



HAMPSHIRE COUNCIL
OF GOVERNMENTS

May 18, 2017

To: All HCOG Member Towns

Re: Proposed FY-2018 Budget Message

Attached please find a Fiscal Year 2018 summary of the operating budget for the Hampshire Council of Governments.

The Council helps towns, cities, non-profits, and businesses combine their purchasing power to realize greater savings and benefit the local economy. Our purpose is to build communities by empowering local, sustainable, and efficient economies. We are not primarily funded by taxes, grants, or government handouts. Instead, we raise revenue by providing goods and services at discounted prices and every cent that we earn goes back to supporting the communities of Western Massachusetts through our own philanthropic efforts. Over the last few years we have added new programs to better meet the needs of the towns and lay the foundation for increased efficiency and additional savings.

Please note that as in FY17, the three primary revenue generating activities (Purchasing, Sustainability, and Electricity) of the Council are covering expenses and bringing in extra revenue to help cover the Council's administrative costs and legacy costs associated with Hampshire Care. However, the FY18 budget shows a net negative year-end financial position, primarily due to these legacy costs (Hampshire Care worker's comp, health insurance for 64 Hampshire Care retirees, other ongoing expenses) and insufficient anticipated excess revenue from Electricity. Because the Council cannot assess these liabilities to the communities (as some other COGS are able) and because the Council is not a Regional Planning Agency and thus eligible for millions of dollars of federal grants that are used to cover administrative costs, the full administrative burden of the Council must be covered by our programs and services or else a negative year-end financial position will be realized. This is unique in the Commonwealth and we will continue to work with the Legislature to find a meaningful and lasting solution to this issue. Please also note that due to two consecutive positive fiscal years, there is sufficient reserve funds to cover the budgeted shortfall.

Please contact my office if you would like to receive a copy of the budget details. A public hearing on the budget is scheduled for **Thursday, May 25, 2017, at 7:00 PM** in the Old Courthouse located at 99 Main Street in Northampton MA.

Todd D. Ford
Executive Director