




Conor M. Baldwin
Chief Financial Officer

MEMORANDUM

TO: Thomas A. Golden, Jr., City Manager 

FROM: Conor Baldwin, Chief Financial Officer

CC: Ted Panagiotopoulos, City Treasurer/ Collector
Kelly Oakes, City Auditor

DATE: June 8, 2022

SUBJECT: MOTION RESPONSE – 6/1/2022 - C. Nuon – Req. City Mgr. Have The CFO Report The Balance Of The Funding In The Reserve Account From Revenue Derived From Excise On Marijuana Retail, Dedicated To The Municipal Infrastructure.

The municipal facility stabilization fund (“the fund”) was established by the Lowell City Council in February of 2019. The fund was established as authorized by Massachusetts General Laws, chapter 40, §5B (4th paragraph). At the time, the Council chose to dedicate twenty-five (25%) per cent of revenue collected from the local option excise on recreational marijuana dispensaries in Lowell into the fund for the repair and maintenance of municipal facilities. Cities, towns and districts that accept the fourth paragraph of G.L. c. 40, § 5B may dedicate, without further appropriation, all, or a percentage of not less than 25 percent, of a particular fee, charge or other receipt to any stabilization fund established under G.L. c. 40, § 5B.

The City Council adopted the local option excise tax on recreational marijuana sales in the amount of 3% in April of 2018. The Department of Revenue (“DOR”) collects the local excises in addition to the state taxes on these sales and distributes the collections on a quarterly schedule. In addition to the 25% quarterly deposit from the local option excise tax, the City Council appropriated \$1,000,000 in March of 2022 from “free cash” into the fund.

The table on the following page is an accounting of the balance of the funding in the Municipal Facility Stabilization Account. Also attached is a balance sheet report from MUNIS on the fund. The current cash balance in the reserve as of the date of this memorandum is \$1,148,867. Appropriations from a stabilization fund require a two-thirds vote of the legislative body.

Please let me know if there are any questions.



Conor M. Baldwin
 Chief Financial Officer

Fiscal Year	TOTAL MARIJUANA EXCISE	75% (TO GF)	25% (TO STABILIZATION)	INTEREST EARNED	TRANSFERS IN	TRANSFERS OUT	YEAR-END BALANCE
FY2019	\$ 41,047.56	\$ 30,785.67	\$ 10,261.89	\$ -			\$ 10,261.89
FY2020	\$ 430,112.52	\$ 322,586.63	\$ 107,525.89	\$ 736.52			\$ 118,524.30
FY2021	\$ 394,917.35	\$ 296,188.01	\$ 98,729.34	\$ 469.03			\$ 217,722.67
FY2022	\$ 484,577.60	\$ 363,433.19	\$ 121,144.41	\$ -	\$1,000,000.00	\$ (190,000.00)	\$1,148,867.08

Figure 1 - Marijuana Excise Receipts and Stabilization Fund Balance

**FY2022 Transfers out - \$190,000 voted by the City Council on 1/25/22 to provide supplemental funding for the Arch Street Garage repair project.*

**CITY OF LOWELL
 BALANCE SHEET FOR 2022 12**

FUND: 8396 MUNICIPAL FAC STABILIZATION			NET CHANGE FOR PERIOD	ACCOUNT BALANCE
ASSETS				
8396	104000	CASH UNRESTRICTED C	.00	1,148,867.08
	TOTAL ASSETS		.00	1,148,867.08
FUND BALANCE				
8396	359000	UNDESIGNATED FUND BALANCE	.00	-217,722.67
8396	384000	BUDGETARY FD BAL UNRESERVED	.00	-190,000.00
8396	388000	APPROPRIATIONS (BUD)	.00	190,000.00
8396	391000	REVENUE CONTROL	.00	-1,121,144.41
8396	393000	EXPENDITURE CONTROL	.00	190,000.00
	TOTAL FUND BALANCE		.00	-1,148,867.08
TOTAL LIABILITIES + FUND BALANCE			.00	-1,148,867.08

** END OF REPORT - Generated by Conor Baldwin **