

CITY OF EASTHAMPTON, MASSACHUSETTS



Proposed Fiscal Year 2021 Budget
Mayor Nicole LaChapelle

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Mayor's Message

May 6, 2020

Dear President Conniff and Members of the City Council:

In my January State of the City address, I spoke of utility, noting the nuts and bolts of economic development and the significant steps we have made together. We entered the start of this year in the strongest fiscal position this City has ever seen. Our bond rating rose to a historical high of AA+. Economic development has been a bright spot in our work over the last two years at a pace that exceeded even my hopeful expectations. I was proud to secure millions in grant money for Easthampton, and we're seeing those investments come to fruition now.

In 2019, I committed to building fiscal infrastructure poised to withstand economic ebbs and flows. At the start of this year, our outlook was defined not merely by growth, but by locally-based smart growth to improve the quality of life for all residents. When we began our budget process for FY2021, COVID-19 was a distant threat. The reality we face today is a far cry from where we began and will set the stage for difficult decisions ahead. The generational investments and long-term plans we have discussed are still the centerpiece of our budget plans, but like all municipalities in Massachusetts, we face uncertainty.

Knowing that new growth may not be seen in 2021 or even 2022, my January 2020 budget letter to department heads directed them to design a level-funded budget. By late February, each department head produced a budget that outlined the delivery of core services while meeting the spirit of my directive. The budget before you today reflects our collective commitment to the future, balanced against the reality of an ever-changing revenue forecast in a post-coronavirus economy.

The presented FY2021 expenditures of \$47,398,937 are balanced by four major revenue sources:

1. State Receipts (net of assessments) of \$8,607,016
2. Local Receipts of \$3,652,974
3. Other Sources and Enterprise total \$5,040,747
4. Estimated Tax Levy of \$30,098,199
 - Of the Tax Levy, \$5,635,650 is "Excluded Debt Service" approved by voters to fund the Easthampton High School and Maple School Pre-K to 8 construction.

The FY2021 operating budget of \$47,398,937 represents an 1.098% increase over the FY2020 budget.

Based on the Governor's January FY2021 budget numbers, Easthampton's net state aid decreased 3.14% from FY2020. School choice and charter sending tuition increased by 6.5% down from the FY2020 increase of 8.35%.

In Easthampton, we were recognized for our strong fiscal policies and efficient services, and this signal of strength translated to more smart-growth dollars. We were awarded an additional \$391,000 for the One Ferry Street project. We helped to secure \$15 million in New Market Tax Credits for new development, which aligned with a MassWorks grant secured for traffic mitigation in the same area. The new development will bring a grocery store and over 70 union jobs to Easthampton. These are the decisions that support and secure our AA+ rating from Standard & Poor's.

In keeping with my promise to help alleviate tax rates, I have created and funded a Tax Relief Stabilization Fund and established a Cannabis Stabilization Fund for revenue gleaned from Host Community Agreements. These funds reduce the amount of taxes we must raise on our levy. The City's stabilization funds, and the other post-employment benefits have been funded in accordance with our strong existing policies.

Through matching grants and realignment of dollars, I have added four firefighter positions, a part-time Food Inspector, and a second full-time Assistant Planner.

- The federal SAFER Grant gave us the ability to increase our Fire Department shifts to reduce overtime expense.
- The addition of a part-time Food Inspector allows the Health Department to keep current on all food-related inspections, plus allows more structural inspections and public health outreach.
- A second Assistant Planner builds on our capacity to act on housing, open space and economic development projects, by monitoring existing grants and pursuing new grants, especially energy efficiency dollars. With the ongoing public infrastructure projects and more to come, an additional Assistant Planner builds a tighter connection between Planning and DPW.

Despite the anticipated widespread budget challenges, our City's vision remains unchanged. Department heads have given their commitment to join me as we prioritize spending ahead. I have requested that we hold on certain expenditures, looking to better match revenue to expense on a monthly basis. All non-essential expenditures and hiring are on hold through the summer.

Recognizing the uncertainty ahead, my office, together with the Auditor and Treasurer, will deliver a monthly report outlining year-to-date expenditures and revenue with a narrative on the City's financial health. I will work proactively over the coming year with City Departments and the City Council to hone our budget, which upholds our collective values. You have my commitment to continued transparency and accountability for the climb before us.

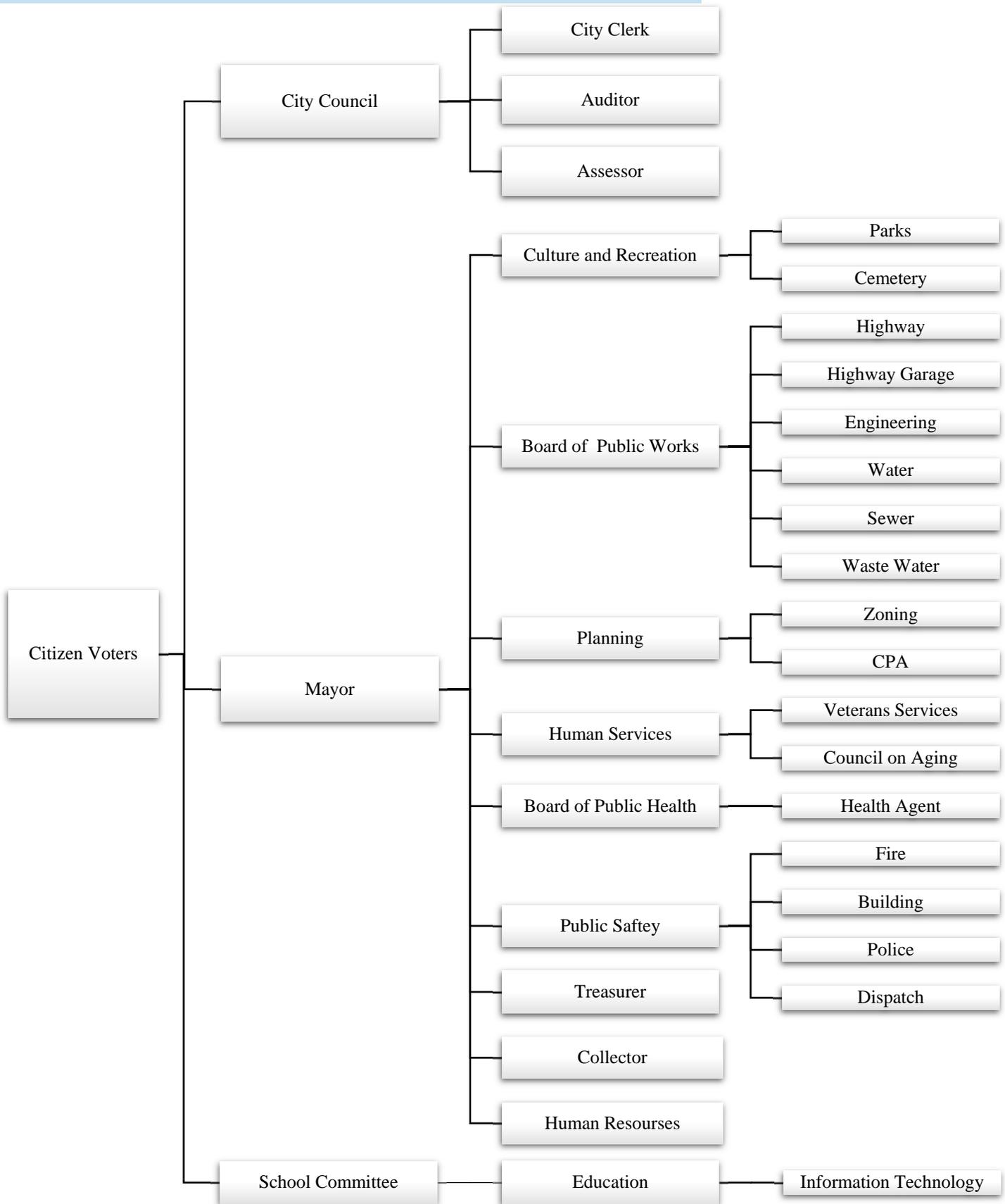
We are in this together.

With gratitude,

Mayor Nicole LaChapelle

Part I: Community

CITY ORGANIZATIONAL CHART



CITIZEN'S GUIDE TO THE BUDGET

This document is intended to assist the reader in better understanding one of the most important documents produced by our community. The annual budget document is much more than just numbers; it is a reflection of our community's values, priorities, and goals. The budget document serves as a policy document, a financial guide and a communications device to our residents. To this end, it is designed to be as user-friendly as possible. This guide was created to help orient interested readers by providing a brief overview of the budget process, as well as, an explanation of the organization of the budget document itself. We hope you find this introductory guide a useful tool providing the latest financial and planning information for the City of Easthampton.

THE BUDGET PROCESS

The City of Easthampton operates under state statutes and the Home Rule Charter as amended to establish the Mayor-Council form of government. The legislative body of the city is a nine-member City Council, with five members representing each of the city's wards and four members elected at-large.

The annual budget planning process starts with a meeting in November, where the Mayor and City Departments meet to review relevant financial information and forecasts.

Before the start of the fiscal year of the city, the mayor shall submit to the city council a proposed operating budget for the ensuing fiscal year.

The city council shall consider, in open public meetings, the detailed expenditures proposed for each city agency and may confer with representatives of each such agency in connection with its review and consideration. The city council may require the mayor, or any other city agency, to furnish it with such additional information as it may deem necessary to assist it in its review and consideration of the proposed operating budget.

The city council shall adopt the budget, with or without amendments, within ninety days following the day the proposed budget is received by it, or such other period as may be provided by general law. In amending the budget, the city council may delete or decrease any programs or amounts except expenditures required by law, or for debt service.

BUDGET CALENDAR

July

Fiscal Year begins July 1st

August/September

Identify Goals and Strategic needs

Capital Budget sent to Department for Updates

October/November

Capital Budget and Capital Requests submitted to City Council

Free Cash / Retained Earnings Certification

Tax Classification Hearing & Tax Rate Set

December

Financial Trends and Forecast Report Updated

January

Budget packets sent out to Department Heads

February

Department Budget Requests due to Mayor

March

Mayor meets with Department Heads to review budgetary needs before April 1st

April

School Committee approves School budget

Mayor's Proposed Budget submitted to City Council in April

May

City Council public hearings on Operating Budget

June

City Council budget approval

Fiscal Year ends June 30th

COMMUNITY PROFILE

EASTHAMPTON, MASSACHUSETTS

Name

City of Easthampton

Settled

1664

Incorporated as a Town

1785

Incorporated as a City

1996

Land Area

13.4 square miles

Public Roads

92 miles

County

Hampshire

Population

16,059

Form of Government

Mayor- City Council

FY2020 Tax Rate per Thousand

\$17.76

2020 Average Single-Family Home Value

\$265,184

FY2020 Municipal Operating Budget

\$46,884,268

Address

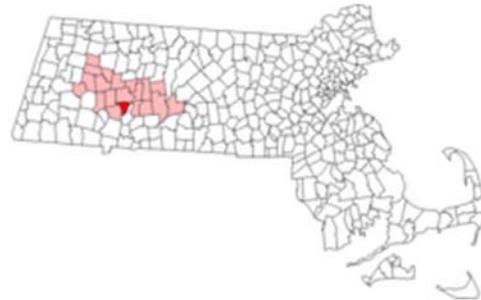
City of Easthampton

Municipal Offices

50 Payson Ave

Easthampton, MA 01027

www.easthamptonma.gov



Easthampton, a city with a little over 16,000 residents, is located in the fertile Connecticut River Valley of Western Massachusetts and is rich in the flavor of an industrial New England village.

Easthampton has evolved from a rural farming village to a flourishing mill town and now to a vibrant and diverse community with a wealth of artists, retail shops, award-winning restaurants and numerous recreational opportunities. Our old mill buildings, once bustling with manufacturing enterprises, now buzz with the excitement of creative and cultural activities.

The new boardwalk, surrounding the Nashawannuck Pond in the center of the city, serves as a gathering place for many and affords our residents and guests with an array of opportunities for leisure activity. Our six-mile-long bike path, which runs from the Southampton border all the way to the Oxbow section of the Connecticut River, provides opportunities for many segments of the population to enjoy such activities as a leisurely walk, a fast-paced run, roller-blade, and, of course, bicycling for all ages. Our monthly Art Walk affords arts and entertainment and has been increasing in popularity since its inception in 2006.

The City of Easthampton provides a broad range of general government services including police and fire protection; water and sewer; public works; parks and recreation; a senior center; and a library.

Easthampton's Public-School Department consists of grades Pre-kindergarten through twelfth grade. Easthampton has three elementary schools, Maple, Center, and Pepin, and a middle school, White Brook. In 2013, Easthampton constructed a new state of the art high school.