excise taxes, and departmental fees, permits li	
	Total Receipts	425,236.00		
4 Equals	Adjusted Amount to be Raised	2,764,941.60	This reflects the adjusted amt that must be raised in taxes to fund budget requests. This figure cannot exceed the Levy Limit without some remedial action	
Levy Limit Calculation				
1	Levy Limit from Previous year	2,443,882.00	This number is from previous years final levy limit calculation worksheet	
2 Plus	2.5% allowable increase	61,097.05	Per State Proposition 2 1/2, the max amount municipal budget may increase p	
	New Growth Estimate	20,000.00	Reflects assessors estimate of projected growth in taxes, based on building p	
	Total allowable increases	81,097.05	additional allowable amount we can raise in taxes over previous year	
3 equals	Levy Limit prior to Exclusions for 2021	2,524,979.05		
4 plus	Debt Exclusions	68,833.19	Based on active approved town debt exclusions & educational debt assessn	
6 equals	Maximum Adjusted Levy Limit FY 2021	2,593,812.24	This is the maximum amount that can be raised in taxes	
Comparison of Levy Limit To The Adjusted Total to be Raised				
1	Adjusted amount to be Raised	2,764,941.60	FY2021 contingent budget less all net sources of revenue & less the debt exclusions	
2 Minus	Maximum Adjusted Levy Limit	2,593,812.24	Maximum Adjusted Levy Limit.	
3 Equals	Amount projected to be over/(under) levy limit	<u>171,129.36</u>	This is the amount we are projected to be over the levy	
	Potential Override	<u>175,000.00</u>	Need override of \$175K	
	Amount projected to be over/(under) levy limit	<u>(3,870.65)</u>	This leaves some room in case the state revenue reductions are greater than forecast	

The maximum adjusted levy limit is the maximum amount, set by the State through Proposition 2 ½ , that the Town can raise through property taxes.

This shows the calculation as to how much we are over the levy limit, and therefore the amount we identified as needed for a proposition 2 ½ override.

Total FY 2021 Contingent Budget by Traditional Departments

Includes Community Partner Assessments within the Traditional Town Department and ties to Line Code budget



GOSHEN STATISTICS
HOUSEHOLD & POPULATION DATA

CATEGORY	2019 Calendar Year	% OF TOTAL	2020 Calendar Year	% OF TOTAL
Full Time and Seasonal Households				
Full Time (F/T) Households	456	74%	460	74%
Seasonal Households	164	26%	164	26%
Total Households in Goshen (Not Homes) ¹	620	100%	624	100%
Full Time Household Profile				
F/T Households with school aged children (5-18)	79	17%	75	16%
F/T Households with seniors (over 60)	232	51%	227	49%
F/T Households all other residents	145	32%	158	34%
Profile of Full time Households ²	456	100%	460	100%
Full Time Resident Population				
Number of Residents over 60	371	60%	382	61%
School aged children 5-18	122	20%	120	19%
All Other	490	50%	469	48%
Full Time Resident Population ²	983	100%	971	100%

¹ The number of households do not equate to the number of homes in Goshen due to multi- household dwellings

² Profile data available for FT residents only; seasonal residents are not required to complete Street Listing

Student Enrollment Data Elementary and High School

NEW HINGHAM ELEMENTARY By Grade, As of October 1, 2019

	Pre-K	K	1	2	3	4	5	6	choice out	charter
Goshen	3	10	5	9	8	8	9	6	8	0
Chesterfield	9	9	3	9	4	7	6	5	6	0
Totals	12	19	8	18	12	15	15	11	14	0
Choice IN	0	2	5	0	6	1	2	3		

NEW HINGHAM ELEMENTARY 5-year enrollments and 5 year average ¹

	Oct-19 Total	Oct-18 Enrollment in four prior years	Oct-17	Oct-16	Oct-15	5-year avg	FY2021 Assm't	FY2020 Assm't	Change Assm't
Goshen	66	65	70	65	70	67.20	50.450%	48.29%	2.165%
Chesterfield	58	64	65	71	72	66.00	49.550%	51.72%	-2.165%
Total	124	129	135	136	142	133.20			
Choice IN	19	22	26	20	15				

HAMPSHIRE REGIONAL HIGH SCHOOL By Grade, As of October 1, 2019

	7	8	9	10	11	12	choice out	charter	Oct-19 Total
Goshen	5	3	3	9	4	7	7	1	39
Chesterfield	9	10	5	3	3	8	9	1	48
Southampton	65	61	44	63	43	59	28	7	370
Westhampton	15	18	10	19	16	14	2	1	95
Williamsburg	13	22	13	15	15	13	22	9	122
Grade Totals	107	114	75	109	81	101	68	19	674
Choice IN by grade	12	25	24	25	20	21			127
Worthington	4	6	4	4	5	3			26
									740

HAMPSHIRE REGIONAL HIGH SCHOOL 5-year enrollments and 5 year average ¹

	Oct-19 Total	Oct-18	Oct-17	Oct-16	Oct-15	5-Year avg	FY21 Assm't	FY20 Assessmen	Change Assm't
Goshen	39	42	44	39	45	41.8	6.09%	6.03%	0.06%
Chesterfield	48	54	55	65	67	57.8	8.42%	8.97%	-0.55%
Southampton	370	358	366	404	406	380.8	55.45%	56.17%	-0.72%
Westhampton	95	89	92	96	88	92.0	13.40%	13.11%	0.29%
Williamsburg	122	121	109	112	108	114.4	16.66%	15.73%	0.93%
Grade Totals	674	664	96	113	111	686.8	100.00%		
Choice IN by grade	127								
Worthington	26								

¹ Each member town's share of capital and operating costs is determined by the number of students from that community attending public schools, calculated on a five-year average of enrollments. The Region is The Town is fiscally responsible for students who attend schools of choice and for charter school tuition. For FY2021, this assessment will be based on October 1 foundation enrollments of 2019, 2018, 2017, 2016, and 2015

Goshen Property Tax Estimate

We have already approved debt exclusions for landfill repair, New Hingham school roof and broadband. The impact of those votes will begin to be factored into our tax assessments for FY 2021, estimated below:

-----Estimated Annual Tax Impact -----

	Annual Repayment	Annual Tax Impact	Resulting Tax Rate ¹	Annual Tax Avg Prop Value ²
FY 2020 Tax Rate			\$ 15.11	\$ 3,714.60
Standard Annual Increase	\$ 61,100	\$ 0.37	\$ 15.48	\$ 90.96
Landfill Repair -2021	\$ 37,853	\$ 0.23	\$ 15.71	\$ 56.54
New Hingham Roof-2021	\$ 18,078	\$ 0.11	\$ 15.82	\$ 27.04
Broadband - Initial - 2021	\$ 12,899	\$ 0.08	\$ 15.90	\$ 19.67
Proposed Override - 2021	\$ 105,000	\$ 0.64	\$ 16.54	\$ 157.34
Proposed Override - 2021	\$ 70,000	\$ 0.43	\$ 16.97	\$ 105.71
FY 2021 Tax Rate			\$ 16.97	\$4,171.86

¹ The tax rate is per \$1,000 in assessed value

²The Average Assessed Property Value is \$245,837

MUNICIPAL FINANCE

GLOSSARY of TERMS

APPROPRIATION: An authorization granted by the Town Meeting to make expenditures and to incur obligations for specific public purposes. An appropriation is usually limited in amount and to the time period within which it may be expended.

CHERRY SHEET: The official notification to cities, towns and regional school districts of the next fiscal year's state aid and assessments. The aid is in the form of distributions which provide funds based on formulae and reimbursements for expenses incurred in a prior period for certain programs and services. The aid and estimated charges payable are used by the assessors in setting the tax rate. It is named for the cherry colored paper on which they were originally printed.

CONTINGENT VOTES: Chapter 634 of the Acts of 1989 permits a Town Meeting to appropriate funds contingent upon passage of a referendum question (OVERRIDE). A contingent vote does not automatically result in an override referendum. An override referendum can only be called by the Selectboard. If a referendum is called by the Selectboard it must take place within forty-five days of the Town Meeting vote.

EXCLUSION: A temporary increase in the Town's levy limit. There are two types of exclusions: capital outlay expenditure exclusion and debt exclusion.

CAPITAL OUTLAY EXPENDITURE EXCLUSION: A temporary increase in the tax levy to fund a capital project or make a capital acquisition. This override ballot question can be placed on a referendum by a two-thirds vote of the Selectboard. If a majority of the voters approve the ballot question the additional amount for the payment of the capital project is added to the levy limit or levy ceiling only for the years in which the project is being undertaken.

DEBT EXCLUSION: An action taken by a community through a referendum vote to raise the funds necessary to pay debt service costs for a particular project from the property tax levy, but outside the limits of Proposition 2 ½. By approving a debt exclusion, a community calculates its annual levy limit under proposition 2 ½, then adds the excluded debt service cost. This override ballot question can be placed on a referendum by a two thirds vote of the Selectboard. If a majority of the voters approve the ballot question the Town's levy limit is increased only for the amount voted at the referendum for the life of that debt only. The levy limit increase may exceed the Town's levy ceiling.

FISCAL YEAR (FY): Since 1974, the Commonwealth and municipalities have operated on a budget cycle that begins July 1 and ends June 30. The designation of the fiscal year is that of the calendar year in which the fiscal year ends.

FREE CASH: Free cash is a revenue source calculated and certified by the State Department of Revenue that results from a community's remaining, unrestricted funds from its operations of the previous fiscal year based on the balance sheet as of June 30. It typically includes actual receipts in excess of revenue estimates and unspent appropriated departmental budget amounts for the year just ended, plus unexpended or unallocated free cash from the previous year. It is not cash, but rather is the approximate total of cash and receivables less current liabilities and earmarked reserves. Free cash is offset by property tax receivables and certain deficits. Free Cash is certified each year by the Director of State Bureau of Accounts. Once certified, it is available for appropriation by a Vote of Town Meeting.

LEVY: The property tax levy is the revenue a Town can raise through real and personal property taxes. The property tax levy is the largest source of revenue for the Town. The levy can be any amount up to the levy limit, which is re-established every year in accordance with Proposition 2 ½ provisions.

LEVY CEILING: One of two types of tax (levy) restrictions imposed by MGL Ch.59 Sect.21C ((Proposition 2 ½). The ceiling equals 2.5% of the Town's full and fair cash value of all taxable real and personal property. This is the maximum the levy limit can be. Property taxes levied may exceed this limit only if the community passes a capital exclusion, a debt exclusion, or a special exclusion.

LEVY LIMIT: one of two types of tax (levy) restrictions imposed by MGL Ch. 59 Sect 21 (Proposition 2 ½). It defines the maximum the levy can be in a given year. It states that the real and personal property taxes imposed by a town may only grow each year by 2 ½ percent of the prior year's levy limit, plus new growth and any overrides or exclusions. The levy limit can exceed the levy ceiling only if the community passes a capital expenditure exclusion, debt exclusion, or special exclusion.

NEW GROWTH: Refers to the value of any new construction and / or renovation and /or new parcel subdivision that is added to increase the Town's levy limit.

OVERLAY, ALSO CALLED ALLOWANCE FOR ABATEMENTS AND EXEMPTIONS:

The overlay is the amount raised by the Assessors in excess of appropriations and other charges for the purpose of creating a fund to cover tax abatements granted and avoiding fractions in the tax rate. It cannot exceed 5% of the levy.

OVERRIDE: A community can permanently increase its levy limit by successfully voting at a referendum to exceed the limits. A community may take this action as long as it is below the levy ceiling.

GENERAL OVERRIDE: A general override ballot question can be placed on a referendum if a majority of the Selectboard votes to do so. If the ballot question is approved by a majority of the voters, the Town's levy limit is permanently increased by the amount voted at the referendum. The levy limit increase may not exceed the Town's levy ceiling. Override questions must be presented in dollar terms and specify the purpose.

RESERVE FUND: This fund is established by the voters at an Annual Town Meeting only and is composed of an appropriation (not exceeding 5% of the tax levy of the preceding year). Transfers from the Reserve

Fund are within the exclusive control of the Finance Committee, and are for “extraordinary or unforeseen” situations, normally emergencies.

STABILIZATION FUND: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (MGL CH 40 Sect 5B). Communities may establish one or more stabilization funds for different purposes and may appropriate into them in any year an amount not to exceed ten percent of the prior year’s tax levy. The total of all stabilization fund balances shall not exceed ten percent of the community’s equalized value, and any interest shall be added to and become a part of the funds. A two –thirds vote of town meeting is required to establish, amend the purposes of or appropriate money into or from the stabilization fund (see DOR 1GR 04-201).

TRANSFER: The authorization to use an appropriation for a different purpose; in most cases only the Town Meeting may authorize a transfer.