



City of Chicopee

Financial Review
Operating Budget
June 2022



Financing City Services

- Resources and positions are financed through municipal revenue or grants
- Sources of revenue
 - Real Property taxes
 - Excise taxes
 - Grants – must be used for specific purpose and generally do not cover salaries
 - Local Hotel room taxes
 - Local Meal taxes
 - Fees
 - Licenses and Permits
 - Water and Sewer revenue
 - Cannabis taxes
 - Other Departmental revenue
- State Aid/ Cherry Sheets/ Chapter 70/ Chapter 90
- Savings/ Free Cash/ Stabilization Funds



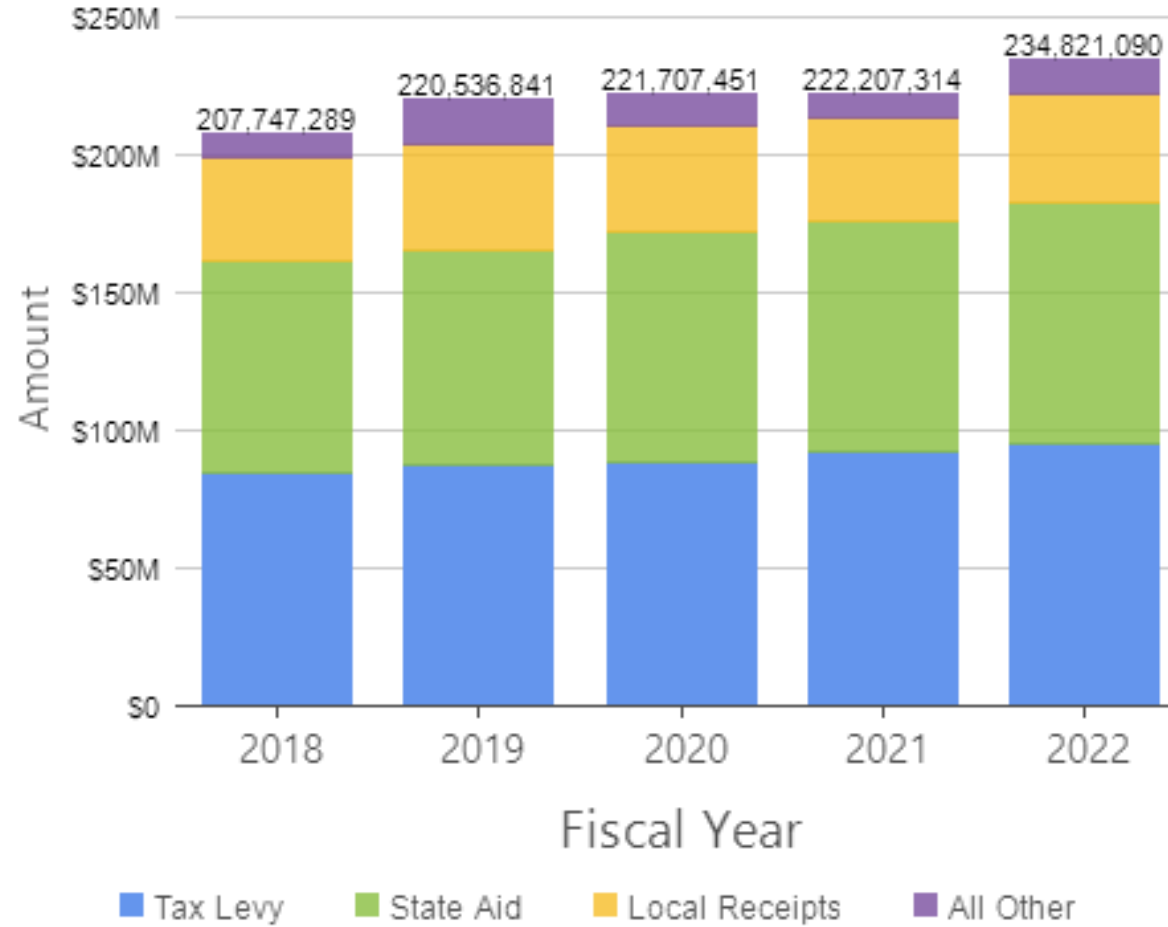
Dependence on State Revenue

- State Revenue and Local Taxes pay for Municipal Services
- Comparison of surrounding cities and towns Budget components

Municipality	State Funding % of budget	Local Levy % of budget	New Growth % of budget
Chicopee	37.72%	41.53%	1.04%
Springfield	59.36%	31.50%	3.09%
Holyoke	54.54%	33.72%	1.99%
Ludlow	24.31%	59.64%	1.26%
South Hadley	24.48%	57.79%	0.96%
West Springfield	30.03%	51.55%	2.015
Westfield	28.04%	47.48%	3.38%

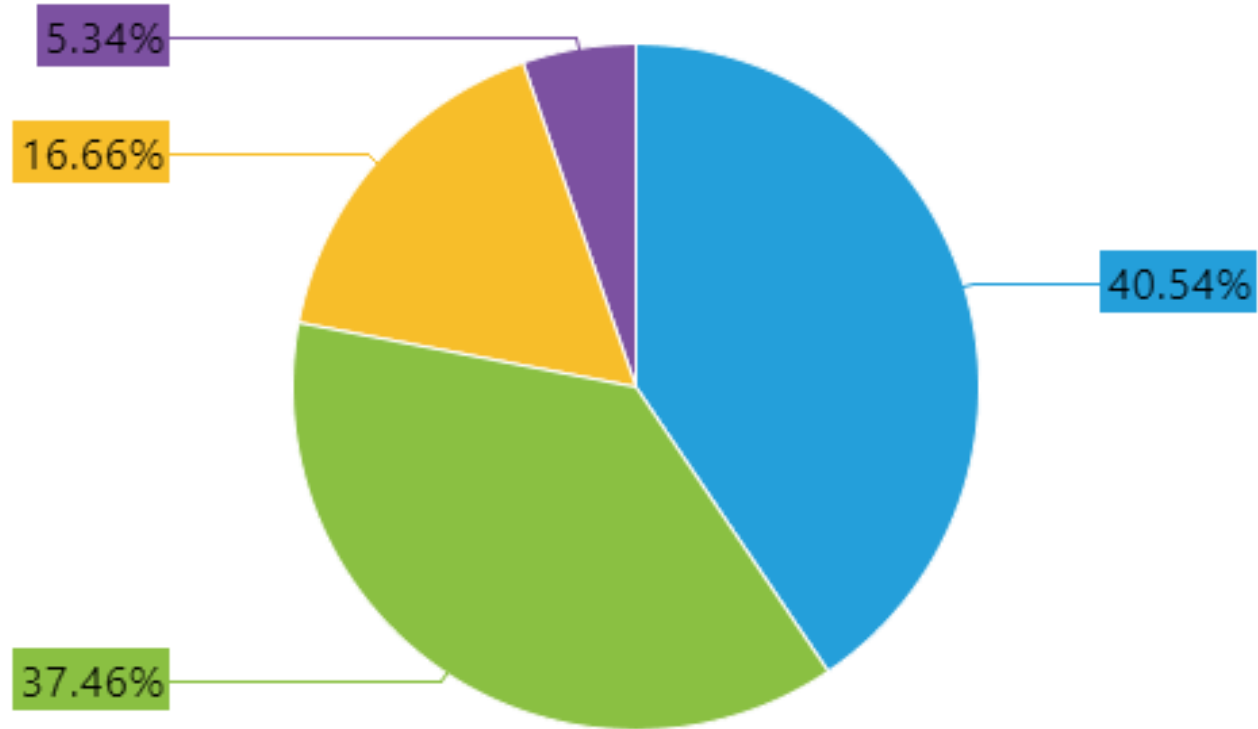


City of Chicopee

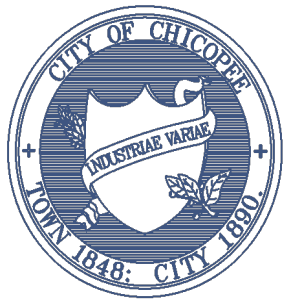




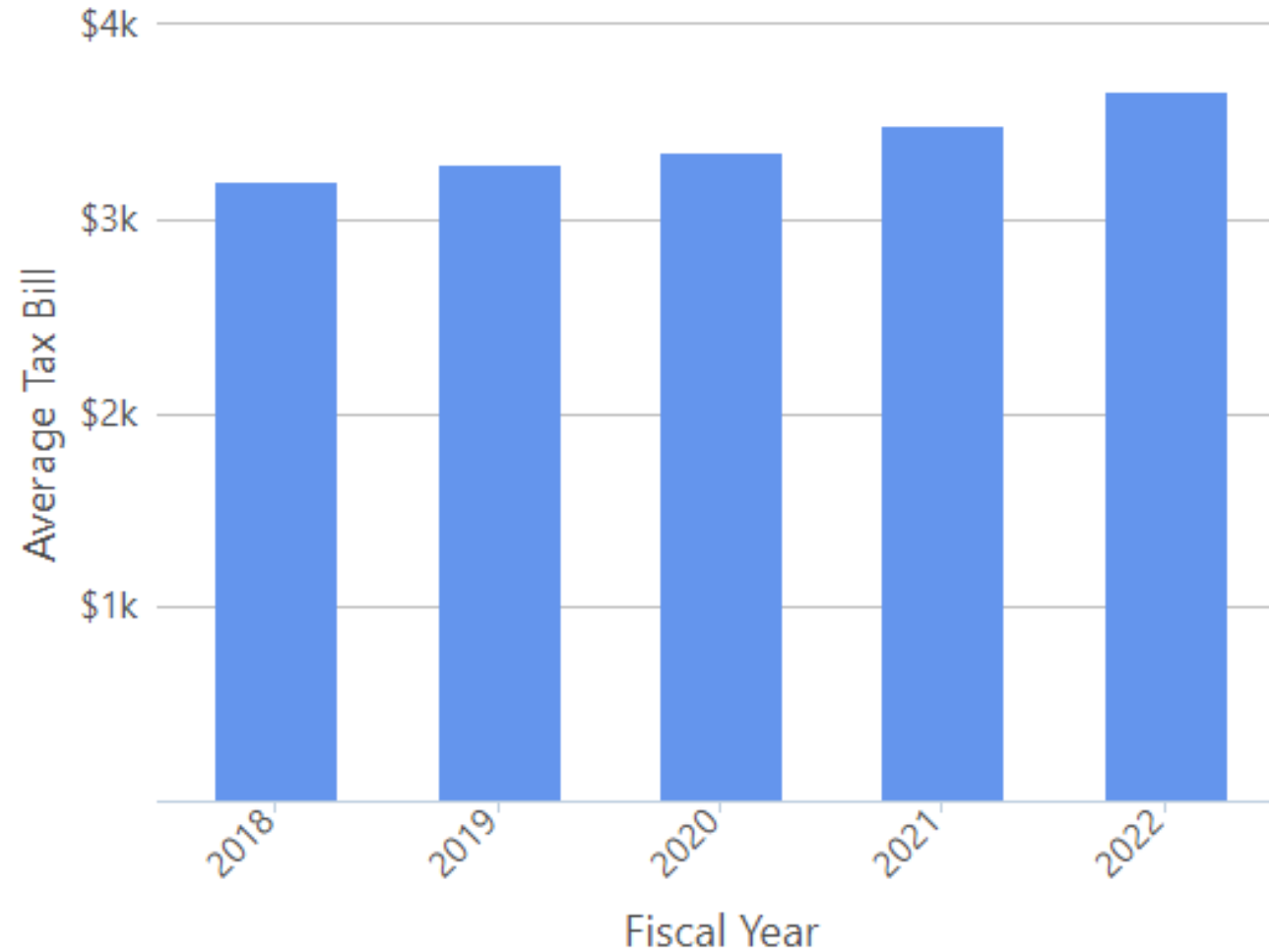
Revenue by Source FY 2022



■ Tax Levy ■ State Aid ■ Local Receipts ■ All Other

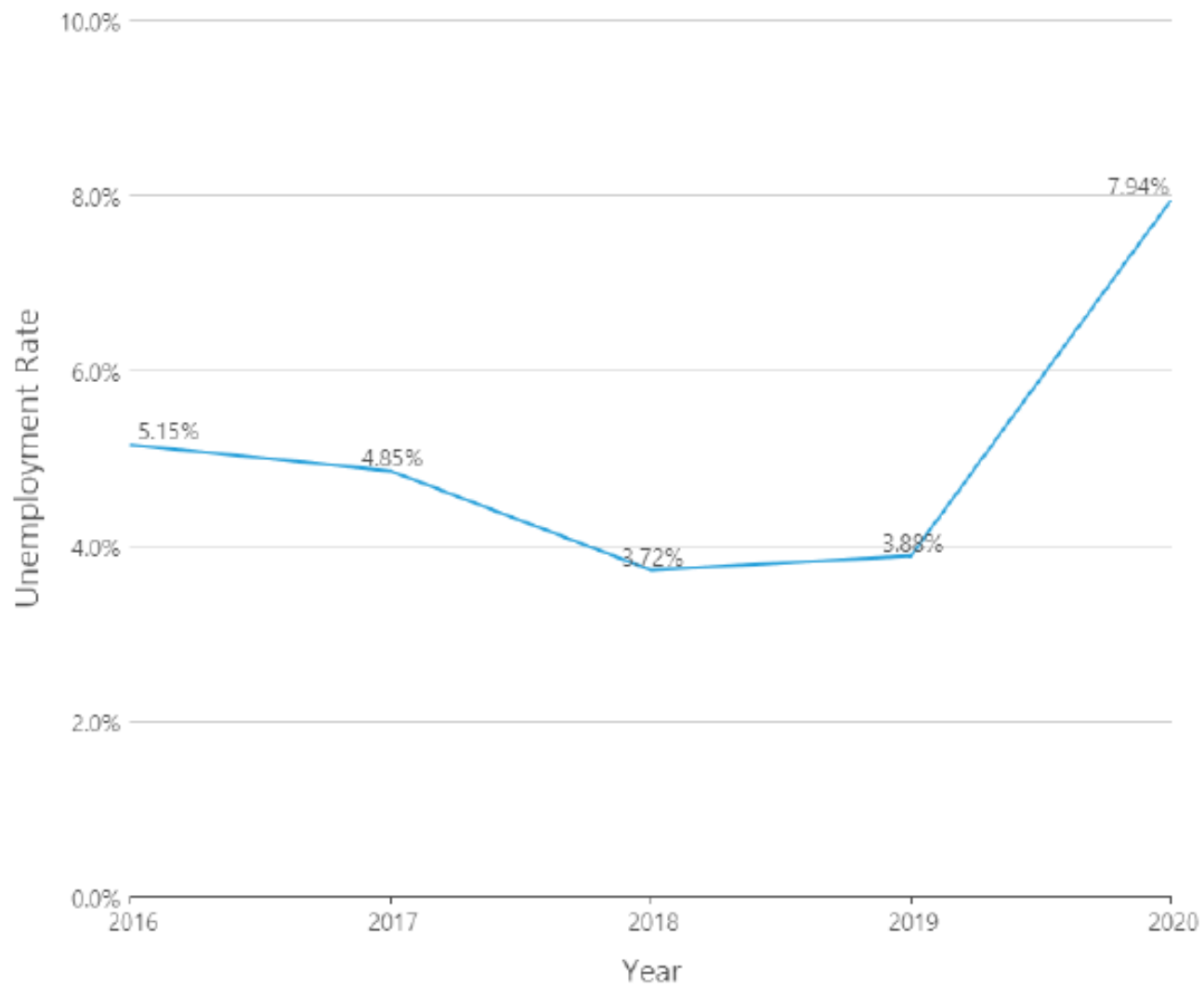


Chicopee Average Single Family Tax Bill \$3,663.00



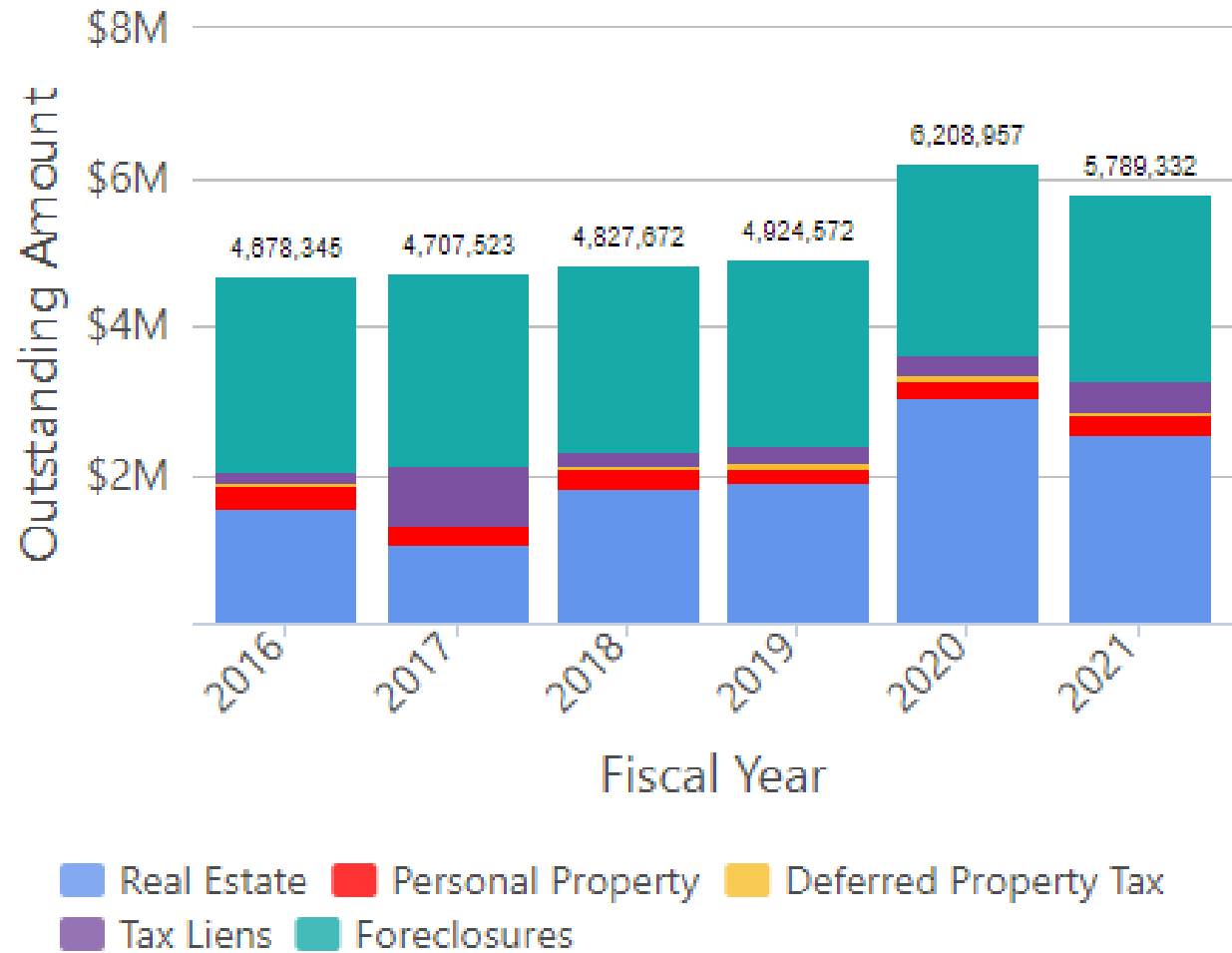


City of Chicopee



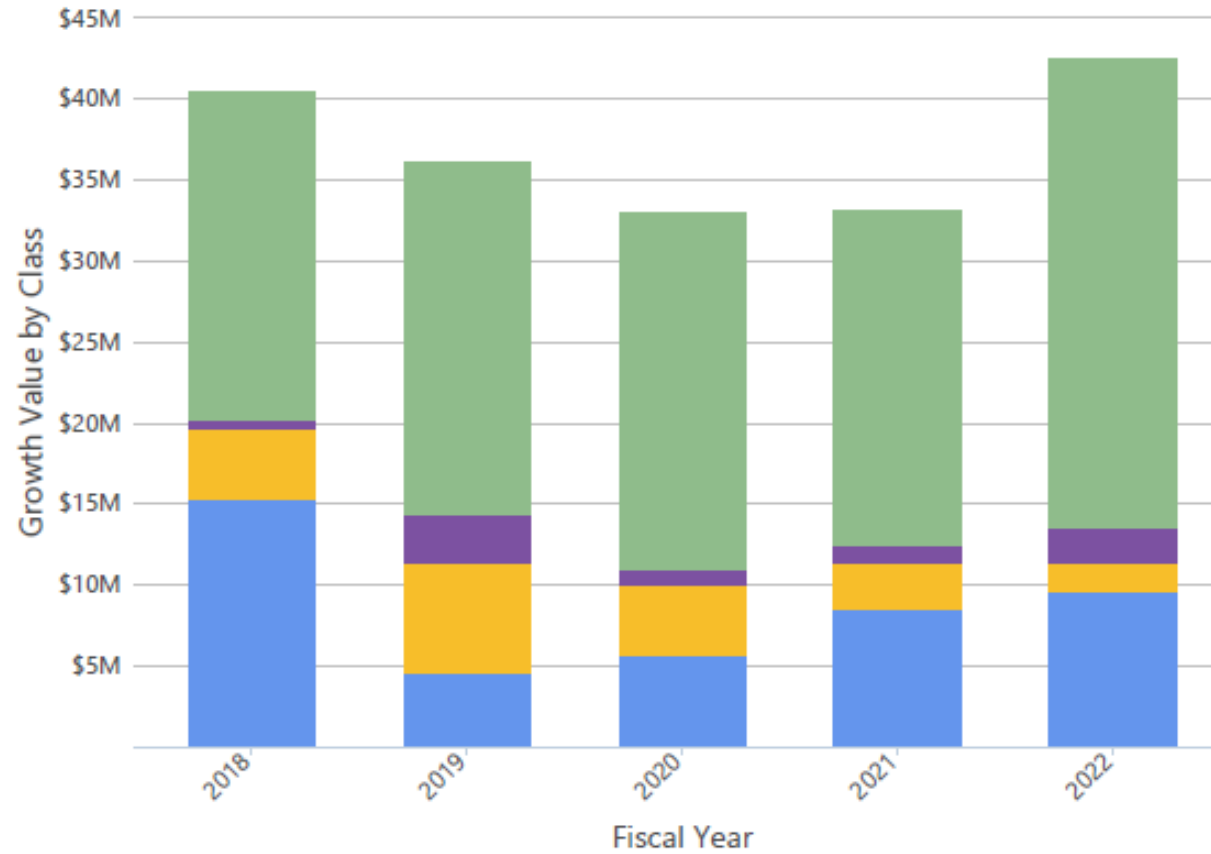


Chicopee Uncollected Property Taxes





City of Chicopee

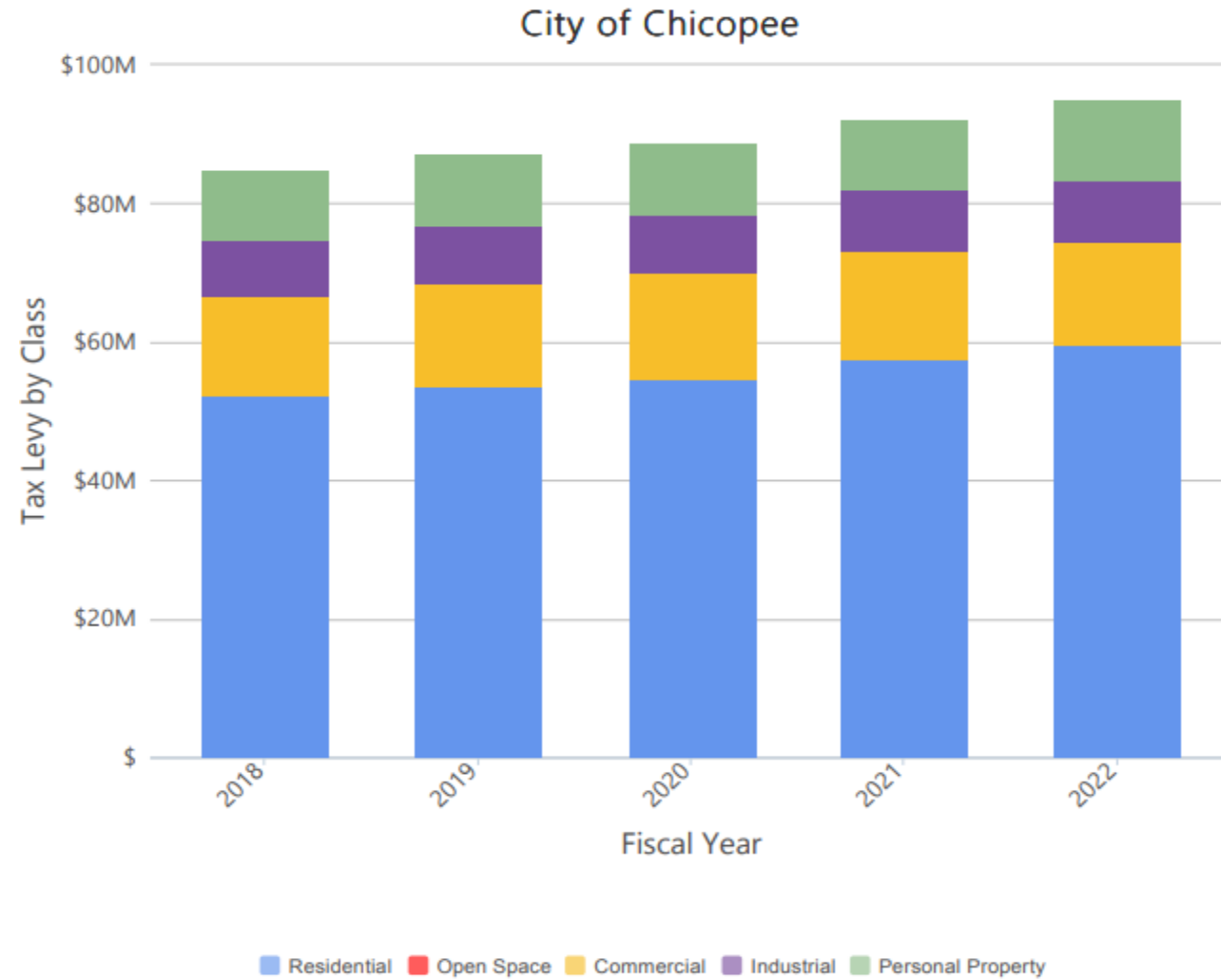


■ Residential
 ■ Open Space
 ■ Commercial
 ■ Industrial
 ■ Personal Property

CLASS	2018	2019	2020	2021	2022
Residential	15,219,100	4,460,200	5,625,500	8,402,300	9,558,040
Open Space	0	0	0	0	0
Commercial	4,384,400	6,806,300	4,301,984	2,806,800	1,733,250
Industrial	466,990	2,988,415	1,006,850	1,214,200	2,104,400
Personal Property	20,450,940	21,927,220	22,093,560	20,669,160	29,071,580
Total	40,521,430	36,182,135	33,027,894	33,092,460	42,467,270

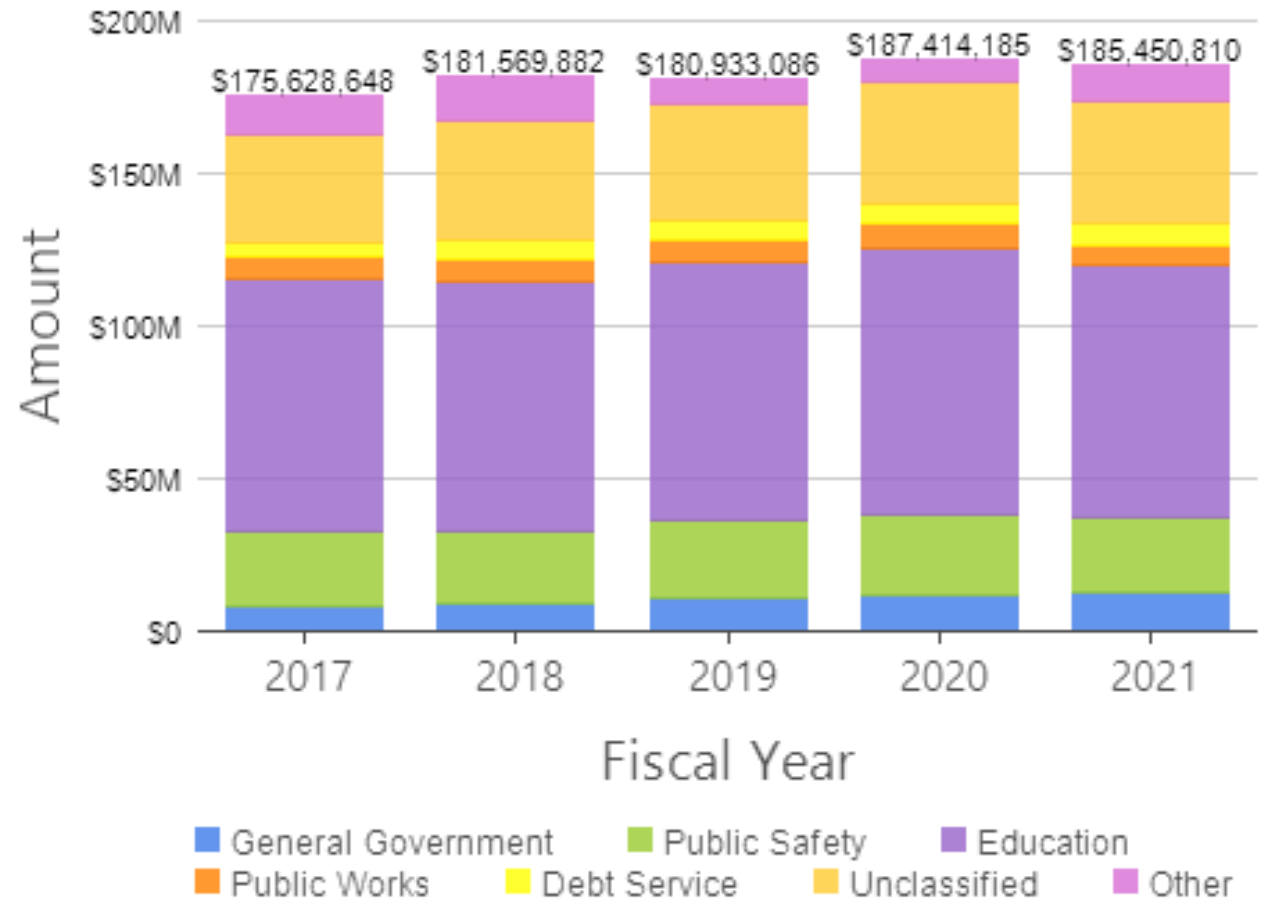


Taxes by Asset Class



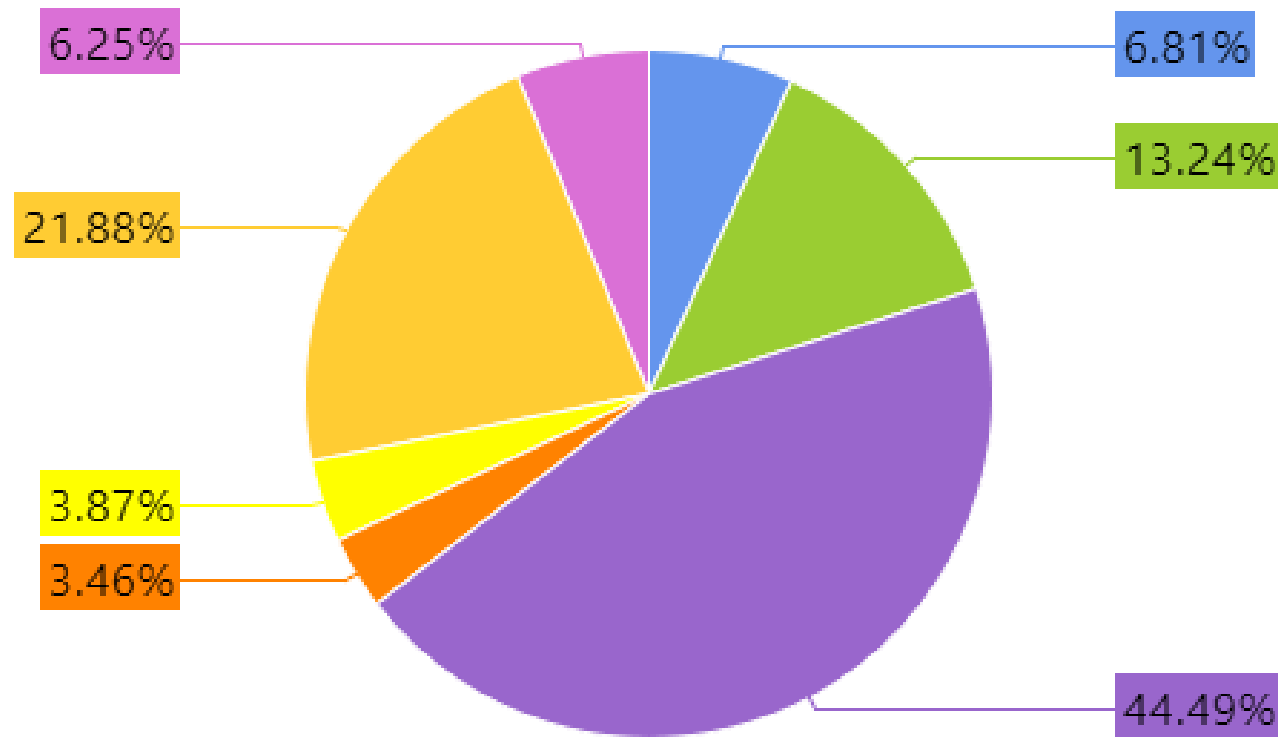


Chicopee General Fund Expenditures





Chicopee General Fund Expenditure by Function FY2021

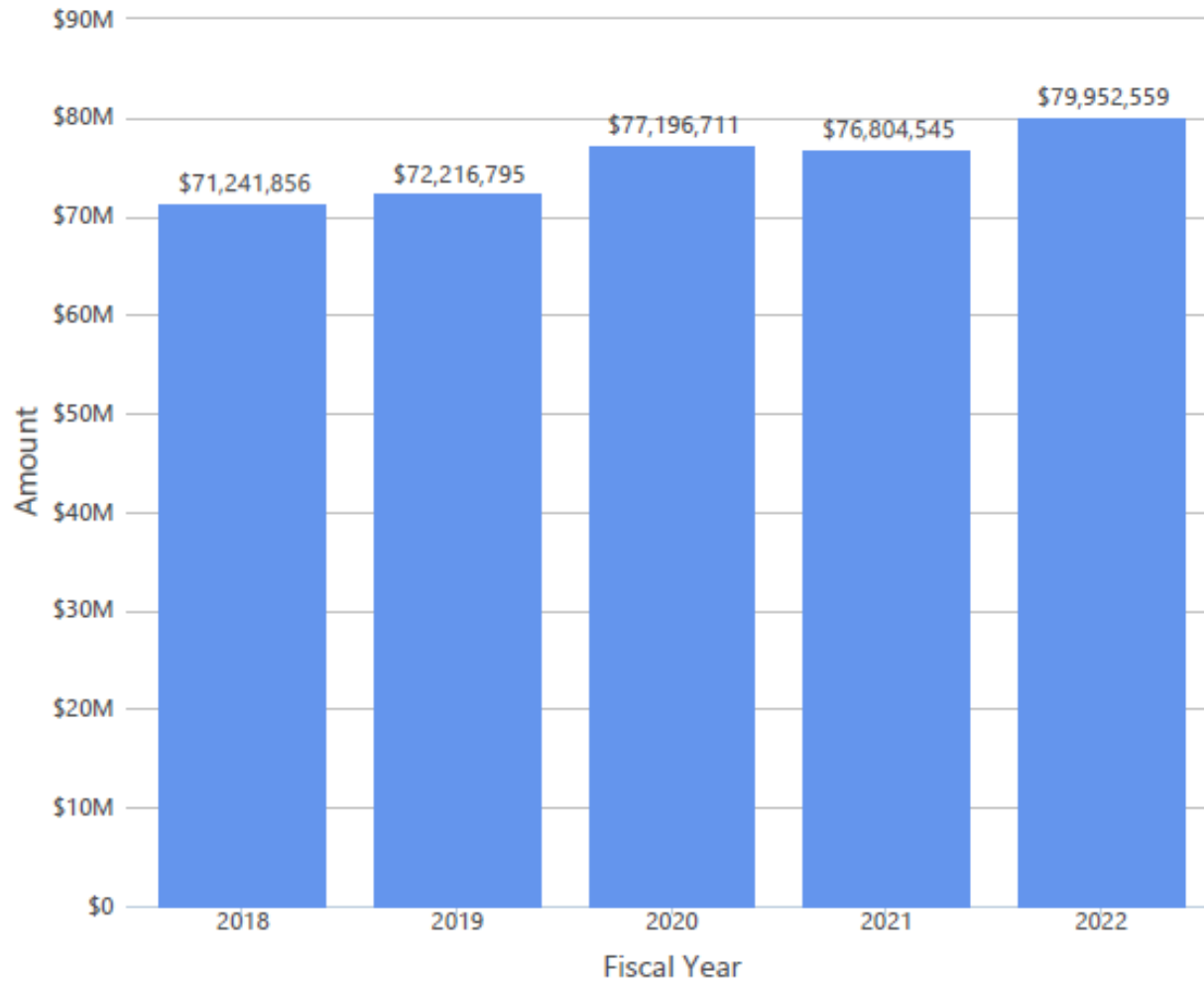


- General Government
- Public Safety
- Education
- Public Works
- Debt Service
- Unclassified
- Other



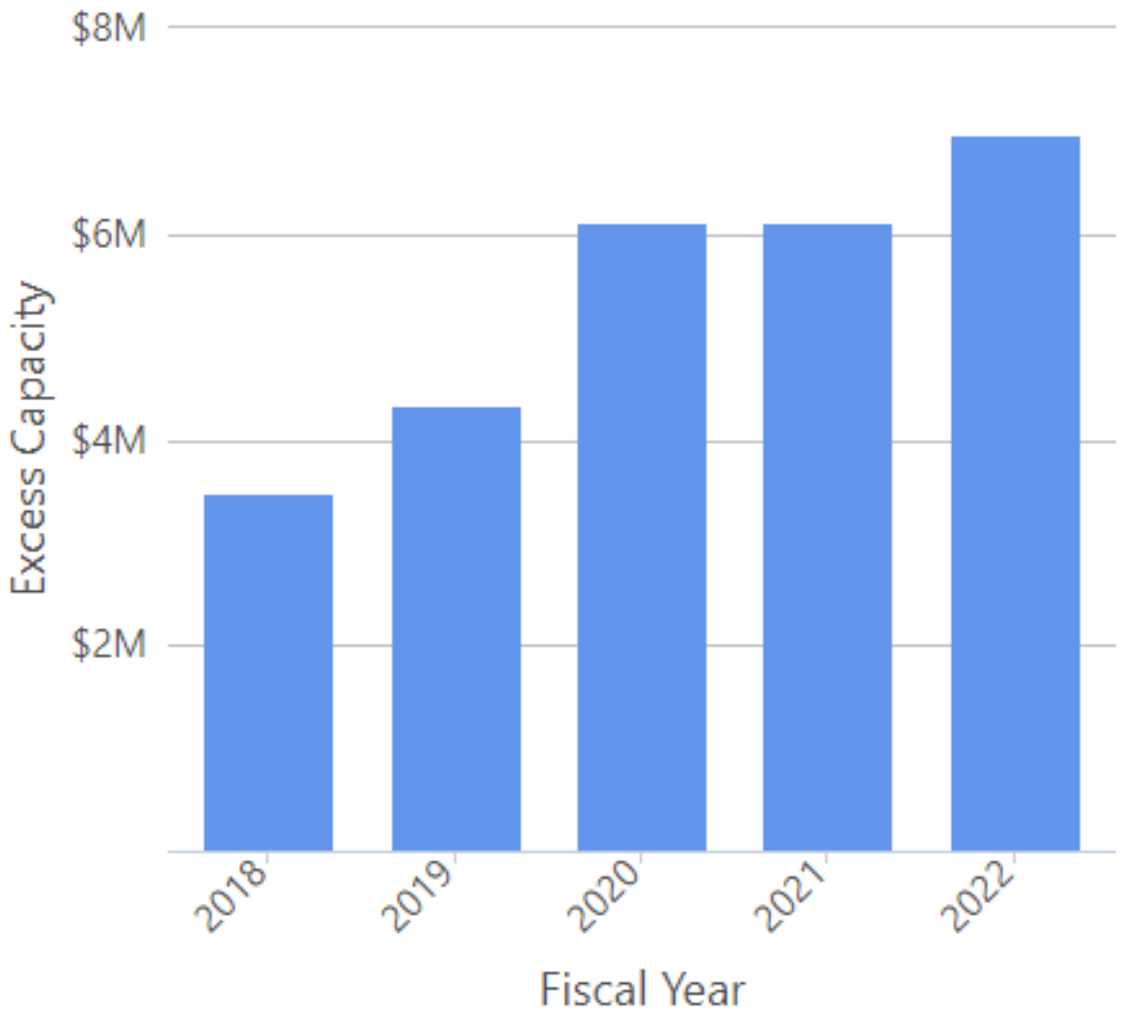
State Aid/ Cherry Sheet

City of Chicopee





Excess Levy Capacity





Water and Sewer Expense

Chicopee	2021.	1	MOTOR VEHICLE EXCISE	5,888,485
Chicopee	2021.	2	OTHER EXCISE	0
Chicopee	2021.	2.1	a.Meals	640,000
Chicopee	2021.	2.2	b.Room	300,000
Chicopee	2021.	2.3	c.Other	5,500
Chicopee	2021.	2.4	d.Cannabis	500,000
Chicopee	2021.	3	PENALTIES AND INTEREST ON TAXES AND EXCISES	450,000
Chicopee	2021.	4	PAYMENTS IN LIEU OF TAXES	1,400,000
Chicopee	2021.	5	CHARGES FOR SERVICES - WATER	9,624,101
Chicopee	2021.	6	CHARGES FOR SERVICES - SEWER	13,371,119
Chicopee	2021.	7	CHARGES FOR SERVICES - HOSPITAL	0
Chicopee	2021.	8	CHARGES FOR SERVICES - SOLID WASTE FEES	40,000
Chicopee	2021.	9	OTHER CHARGES FOR SERVICES	2,250,000
Chicopee	2021.	10	FEES	160,000
Chicopee	2021.	28	a.Cannabis Impact Fee	25,000
Chicopee	2021.	29	b.Community Impact Fee Short Term Rentals	0
Chicopee	2021.	11	RENTALS	141,000
Chicopee	2021.	12	DEPARTMENTAL REVENUE - SCHOOLS	0
Chicopee	2021.	13	DEPARTMENTAL REVENUE - LIBRARIES	0
Chicopee	2021.	14	DEPARTMENTAL REVENUE - CEMETERIES	29,000
Chicopee	2021.	15	DEPARTMENTAL REVENUE - RECREATION	700,000
Chicopee	2021.	16	OTHER DEPARTMENTAL REVENUE	100,000
Chicopee	2021.	17	LICENSES AND PERMITS	750,000
Chicopee	2021.	18	SPECIAL ASSESSMENTS	0
Chicopee	2021.	19	FINES AND FORFEITS	230,000
Chicopee	2021.	20	INVESTMENT INCOME	500,000
Chicopee	2021.	26	MEDICAID REIMBURSEMENT	250,000



Tax Rates

- Rates by Property Classification

Fiscal Year	Residential	Open Space	Commercial	Industrial	Personal Property
2018	18.31	0.00	34.65	34.65	34.65
2019	17.96	0.00	34.58	34.58	34.58
2020	17.46	0.00	33.93	33.93	33.93
2021	17.61	0.00	34.86	34.86	34.86
2022	16.99	0.00	37.40	37.40	37.40



Priorities

- Add new commercial/ industrial growth to the real estate tax base
 - Get the Baskin Property developed, housing, indoor athletic fields and restaurant/brewery
 - Potential \$580,000 new tax revenue
 - 51 permanent and 280 construction jobs
 - Find a way to get the Cabotville and Lyman Mills Projects back on track
 - Zero Fuller Road (denied)
 - Potential \$1 million in tax revenue
 - 1000 new jobs
 - Buffer zones and limit impact to neighborhood
 - Exit 6 and Burnett Road Service Area (under consideration)
 - \$740,000 in new revenue
 - 70 full time and 20 part time jobs



Priorities Continued

- Add new commercial/ industrial growth to the real estate tax base
 - Cumberland Farms at McKinstry and Grattan (denied)
 - Agilent Corp at East Main Street
 - 40 new jobs
 - \$221,737 in new taxes to our Industrial real estate base
 - Milton Cat Fuller Road - \$8.5 million investment
 - 13 new jobs
 - \$80,000 new tax revenue and increasing
 - Falls Pizza on Grove Street - \$1.4 million investment
 - \$6,000 new tax revenue
 - Metro Lube/ Florence Bank
 - Big Y, Grocery Delivery Center
 - \$25,000 new tax revenue



Conclusion

- Demands for increased wages for Police and Fire as well as teachers
- Inflation and increased cost for gas, fuel, paper, supplies
- State and federal grants are increasingly competitive and difficult to obtain
- We need to provide good jobs for our residents to provide for their families
- Without new growth, especially commercial new growth, residential real estate taxes must increase