

Finance Committee Recommendations
Annual Town Meeting
May 20, 2008

Article No.	Description	Amount	Source of Funds	Finance Committee Recommendation
1	Administrative expenses of the Community Preservation Committee	\$10,000	CPA Surcharges - Undesignated	Recommend
2	Purchase and repair of Vetean's grave markers	\$5,000	CPA Surcharges - Historical	Recommend
3	Preservation and copying of early Town Record Book	\$6,000	CPA Surcharges - Historical	Recommend
4	Purchase of flatbed copier and funding of technician to make copies of early town documents	\$3,500	CPA Surcharges - Historical	Recommend
5	Hire a consultant to perform a Feasibility Study to determine viability of development of Greenway in Southampton	\$25,000	CPA Surcharges - Undesignated	Recommend
6	Fund an appraisal of the land to be used for the Southampton Greenway	\$5,000	CPA Surcharges - Undesignated	Recommend
7	Salaries of Elected Officials and Appropriate Monies as identified in the Town's Omni-bus budget	\$12,858,660	General Funds	Recommend
8	Landfill Enterprise Fund	\$241,769	As listed in Warrant	Recommend
9	Water Enterprise Fund	\$588,602	As listed in Warrant	Recommend
10	Amortization of WPAT Bonds	\$20,401	WPAT Loan Repayment Account	Recommend
11	EMS/Ambulance related expenses	\$80,554	Ambulance Fees Account	Recommend
12	Reduce the FY09 Tax Rate	\$121,753	Free Cash	Recommend
13	Capital Improvement Plan for FY09	\$158,942	Stabilization Fund	Recommend Further recommend that free cash generated by tax liens be transferred to Stabilization Fund
14	Compensating Balance Agreement	N/A	N/A	Recommend
15	Revolving Funds	Various	Various	Recommend
16	Norris School Fiscal 2009 debt service	\$107,028	Norris School Debt Exclusion Reserve Fund	Recommend
17	Transfer town-owned land located on Cook Road to the Commonwealth of Massachusetts Fish and Game Department	N/A	N/A	Recommend, subject to an acceptable appraisal
18	Allow Hampshire Regional School to enter into 5-Year contract for bus transportation	N/A	N/A	Recommend
19	Acceptance of Adjudicatory hearings provisions of G.L. c.39, Section 23D	N/A	N/A	Recommend
20	File to Establish a Department of Public Works	N/A	N/A	Recommend

MUNICIPAL FINANCE TERMS – GLOSSARY

1. **Available Funds** - Free cash reserves and unexpected balances from other years available for appropriation. This affects the tax rate indirectly as any money spent other than that reimbursed by the County, State or Federal government must be raised by taxes and fees.
2. **Capital Outlay Expenditure Exclusion** - A community can vote to assess taxes in excess of its levy limit or levy ceiling for the payment of certain capital projects, a *capital outlay expenditure exclusion*. The additional amount for the payment of the capital project cost is added to the levy limit for the life of the debt only. Unlike overrides, exclusions do not become part of the base upon which the levy limit is calculated for future years. A majority vote of approval by the electorate is required.
3. **Cherry Sheet** - Details of State and County charges and reimbursements used in determining the tax rate. Name comes from the color of paper used.
4. **Debt Exclusion** - A community can vote to assess taxes in excess of its levy limit or levy ceiling for the payment of specified debt service costs, a *debt exclusion*. The additional amount for the payment of the debt service is added to the levy limit for the life of the debt only. Unlike overrides, exclusions do not become part of the base upon which the levy limit is calculated for future years. A majority vote of approval by the electorate.
5. **Enterprise Fund** – An accounting mechanism which allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy. With an enterprise fund, all costs of services - direct, indirect, and capital costs are identified. This allows a community to recover total service costs through user fees if it so chooses. Enterprise accounting also enables communities to reserve the “surplus” or retained earnings generated by the operation of the enterprise rather than closing it out at year end.
6. **Estimated Receipts** - Estimate of miscellaneous receipts based on previous year’s receipts deducted by the assessors from the gross amount to be raised by taxation.
7. **Fiscal Year** – For the Commonwealth of Massachusetts and its municipalities, the fiscal year is the period of time beginning on July 1 and ending on June 30.
8. **Free Cash** - Surplus revenue less outstanding taxes owed from prior years.
9. **Levy Ceiling** – The maximum tax assessed on real and personal property may not exceed 2.5% of the total full and fair cash value of all taxable property, except if the community passes a capital outlay expenditure exclusion, a debt exclusion, or a special exclusion.
10. **Levy Limit** – The maximum amount a community can levy in a given year. The limit can grow by 2.5% of the prior year’s levy limit plus new growth and any overrides.
11. **New Growth** – The taxing capacity added by new construction and other increases in the property tax base. New growth is calculated by multiplying the value associated with new construction by the tax rate of the previous year.
12. **Overlay Fund** - Amount raised by the assessors by setting the tax rate, creating a fund to cover abatements granted.
13. **Overlay Reserve or Surplus** - Unused accumulated amount of the overlay for various years, which may be VOTED by the town for extraordinary or unforeseen purposes.
14. **Override Vote** - An override vote becomes a permanent increase in the levy limit (the amount the community can raise through the property tax). Override requests must be presented in dollar terms and specify the purpose. A majority vote of approval by the electorate is required.
15. **Reserve Fund** - Amount transferred from overlay surplus or appropriated for unforeseen or emergency purposes. Controlled exclusively by the Finance Committee.
16. **Revolving Fund** – Allows a community to raise revenues from a specific service and use those revenues to support the service without appropriation.
17. **Stabilization Fund** – An account from which amounts may be appropriated for any lawful purposes. An Act Relative to the Stabilization Fund of the Town of Southampton specifically limits the use of the Stabilization Fund for purposes for which the town would be authorized to borrow money under Massachusetts General Law, Section 7 and 8 of Chapter 44 and not for any other purpose. A two-thirds vote of town meeting is required to appropriate money from the Stabilization Fund.