

Select Board, Finance Committee, School Committee, & Library Trustees

September 24, 2007

Preliminary Financial Projections for FY 09 Budget Planning

(July 1, 2008 – June 30, 2009)

John P. Musante, Finance Director/Treasurer
Town of Amherst

Financial & Budget Focus: Tonight

- Current Situation and Outlook
 - FY 07 Operating Results
 - FY 08 Approved Budgets
 - FY 08 (current year) Budget Amendments
- Revenue & Expenditure Trends and Projections for Next Five Years: FY 09 -13
- Financial Policies / Long Term Financial Planning
- FY 09 Budget Process

Current Situation and Outlook

■ FY 07 Operating Results

+ \$1.2 million net excess revenues over expenditures

+ Tax collections, investment earnings strong

+ One-time revenues helped (Crocker Farm MSBA grant audit; HCTF reimbursement to General Fund)

+ Unspent appropriations closed to fund balance

- Building permit activity down

- School Choice enrollment / assessment

Current Situation and Outlook

- FY 07 Operating Results
 - Reserves (Free Cash + Stabilization Fund)
 - \$3.9 million as of July 1, 2007 (estimated)
 - Increase of > \$900,000 from last year
 - Close to projection from last winter
 - Equals 5.3% of operating revenue
 - Long-term goal/plan to build reserves to > = 8%

Current Situation and Outlook

- FY 08 Approved Budgets
 - “No Override” Budgets Voted by Town Meeting
 - Town: 1% increase
 - Elementary: 1% increase
 - Region: 3% budget (+4% Amherst assessment)
 - Library: 3% budget (+1% tax support)
 - Capital: Reduced by \$387,500 to use only 7.2% of tax levy (from 8.2%; target = 10% annually)

Current Situation and Outlook

- FY 08 Budget Amendments (Fall STM)
 - Health Claims Trust Fund
 - Recent positive claims experience, but June 30, 2007 deficit of \$111,000
 - Reserve requirement for unpaid claims, approx. \$350,000
 - Regional Lockup Assessment (new): \$31,000
 - Will require free cash appropriations (HCTF will reimburse General Fund over the next year)

Revenue & Expenditure Trends and Projections: The Basics...

■ Where the \$ comes from...

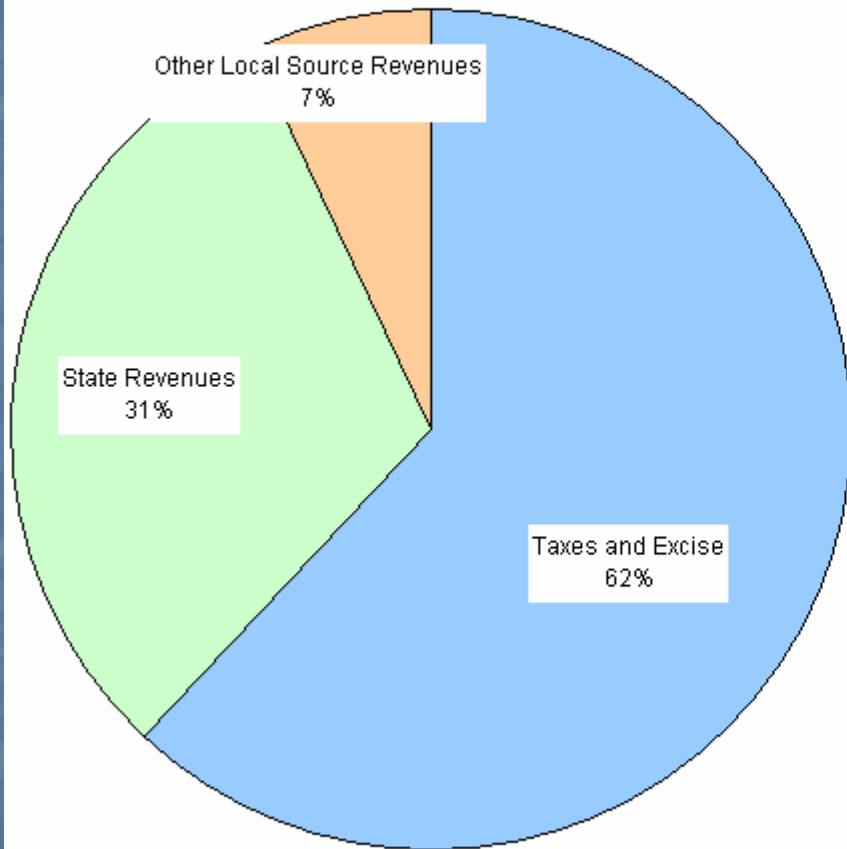
- Property Tax
- State Aid
- Local Receipts & Charges
- Investment Income
- Jones Library, Inc.
 - Supports portion of library budget
- Reserves

■ Where the \$ goes...

- Education
 - Region
 - Elementary
- Libraries
- Municipal
 - Town Hall
 - Public Safety
 - Public Works
 - Community Services
 - Planning/Conservation
- Debt & Capital
- Gov't Assessments & Misc.

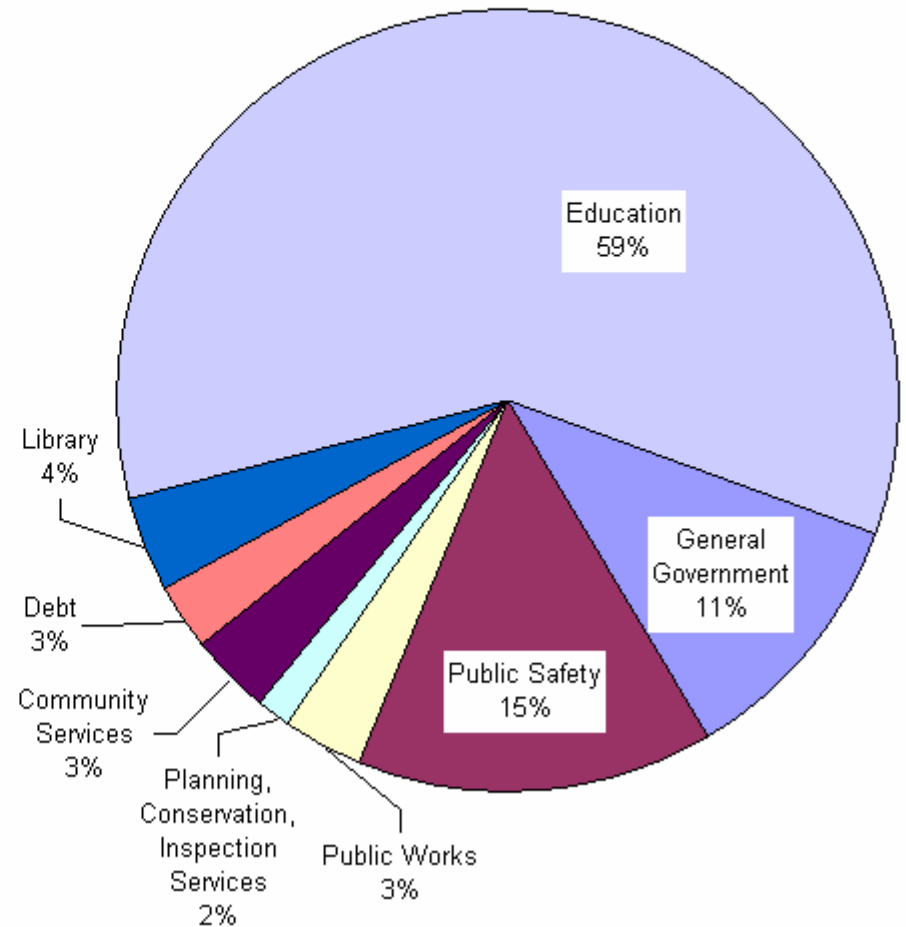
Where the Money Comes From....

FY 08 Budgeted Revenues



Where the Money Goes...

FY 08 Budgeted Expenditures



Revenues

■ Property Tax

- Proposition 2 ½ limits annual increase to +2.5% plus new growth
- Reduced rate of growth forecast for FY 09 (\$470,000)
 - FY 10+ assumes historical annual average of \$600,000
- MSBA Audit for High School building project grant increases debt exclusion beginning in FY 09
- Project 4.2% increase in tax levy (+\$1.4M) in FY 09
- Net increase in tax levy available for programs and services (not including debt exclusion) is 3.9%, or \$1.3 million

Revenues

■ State Aid

- Assume +3% Chapter 70/Lottery for FY 09+
 - Close to historic average last five years, but...
 - Boom/bust cycle of state aid saw range of 16.7% decrease (FY 04) to 14.6% increase (FY 06)
 - State Lottery revenues “maturing”; limited growth near term
- FY 09 estimated increase of 3% equals only \$420,000
- Need for new model for financing local government in Massachusetts (long-term)
 - Reduce reliance on property tax
 - Municipal Partnership Act
 - Local option taxes
 - Close telecommunications tax loopholes
 - Governor’s Project Readiness Task Force
 - Infrastructure investments (public transportation, roads, bridges)

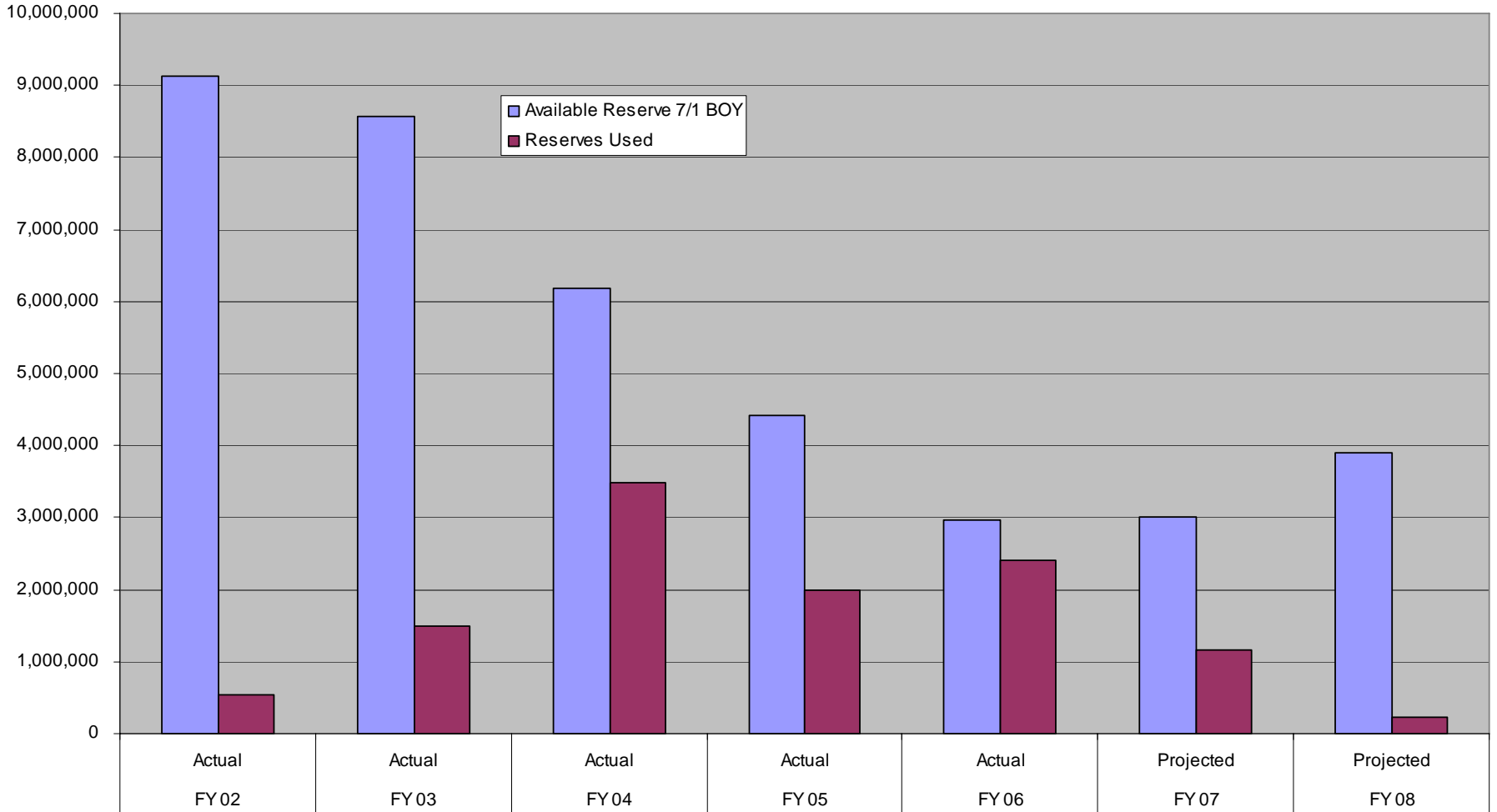
Revenues

- Local Receipts & Charges
 - Increased investment income due to higher interest rates in FY 07, but rates have peaked
 - Reduced inspection fees/permits due to construction slowdown (except for campus building boom)
 - Strategic Partnership Agreement with UMass
 - +\$140,000 to General Fund for Fire/EMS services
 - Follow up with Amherst and Hampshire Colleges
 - Fire /EMS fees paid by surrounding towns
 - All programs: user fee cost recovery where feasible

Revenues

- Reserves (Free Cash & Stabilization Fund)
 - Assumes no use of reserves in FY 09 to support operating budgets
 - \$237,893 was appropriated in current year from Free Cash to support 3% Region budget approved by member towns
 - Finance Committee guideline Feb 2006 recommends increase to Reserves to $\geq 8\%$ by FY 10
 - Reserves policy guideline to be updated
 - Estimate of \$3.9 million Reserves balance as of July 1, 2007

Reserves Allocated to Balance Budget

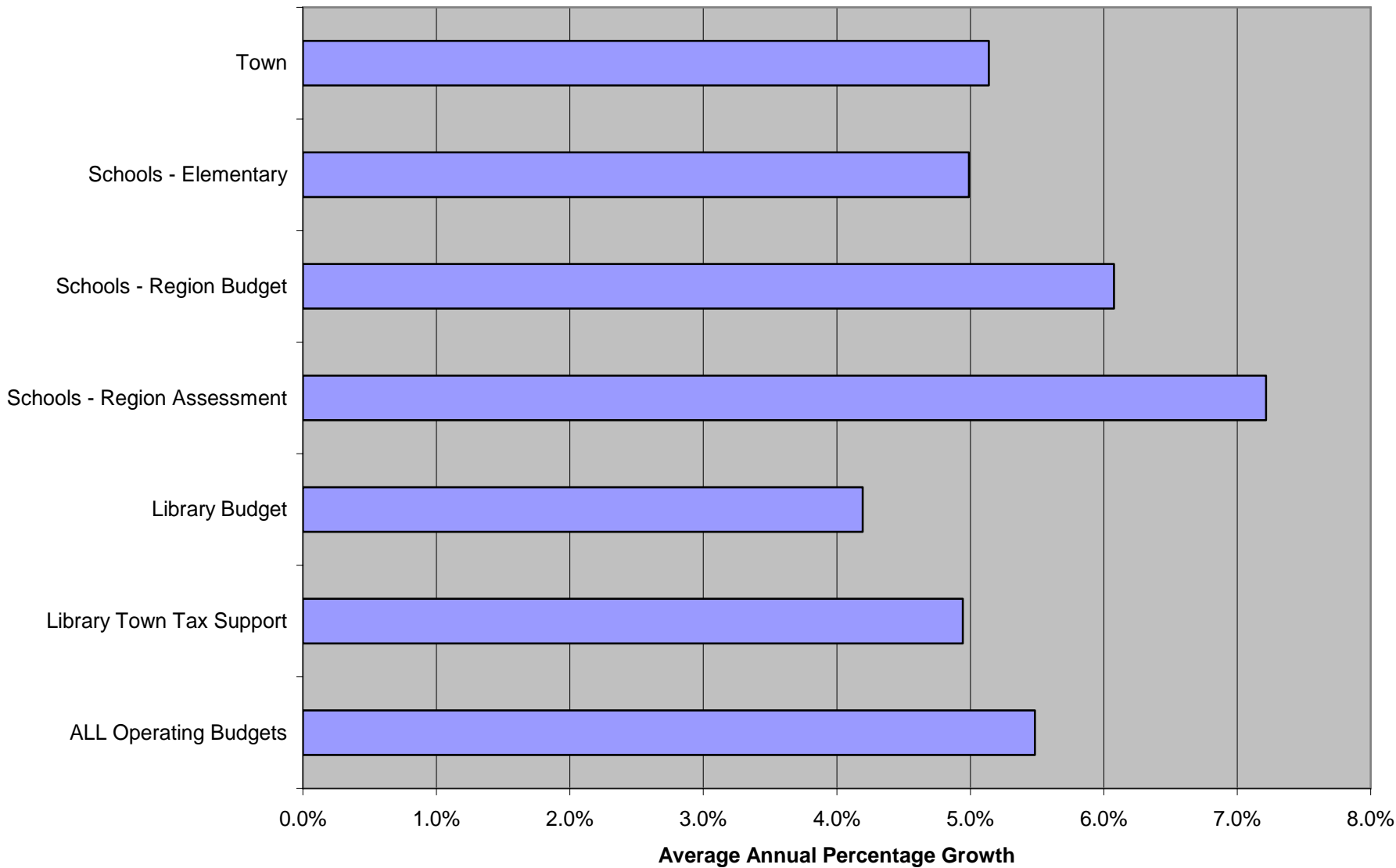


Revenues

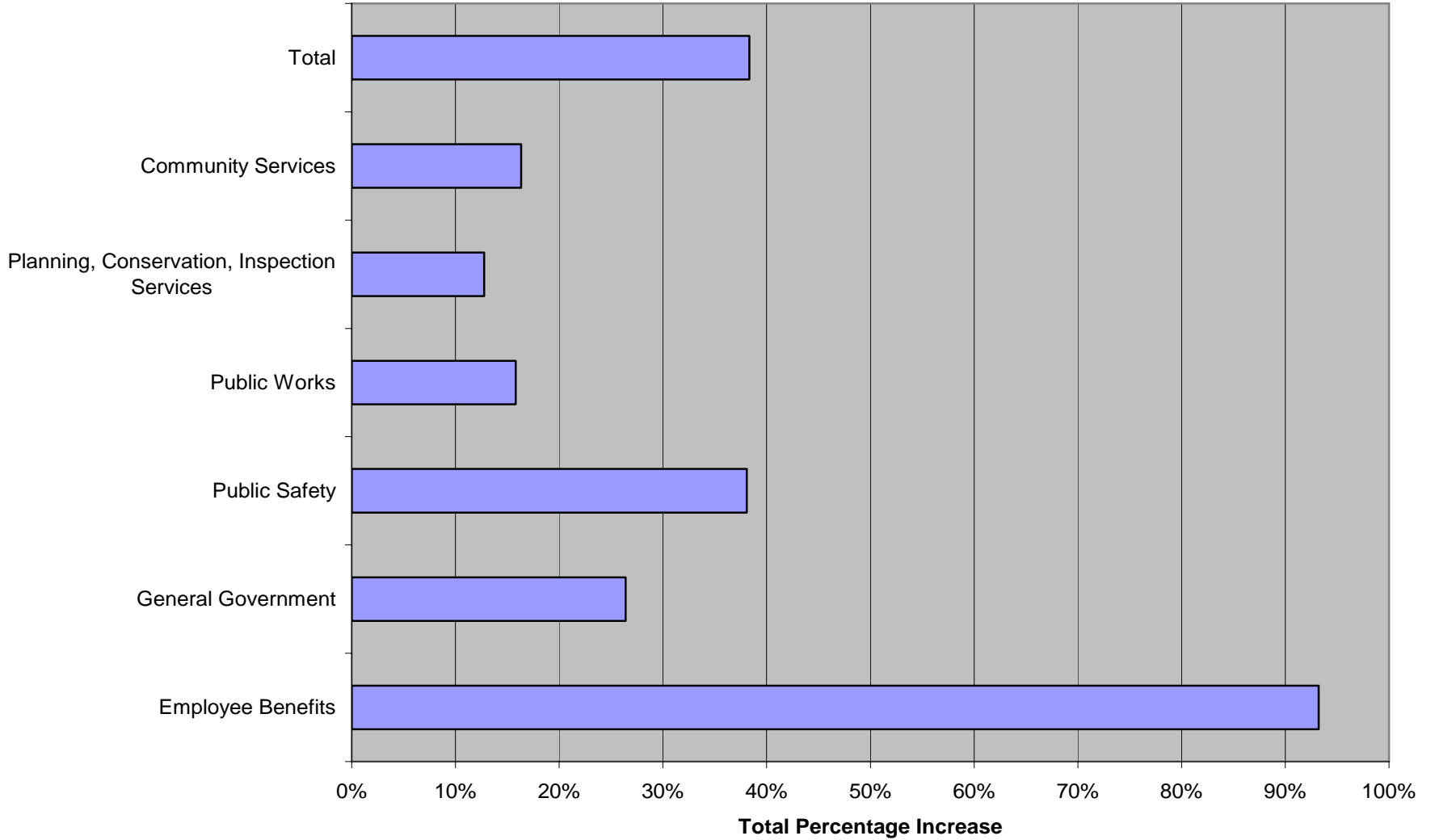
■ Bottom Line

- Projected FY 09 net revenue increase of \$1.75 million, an increase of 2.9%
- Projected FY 10 – 13 increases range from 3.5% to 3.7% per year

Average Annual Budget Growth FY 00 – FY 07



Budget Growth By Category FY 00 - FY 07 -- Town Only



Expenditures

■ Collective Bargaining

- All town/school contracts not settled for FY 09
- Employee / Retiree Health Insurance Costs
 - Estimate +15% for FY 09 to fund claims and reserve requirement

■ Utilities

- Heating Oil (Town natural gas contract saves 5%)
- Gasoline / Diesel
- Energy conservation initiatives (i.e. electricity)

■ Retirement Assessment +4.3% (\$125,000)

■ Capital Needs

- Fire Station(s), DPW facility, schools, Bangs Center
- % Allocation from tax levy
- Policy decision

Expenditures

- Town
 - Public safety staffing
 - Economic development resources
 - Human services funding
 - LSSE programming and tax support
 - Master Plan implementation
- Schools
 - Elementary transportation
 - Excess & Deficiency Fund policy (Region)
 - School Choice/Charter School Assessments
- Library
 - Long term planning; endowment; use of state aid

Expenditures

■ Bottom Line

- “Level Services” requires an estimated increase of \$3.65 million, or 6.2%, which assumes:
 - Town, Elementary, Library +5.5%
 - Regional assessment +8%
- Capital Plan assumes increase to 8% of levy from 7.2%; +\$275,000; phased increase to 10% by FY 13
- \$1.9 million shortfall from FY 09 projected revenues
- Balanced budget with no new revenues would necessitate overall increase to 4 operating budgets of 2.2% on average.

Financial Policies

- Creating comprehensive set of written policy guidelines
 - General Fund (taxation, user fees)
 - Reserves
 - Debt and capital management
 - Enterprise Funds
- Integral component of developing a long term financial strategic plan

Fiscal Year 2009 Budget PROCESS

Our goal for this page is to provide a single place for up-to-date information on the budget process including links to Town, School and Library budget information and documents. Send us your suggestions: info@amherstma.gov.

Voter Information
Town Meeting
Select Board
Finance Committee
Town Manager
Departments
Boards/Committees
Jones Library
Public Schools
Other Elected Officials

BUDGET PROCESS & LINKS

» *More Information Coming Soon*

» **Fiscal Year 2008 Budget Process Page**

» [Finance Committee](#)

» [Joint Capital Planning Committee](#)

» [Community Preservation Act Committee](#)

» [Town of Amherst Planning Department Data Book \(Dec 2002\) \(PDF - 1.5MB\)](#)

MUNICIPAL Budget & Links (www.amherstma.gov / info@amherstma.gov)

» *Town Manager Budget Available Here January 16, 2008*

SCHOOL Budgets & Links (www.arps.org / learning@arps.org)

» *Information Coming Soon*

LIBRARY Budget & Links (www.joneslibrary.org / info@joneslibrary.org)

» *Information Coming Soon*

OTHER Documents & Useful Links:

» *More Information Coming Soon*

» [Massachusetts Department of Revenue - Division of Local Services](#)

[Levy Limits: A Primer on Proposition 2 1/2 \(PDF - 104KB\)](#)

[Proposition 2 1/2 Ballot Questions Requirements and Procedures \(Feb 2002\)](#)

 (PDF - 101KB)

[Municipal Finance Glossary \(May 2006\) \(PDF - KB\)](#)

» [Massachusetts Municipal Association](#)

[Our Communities and Our Commonwealth: Partners for Progress and Prosperity](#)

 (Jan 2007) (PDF - 477KB)

[Revenue Sharing and the Future of the MA Economy \(Jan 2006\) \(PDF - 4,503KB\)](#)

» [Massachusetts Taxpayers Foundation](#)

[The Long-Term Mismatch Between Available Resources and Important State Priorities -](#)

[A Five-Year Fiscal Analysis \(Sep 2006\) \(PDF - 79\)](#)

GENERAL PROCESS

OCTOBER 2007

The [Select Board](#) hosts a joint meeting of the [Select Board](#), [Finance Committee](#), [School Committee](#), and [Library Trustees](#) to review [preliminary revenue and expense projections](#) for the next several budget cycles.

The Budget Coordinating Group made up of Town, School, Library and Finance Committee officials will meet periodically throughout the budget develop process to serve as a clearinghouse for budget information, to refine a [master town/school/library budget development calendar](#), to review a long-range financial projection that includes prior years' results, current year approved budget, revenues/expenditures for the current and next

Supplemental Financial Data

**TOWN OF AMHERST, MASSACHUSETTS
FINANCIAL PROJECTIONS - GENERAL FUND**

**DRAFT For Discussion Purposes Only
24-Sep-2007
Preliminary Projections**

	FY 08 Budget	FY 09 Projected	\$ Chg	% Chg	FY 10 Projected	FY 11 Projected	FY 12 Projected	FY 13 Projected	Assumptions
REVENUES									
TAXES									
Base Levy	31,745,174	33,063,804	1,318,629	4.2%	34,360,399	35,819,409	37,314,894	38,847,766	
2.5% Allowable Increase	793,629	826,595	32,966	4.2%	859,010	895,485	932,872	971,194	
Estimated New Growth	525,000	470,000	(55,000)	-10.5%	600,000	600,000	600,000	600,000	FY 00 - 07 avg \$600,000/year new growth
General Override	0	0	0	0.0%	0	0	0	0	
Levy Limit	33,063,804	34,360,399	1,296,595	3.9%	35,819,409	37,314,894	38,847,766	40,418,961	
Debt Exclusion	340,425	441,321	100,896	29.6%	400,837	352,466	305,688	259,373	High School debt. Adjusted FY 09+ per MSBA audit. FY 09: triennial property revaluation
Maximum Allowable Levy	33,404,229	34,801,720	1,397,491	4.2%	36,220,246	37,667,360	39,153,454	40,678,334	
Excess Levy Capacity	0	0	0	0.0%	0	0	0	0	
Other Taxes	2,438,458	2,438,458	0	0.0%	2,499,419	2,561,905	2,625,953	2,691,601	2.5% Motor Vehicle, Hotel/Motel Excise, AHA PILOTS
Subtotal Taxes	35,842,687	37,240,178	1,397,491	3.9%	38,719,665	40,229,265	41,779,407	43,369,935	
					4.0%	3.9%	3.9%	3.8%	
OTHER LOCAL REVENUES									
Charges for Services	771,091	794,224	23,133	3.0%	833,935	875,632	919,413	965,384	5.0% Enterprise Fund reimbursements to Gen Fund
Departmental Revenue	930,009	938,692	8,683	0.9%	966,853	995,858	1,025,734	1,056,506	3.0% FY07: 1-time revenues inflate actual; FY 07+ incl. Cherry Hill
Rentals	52,895	52,895	0	0.0%	53,953	55,032	56,133	57,255	2.0%
Licenses and Permits	784,035	784,035	0	0.0%	807,556	831,783	856,736	882,438	3.0% FY 07: Inspection fee increases, but permit activity decreased
Special Assessments	626,545	653,187	26,642	4.3%	669,517	686,255	703,411	720,996	2.5% PVTa assessment contributions from UMass/5 College Inc
Fines and Forfeits	163,000	163,000	0	0.0%	167,075	171,252	175,533	179,922	2.5% FY 09: Court fines estimate closer to prior year actuals
Penalties and Interest	167,500	167,500	0	0.0%	171,688	175,980	180,379	184,889	2.5% Continued strong collections of delinquent taxes (tax title)
Investment Income	350,000	350,000	0	0.0%	350,000	350,000	350,000	350,000	0.0% FY 07: Higher interest rates
Miscellaneous	190,727	245,000	54,273	28.5%	245,000	245,000	245,000	245,000	0.0% UMass fire/ems agreement, other misc; FY 07 1 time revenue
Subtotal Other Local Revenues	4,035,802	4,148,533	112,731	2.8%	4,265,576	4,386,791	4,512,339	4,642,390	
STATE AID									
Chapter 70	6,158,796	6,343,560	184,764	3.0%	6,533,867	6,729,883	6,931,779	7,139,733	3.0% Assume increase close to historic avg.
Lottery	9,816,456	10,110,950	294,494	3.0%	10,414,278	10,726,707	11,048,508	11,379,963	3.0% Assume 3%, but lottery revenue below benchmarks
Additional Assistance	222,910	222,910	0	0.0%	222,910	222,910	222,910	222,910	0.0% No increases since 1990's
State Aid - Other Cherry Sheet	625,493	564,408	(61,085)	-9.8%	578,518	592,981	607,806	623,001	2.5% PILOT, Police Career Incentive, etc.
State Aid - Library & School Offsets	89,515	91,571	2,056	2.3%	93,860	96,206	98,612	101,077	2.5% Revenues are offset by expenditures
State Aid - Other	0	0	0	0.0%	0	5,580	0	0	FY 07 & 09 & 11: state elections reimbursement
Subtotal State Revenues	16,913,170	17,333,398	420,228	2.5%	17,843,433	18,374,267	18,909,614	19,466,683	Each 1% increase to Chap 70/Lottery = +\$160,000
OTHER FINANCING SOURCES									
Special Revenue Funds	1,619,611	1,668,199	48,588	3.0%	1,784,927	1,856,324	1,930,577	2,007,800	4.0% FY 09: Ambulance will increase local match SAFER Grant
Jones Library, Inc.	611,537	611,537	0	0.0%	635,998	661,438	687,896	715,412	4.0% Supports Jones Library budget; fundraising, direct exp, offset
Overlay Surplus	0	0	0	0.0%	0	0	0	0	
Free Cash	237,893	0	(237,893)	-100.0%	0	0	0	0	
Stabilization Fund	0	0	0	0.0%	0	0	0	0	
Subtotal Other Financing	2,469,041	2,279,736	(189,305)	-7.7%	2,420,926	2,517,763	2,618,473	2,723,212	FY 08: \$237,893 for Region 3% budget. 11/5/07 STM: need to fund HCTF deficit and Reg'l Lockup assessment.
TOTAL REVENUES	59,260,699	61,001,845	1,741,146	2.9%	63,249,600	65,508,085	67,819,834	70,202,220	
% Change from Prior year					3.7%	3.6%	3.5%	3.5%	

**TOWN OF AMHERST, MASSACHUSETTS
FINANCIAL PROJECTIONS - GENERAL FUND**

**DRAFT For Discussion Purposes Only
24-Sep-2007
Preliminary Projections**

	FY 08 Budget	FY 09 Projected	\$ Chg	% Chg	FY 10 Projected	FY 11 Projected	FY 12 Projected	FY 13 Projected	Assumptions
EXPENDITURES									
OPERATING BUDGETS									
Town	17,953,095	18,940,515	987,420	5.5%	19,982,244	21,081,267	22,240,737	23,463,977	5.5% All: collective bargaining, benefits, utilities
Elementary Schools	19,456,715	20,526,834	1,070,119	5.5%	21,655,810	22,846,880	24,103,458	25,429,148	5.5% Public safety staffing, econ dev'p, human services, LSSE
Amherst-Pelham Reg'l School Dist.	12,385,188	13,376,003	990,815	8.0%	14,446,083	15,601,770	16,849,912	18,197,904	5.5% School choice/charter school assessments
Jones Library	2,097,199	2,212,545	115,346	5.5%	2,334,235	2,462,618	2,598,062	2,740,955	8.0% State Aid increases?; E & D; elementary transportation
Subtotal Operating Budgets	51,892,197	55,055,898	3,163,701	6.1%	58,418,372	61,992,535	65,792,168	69,831,985	5.5% Long term planning; endowment; use of state aid
CAPITAL BUDGET (Tax Funded Only)									
Debt Service - Debt Exclusion	340,425	441,321	100,896	29.6%	400,837	352,466	305,688	259,373	Funded via debt exclusion. Offsetting prop tax revenue
Debt Service - Current	1,007,717	820,136	(187,581)	-18.6%	793,287	759,588	691,604	663,402	Per JCPC 5-Year Capital Plan - Spring 2007
Debt Service - Projected	99,008	98,322	(686)	-0.7%	709,885	700,085	1,369,505	1,342,619	Fire station(s), DPW facility, Bangs Ctr, schools
Other Tax Funded Capital	1,249,378	1,830,374	580,996	46.5%	1,541,478	1,898,667	1,629,429	2,035,875	
Subtotal Tax Funded Capital	2,696,528	3,190,153	493,625	18.3%	3,445,487	3,710,806	3,996,226	4,301,269	
Tax Capital Less Debt Excl	2,356,103	2,748,832	392,729	16.7%	3,044,650	3,358,340	3,690,538	4,041,896	
% Net Tax Levy	7.1%	8.0%			8.5%	9.0%	9.5%	10.0%	Phase in restoration to 10% of levy over 5 years? FY 09: if 7.2% vs 8%, then -\$275,000; 10% = +\$960,000
OTHER GOVT ASSESSMENTS									
State & PVPC Assessments	561,316	404,113	(157,203)	-28.0%	414,215	424,571	435,185	446,065	2.5% School choice/charter school assessments; other misc
Pioneer Valley Transit Authority	653,496	669,833	16,337	2.5%	686,579	703,744	721,337	739,371	2.5% Beginning FY 06: Portion budgeted in Transportation Fund
Retirement - Hampshire County	2,920,979	3,046,581	125,602	4.3%	3,177,584	3,314,220	3,456,732	3,605,371	4.3% Per updated actuarial funding schedule 1/1/06; will update
Subtotal Other Govt Assmts.	4,135,791	4,120,527	(15,264)	-0.4%	4,278,379	4,442,535	4,613,254	4,790,806	
MISCELLANEOUS									
Amherst Comm. Television (ACTV)	0	0	0	#DIV/0!	0	0	0	0	0.0%
State Aid - Library & School Offsets	89,515	91,571	2,056	2.3%	93,860	96,206	98,612	101,077	5.0% Expenditures are offset by revenues
Reserve for Abatements & Exemption	334,042	348,017	13,975	4.2%	362,202	376,674	391,535	406,783	Equals 1% of tax levy
Reserve Fund	100,000	100,000	0	0.0%	100,000	100,000	100,000	100,000	0.0% FY 08: restore to \$100,000
Other Miscellaneous	12,626	10,000	(2,626)	-20.8%	10,000	10,000	10,000	10,000	0.0% FY06: snow/ice deficit; FY 07: HCTF deficit
Subtotal Miscellaneous	536,183	549,588	13,405	2.5%	566,062	582,880	600,146	617,860	
TOTAL EXPENDITURES	59,260,699	62,916,165	3,655,466	6.2%	66,708,300	70,728,756	75,001,794	79,541,921	
% Change from Prior year					6.0%	6.0%	6.0%	6.1%	
SURPLUS / (SHORTFALL)	0	(1,914,320)			(3,458,700)	(5,220,670)	(7,181,960)	(9,339,701)	

TOWN OF AMHERST, MASSACHUSETTS
Statement of Revenues and Other Sources and Expenditures and Other Uses
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2007
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Sources:			
Property taxes	31,767,962.00	31,745,174.42	(22,787.58)
Excise	1,475,000.00	1,535,253.82	60,253.82
Penalties, interest and other taxes	1,083,958.00	1,107,213.08	23,255.08
Licenses and permits	845,535.00	792,491.20	(53,043.80)
Intergovernmental	16,777,817.00	16,820,804.99	42,987.99
Fines and forfeits	150,000.00	190,056.45	40,056.45
Interest earnings	275,000.00	439,706.14	164,706.14
Miscellaneous	1,515,312.00	2,430,563.31	915,251.31
Contributions	44,922.00	44,922.00	0.00
Transfers in	3,444,659.00	3,447,737.04	3,078.04
Other Sources (free cash and overlay)	216,087.00	216,087.00	0.00
Total Revenues and Other Sources	57,596,252.00	58,770,009.45	1,173,757.45
Expenditures and Other Uses:			
General Government	5,456,907.00	5,423,700.19	33,206.81
Special Appropriations	2,835,526.00	2,835,526.00	0.00
Public Safety	8,029,047.00	8,020,321.36	8,725.64
Public Works	1,737,044.00	1,735,256.20	1,787.80
Planning, Conservation and Inspections	863,247.00	837,406.55	25,840.45
Community Services	1,861,648.00	1,861,637.89	10.11
Library Services	1,574,832.00	1,574,396.03	435.97
Education	31,168,186.00	31,045,413.72	122,772.28
Debt Service	1,300,559.00	1,294,828.20	5,730.80
Region and Deferred Teachers Pay	459,014.00	458,161.08	852.92
Intergovernmental-Assessments	857,212.00	974,437.04	(117,225.04)
Transfers Out	1,453,030.00	1,453,030.00	0.00
Total Expenditures and Other Uses	57,596,252.00	57,514,114.26	82,137.74
Excess of revenues and other sources over expenditures and other uses	0.00	1,255,895.19	1,255,895.19

TOWN OF AMHERST, MASSACHUSETTS
Statement of Revenues and Other Sources,
and Expenses and Other Uses
Budget and Actual - Sewer Fund
For the Fiscal Year Ending June 30, 2007
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Sources:			
Charges for services	\$ 2,946,200	\$ 3,053,860	\$ 107,660
Interest earnings	38,000	75,414	37,414
Other sources	333,688	385,404	51,716
Total Revenues and Other Sources	<u>3,317,888</u>	<u>3,514,678</u>	<u>196,790</u>
Expenses and Other Uses:			
Personnel	\$ 1,187,692	1,081,743	105,949
Purchase of services	805,900	843,377	(37,477)
Supplies	45,600	41,927	3,673
Other charges and expenses	397,697	388,784	8,913
Transfers	296,789	296,789	-
Capital outlay	225,000	225,000	-
Debt service	359,210	354,960	4,250
Other uses	-	-	-
Total Expenses and Other Uses	<u>3,317,888</u>	<u>3,232,580</u>	<u>85,308</u>
Excess of revenues and other sources over expenses and other uses	<u>\$ -</u>	<u>\$ 282,098</u>	<u>\$ 282,098</u>

TOWN OF AMHERST, MASSACHUSETTS
Statement of Revenues and Other Sources,
and Expenses and Other Uses
Budget and Actual - Water Fund
For the Fiscal Year Ending June 30, 2007
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Sources:			
Charges for services	\$ 3,188,000	\$ 2,987,651	\$ (200,349)
Interest earnings	47,900	94,554	46,654
Other sources	706,692	762,893	56,201
Total Revenues and Other Sources	3,942,592	3,845,098	(97,494)
Expenses and Other Uses:			
Personnel	1,019,743	962,062	57,681
Purchase of services	492,300	444,156	48,144
Supplies	124,950	111,612	13,338
Other charges and expenses	641,846	647,347	(5,501)
Transfers	386,766	386,766	-
Capital outlay	684,000	684,000	-
Debt service	592,987	592,987	0
Other uses	-	-	-
Total Expenses and Other Uses	3,942,592	3,828,930	113,662
Excess of revenues and other sources over expenses and other uses	\$ -	\$ 16,168	\$ 16,168

TOWN OF AMHERST, MASSACHUSETTS
Statement of Revenues and Other Sources,
and Expenses and Other Uses
Budget and Actual - Solid Waste Fund
For the Fiscal Year Ending June 30, 2007
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Sources:			
Charges for services	\$ 365,000	\$ 358,883	\$ (6,117)
Intergovernmental			\$ -
Interest earnings	30,000	43,370	\$ 13,370
Other sources (sale of fixed assets)	78,497	80,935	\$ 2,438
Total Revenues and Other Sources	<u>473,497</u>	<u>483,189</u>	<u>9,692</u>
Expenses and Other Uses:			
Personnel	230,117	216,854	13,263
Purchase of services	212,200	211,002	1,198
Supplies	5,200	2,469	2,731
Other charges and expenses	25,980	42,990	(17,010)
Transfers			-
Capital outlay		-	-
Debt service			-
Other uses			-
Total Expenses and Other Uses	<u>473,497</u>	<u>473,315</u>	<u>182</u>
Excess of revenues and other sources over expenses and other uses	<u>\$ -</u>	<u>\$ 9,874</u>	<u>\$ 9,874</u>

TOWN OF AMHERST, MASSACHUSETTS
Statement of Revenues and Other Sources,
and Expenses and Other Uses
Budget and Actual -Transportation Fund
For the Fiscal Year Ending June 30, 2007
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Sources:			
Charges for services	\$ 910,199	\$ 903,122	\$ (7,077)
Intergovernmental			-
Interest earnings	10,000	22,328	12,328
Other sources			-
Total Revenues and Other Sources	920,199	925,450	5,251
Expenses and Other Uses:			
Personnel	194,029	192,154	1,875
Purchase of services	63,856	67,165	(3,309)
Supplies	8,000	6,939	1,061
Other charges and expenses	420,609	419,682	927
Transfers	101,514	101,514	-
Capital outlay			-
Debt service	132,191	132,190	1
Other uses			-
Total Expenses and Other Uses	920,199	919,644	555
Excess of revenues and other sources over expenses and other uses	\$ -	\$ 5,806	\$ 5,806

New Tax Growth Per Fiscal Year

A. ASSESSED VALUATION OF NEW GROWTH

Fiscal Year	Residential	Commercial	Personal	Total		
2000	20,606,800	902,700	1,352,500	22,862,000		
2001	17,973,100	5,704,300	1,650,000	25,327,400		
2002	20,960,105	2,858,580	2,260,400	26,079,085		
2003	24,802,665	984,010	2,250,300	28,036,975		
2004	22,859,297	3,212,354	4,319,300	30,390,951		
2005	38,607,100	2,467,900	1,029,400	42,104,400		
2006	48,276,111	2,383,175	7,020,450	57,679,736		
2007	33,335,005	3,104,095	5,852,240	42,291,340		
Totals	\$227,420,183	\$21,617,114	\$25,734,590	274,771,887		
3-Year Average FY 05 - 07	40,072,739	2,651,723	4,634,030	47,358,492	Residential	C//P
5-Year Average FY 03 - 07	33,576,036	2,430,307	4,094,338	40,100,680	40,072,739	7,285,753
Average FY 00 - 07	28,427,523	2,702,139	3,216,824	34,346,486	33,576,036	6,524,645
					28,427,523	5,918,963

B. TAX LEVY INCREASE

Fiscal Year	Residential	Commercial	Personal	Total		
2000	411,724	18,036	27,023	456,783		
2001	353,531	112,204	32,456	498,191		
2002	412,076	56,200	44,439	512,715		
2003	471,251	18,697	42,756	532,704		
2004	391,123	54,963	73,903	519,989		
2005	671,764	42,941	17,912	732,617		
2006	805,728	39,775	117,171	962,674		
2007	502,025	46,747	88,135	636,907		
Totals	4,019,222	389,563	443,795	4,852,580		
3-Year Average FY 05 - 07	659,839	43,154	74,406	777,399	Residential	C//P
5-Year Average FY 03 - 07	568,378	40,625	67,975	676,978	659,839	117,560
Average FY 00 - 07	502,403	48,695	55,474	606,573	568,378	108,600
					502,403	104,170

FY2000 - FY2008 Cherry Sheet Estimated Assessments by Program

AMHERST Programs:	Fiscal Year					Fiscal Year			
	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
County Assessment, County Tax	17,256	0	0	0	0	0	0	0	0
State Assessments and Charges:									
Motor Vehicle Excise	0	0	0	0	0	0	0	0	0
Retired Employees Health Insurance	0	0	0	0	0	0	0	0	0
Retired Teachers Health Insurance	154,764	158,156	196,819	233,780	238,436	289,583	398,851	566,652	750,035
Mosquito Control Projects	0	0	0	0	0	0	0	0	0
Air Pollution Districts	6,264	6,355	6,449	6,282	6,126	6,164	6,301	6,429	6,725
Metropolitan Area Planning Council	0	0	0	0	0	0	0	0	0
Old Colony Planning Council	0	0	0	0	0	0	0	0	0
RMV Non-Renewal Surcharge	0	0	0	0	50,840	51,300	56,880	55,060	64,320
Sub-Total, State Assessments	161,028	164,511	203,268	240,062	295,402	347,047	462,032	628,141	821,080
Transportation Authorities:									
MBTA	0	0	0	0	0	0	0	0	0
Boston Metro. Transit District	0	0	0	0	0	0	0	0	0
Regional Transit Authority	728,035	711,489	800,562	820,576	810,027	821,683	781,240	814,115	834,468
Sub-Total, Transportation Assessments	728,035	711,489	800,562	820,576	810,027	821,683	781,240	814,115	834,468
Annual Charges Against Receipts:									
Multi-Year Repayment Program	0	0	0	0	0	0	0	0	0
Special Education	0	0	0	0	0	0	0	0	1,986
Energy Conservation	0	0	0	0	0	0	0	0	0
STRAP Repayment	0	0	0	0	0	0	0	0	0
Sub-Total, Charges Against Receipts	0	0	0	0	0	0	0	0	1,986
Tuition Assessments:									
School Choice Sending Tuition	0	0	0	0	80,308	156,601	119,920	98,873	204,916
Charter School Sending Tuition	0	0	0	0	0	22,108	13,256	0	193,628
Essex County Sending Tuition	0	0	0	0	0	0	0	0	0
Sub-Total, Tuition Assessments	0	0	0	0	80,308	178,709	133,176	98,873	398,544
Total Estimated Charges	906,319	876,000	1,003,830	1,060,638	1,185,737	1,347,439	1,376,448	1,541,129	2,056,078

% Change from Prior Year		-3.3%	14.6%	5.7%	11.8%	13.6%	2.2%	12.0%	33.4%
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**TOWN OF AMHERST, MASSACHUSETTS
FINANCIAL PROJECTIONS - GENERAL FUND
Projected Town Reserves (Free Cash + Stabilization Fund)**

**DRAFT For Discussion Purposes Only
1-Aug-2007
Select Board**

	FY 06 Budget	FY 07 Budget	FY 07 Rev Est 8/1/07	Assumptions
Total Revenues	54,294,020	58,320,266		
IMPACT ON RESERVES:				
7/1/xx Certified Free Cash	1,240,133	2,216,935	2,216,935	
7/1/xx Stabilization Fund	1,729,647	801,720	863,153	<i>Includes investment earnings thru 6/30/07</i>
7/1/xx Free Cash + Stabilization	2,969,780	3,018,655	3,080,088	<i>Feb 2006 revised FinCom guideline was to grow reserves to >=8% of operating revenue by FY 10. 8% = \$5,286,000.</i>
Reserves % General Fund Revenues	5.5%	5.2%		
Current Year Operating Budget xfers	(705,443)	(166,087)	(50,000)	<i>Supplemental approp to FY 07 FC Reserve Fund at ATM</i>
Balance Next FY Operating Budget	(1,000,000)	0	(166,087)	<i>Free Cash voted ATM Article 31 for 3% Region Budget.</i>
Capital Plan	0	0	0	
Appropriation Turnbacks (1)	77,089	100,000	95,000	
Revenues in Excess of Budget (2)	421,479	700,000	667,388	<i>FY 07: includes MSBA reimb for prior years</i>
Other DOR Adjustments (3)	311,457	0	????	<i>Crocker Farm school project debt</i>
Other DOR Adjustments - HCTF (3)	705,443	166,087	54,194	<i>Assdumes DOR reduces free cash by \$111,883 deficit 6/30/07</i>
HCTF Reimbursement (4)	238,850	465,000	461,695	
6/30/xx Free Cash + Stabilization	3,018,655	4,283,655	3,904,385	

- (1) Unexpended appropriations that are not being carried forward (encumbered) into the next fiscal year.
- (2) Revenues in excess of the amounts estimated in the budget.
- (3) DOR Adjustments can include the net change in real estate/personal property tax receivables and other receivables and/or overdrawn accounts or deficits. EOY FY 06 restores \$705,443 deducted 7/1/05 for Health Claims Trust Fund deficit.
- (4) Reimbursements to the general fund from temporary rate surcharge to employers/employees from HCTF re: 6/30/05 and 6/30/06 HCTF deficits.

TOWN OF AMHERST - BUDGET GROWTH FY 00 - FY 07

Updated 23-Sep-2007

	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	Total % Chg FY 00-07	Avg Annual Inc FY 00-07
<u>Town</u>							*	*			
Budget	12,613,961	13,680,982	14,504,472	15,025,602	15,118,086	15,756,533	16,916,135	17,799,893	17,953,095		
% Change	6.1%	8.5%	6.0%	3.6%	0.6%	4.2%	7.4%	5.2%	0.9%	42.3%	4.7%
% of Total Operating	35.6%	36.3%	36.6%	36.8%	35.9%	35.3%	35.4%	34.9%	34.6%		
<u>Schools - Elementary</u>											
Budget	13,770,188	14,672,745	15,590,512	16,056,016	16,470,636	17,267,209	18,455,714	19,267,119	19,456,715		
% Change	6.3%	6.6%	6.3%	3.0%	2.6%	4.8%	6.9%	4.4%	1.0%	41.3%	4.6%
% of Total Operating	38.8%	39.0%	39.3%	39.3%	39.1%	38.7%	38.6%	37.8%	37.5%		
<u>Schools - Region</u>											
Budget	17,969,128	20,073,718	21,675,666	21,953,327	22,220,587	23,813,267	25,365,747	26,704,016	27,567,000		
% Change	8.0%	11.7%	8.0%	1.3%	1.2%	7.2%	6.5%	5.3%	3.2%	53.4%	5.9%
Assessment	7,546,985	7,656,829	7,820,306	8,005,669	8,707,273	9,754,341	10,508,489	11,904,067	12,385,188		
% Change	7.9%	1.5%	2.1%	2.4%	8.8%	12.0%	7.7%	13.3%	4.0%	64.1%	7.1%
% of Total Operating	21.3%	20.3%	19.7%	19.6%	20.7%	21.9%	22.0%	23.3%	23.9%		
<u>Library</u>											
Budget	1,522,347	1,630,262	1,742,393	1,777,718	1,794,218	1,837,099	1,921,981	2,033,196	2,097,199		
% Change	6.7%	7.1%	6.9%	2.0%	0.9%	2.4%	4.6%	5.8%	3.1%	37.8%	4.2%
% of Total Operating	4.3%	4.3%	4.4%	4.4%	4.3%	4.1%	4.0%	4.0%	4.0%		
Town Tax Support	1,036,708	1,088,544	1,160,460	1,202,619	1,220,654	1,291,796	1,371,327	1,446,695	1,461,162		
% Change	4.8%	5.0%	6.6%	3.6%	1.5%	5.8%	6.2%	5.5%	1.0%	40.9%	4.5%
Total Operating Budgets	35,453,481	37,640,818	39,657,683	40,865,005	42,090,213	44,615,182	47,802,319	51,004,275	51,892,197		
% Change		6.2%	5.4%	3.0%	3.0%	6.0%	7.1%	6.7%	1.7%	46.4%	5.2%

* FY 06 and FTY 07 Town budgets include Cherry Hill Golf Course revenues and expenditures formerly budgeted as Enterprise Fund.

**TOWN OF AMHERST, MASSACHUSETTS
REVENUE / EXPENDITURE HISTORY - GENERAL FUND**

**DRAFT For Discussion Purposes Only
24-Sep-2007
Preliminary Projections**

	FY 05 Actual	FY 06 Actual	FY 07 Actual	FY 08 Budget	Assumptions
REVENUES					
TAXES					
Base Levy	25,275,058	28,639,551	31,745,174	31,745,174	<i>FY 07 base levy includes 2.5%inc., new growth, debt excl.</i>
2.5% Allowable Increase	631,876	715,989	0	793,629	
Estimated New Growth	732,617	962,674	0	525,000	<i>FY 00 - 07 avg \$600,000/year new growth</i>
General Override	2,000,000	0	0	0	
Levy Limit	28,639,551	30,318,214	31,745,174	33,063,804	
Debt Exclusion	555,553	220,641	0	340,425	<i>High School debt. Adjusted FY 09+ per MSBA audit.</i>
Maximum Allowable Levy	29,195,104	30,538,855	31,745,174	33,404,229	<i>FY 09: triennial property revaluation</i>
Excess Levy Capacity	(592,501)	(2,871)	0	0	
Other Taxes	2,501,071	2,553,885	2,454,977	2,438,458	<i>2.5% Motor Vehicle, Hotel/Motel Excise, AHA PILOTs</i>
Subtotal Taxes	31,103,674	33,089,869	34,200,151	35,842,687	
OTHER LOCAL REVENUES					
Charges for Services	685,253	638,372	781,147	771,091	<i>5.0% Enterprise Fund reimbursements to Gen Fund</i>
Departmental Revenue	855,541	1,204,867	1,848,826	930,009	<i>3.0% FY07: 1-time revenues inflate actual; FY 07+ incl. Cherry Hill</i>
Rentals	47,017	58,092	57,899	52,895	<i>2.0%</i>
Licenses and Permits	919,639	1,042,982	792,491	784,035	<i>3.0% FY 07: Inspection fee increases, but permit activity decreased</i>
Special Assessments	596,669	606,549	611,263	626,545	<i>2.5% PVTa assessment contributions from UMass/5 College Inc</i>
Fines and Forfeits	158,188	167,568	190,056	163,000	<i>2.5% FY 09: Court fines estimate closer to prior year actuals</i>
Penalties and Interest	213,031	152,312	187,490	167,500	<i>2.5% Continued strong collections of delinquent taxes (tax title)</i>
Investment Income	222,019	330,494	439,706	350,000	<i>0.0% FY 07: Higher interest rates</i>
Miscellaneous	95,024	126,641	572,774	190,727	<i>0.0% UMass fire/ems agreement, other misc; FY 07 1 time revenue</i>
Subtotal Other Local Revenues	3,792,381	4,327,879	5,481,653	4,035,802	
STATE AID					
Chapter 70	4,931,612	5,572,787	5,933,998	6,158,796	<i>3.0% Assume increase close to historic avg.</i>
Lottery	6,883,094	7,967,674	9,665,752	9,816,456	<i>3.0% Assume 3%, but lottery revenue below benchmarks</i>
Additional Assistance	222,910	222,910	222,910	222,910	<i>0.0% No increases since 1990's</i>
State Aid - Other Cherry Sheet	335,248	394,231	381,302	625,493	<i>2.5% PILOT, Police Career Incentive, etc.</i>
State Aid - Library & School Offsets	83,910	88,048	89,576	89,515	<i>2.5% Revenues are offset by expenditures</i>
State Aid - Other	822,162	0	5,580	0	<i>FY 07 & 09 & 11: state elections reimbursement</i>
Subtotal State Revenues	13,278,936	14,245,650	16,299,118	16,913,170	<i>Each 1% increase to Chap 70/Lottery = +\$160,000</i>
OTHER FINANCING SOURCES					
Special Revenue Funds	1,239,000	1,435,890	1,541,375	1,619,611	<i>4.0% FY 09: Ambulance will increase local match SAFER Grant</i>
Jones Library, Inc.	476,226	505,845	534,867	611,537	<i>4.0% Supports Jones Library budget; fundraising, direct exp, offset</i>
Overlay Surplus	272,585	0	0	0	
Free Cash	60,000	1,555,443	216,087	237,893	<i>FY 08: \$237,893 for Region 3% budget. 11/5/07 STM: need to</i>
Stabilization Fund	2,000,000	850,000	1,000,000	0	<i>fund HCTF deficit and Reg'l Lockup assessment.</i>
Subtotal Other Financing	4,047,811	4,347,178	3,292,329	2,469,041	
TOTAL REVENUES	52,222,802	56,010,576	59,273,251	59,260,699	
% Change from Prior year			6.0%		

**TOWN OF AMHERST, MASSACHUSETTS
REVENUE / EXPENDITURE HISTORY - GENERAL FUND**

**DRAFT For Discussion Purposes Only
24-Sep-2007
Preliminary Projections**

	FY 05 Actual	FY 06 Actual	FY 07 Actual	FY 08 Budget	Assumptions
EXPENDITURES					
OPERATING BUDGETS					
Town	15,756,533	16,904,127	17,799,893	17,953,095	<i>5.5% All: collective bargaining, benefits, utilities</i>
Elementary Schools	17,267,209	18,441,851	19,264,119	19,456,715	<i>5.5% Public safety staffing, econ dev'p, human services, LSSE</i>
Amherst-Pelham Reg'l School Dist.	9,754,341	10,508,489	11,904,067	12,385,188	<i>5.5% School choice/charter school assessments</i>
Jones Library	1,843,519	1,921,954	2,026,484	2,097,199	<i>8.0% State Aid increases?; E & D; elementary transportation</i>
Subtotal Operating Budgets	44,621,602	47,776,421	50,994,563	51,892,197	<i>5.5% Long term planning; endowment; use of state aid</i>
CAPITAL BUDGET (Tax Funded Only)					
Debt Service - Debt Exclusion	555,553	220,641	382,217	340,425	<i>Funded via debt exclusion. Offsetting prop tax revenue</i>
Debt Service - Current	1,383,650	1,376,937	1,173,636	1,007,717	<i>Per JCPC 5-Year Capital Plan - Spring 2007</i>
Debt Service - Projected	77,095	164,683	196,721	99,008	<i>Fire station(s), DPW facility, Bangs Ctr, schools</i>
Other Tax Funded Capital	1,087,400	935,911	1,232,559	1,249,378	
Subtotal Tax Funded Capital	3,103,698	2,698,172	2,985,133	2,696,528	
Tax Capital Less Debt Excl	2,548,145	2,477,531	2,602,916	2,356,103	
% Net Tax Levy	8.9%	8.2%	8.2%	7.1%	<i>Phase in restoration to 10% of levy over 5 years? FY 09: if 7.2% vs 8%, then -\$275,000; 10% = +\$960,000</i>
OTHER GOVT ASSESSMENTS					
State & PVPC Assessments	62,764	68,481	200,218	561,316	<i>2.5% School choice/charter school assessments; other misc</i>
Pioneer Valley Transit Authority	851,483	681,240	637,557	653,496	<i>2.5% Beginning FY 06: Portion budgeted in Transportation Fund</i>
Retirement - Hampshire County	2,192,879	2,492,946	2,835,526	2,920,979	<i>4.3% Per updated actuarial funding schedule 1/1/06; will update</i>
Subtotal Other Govt Assmts.	3,107,126	3,242,667	3,673,301	4,135,791	
MISCELLANEOUS					
Amherst Comm. Television (ACTV)	4,000	4,000	0	0	<i>0.0%</i>
State Aid - Library & School Offsets	83,910	88,048	89,576	89,515	<i>5.0% Expenditures are offset by revenues</i>
Reserve for Abatements & Exemptions	302,116	297,202	312,089	334,042	<i>Equals 1% of tax levy</i>
Reserve Fund	100,000	97,232	33,686	100,000	<i>0.0% FY 08: restore to \$100,000</i>
Other Miscellaneous	107,198	786,273	201,221	12,626	<i>0.0% FY06: snow/ice deficit; FY 07: HCTF deficit</i>
Subtotal Miscellaneous	597,224	1,272,755	636,572	536,183	
TOTAL EXPENDITURES	51,429,650	54,990,015	58,289,569	59,260,699	
% Change from Prior year					
SURPLUS / (SHORTFALL)	793,152	1,020,561	983,682	0	