

TOWN OF SWAMPSCOTT

OVERVIEW OF TAX RECAP & RATE SETTING PROCESS



TOWN OF SWAMPSCOTT FISCAL 2018 FIRST QUARTER PRELIMINARY REAL ESTATE TAX BILL

PAY ON-LINE AT
TOWN.SWAMPSCOTT.MA.US

Office Hours:

Mon. - Thurs., 8:00AM - 4:30PM
Friday, 8:00AM - NOON

Swampscott BOS

September 27th 2017



AGENDA

- Review of FY2017 Tax Rate Recap Sheet
 - FY2017 Town Budget
 - FY2017 Local Receipts Estimate
 - FY2017 Amount needed from Taxation
 - FY2017 Classification Shift
 - FY2017 Tax Levy Limit Calculation
 - FY2017 Tax Rates



AGENDA (cont.)

- **FY2018 Tax Recap Preview**
 - **FY2018 Town Budget**
 - **FY2018 Prelim. Local Receipts Estimate**
 - **FY2018 Amount needed from Taxation**
 - **FY2018 Prelim. Levy Limit Calculation**



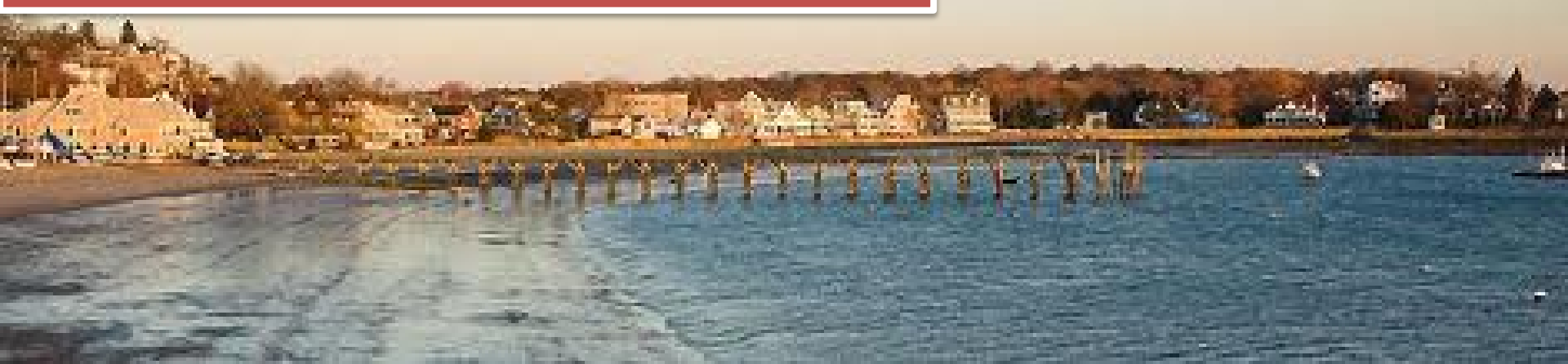
FY2017 Budget

DOR TAX RATE RECAP FORM (PAGE 4)

APPROPRIATIONS

Delete	City/Town Council or Town Meeting Dates	FY*	(a) Total Appropriations Of Each Meeting	(b) ** From Raise and Appropriate	(c) From Free Cash (See B-1)	(d) From Other Available Funds (See B-2)	(e) From Offset Receipts (See A-1)	(f) From Enterprise Funds (See A-2)	
<input type="checkbox"/>	05/16/2016	2017	0.00	0.00	0.00	0.00	0.00	0.00	
<input type="checkbox"/>	05/17/2016	2017	64,830,101.00	57,495,377.00	1,800,000.00	404,026.00	0.00	5,130,698.00	
<input type="checkbox"/>	11/14/2016	2017	663,891.00	663,891.00	0.00	0.00	0.00	0.00	
	Total		65,493,992.00	58,159,268.00	1,800,000.00	404,026.00	0.00	5,130,698.00	

Final FY2017 Appropriations Approved by Town Meeting



FY2017

State Charges:



C.S. 1-EC Commonwealth of Massachusetts Department of Revenue FY2017	
NOTICE TO ASSESSORS OF ESTIMATED CHARGES	
General Laws, Chapter 59, Section 21	
Swampscott	
A. COUNTY ASSESSMENTS:	
County Tax	0
Suffolk County Retirement	0
Essex County Reg Comm Center	0
Sub-Total, County Assessments:	0
B. STATE ASSESSMENTS AND CHARGES:	
Retired Employees Health Insurance	0
Retired Teachers Health Insurance	0
Mosquito Control Projects	20,900
Air Pollution	4,944
Metropolitan Area Planning Council	7,075
Old Colony Planning Council	0
RMV Non-Renewal Surcharge	15,920
Sub-Total, State Assessments:	48,839
C. TRANSPORTATION AUTHORITIES:	
MBTA	301,723
Boston Metro. Transit District	0
Regional Transit	0
Sub-Total, Transportation Assessments:	301,723
D. ANNUAL CHARGES AGAINST RECEIPTS:	
Special Education	0
STRAP Repayments	0
Multi-Year Repayment	0
Sub-Total, Annual Charges Against Receipts:	0
E. TUITION ASSESSMENTS:	
School Choice Sending Tuition	33,700
Charter School Sending Tuition	216,056
Sub-Total, Tuition Assessments:	249,756
F. TOTAL ESTIMATED CHARGES:	600,318

State Charges:
(primarily MBTA and
Charter Schools)

State Charges are added to amount
to be raised by taxation



FY2017 Revenue to be Raised:

II. Amounts to be raised

IIa. Appropriations (col.(b) through col.(g) from page 4)

65,493,992.00

IIb. Other amounts to be raised

1. Amounts certified for tax title purposes

0.00

2. Debt and interest charges not included on page 4

0.00

3. Final Awards

0.00

4. Total overlay deficit

0.00

5. Total cherry sheet offsets (see cherry sheet 1-ER)

21,990.00

6. Revenue deficits

Aid to Libraries

0.00

7. Offset receipts deficits Ch. 44, Sec. 53E

0.00

8. CPA other unappropriated/unreserved

0.00

9. Snow and ice deficit Ch. 44, Sec. 31D

10. Other :

TOTAL IIb (Total lines 1 through 10)

21,990.00

IIc. State and county cherry sheet charges (C.S. 1-EC)

600,318.00

IId. Allowance for abatements and exemptions (overlay)

275,968.27

IIe. Total amount to be raised (Total IIa through IId)

66,392,268.27

Overlay is an estimate needed to pay for tax appeals and is added to the amount of revenue needed

This is the amount of revenue needed to be raised in FY17

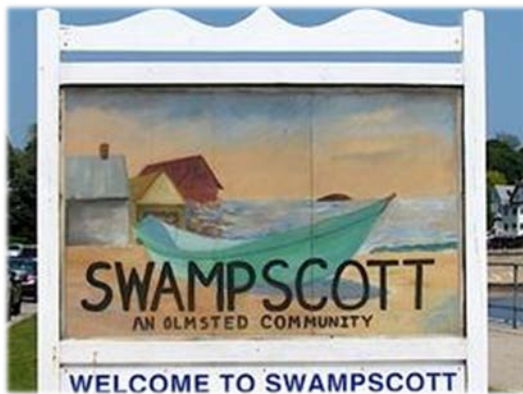


FY2017

Local

Receipts

Estimate:



Receipt Type Description	(a) Actual Receipts Fiscal 2016	(b) Estimated Receipts Fiscal 2017
MOTOR VEHICLE EXCISE	2,301,824.00	2,200,000.00
OTHER EXCISE		
a.Meals	201,087.00	215,000.00
b.Room	0.00	0.00
c.Other	19,412.00	17,000.00
PENALTIES AND INTEREST ON TAXES AND EXCISES	551,259.00	125,000.00
PAYMENTS IN LIEU OF TAXES	0.00	0.00
CHARGES FOR SERVICES - WATER	0.00	0.00
CHARGES FOR SERVICES - SEWER	0.00	0.00
CHARGES FOR SERVICES - HOSPITAL	0.00	0.00
CHARGES FOR SERVICES - SOLID WASTE FEES	0.00	0.00
OTHER CHARGES FOR SERVICES	0.00	0.00
FEES	0.00	0.00
RENTALS	163,410.00	160,000.00
DEPARTMENTAL REVENUE - SCHOOLS	1,266,770.00	1,380,965.00
DEPARTMENTAL REVENUE - LIBRARIES	4,573.00	4,500.00
DEPARTMENTAL REVENUE - CEMETERIES	0.00	0.00
DEPARTMENTAL REVENUE - RECREATION	32,811.00	25,000.00
OTHER DEPARTMENTAL REVENUE	326,861.00	325,000.00
LICENSES AND PERMITS	729,778.00	325,000.00
SPECIAL ASSESSMENTS	0.00	0.00
FINES AND FORFEITS	74,405.00	65,000.00
INVESTMENT INCOME	56,368.00	38,000.00
MEDICAID REIMBURSEMENT	158,223.00	130,000.00
MISCELLANEOUS RECURRING (PLEASE SPECIFY)	65,084.00	35,000.00
MISCELLANEOUS NON-RECURRING (PLEASE SPECIFY)	194,181.00	0.00
TOTALS	6,146,046.00	5,045,465.00

Nahant Tuition

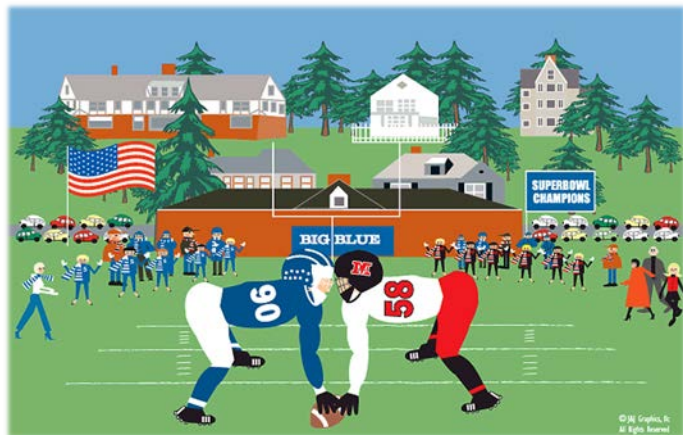
This is first used to offset the amount of revenue needed



FY2017

State Aid:

Typically referred to as “Cherry Sheet” by local officials.



C.S. 1-ER Commonwealth of Massachusetts Department of Revenue FY2017	
NOTICE TO ASSESSORS OF ESTIMATED RECEIPTS	
General Laws, Chapter 58, Section 25A	
Swampscott	
A. EDUCATION:	
Distributions and Reimbursements:	
Chapter 70	3,392,987
School Transportation	0
Charter Tuition Reimbursement	12,502
Smart Growth	0
Offset Items – Reserve for Direct Expenditure:	
School Choice Receiving Tuition	0
Sub-Total, All Education Items:	3,405,489
B. GENERAL GOVERNMENT:	
Distributions and Reimbursements:	
Unrestricted General Government Aid	1,244,577
Local Share of Racing Taxes	0
Regional Public Libraries	0
Urban Revitalization	0
Veterans Benefits	41,790
Exemp: VBS and Elderly	36,868
State Owned Land	1,267
Offset Item - Reserve for Direct Expenditure:	
Public Libraries	21,990
Sub-Total, All General Government:	1,346,492
C. TOTAL ESTIMATED RECEIPTS:	4,751,981

State Aid is primarily Educational Aid and Unrestricted Aid

This is next used to offset the amount of revenue needed



FY2017

Revenue

to be

Raised:

III. Estimated receipts and other revenue sources

IIIa. Estimated receipts - State

1. Cherry sheet estimated receipts (C.S. 1-ED Total)
2. Massachusetts school building authority

4,751,981.00

0.00

Carried over from
prior 2 slides

TOTAL IIIa

4,751,981.00

IIIb. Estimated receipts - Local

1. Local receipts not allocated (page 3, col (b) Line 24)
2. Offset Receipts (Schedule A-1)
3. Enterprise Funds (Schedule A-2)
4. Community Preservation Funds (Schedule A-3)

5,045,465.00

0.00

Water & Sewer
Enterprise Fund Est.
Revenue

5,950,698.00

0.00

TOTAL IIIb

10,996,163.00

IIIc. Revenue sources appropriated for particular purposes

1. Free cash (page 4, col (c))
2. Other available funds (page 4, col (d))

1,800,000.00

404,026.00

Note: Chapter 90 &
Sale of Lots Fund

TOTAL IIIc

2,204,026.00

IIId. Other revenue sources appropriated specifically to reduce the tax rate

- 1a. Free cash..appropriated on or before June 30, 2016
- 1b. Free cash..appropriated on or after July 1, 2016
2. Municipal light source
3. Other source :

300,000.00

0.00

0.00

0.00

TOTAL IIId

300,000.00

IIIe. Total estimated receipts and other revenue sources (Total IIIa through IIId)

Total Revenue other
than property taxes

18,252,170.00

IV. Summary of total amount to be raised and total receipts from all sources

- a. Total amount to be raised
- b. Total estimate of total amount to be raised
- c. Total real and personal property taxes
- d. Total receipts from all sources (total IVb plus IVc)

66,392,268.27

Tax Levy for FY2017 =
72.5% of spending

18,252,170.00

48,140,098.27

66,392,268.27



FY2017 Tax Levy Limit:



II. TO CALCULATE THE FY 2017 LEVY LIMIT

A. FY 2016 Levy Limit from I.	44,834,702	
A1. ADD Amended FY 2016 Growth	0	
B. ADD (IIA + IIA1)*2.5%	1,120,868	
C. ADD FY 2017 New Growth	649,339	
C1. ADD FY 2017 New Growth Adjustment	0	
D. ADD FY 2017 Override	0	
E. ADD FY 2017 Subtotal	46,604,909	
F. FY 2017 Levy Ceiling	65,403,667	II. 46,604,909
		FY 2017 Levy Limit

III. TO CALCULATE THE FY 2017 MAXIMUM ALLOWABLE LEVY

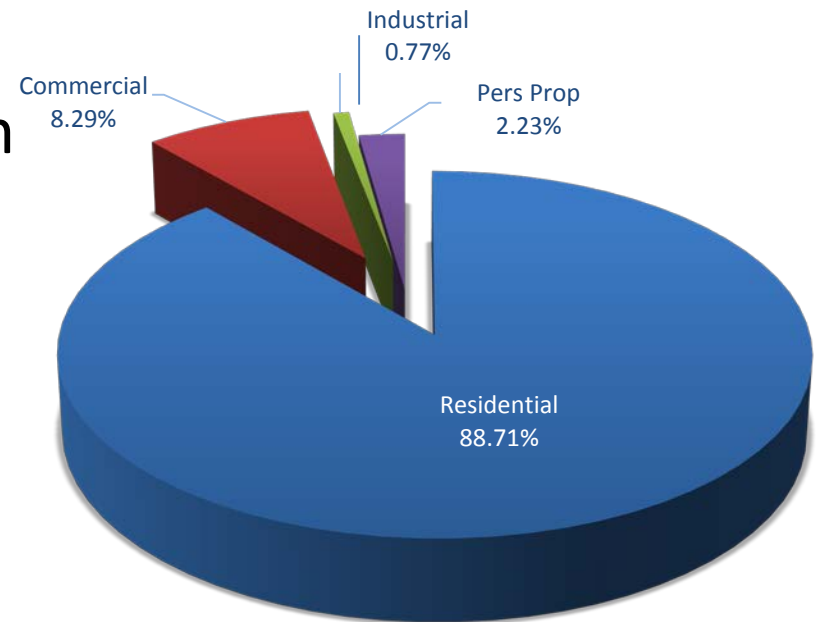
A. FY 2017 Levy Limit from II.	46,604,909
B. FY 2017 Debt Exclusion(s)	2,663,334
C. FY 2017 Capital Expenditure Exclusion(s)	0
D. FY 2017 Stabilization Fund Override	
E. FY 2017 Other Adjustment	
F. FY 2017 Water/Sewer	
G. FY 2017 Maximum Allowable Levy	\$ 49,268,243

Note: Prelim. FY17 Tax Levy =
\$48,140,098.27 (2.3% under the Limit)



FY2017 Classification Review:

- Residential declines by 4.8363% from 93.5516% down to 88.7153%
- Commercial, Industrial & Personal increases 175% from 6.4484% to 11.2847%



This represents a continuation of the policy decisions made for the past several years.



FY2017 Tax Rate Recap:



I. TAX RATE SUMMARY

Ia. Total amount to be raised (from IIe) **66,392,268.27**

Ib. Total estimated receipts and other revenue sources (from IIIe) **18,252,170.00**

Ic. Tax Levy (Ia minus Ib) **48,140,098.27**

Id. Distribution of Tax Rates and levies

CLASS	(b) Levy percentage (from LA5)	(c) Ic above times each percent in col (b)	(d) Valuation by class (from LA-5)	(e) Tax Rates (c) / (d) x 1000	(f) Levy by class (d) x (e) / 1000
Residential	88.7153	42,707,632.60	2,447,445,742.00	17.45	42,707,928.20
Net of Exempt					
Open Space	0.0000	0.00	0.00	0.00	0.00
Commercial	8.2932	3,992,354.63	123,980,284.00	32.20	3,992,165.14
Net of Exempt					
Industrial	0.7646	368,079.19	11,429,600.00	32.20	368,033.12
SUBTOTAL	97.7731		2,582,855,626.00		47,068,126.46
Personal	2.2269	1,072,031.85	33,291,050.00	32.20	1,071,971.81
TOTAL	100.0000		2,616,146,676.00		48,140,098.27



SUMMARY AS OF END OF FY2017:

- The Town is approximately \$1.1 million under its tax levy limit and \$17.2 million under the absolute levy ceiling.
- 72.5% of the cost of running the town is funded with local property tax revenue.
- Residential properties carry 88.7% of the tax burden of paying taxes.





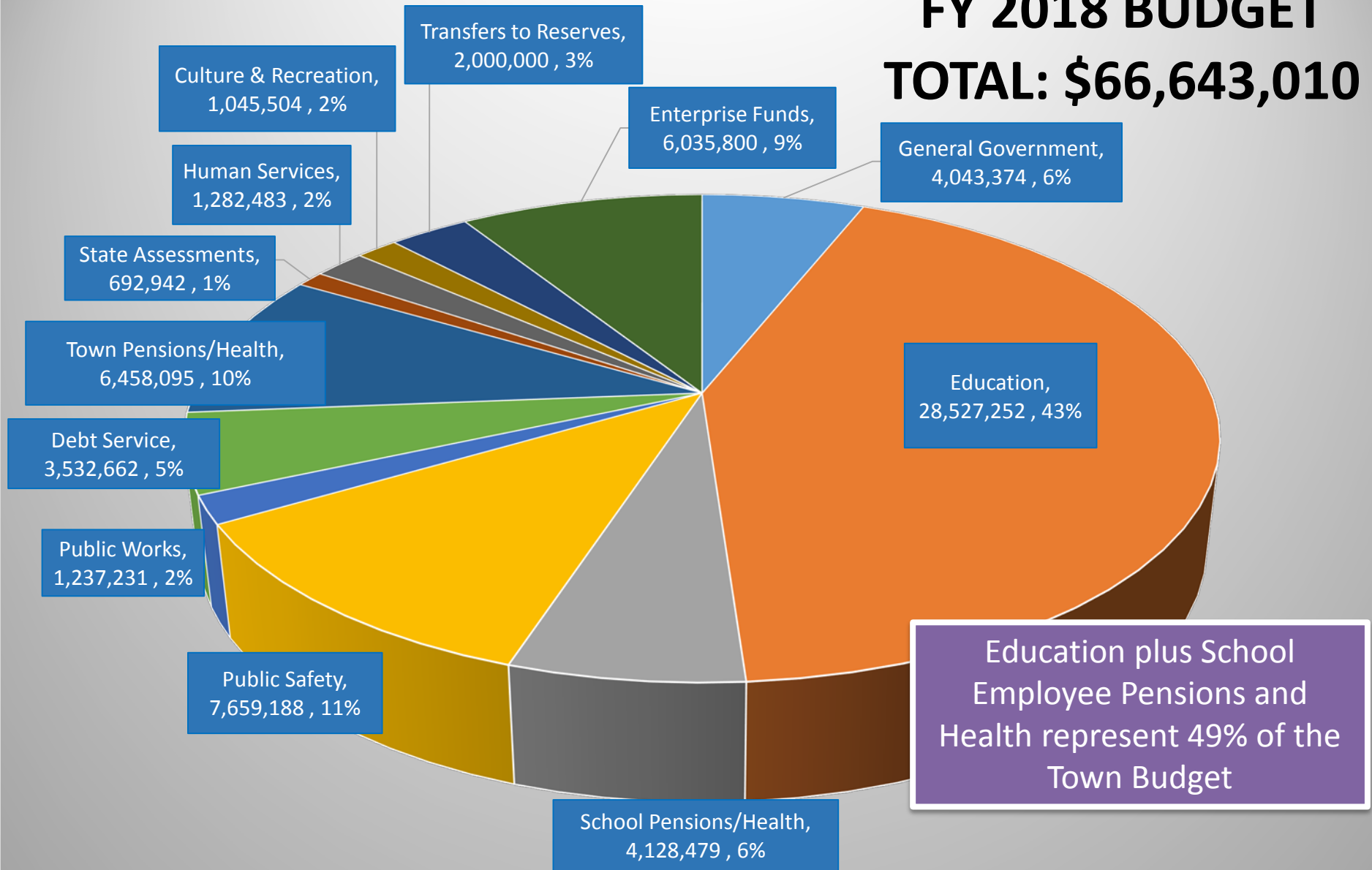
New Ocean House, Circa 1920s

PRELIMINARY LOOK AT FY2018:



FY 2018 BUDGET

TOTAL: \$66,643,010



FY2018

State Charges:



C.S. 1-EC Commonwealth of Massachusetts Department of Revenue FY2018
NOTICE TO ASSESSORS OF ESTIMATED CHARGES
General Laws, Chapter 59, Section 21
Swampscott

A. COUNTY ASSESSMENTS:

County Tax	0
Suffolk County Retirement	0
Essex County Reg Comm Center	0
Sub-Total, County Assessments:	0

B. STATE ASSESSMENTS AND CHARGES:

Retired Employees Health Insurance	0
Retired Teachers Health Insurance	0
Mosquito Control Projects	19,786
Air Pollution	5,058
Metropolitan Area Planning Council	7,183
Old Colony Planning Council	0
RMV Non-Renewal Surcharge	16,340
Sub-Total, State Assessments:	48,367

C. TRANSPORTATION AUTHORITIES:

MBTA	302,944
Boston Metro. Transit District	0
Regional Transit	0
Sub-Total, Transportation Assessments:	302,944

D. ANNUAL CHARGES AGAINST RECEIPTS:

Special Education	0
STRAP Repayments	0
Multi-Year Repayment	0
Sub-Total, Annual Charges Against Receipts:	0

E. TUITION ASSESSMENTS:

School Choice Sending Tuition	57,501
Charter School Sending Tuition	243,711
Sub-Total, Tuition Assessments:	301,212

F. TOTAL ESTIMATED CHARGES:

652,523



State Charges are added to amount
to be raised by taxation

FY2018 Revenue to be Raised:

II. Amounts to be raised

Ila. Appropriations (col. (b) through col. (e) from Page 4)	\$	66,643,010
Iib. Other amounts to be raised		
1. Amounts certified for tax title purposes		0
2. Debt and interest charges not included on page 4		
3. Final court judgments		
4. Total overlay deficits of prior years		
5. Total cherry sheet offsets (see cherry sheet 1-ER)	22,304	Note: Aid to Libraries
6. Revenue deficits		
7. Offset receipts deficits Ch. 44, Sec. 53E		
8. CPA other unappropriated/unreserved		0
9. Snow and ice deficit Ch. 44 Sec. 31D		
10. Other (specify on separate letter)		
TOTAL Iib (Total lines 1 through 10)		22,304
Iic. State and county cherry sheet charge (C.S.		652,523
Iid. Allowance for abatements and exemptions		275,000
Ile. Total amount to be raised (Total Ila through		67,592,837

Overlay is an estimate needed to pay for tax appeals and is added to the amount of revenue needed

Amount of revenue needed to be raised in FY18 at this time



FY2018 Local Receipts Estimate:

Description	2018 Revised Budget	2017 Actual	2016 Actual	2018 v. 2017
MOTOR VEHICLE EXCISE	2,350,000	2,393,170	2,301,824	(43,170)
MEALS TAX	250,000	244,801	201,087	5,199
BOAT EXCISE	5,000	4,951	4,991	49
PEN & INT. TAXES & EXCISE	150,000	174,207	551,259	(24,207)
RENTALS - TOWN	180,000	195,401	163,410	(15,401)
MEDICAID RECEIPTS	150,000	174,266	158,223	(24,266)
FINES, FORFEITS	50,000	81,001	74,405	(31,001)
MISCELLANEOUS REVENUE	50,000	328,140	255,652	(278,140)
SELECTMENS RECEIPTS	60,000	60,833	78,493	(833)
ASSESSORS RECEIPTS	300	346	337	(46)
TREASURERS RECEIPTS	5,000	4,800	26,241	200
EARNINGS ON INVESTMENTS	85,000	117,518	56,368	(32,518)
COLLECTOR RECEIPTS	10,000	11,325	13,930	(1,325)
CLERKS RECEIPTS	20,000	23,096	25,538	(3,096)
PLANNING BOARD RECEIPTS	2,000	3,850	1,150	(1,850)
BOARD OF APPEALS RECEIPTS	10,000	10,750	17,985	(750)
POLICE RECEIPTS	20,000	18,987	17,769	1,013
FIRE RECEIPTS	20,000	18,601	22,526	1,399
BUILDING INSP. RECEIPTS	350,000	426,919	729,778	(76,919)
MOORING FEES	12,000	13,656	14,310	(1,656)
TUITION - NAHANT	1,350,000	1,356,036	1,266,770	(6,036)
CEMETERY RECEIPTS	30,000	54,710	35,800	(24,710)
DPW RECEIPTS	30,000	36,366	31,202	(6,366)
HEALTH RECEIPTS	40,000	43,633	55,890	(3,633)
LIBRARY RECEIPTS		3,639	4,573	(3,639)
RECREATION RECEIPTS	30,000	42,557	32,811	(12,557)
OTHER STATE REVENUE		77,404	3,725	(77,404)
TOTALS:	5,259,300	5,920,962	6,146,045	(661,662)

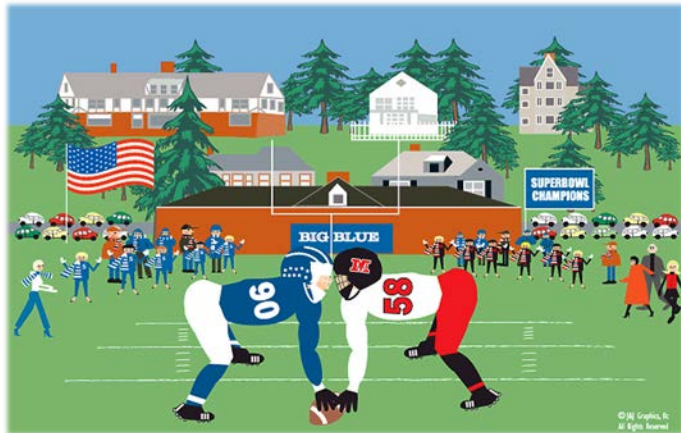
Note: these estimates are preliminary and not yet reviewed by DOR

This is first used to offset the amount of revenue needed



FY2018

State Aid:



C.S. 1-ER Commonwealth of Massachusetts Department of Revenue FY2018
 NOTICE TO ASSESSORS OF ESTIMATED RECEIPTS
 General Laws, Chapter 58, Section 25A
 Swampscott

A. EDUCATION:

Distributions and Reimbursements:

Chapter 70	3,496,131
School Transportation	0
Charter Tuition Reimbursement	12,502
Smart Growth	0

Offset Items – Reserve for Direct Expenditure:

School Choice Receiving Tuition	0
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Sub-Total, All Education Items:	3,508,633
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B. GENERAL GOVERNMENT:

Distributions and Reimbursements:

Unrestricted General Government Aid	1,293,116
Local Share of Racing Taxes	0
Regional Public Libraries	0
Urban Revitalization	0
Veterans Benefits	30,649
Exemp: VBS and Elderly	38,601
State Owned Land	1,266

Offset Item - Reserve for Direct Expenditure:

Public Libraries	22,304
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Sub-Total, All General Government:	1,385,936
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C. TOTAL ESTIMATED RECEIPTS:	4,894,569
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This is next used to offset the amount of revenue needed



FY2018

Revenue

to be

Raised:

III. Estimated receipts and other revenue sources

IIIa. Estimated receipts - State

1. Cherry sheet estimate	4,894,569	
2. Massachusetts School		
TOTAL IIIa		4,894,569

Carried over from
prior 2 slides

IIIb. Estimated receipts - Local

1. Local receipts not allocated (Page 3, col. (b), Line 24)	5,259,300	
2. Offset receipts (See Schedule A-1)	0	
3. Enterprise funds (See Schedule A-2)	6,035,800	
4. Community preservation funds (See Schedule A-4)	0	
TOTAL IIIb		11,295,100

Water & Sewer Est. Revenue

IIIc. Revenue sources appropriated for particular purposes

1. Free cash (Page 4, col. (c))	2,175,000	
2. Other available funds (Page 4, col. (d))	0	
TOTAL IIIc		2,175,000

IIId. Other revenue sources appropriated specifically to reduce the tax rate

1. a. Free cash...appropriated on or before June 30, 2017	1,000,000	
1. b. Free cash...appropriated on or after June 30, 2017	0	
2. Municipal light source		
3. Other source :		
TOTAL IIId		1,000,000

IIIe. Total estimated receipts and other revenue (Total IIIa through IIId)

Est. Revenue other
than property taxes

\$ 19,364,669

IV. Summary of total amount to be raised and total receipts from all sources

a. Total		\$ 67,592,837
b. Total		
revenue		
c. Total	\$ 19,364,669	
d. Total	\$ 48,228,168	\$ 67,592,837

Tax Levy for FY2018 =
71.4% of spending



FY2018 Est. Tax Levy Limit:

II. TO CALCULATE THE FY2018 LEVY LIMIT

'A. FY2017 Levy Limit from I.	46,604,909
A1. ADD Amended FY2017 Growth	
B. ADD (IIA + IIA1) X 2.5%	1,165,123
C. ADD FY2018 New Growth	500,000
C1. ADD FY2018 New Growth Adjustment	
D. ADD FY2018 Override	
E. FY2018 Subtotal	48,270,031
F. FY2018 Levy Ceiling	71,050,103

Estimated
FY18 New
Growth

II. \$ 48,270,031
FY2018 Levy Limit

III. TO CALCULATE THE FY2018 MAXIMUM ALLOWABLE LEVY

A. FY2018 Levy Limit from II.	48,270,031
B. FY2018 Debt Exclusion(s)	1,794,646
C. FY2018 Capital Expenditure Exclusion(s)	
D. FY2018 Stabilization Fund Override	
E. FY2018 Other Adjustment	
F. FY2018 Water / Sewer	
G. FY2018 Maximum Allowable Levy	\$ 50,064,677

Note: Prelim. FY18 Tax Levy =
\$48,228,268 (3.67% under the Limit)



Important things to note:

- FY2018 projected tax levy is within 0.5% of the tax levy that was approved in FY2017.
- Changes in estimates of local receipts or amendments to the FY18 budget at Fall Town Meeting may change this amount slightly.
- Increasing valuations are likely to result in reductions to the Tax Rates.
- The Town continues to build excess levy capacity (3.67% of Levy Limit in FY18 vs. 2.3% in FY17)



NEXT STEPS

- Data to be presented to Dept. of Revenue for further review (late Sept.-early Oct.)
- Once DOR review is complete values will be released to the public for public comment period (mid. Oct. – mid. Nov.)
- Review of estimates of local receipts and any further review of FY2018 town budget by town meeting (mid. Oct. – mid. Nov.)
- Final Classification hearing (mid. Nov.)
- Set FY2018 Tax Rates (mid. Dec.)

