

Town of



AMHERST *Massachusetts*

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January 16, 2013

TO: Select Board
Finance Committee

FROM: John P. Musante, Town Manager

CC: Department Heads

SUBJECT: Town Manager's Proposed FY 14 Municipal Budget

Consistent with the Amherst Town Government Act, Section 5.1, *Annual Operating Budget*, I am pleased to submit my proposed budget for the fiscal year beginning July 1, 2013 (FY 14). My recommended FY 14 Town of Amherst Municipal Budget includes the following:

• General Fund	\$20,170,691	+3.0%
• Water Fund	4,262,887	+8.6%
• Sewer Fund	4,103,416	+2.9%
• Solid Waste Fund	535,895	-2.5%
• Transportation Fund	1,004,434	-7.1%

Revenues

I have prepared this budget assuming that most of our revenue growth will come from local sources, namely property taxes, local fees, and other sources. I assume State Aid will grow very modestly. National and state indicators show the economy is slowly recovering from the Great Recession, and we have seen some of that positive impact in our local economy and our local revenue. At the same time, however, the national political situation is still fraught with contentious debates over federal spending, leading to uncertainty as to the national government's support for state and local government. Although we have avoided an immediate fall over the so called "fiscal cliff," Congress's resolution of those issues has postponed rather than solved those problems. At the State level, current tax collections have been mixed, down for much of the fall, but above projections through December, prompting the Governor to impose mid-year spending cuts on state agencies. I have assumed a very small increase in Chapter 70 aid, consistent with the increase Amherst received in FY 13, and no increase in other State Aid accounts. State Aid

to support Town and School services now comprises less than 20% of annual operating revenues, its lowest level since the passage of Proposition 2½ in 1980. In addition we face the challenge of dealing with potential cuts to our Community Development Block Grant (CDBG). I have proposed contingencies to deal with that potential loss and maintain our funding for the winter emergency shelter and other human service agency investments.

This budget proposal assumes that the Town will levy to the property tax levy limit allowed under Proposition 2½, or \$43.7 million. New growth added to the levy is estimated by our assessors at only \$500,000, which is 88% of our 10-year average for new growth. While the economy has shown positive signs of recovery, we have experienced a rebound slightly below our historic economic development levels in residential building and renovation projects. The reopening of the Lord Jeffery Inn restored a significant local revenue source to the Town budget. In addition, I forecast growth in motor vehicle excise tax as sales figures for new cars show improvement over recent years. There is also modest growth in the estimates for licenses and permits. No reserves are utilized to support the budget nor is an override proposed.

Proposed Spending Plan

The FY 14 proposed budget represents an ongoing commitment to fiscal sustainability in a multi-year context. It maintains level services and makes adjustments to deliver services more efficiently and effectively. It is possible to maintain services, because of the work we have done over the year to control health insurance, employee compensation, and energy costs. This budget funds departments at their current staffing levels and allows them to continue to produce excellent public services for the Town's residents.

Despite the persistent fiscal challenges facing the Town as a result of the deepest and longest economic downturn in seventy years, the Town is poised to make significant progress in a number of critical areas in the coming year. My proposed budget is consistent with the level services preliminary budget guidelines for the Town's General Fund budget issued by the Finance Committee in November and responsive to the Select Board's FY 14 Budget Policy Guidelines to the Town Manager dated November 20, 2012 (both documents are included in the Introduction section of the budget). Some budget highlights:

- *The Town maintains a commitment to negotiate labor contracts that the Town can afford and sustain. All collective bargaining contracts expire on June 30, 2013. We are currently in negotiations with all the unions. Salaries and wages constitute almost 80% of the General Fund budget and so settling these contracts at reasonable levels is essential to keeping the Town's finances in balance in FY 14 and beyond. I am pleased that we have good labor relations with all of our unions. We seek contracts that are fair and that the Town can afford.*
- *Employee/retiree health insurance rates will remain unchanged in FY 14, in contrast to industry trends. The total health insurance appropriation in the General Fund is virtually level funded from FY 13. This is the direct result of proactive multi-year efforts by the Town to stabilize employee health care costs by eliminating the costly indemnity plan, adding HMO's and the option of purchasing lower cost Canadian prescription drugs, increasing employee contributions, and increasing premiums to appropriate levels*

to pay claims and restore reserve levels in the Health Claims Trust Fund to required levels. While these are positive indicators, employee benefits costs as a share of salaries and wages still increased from 19% to 33% of the total over the past ten years despite holding these costs steady during the past five years (see “Financial Trend Monitoring Report, October 2012” at www.amherstma.gov/budget). In FY 13, Town Meeting voted to put \$585,382 into the Other Post-Employment Benefits (OPEB) trust fund for the Town, including the School Department. In the FY 14 budget, we will appropriate funds in the Water and Sewer Departments to cover their Annual Required Contributions for their OPEB obligations.

- Due to an aggressive multi-year capital investment program to promote energy conservation, favorable long-term energy contracts, and initiatives funded through a Green Communities Act grant the municipal utilities budget will decrease in FY 14.* Investments in more energy-efficient HVAC systems, interior lighting, traffic signals, and stable bid prices for natural gas and electricity are all responsible for level funded energy budgets in those areas. In addition, the Department of Public Works will use a \$302,000 Green Communities Act grant to install LED streetlights across the Town. The resulting energy savings will be channeled back into the DPW budget to close a structural funding gap and allow the department to perform more basic maintenance. In FY 14, the Town hopes to see the installation by a private company of one of the largest solar arrays in Massachusetts at the old landfill on Belchertown Road and to promote other solar development in town, which will dramatically reduce electricity costs to the Town and generate new tax base growth. *My twin goals quite simply are for the Town of Amherst to be a leader in renewable energy and “green” best practices.*
- General Government increases by 4.9% to properly fund employee compensation costs, including a salary reserve for collective bargaining settlements that will be reallocated at Town Meeting to individual departments, once all contracts are settled. The Town Meeting/Finance Committee budget increases by \$1,000 to provide funds for subsidized dependent care so Town Meeting members can attend Town Meeting. The Finance Department budget increases 1.3% and will focus on deploying paperless billing and electronic purchasing systems. The new Human Resources and Human Rights Director has conducted a human resource audit of all departments to look at the Town’s HR practices and evaluate whether specific practices are adequate, legal, and effective. This year she will use the information to recommend what practices need to be created, revised, and improved and implement them. The Information Technology budget is basically level funded. The Department has rolled out an enhanced WiFi system in downtown and continues to provide leading edge technical services to all our departments. A decrease in Elections budget is due to having only one scheduled elections in FY 14, one less than in FY 13. The Facilities Maintenance budget increases by \$6,850 to absorb the costs of the North Amherst School, a space that had previously been rented to the Amherst Survival Center, which paid the utilities there. The General Services budget increases by \$12,500 to account for rising audit and insurance costs.*

- *Public Safety services (Police, Fire/EMS, Communications, and Animal Welfare) remain at current service levels and includes full funding of a Fire Prevention Inspector position.* No reductions in personnel are recommended. This budget includes funds for a full-time Fire Prevention Inspector, a position that had previously been filled on a temporary basis. I continue to monitor the workload of our public safety personnel and staffing levels, particularly as these departments report increasing call volume. For example, UMass has increased enrollment of 16% in the last 10 years (23,570 in 2000/2001 versus 28,085 in 2011/2012), while staffing of the *Police Department* has decreased by 10% since 2007 (5 sworn positions). Calls for service continue to increase for Police and EMS. For FY 14, I will work to develop a comprehensive long term staffing level plan to ensure the safety of our community and police officers, as well as improve the service we provide the community. Beginning in the fall of 2012 and continuing in the spring of 2013 and beyond, the Amherst and UMass Police Departments have and will work together on joint directed patrols in the neighborhoods closest to campus. As our overall call volume increases and EMS call volume in particular, we must deal with ever-increasing stresses on the *Fire Department's* ability to deliver top notch service to our community. During FY 13, I have continued to work with the Fire Chief to increase staffing during key nights and weekends in the fall and spring, increasing staffing to as many as 11 persons per shift, up from a base of seven, and will continue to monitor and manage staffing there. I will continue to work with UMass on ways to reduce EMS call volume and possibly increase the number of ambulances on duty at peak times.
- *Public Works services will be preserved at current levels. Be reallocating energy savings, we will reduce the reliance on project funding for some staff and increase the department's ability to perform key maintenance work, especially in the spring.* This functional area provides funds for *Administration* and implementation of all Public Works budgets and projects. All vehicles and equipment used for road maintenance, snow plowing, tree care, park maintenance, leaf pickup as well as water and sewer (with appropriate reimbursements assessed) are maintained, repaired, and serviced by a three-person *Equipment Maintenance* crew. The *Tree and Grounds Maintenance* budget provides funds for mowing parks, commons and miscellaneous greenbelts throughout the Town, for maintaining ball fields, including those at schools; and for maintaining park buildings and the Town Center. In the coming year we will continue an ambitious plan to plant 2,000 trees over three years to reduce pollution, beautify our community, and reverse a twenty-plus year trend of net loss of hundreds of street trees. This objective is funded by a capital appropriation to hire two interns and purchase equipment and trees. The *Highway Division* budget has been modified to restore funding for some employees, reallocating energy savings and reassigning some administrative staff. Currently some employees are funded through project funding i.e., capital appropriations or state grants, such as Chapter 90. This method has saved the Town money in the General Fund budget, but has hampered the Division in keeping up with routine maintenance. By restoring over \$60,000 to this budget the Division can perform more routine springtime maintenance such as pothole repairs, minor sidewalk repair, roadway shoulder repair, drainage system repairs, and equipment maintenance and preservation.

- *Conservation and Development budgets are recommended to increase by a modest \$28,357 (+3.1%).* The greatest challenge for these departments is to deal with the uncertainty of ongoing CDBG funding and to preserve social service funding. The Town has reapplied for a CDBG grant that could fully cover our administrative, social service, and special capital projects in FY 14. We expect to hear about that funding by June, 2013. While I have good reason to believe that we will receive at least half the funding we have in past years, and hope to receive full funding, in the event we do not, I am recommending a special article to be considered at Annual Town Meeting for level funding of social services currently funded by CDBG (see the attached restoration list). Conservation, Planning, and Inspections services staff are in their fourth full year operating as a consolidated functional area on the second floor at Town Hall. The department's ability to timely and effectively support the many regulatory boards it staffs, complete MUNIS and other streamlined permitting initiatives, administer the Community Development Block Grant, and support inspectional services is compromised without adequate and basic administrative support. Even with reduced CDBG funding, there are sufficient funds to cover our CDBG administrative costs in FY 14. The new Building Commissioner has proposed changing the electrical inspection function to a fulltime employee from one performed on a per inspection basis by an independent contractor. This will increase job efficiency and productivity. The Planning division will continue to work with citizens and Town boards to pursue rezoning of Amherst's village centers. Rezoning will address housing, economic development, transportation, and other needs. My Safe and Healthy Neighborhoods Working Group (SHNWG) is chaired by David Ziomek, whom I promoted to be the Assistant Town Manager. He will pursue increased enforcement and coordination between Town regulatory agencies and landlords/tenants, and improved cooperation with campus authorities. The SHNWG will submit detailed recommendations to me by March 1, 2013 for consideration at the Annual Town Meeting.
- *I am recommending that Community Services budgets increase slightly by 0.9%, or \$15,356, to a total of \$1.7 million.* The Health Department continues its successful program of sharing a Sanitarian position with the City of Northampton and will explore other shared services initiatives. I am grateful to the Friends of the Senior Center, a non-profit organization, for ongoing financial support of to the *Senior Center* to supply the Center with essential supplies, equipment, and program funds above and beyond the Town's budget allocation. The *Veterans' Services* budget will increase by \$25,000 to meet ongoing caseload demands. These costs are eventually reimbursed 75% by the Commonwealth. The Town has made a successful transition to a new regional veterans' services district incorporating the City of Northampton and several smaller towns. The *Leisure Services and Supplemental Education (LSSE)* budget is virtually level funded. LSSE will continue to evaluate and, if necessary, realign its program offerings and expenses to achieve a sustainable mixture of available tax support and user fees. During FY 13, LSSE worked with the School Department and private providers to create a unique and highly successful Afterschool program. Participation has increased from 192 children in last year to 250 children this year. This program is funded through a revolving fund, supplemented by a \$40,000 appropriation from the General Fund, and is overseen by LSSE and School Department staff. LSSE continues to offer a diverse array of youth sports, camps, after school, and adult education programs. During the second

year of operating of the War Memorial Pool, the *Municipal Pools* budget will be level funded. The 9-hole *Cherry Hill Golf Course* budget increases by \$2,465 (+1%). In addition to offering one of the best values in Western Massachusetts it will expand its winter programming as well as introduce a disc golf program. The golf course will cover its operating and employee benefits costs entirely from user fees.

- *The Water Fund budget of \$4,262,887 is recommended to increase by 8.6%, and water rates are recommended to remain unchanged.* The current water rate is \$3.40 per 100 CF, and no increase is recommended for FY 14. This will be the second consecutive year of no increase in rates. A modest use of \$21,887 from Water Fund Surplus will support this budget. Water Fund revenue is forecast to increase by over \$300,000 in FY14, because the Commonwealth College dormitories at UMass are scheduled to open next year, substantially increasing water usage. This budget includes an appropriation for the first of an ongoing series of contributions to the OPEB Trust Fund for the retiree health insurance costs of this department.
- *The Sewer Fund budget of \$3,977,933 is recommended to increase by 2.9% to support operating and capital expenses of the Town's sewer system. The sewer rate is recommended to increase by \$0.10 to \$3.55 per 100 cubic feet, which would result in a \$12 annual increase (+2.9%) to the sewer bill of the average four-person household in Amherst.* \$116,416 from Sewer Fund Surplus will be appropriated to support this budget; this use of surplus is approximately half as much surplus as was used in the FY 13 budget. The Sewer Department will begin the construction of a Harkness Road and will complete design of a sewer extension in the Wildflower Drive area. These improvements will be funded by a \$4.2 million bond authorized at the November 2011 Special Town meeting, which followed the Select Board's approval this fall of the updated Sewer Extension Master Plan recommended by Town staff. The bond will be repaid with general sewer revenue and is estimated to have a nominal effect on sewer bills as this new debt is replacing old debt that is being retired. Town water and sewer rates remain well below many of our nearby communities and the state average. This budget includes an appropriation for the first of an ongoing series of contributions to the OPEB Trust Fund for the retiree health insurance costs of this department.
- *The Solid Waste Fund budget of \$535,895 decreases by -\$13,960 (-2.5%).* A major focus in the coming year will be the installation of a solar array at the old landfill and the expansion of other revenue opportunities. This will be an important year for the Recycling and Refuse Management Committee to present policy and capital recommendations for long-term management of our transfer station and waste disposal.
- *The Transportation Fund budget of \$1,004,434 is recommended to decrease by -7.1% and supports the operating and capital costs of the Town's public parking system, the Town's apportionment of costs for the PVRTA bus system and outreach routes, and the second year of a contribution (\$20,000) to support the Business Improvement District in downtown Amherst.* In FY 12, the Town replaced pay/display machines in a number of Town parking lots with more customer friendly machines that also accept credit cards. The Treasurer/Collector and Department of Public Works continue to monitor the

effectiveness and ease of use of these new machines, so they deliver a customer friendly and effective mechanism for making parking payments.

If additional funds become available, I have prepared a prioritized list of budget restorations and additions (see page xi). The top five priorities are:

- \$14,425 for the costs of a special election in November 2013 on the issue of creating a regional elementary school district. This appropriation is contingent on the findings of the Regional School District Planning Committee and the recommendation of the Select Board, which is expected later this year;
- \$90,000 for social services, in case CDBG funding is insufficient to fully fund these services.
- \$100,000 for an economic development position at Town Hall. Amherst desires most of all to be a vibrant community with an attractive downtown, good schools, and superior quality of life. We need someone to connect all the dots, from need to opportunity to bringing together all the right people to process with targeted locations for development and redevelopment, identifying state and federal resources available to work toward those development goals, and who can mobilize those resources and others to respond to these and new economic development opportunities as they arise;
- \$61,303 for an additional police officer position; and
- \$63,608 for a new Building Inspector. An additional Building Inspector will provide Inspection Services the opportunity to meet statutory requirements to conduct inspections of fire escapes, residential multi-family buildings, and churches, and update the inspection schedule of certain commercial properties to align with code requirements. About half this cost would be offset by increased inspection fee revenue.

I am at your service as you review this budget. Please spread the word that this proposal and other budget-related information will be continuously updated and posted on the Town's award-winning website at www.amherstma.gov/budget.

Acknowledgements

The development of the Town's budget plan is a team effort. I thank the Select Board for the opportunity to serve and for your support and guidance on Town priorities. I thank the Finance Committee for their tireless dedication and focus on the long term fiscal health of our Town. I want to thank every Town employee who contributes each day to make Amherst a great place to live and work. I want to acknowledge the creativity and "can do" attitude of our extraordinarily talented department heads who are embracing my call for the Town to try and be a leader in everything we do. Lastly, I want to acknowledge the amazing skills and work ethic of my principal support staff in the production of this proposal: Finance Director Sandy Pooler, IT/Financial Analyst Maria Racca, Comptroller Sonia Aldrich, and Human Resources and Human Rights Director Deborah Radway.

FY 14 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS

TOWN OF AMHERST - TOWN MANAGER'S PROPOSED FY 14 MUNICIPAL BUDGET							Date Last Revised: 16-Jan-2013		
FY 14 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS IF FUNDS AVAILABLE*									
<i>DRAFT - For Discussion Purposes Only</i>									
Department	Description	# FTE	Personnel Services	Employee Benefits	Operating Expenses	\$ Total	Cumulative Restore/Add	Manager Budget	Change FY 13 - 14
							20,170,691		3.0%
							Recommended		
Town Clerk	Special Election - Schools Regionalization (if necessary)		9,200		5,225	14,425	14,425		
Conserv. & Devel.	CDBG Social Services Replacement, if CBDG is not fully funded				90,000	90,000	104,425		
Town Manager	Economic Development Director	1.00	80,000	11,182	8,818	100,000	204,425		
Police	Police Officer	1.00	50,121	11,182		61,303	265,728		
Inspection Services	Building Inspector (cost offset partially by inspection fees)	1.00	52,426	11,182		63,608	329,336		
Inspection Services	Building Inspector, pending SHNWG recommendation	1.00	50,419	11,182		61,601	390,937		
Dispatch	Overtime coverage		10,000			10,000	400,937		
Fire	Overtime coverage		10,000			10,000	410,937		
DPW	Complete restoration of funding for the positions funded by projects		96,502			96,502	507,439		
Human Resources	Admin Asst/Analyst	1.00	39,936	11,182	0	51,118	558,557		
Conserv. & Devel.	CDBG administrative staff replacement funding (FY 15+)		135,000			135,000	693,557		
Human Resources	Supervisor Training				6,500	6,500	700,057		
Senior Center	Vehicle Expense and Supplies				2,000	2,000	702,057		
Conservation	Puffer's Pond/Trail Maintenance		5,000			5,000	707,057	20,877,748	6.6%

* While it is unrealistic to think that this entire list could be funded in one year, I believe it is important to present such a list to promote constructive discussion about the community's needs and priorities in the coming years.

CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

	FY14 General Fund	FY14 Community Preserv. Act	FY14 Water Fund
REVENUES			
Property Tax	43,303,274	TBD	0
Local Receipts	7,534,109	0	4,241,000
State Aid	13,659,091	TBD	0
Other Financing Sources	3,181,221	TBD	21,887
TOTAL REVENUES	67,677,695	0	4,262,887
EXPENDITURES			
<u>OPERATING BUDGET</u>			
Town	20,170,691	0	2,960,055
Elementary Schools	TBD	0	0
A-P Regional School District (Assessment)	TBD	0	0
Jones Library (Tax Support)	TBD	0	0
Subtotal OPERATING BUDGET	20,170,691	0	2,960,055
<u>CAPITAL BUDGET</u>			
Debt Service - Debt Exclusion	213,522	0	0
Debt Service - Current	1,451,915	TBD	294,850
Debt Service - Projected	243,400	0	0
Cash Capital (Tax Support)	1,320,967	0	0
Subtotal Tax Funded Capital	3,229,805	0	294,850
Community Preservation Act	0	TBD	0
Cash Capital (Non-Tax Support)	0	0	368,000
Subtotal CAPITAL	3,229,805	0	662,850
<u>MISCELLANEOUS</u>			
Assessment - Retirement System	3,925,567	0	190,573
Assessment - Regional Lockup Facility	31,323	0	0
Other	0	0	0
Reserve Fund	100,000	TBD	0
Subtotal MISCELLANEOUS	4,056,890	0	190,573
Total APPROPRIATIONS	27,457,386	0	3,813,478
<u>UNAPPROPRIATED USES</u>			
Reserve for Abatements & Exemptions	430,898	0	0
State Assessments (Cherry Sheet)	1,823,483	0	0
Cherry Sheet Offsets	69,882	0	0
Other Amounts to be Raised	15,673	0	449,409
Subtotal UNAPPROPRIATED USES	2,339,936	0	449,409
TOTAL BUDGET PLAN			4,262,887
\$ Change from Prior year			336,892
% Change from Prior Year			8.6%

CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

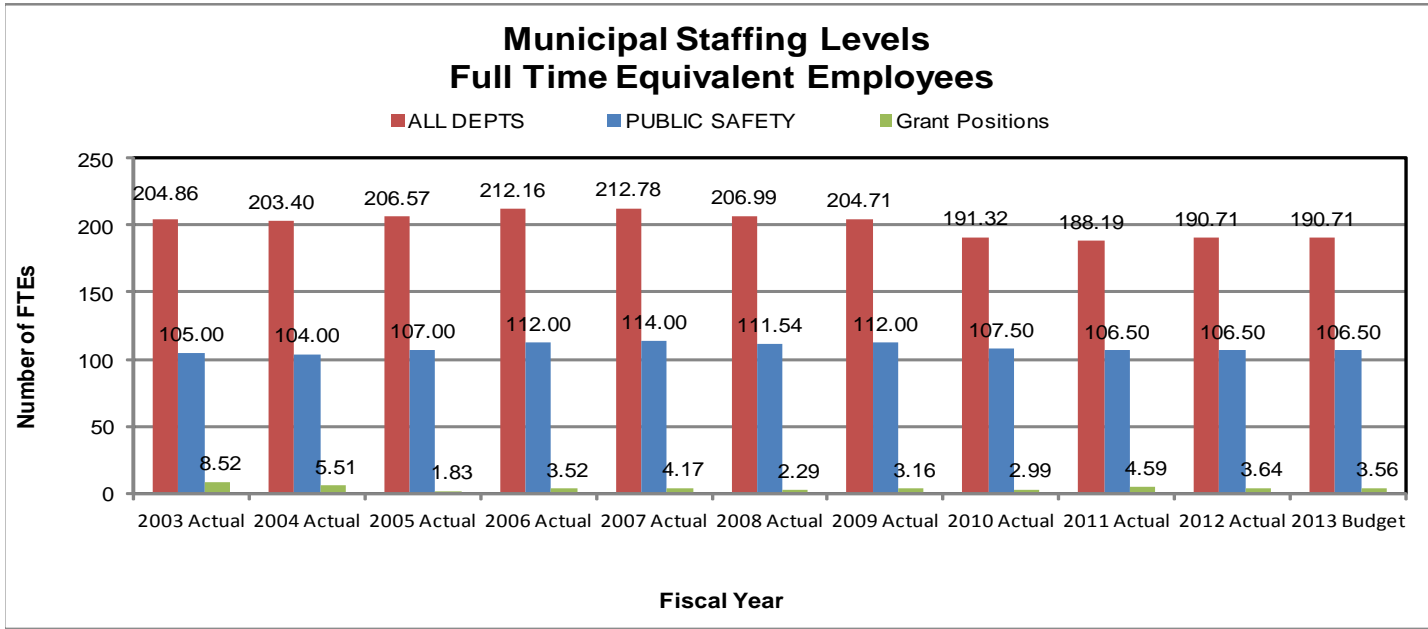
FY14 Sewer Fund	FY14 Solid Waste Fund	FY14 Transportation Fund	FY14 COMBINED FUNDS (memo only)	FY13 COMBINED FUNDS (memo only)
0	0	0	TBD	42,107,207
3,987,000	525,895	1,004,434	TBD	17,163,653
0	0	0	TBD	13,314,371
116,416	10,000	0	TBD	4,310,713
4,103,416	535,895	1,004,434	0	76,895,944
2,890,491	496,249	768,633	27,286,119	26,315,807
0	0	0	TBD	21,558,039
0	0	0	TBD	13,796,524
0	0	0	TBD	1,690,789
2,890,491	496,249	768,633	27,286,119	63,361,159
0	0	0	213,522	259,374
432,990	0	59,125	2,238,880	2,190,875
0	0	0	243,400	17,911
0	0	0	1,320,967	1,294,199
432,990	0	59,125	4,016,770	3,762,359
0	0	0	TBD	409,000
255,000	0	40,000	663,000	1,101,000
687,990	0	99,125	4,679,770	5,272,359
190,986	39,646	39,841	4,386,613	3,890,268
0	0	0	31,323	31,323
0	0	0	0	0
0	0	0	100,000	300,000
190,986	39,646	39,841	4,517,936	4,221,591
3,769,467	535,895	907,599	36,483,825	72,855,109
0	0	0	430,898	414,718
0	0	0	1,823,483	2,679,753
0	0	0	69,882	69,882
333,949	0	96,835	895,866	876,482
333,949	0	96,835	3,220,129	4,040,835
4,103,416	535,895	1,004,434		76,895,944
114,228	(13,960)	(76,784)		
2.9%	-2.5%	-7.1%		

POSITIONS IN FULL TIME EQUIVALENTS

Department	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 12 Actual	FY 13 Manager	FY 14 Manager	Change FY 13 - 14
MUNICIPAL BUDGET								
Select Board/Town Manager	3.00	2.50	2.50	2.50	2.50	2.50	2.50	0.00
Finance	13.00	13.00	13.00	13.00	13.00	13.00	13.00	0.00
Human Resources/Human Rights	2.00	1.50	1.50	1.50	1.50	1.50	1.50	0.00
Information Technology	4.50	4.00	4.00	4.00	4.00	4.00	4.00	0.00
Town Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Elections/Registration	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facilities Maintenance	5.83	4.88	4.88	4.88	4.88	4.88	4.88	0.00
TOTAL GENERAL GOVERNMENT	31.38	28.88	28.88	28.88	28.88	28.88	28.88	0.00
Police Facility	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Police	51.00	47.50	47.50	47.50	47.50	47.50	47.50	0.00
Fire/EMS	46.00	46.00	46.00	46.00	46.00	47.00	47.00	0.00
Communications Center	13.00	12.00	11.00	11.00	11.00	11.00	11.00	0.00
Animal Welfare	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
TOTAL PUBLIC SAFETY	112.00	107.50	106.50	106.50	106.50	107.50	107.50	0.00
Public Works Administration	3.40	3.40	3.73	3.73	3.73	3.73	3.33	-0.40
Highway	13.00	13.00	13.00	13.00	13.00	13.00	13.00	0.00
Equipment Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Town Cemeteries	0.50	0.50	0.50					0.00
Parks and Commons	4.50	4.50	4.50					0.00
Tree Care and Pest Control	2.50	1.50	1.50					0.00
Tree and Ground Maintenance				7.50	7.50	7.50	7.50	0.00
TOTAL PUBLIC WORKS	26.90	25.90	26.23	27.23	27.23	27.23	26.83	-0.40
Conservation	3.72	3.83	3.63	4.30	4.30	4.30	4.30	0.00
Planning Department	5.00	4.00	3.35	3.80	3.82	3.82	3.82	0.00
Inspections	4.00	3.00	3.00	5.00	5.00	5.00	6.00	1.00
TOTAL CONSERVATION & DEVELOPMENT	12.72	10.83	9.98	13.10	13.12	13.12	14.12	1.00
Public Health	5.43	4.34	4.00	4.00	4.00	4.00	4.00	0.00
Senior Center	3.54	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Community Development	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Veterans' Services & Benefits	1.00	0.60	0.00	0.00	0.00	0.00	0.00	0.00
Leisure Services & Supplemental Education	10.05	8.82	6.45	6.45	6.45	6.45	6.45	0.00
Pools	0.44	0.00	2.00	0.20	0.20	0.20	0.20	0.00
Golf Course	1.05	1.05	1.35	1.35	1.35	1.35	1.35	0.00
TOTAL COMMUNITY SERVICES	21.71	17.81	16.80	15.00	15.00	15.00	15.00	0.00
TOTAL GENERAL FUND	204.71	190.92	188.39	190.71	190.73	191.73	192.33	0.60
Water Supply and Distribution	15.08	15.08	16.15	16.98	16.98	16.48	17.98	1.50
TOTAL WATER FUND	15.08	15.08	16.15	16.98	16.98	16.48	17.98	1.50
Sewer Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Wastewater Treatment Plant	15.50	15.50	15.83	15.33	15.33	15.83	16.33	0.50
TOTAL SEWER FUND	17.50	17.50	17.83	17.33	17.33	17.83	18.33	0.50
Sanitary Facilities	3.60	3.60	4.00	4.00	4.00	4.00	3.40	-0.60
TOTAL SOLID WASTE FUND	3.60	3.60	4.00	4.00	4.00	4.00	3.40	-0.60
Parking Facilities	4.00	4.00	4.12	4.20	4.20	4.20	4.20	0.00
TOTAL TRANSPORTATION FUND	4.00	4.00	4.12	4.20	4.20	4.20	4.20	0.00
TOTAL	244.89	231.10	230.49	233.22	233.24	234.24	236.24	2.00

POSITIONS IN FULL TIME EQUIVALENTS

13 - Municipal Staffing Levels

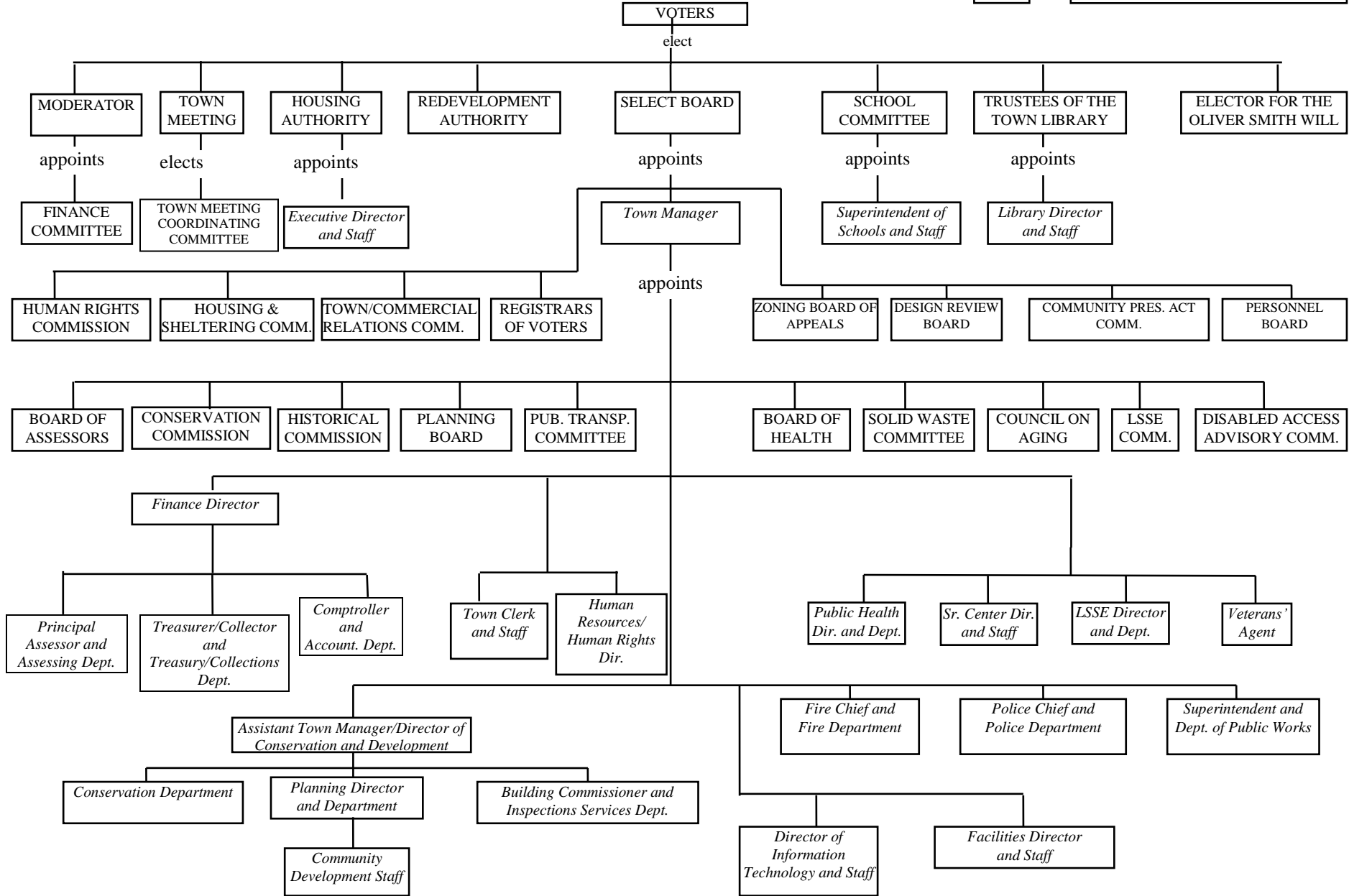


Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

The Town has reduced its workforce by 23.10 positions since FY 07, or 10.9%. Public Safety personnel have decreased by 7.5 FTEs, or 6.6%, while non-public safety positions have been reduced by 14.57 FTEs, or 14.8%. Since FY 03, there has been a net staffing decrease of 12.26 FTEs, or 10.4%.

TOWN OF AMHERST
ORGANIZATION CHART (as of 1/16/13)

Staff
ELECTED AND APPOINTED BOARDS,
COMMISSIONS AND COMMITTEES



Town of



AMHERST *Massachusetts*

Town Hall
4 Boltwood Avenue
Amherst, MA 01002

SELECT BOARD
Phone: (413) 259-3001
Fax: (413)-259-2405
Email: selectboard@amherstma.gov

To: John Musante, Town Manager
From: Stephanie O’Keeffe, Select Board Chair
Date: November 20, 2012
Re: FY14 Budget Policy Guidelines

At our Monday, November 19, 2012 meeting, the Select Board unanimously approved the following Budget Policy Guidelines for FY14.

OVERALL PHILOSOPHY FOR FY14: Fiscal sustainability continues to be the primary budget goal, so FY14 revenue and expenditure plans must be viewed in a multi-year context. The larger economic picture remains challenged and unstable in the near term. Following the \$1.68 million override of 2010, and its full implementation over two years, we believe that it would not be reasonable or appropriate to ask taxpayers to override the Proposition 2 ½ levy cap again this year, so the budget should anticipate no such additional revenue from taxation. We support maintaining a level services budget to the degree that is possible, while recognizing the necessity of addressing the loss of Community Development Block Grant (CDBG) funds. It is critical to find a way to continue funding the winter emergency shelter and other human service agency investments, as well as Town staff support for these efforts. This may well be the greatest challenge of the FY14 budget, and we are confident in your ability to find a thoughtful and practical solution. We also recognize that we are at a pivotal point in addressing the challenges of public safety and code enforcement to protect the quality of life in our neighborhoods, and that this may require additional staff resources. If there are opportunities to increase such staffing in ways that are fiscally responsible in the short- and long-terms, we view these guidelines as having the flexibility to support that. Beyond these issues, any revenue in excess of that necessary for level services should be directed at increasing our investment in capital, decreasing our long-term retiree health care liability (known as Other Post-Employment Benefits, or OPEB), or shoring up our reserves. We consider intense evaluation of the current range of municipal services and their delivery methods to be critical for ensuring that we are spending every dollar wisely. Should circumstances and projections worsen, the Select Board requests a recommendation on prioritized cuts and restorations as necessary, with rationale for the prioritization.

EXPENSE REDUCTION: The Select Board continues to support appropriate regionalization and reorganization when such initiatives would reduce costs and realize efficiencies, and we would like to see real progress on the emergency dispatch regionalization effort in particular. We also continue to support reassigning services outside of the general fund where responsible, and with due consideration of the implications of funding loss, mindful of sections B-4 and B-8 of the Town’s “Financial Management Policies & Objectives.”* We support green initiatives for their short- and long-term potential to reduce costs, and we appreciate the benefit of predictable power costs provided by a comprehensive solar project. We encourage the Town’s continued success at expense reduction via “ordinary” means such as aggressive cost-comparison, reducing waste and seeking greater efficiency. We consider the negotiation of labor contracts that the Town can afford and sustain to be of highest priority, because salaries and benefits are such a significant portion of the budget.

ECONOMIC DEVELOPMENT: We recognize that our most reliable revenue source is property tax, and that growing our property tax base in net-positive ways is critical. We strongly support pursuing responsible and appropriate expansion of our commercial sector, which currently stands at 10.27%. We strongly support expansion of the tax base in accordance with the community’s goals as expressed in the Master Plan. We strongly support solar power generation and other green initiatives as opportunities for economic development. It is important to clearly articulate to the Select Board and the wider community the cost-benefit analysis of such pursuits, as well as their consistency with the Master Plan.

OTHER NEW REVENUE: We continue to support the pursuit of new revenue through expanded arrangements with the University and Colleges. We believe the renewal of the Strategic Partnership Agreement with UMass provides an important opportunity to ensure that all relevant categories of costs incurred by the Town are included and updated. We encourage active pursuit of similar reimbursements with Amherst College and Hampshire College. We support regular evaluation of service fees for possible increase. We appreciate and encourage the Town’s aggressive pursuit of grants to off-set costs and expand services. We also continue to support advocating for State legislation that improves local taxation options, increases aid to Amherst, or mitigates onerous mandated costs. We support strong local advocacy for the State-wide effort to increase funding for road work and other transportation and transit infrastructure. Additionally, we support advocating for increased State revenues, such as more progressive taxation including higher income tax, in order to increase funds available for local aid to all communities. These positions are consistent with sections B-9 and B-10 of the Town’s “Financial Management Policies & Objectives.”*

CAPITAL: The Select Board recognizes the perils of inadequate investment in capital improvements, and remains committed to trying to incrementally increase the percentage of the property tax levy allocated to capital over time to achieve a goal of 10%, per section C-7 of the Town’s “Financial Management Policies & Objectives.”* The Select Board continues to support funding capital investments by means other than the capital budget, including through the use of Community Preservation Act funds, Community Development Block Grant funds, the PARC grant program, and other grant opportunities; through shared purchasing and ownership with other towns or entities; and through bonding or borrowing for large long-term projects. As noted in the Overall Philosophy, putting additional revenue toward helping us to catch up on the growing backlog of capital infrastructure needs is one of the ways we would support spending beyond that which is necessary to maintain level services.

RESERVES: The Select Board opposes reserve use to fund ongoing expenses. We support careful and strategic reserve use only as a bridge to either anticipated revenue or a planned expense reduction. We support maintaining a responsible reserve balance, as outlined in section B-3 of the Town's "Financial Management Policies & Objectives,"* for prudent fiscal management and because it contributes to our strong bond rating, which provides significant cost-savings when borrowing.

* Town of Amherst "Financial Management Policies & Objectives," adopted January 2008; this document is available on the FY13 Budget page of the Town web site.

Town of



AMHERST *Massachusetts*

Office of the Town Manager
Town Hall
4 Boltwood Avenue
Amherst, MA 01002

John P. Musante, Town Manager
Phone: (413) 259-3002
Fax: (413)-259-2405
Email: musantej@amherstma.gov

November 1, 2012

To: Select Board, Town Manager
Amherst School Committee, Superintendent of Schools
Jones Library Trustees, Library Director

From: Finance Committee

Re: Preliminary Fiscal Year 2014 Budget Guidelines

We ask you to develop operating budgets with an increase in Town support of 3%. That includes the Amherst Regional School assessment and the library's revenue from the Town. For the Amherst Public Schools, the 3.0% increase is calculated from the amount that Town Meeting would have allocated last year had it not added \$218,200 from Free Cash on a one-time basis, anticipating new revenue from accepting School Choice students. We ask that the elementary school budget be developed with a 2.0% increase from the actual FY 13 budget. The actual amounts are set forth at the top of Page 2 of the General Fund Financial Projections, attached to these guidelines.

These are preliminary budget guidelines, based upon the projections that Finance Director Sandy Pooler presented to all of us on October 11. These projections are reasonable. Nevertheless, there is a need to be cautious. As we look ahead to FY 14, there is much uncertainty.

Revenue

Pooler projected an overall revenue increase of 3% from FY 13. The largest revenue source is from the property tax, which is expected to increase by 3.8%. Property tax increases by the allowable 2.5% plus taxes on new growth. Property owners pay the taxes that are due, so this revenue is stable and predictable.

The second largest source of revenue is state aid. Pooler suggested that we assume an increase of 0.4%, close to level funding. This assumes the same increase in Chapter 70 as received in FY 13 and level funding of Unrestricted General Government Aid. This is an area of greater uncertainty. Decisions made in Washington could have an impact on the state budget and the funds it can share with local governments. The Congressional defaults, if there is no intervening

federal legislative action, are tax increases and automatic sequestration of current appropriations. Since some of the largest transfers from the federal to state budgets are for entitlement programs such as Medicaid, which are exempt from sequestration, the larger threat to the state may be in action adopted to circumvent the automatic sequestration. The outcome of the November 6 election will have tremendous bearing on what happens. Also, the state budget is developed after there is a consensus of the Executive Office of Administration and Finance and the Chairs of the Ways and Means Committees regarding a revenue estimate. That estimate considers revenue history and economic trends that may affect income and sales taxes. If the country falls off the fiscal cliff or we go back into a downturn or recession, that information will affect the state's revenue estimate. There is a need to be cautious and recognize that there is uncertainty, the 0.4% projection is cautious and we're comfortable with that assumption for the purposes of preliminary budget guidelines.

At the Four Boards Meeting on October 11, the Finance Director also estimated revenues for FY 14 from local receipts and other financing sources. Local receipts are estimated to increase by a modest 1.3%, and other financing sources actually decrease by 7.3%.

In addition to the uncertainty about state aid, there is another reason to exercise caution. It is likely that there will be a decrease or possible loss of grant and endowment funds essential to operations in our various functional areas. These are important supplements to what is raised and appropriated in the budgets adopted by Town Meeting. The most immediate concern is the town's Community Development Block Grant. When we met on October 11, the town had just been advised that it did not qualify for Mini-Entitlement status for the 2013 grant year. The Town Manager asked the Commonwealth's Department of Housing and Community Development to review and reconsider its decision and, in the alternative, to provide transition funding for that grant year. He does not expect a response before late December. If no funds are provided in the 2013 grant year, CDBG funding will terminate on September 30, 2013. That is one quarter of the way into FY 14. The 2012 grant is \$900,000 and includes funding for administrative expenses, capital projects, and human services. The Committee asked Musante to keep us informed and to make a recommendation about how the most vital CDBG-funded programs and services can be continued.

Superintendent Geryk reported at the October 18 Budget Coordinating Group meeting that two important grants are at risk with possible sequestration of federal funds or budget cuts that replace sequestration. The IDEA grant (\$853,000) and the Title I grant (\$384,000) support staff positions and would have substantial budget and program impacts if reduced or eliminated.

With these preliminary guidelines, we ask the Town Manager, Superintendent, and Library Director to develop initial budgets assuming increases of allocations to be raised and appropriated from General Funds as noted. Appropriate program modifications will need to be made for the possible loss of grant funds. As the budget process continues, this Committee, with the input from the Budget Coordinating Group and based upon additional information that becomes available, may need to make adjustments in its preliminary assessment of the amounts that it can recommend for allocations from the General Fund.

The capital budget and mandatory expenses

The Town's Financial Policy specifies that the annual budget should include a Capital Program that includes debt service obligations and cash-funded capital projects funded from current revenues equal to at least 10% of the estimated property tax levy. This policy recognizes that it is essential to maintain and improve our infrastructure, including our town, school, and library buildings and the equipment required to provide services, as well as to invest in recreation fields and facilities, open space, and other Town priorities. When the policy was adopted in 2008, only 7.2% of the tax levy was allocated to that purpose. Since then the allocation has decreased. In FY 11, it was 5.64%. In FYs 12 and 13 we used 6.5% of tax levy for capital projects allocated through the Joint Capital Planning Committee (JCPC). JCPC requested that the capital budget for FY 14 equal 7% of tax levy and Pooler included that amount in the projections he presented on October 11. We propose that JCPC develop its recommendations using 7% of the tax levy.

Some appropriations that are not part of the operating budget must increase, such as the assessments for the Retirement System and debt service.

Reserve funds

The Town Financial Policy is to maintain reserves at 5-15% of general fund operating revenues. The Department of Revenue notified the Town last month that it had certified the "free cash balance" on July 1, 2012 at \$4,326,501. At that time the Stabilization Fund had a balance of \$1,874,393, for a total reserve fund balance of \$6,200,894, 9.3% of revenues. This committee will propose that the November 19 Special Town Meeting allocate some of the free cash, the amount greater than 5% general fund operating revenues, to the Stabilization Fund. That action will not affect the total reserves. The Town received more state aid than was anticipated when Annual Town Meeting adopted the FY 13 budget. The committee will propose that the Special Town Meeting allocate the additional state aid in the amount of \$585,342 to the Other Post Employment Benefits (OPEB) Trust. While this would be a significant step as the first allocation to the OPEB trust, it is a small portion of the amount of the Town's obligation to pay health insurance for present and future retirees, estimated to be greater than \$74 million.

The Committee also notes that the Town is entering a period when there will be, at best, annual revenue growth of between 2.8% and 3%. For all of these reasons, it would not be wise to use any reserves to supplement operating budgets in FY 14. The Finance Committee still seeks to limit the use of reserves to implementing bona fide plans to move toward models of service provision that will provide net savings to the Town in the future while providing acceptable levels of service, and to leveraging outside revenue in order to maintain existing core services. The recommendation to use \$218,200 from Free Cash to add to the FY 13 elementary school budget in anticipation of new School Choice revenue is an example.

Requested budget information

Budgets reflect changes in programs, services and staffing, which can be a combination of reductions and additions. We ask that you provide information about projected cost increases and changes in operations for FY 14, the effect that a 3.0% increase in town funding will have on programs, and a description of what would be added with a small amount of additional funds. We also request that you describe anticipated or possible changes in grants and other revenue that is additional to the proposed allocation from the General Fund and how the changes might

affect services. The information is essential for the Finance Committee to fulfill its responsibilities, will be helpful for discussing the overall priorities with the Budget Coordinating Group, and will help prepare all of us to adjust budgets if necessary, including a variation in the amount of State Aid from the present assumption.

The Finance Committee is trying to achieve uniformity in the descriptions of programs and budgets in our report to the Annual Town Meeting. Each operating budget will be presented with a 6 part budget narrative:

1. Budget and Finance Committee recommendation
2. Basic Functions
3. Current fiscal year summary
4. Summary for the next fiscal year, the year for which a budget is considered
5. Full-time-equivalent employees for the next fiscal year, showing change from the current fiscal year
6. Services provided by other departments and for other departments

The Finance Committee recognizes that it has not been possible to define “full-time-equivalent” in a uniform manner that works well for all budget areas. It is more important to achieve year-to-year uniformity within each budget area and explain the projected change for the next year. For example, if the work force consists of salaried and hourly employees, the employee count might be projected as the number of FTE benefited staff and the number of hours of part-time staff.

For several years, the Finance Committee has been interested in the services provided by each department to assist other departments. This teamwork is important to Amherst. It helps all parts of the Town to be efficient and effective. Town Meeting will appreciate this practice and we want to try to report it to them.

It would be helpful if you can provide this information with the budgets you submit to the Finance Committee. If that is not possible, we will ask for this information when you meet with us to present your budgets. As in prior years, we may have additional questions as we review budgets, including questions we will ask when we meet with you.

Schedule

The Finance Committee requests that you submit budgets according to the Budget Coordinating Group’s budget development calendar. The Town Manager, Superintendent, and Library Director are asked to present budgets to the Finance Committee no later than Wednesday, January 16. We understand that in some cases they may be executive budgets that still require review by elected policy boards and are subject to revision.

Conclusion

The Finance Committee values the quality schools, libraries, and municipal services that the Town provides, and we would clearly like to have more resources to support them. Regrettably for all of us who volunteer in Town government or work for the Town, and most importantly for the people who rely on the Town for these services, our resources continue to be less than is

needed. We project that the revenues will improve in FY 14, but only modestly. The challenge to find creative new approaches to provide quality services economically will be with us for the foreseeable future.

Amherst is a model of responsible management and quality community services. That works because of your dedication and resourcefulness. Equally important is the cooperative spirit that all of you bring to your work, and your willingness to work with us so that we can present a responsible budget, a plan for Amherst, to Town Meeting. Thank you.

Kay Moran, Vice Chair 549-5767

Janice Ratner 253-7214

Anurag Sharma 549-1542

Robert Saul 253-4059

Douglas Slaughter 253-9920

Andrew Steinberg, Chair 549-6826

Marylou Theilman 253-7980

TOWN OF AMHERST, MASSACHUSETTS FINANCIAL PROJECTIONS - GENERAL FUND											DRAFT For Discussion Purposes Only January 16, 2013 FY 14 Town Manager's Forecasted Budget Assumptions	
	FY 12 Budget	FY 12 Actual	FY 13 Budget	FY 13 Recap	FY 14 Projected	\$ Chg	% Chg	FY 15 Projected	% Chg	FY 16 Projected	% Chg	
REVENUES												
PROPERTY TAX												
Base Levy	38,606,791	40,027,556	40,045,691	40,045,691	41,550,978	1,505,287	3.8%	43,089,752	3.7%	44,666,996	3.7%	
2.5% Allowable Increase	965,170	0	1,001,142	1,001,142	1,038,774	37,632	3.8%	1,077,244	3.7%	1,116,675	3.7%	
Estimated New Growth	450,000	0	425,000	504,145	500,000	(4,145)	-0.8%	500,000	0.0%	500,000	0.0%	Assessor's estimate, equals 88% of historic number
General Override	0	0	0	0	0	0		0		0		
Levy Limit	40,021,961	40,027,556	41,471,833	41,550,978	43,089,752	1,538,774	3.7%	44,666,996	3.7%	46,283,671	3.6%	
Debt Exclusion	305,688	305,688	259,374	259,374	213,522	(45,852)	-17.7%	171,480	-19.7%	125,378	-26.9%	High School debt
Maximum Allowable Levy	40,327,649	40,333,244	41,731,207	41,810,352	43,303,274	1,492,922	3.6%	44,838,476	3.5%	46,409,049	3.5%	
Excess Levy Capacity	0	(7,347)	0	0	0	0		0		0		
Subtotal PROPERTY TAX	40,327,649	40,325,897	41,731,207	41,810,352	43,303,274	1,572,067	3.8%	44,838,476	3.5%	46,409,049	3.5%	
LOCAL RECEIPTS												
Motor Vehicle Excise	1,350,000	1,559,389	1,423,750	1,423,750	1,584,344	160,594	11.3%	1,623,953	2.5%	1,664,551	2.5%	Automobile sales are growing nationwide
Hotel/Motel and Meals Excise	540,000	638,973	640,000	640,000	673,297	33,297	5.2%	690,129	2.5%	707,383	2.5%	FY14 is 1st of year-round operation of Lord Jeffery Inn
Penalties and Interest	132,000	210,239	198,800	198,125	208,125	10,000	5.0%	208,125	0.0%	208,125	0.0%	Closely matches previous years' actual receipts
PILOT	918,458	947,646	935,958	935,958	940,958	5,000	0.5%	959,777	2.0%	978,973	2.0%	Enterprise Funds reimbursement to General Fund
Rentals	80,500	85,438	78,500	78,500	78,500	0	0.0%	80,070	2.0%	81,671	2.0%	
Departmental Revenue	1,092,215	1,314,518	1,207,210	1,158,385	1,162,385	4,000	0.3%	1,162,385	0.0%	1,162,385	0.0%	FY14 relies on only recurring department revenue
Licenses and Permits	790,550	884,535	759,510	797,550	869,436	71,886	9.0%	891,172	2.5%	913,451	2.5%	FY14 increase as economy improves
Special Assessments	692,954	671,811	675,215	675,215	575,292	(99,923)	-14.8%	575,292	0.0%	575,292	0.0%	PVTA contribution from Amass/5 College Inc.
Fines and Forfeits	169,000	256,169	227,033	227,033	227,033	0	0.0%	227,033	0.0%	227,033	0.0%	FY12 & FY13 increases: noise and nuisance bylaws
Investment Income	110,000	79,177	110,000	75,000	75,000	0	0.0%	75,000	0.0%	75,000	0.0%	FY14 reflects the very low interest rates
Miscellaneous	1,656,661	1,791,024	1,757,362	1,201,162	1,139,739	(61,423)	-5.1%	1,139,739	0.0%	1,139,739	0.0%	APS Charter & Choice reimburse; no teacher's GIC
Subtotal LOCAL RECEIPTS	7,532,338	8,438,919	8,013,338	7,410,678	7,534,109	123,431	1.7%	7,632,675	1.3%	7,733,603	1.3%	
STATE AID												
Chapter 70	5,813,638	5,813,638	5,813,638	5,864,398	5,915,158	50,760	0.9%	5,974,310	1.0%	6,034,053	1.0%	FY14 assumes same increase as FY13
Charter Tuition Assessment Reimbursement	241,291	284,995	336,959	171,425	171,425	0	0.0%	171,425	0.0%	171,425	0.0%	
Unrestricted General Govt Aid	6,605,976	6,605,976	6,605,976	7,120,842	7,120,842	0	0.0%	7,192,050	1.0%	7,263,971	1.0%	FY14 assumes no increase
Police Career Incentive	0	0	0	0	0	0		0		0		Eliminated in FY12
Veterans Benefits	213,343	192,615	204,222	196,112	196,112	0	0.0%	196,112	0.0%	196,112	0.0%	Based on receipt of 75% of Town's expenditures
Exempt: Vets, Blind, Surv. Spouses, Elderly	38,329	54,139	33,876	33,876	33,876	0	0.0%	33,876	0.0%	33,876	0.0%	
State Owned Land	145,970	151,747	151,747	151,796	151,796	0	0.0%	151,796	0.0%	151,796	0.0%	
Offset Receipts												
School Lunch	6,591	6,591	6,306	6,306	6,306	0	0.0%	6,306	0.0%	6,306	0.0%	
Public Libraries	63,865	63,865	63,576	63,576	63,576	0	0.0%	63,576	0.0%	63,576	0.0%	
Subtotal STATE AID	13,129,003	13,173,566	13,216,300	13,608,331	13,659,091	50,760	0.4%	13,789,451	1.0%	13,921,115	1.0%	
OTHER FINANCING SOURCES												
Ambulance Fund	2,276,577	2,276,577	2,546,028	2,291,028	2,301,028	10,000	0.4%	2,358,554	2.5%	2,417,518	2.5%	FY14 reflects renewed contract with Hadley
Reserve for Debt Service - WW Roof	44,844	44,844	39,698	39,698	0	(39,698)	-100%	0		0		Debt fully paid in FY13.
Enterprise Fund Reimbursements	854,992	831,243	852,083	852,083	880,193	28,110	3.3%	902,198	2.5%	924,753	2.5%	
Overlay Surplus	39,000	39,000	0	0	0	0		0		0		
Free Cash	65,250	65,250	218,200	218,200	0	(218,200)		0		0		FY13 one-time appropriation to APS, for School Choice
Stabilization Fund	0	0	0	0	0	0		0		0		
Subtotal OTHER FINANCING SOURCES	3,280,663	3,256,914	3,656,009	3,401,009	3,181,221	(219,788)	-6.5%	3,260,752	2.5%	3,342,270	2.5%	Adjusted less one time OPEB of \$585,342 in FY13
Subtract one-time revenue				(585,342)								
TOTAL REVENUES	64,269,653	65,195,296	66,616,854	65,645,028	67,677,695	2,032,667	3.1%	69,521,354	2.7%	71,406,037	2.7%	

	<u>FY 12</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 13</u>	<u>FY 14</u>	<u>\$</u>	<u>%</u>	<u>FY 15</u>	<u>%</u>	<u>FY 16</u>	<u>%</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Recap</u>	<u>Projected</u>	<u>Chg</u>	<u>Chg</u>	<u>Projected</u>	<u>Chg</u>	<u>Projected</u>	<u>Chg</u>	
EXPENDITURES												
OPERATING BUDGET												
Town	18,991,440	18,993,379	19,583,195	19,583,195	20,170,691	587,496	3.0%	20,775,812	3.0%	21,399,086	3.0%	
Elementary Schools	20,758,598	20,771,672	21,558,039	21,558,039	21,980,034	421,995	2.0%	22,639,435	3.0%	23,318,618	3.0%	FY14 subtracts one time FY13 \$218,200. 3% increase
A-P Regional School District (Assessment)	13,506,166	13,506,166	13,796,524	13,746,434	14,158,827	412,393	3.0%	14,583,592	3.0%	15,021,100	3.0%	FY14 Assessment reflects FY13 decrease of \$50,090
Jones Library (Tax Support)	1,644,736	1,665,666	1,690,789	1,690,789	1,741,512	50,724	3.0%	1,793,758	3.0%	1,847,570	3.0%	
Subtotal OPERATING BUDGET	54,900,940	54,936,883	56,628,547	56,578,457	58,051,064	1,472,608	2.6%	59,792,596	3.0%	61,586,374	3.0%	
CAPITAL BUDGET												
Debt Service - Debt Exclusion	305,688	305,688	259,374	259,374	213,522	(45,852)	-17.7%	171,480	-19.7%	125,378	-26.9%	ARHS debt funded via debt exclusion
Debt Service - Current	1,338,023	1,544,873	1,382,150	1,382,150	1,451,915	69,765	5.0%	1,344,070	-7.4%	1,344,070	0.0%	Per JCPC 5-Year Capital Plan
Debt Service - Projected	71,290	4,040	17,911	17,911	243,400	225,489	1259%	296,779	21.9%	296,779	0.0%	
Cash Capital (Tax Support)	1,187,104	1,187,104	1,294,199	1,294,199	1,320,967	26,768	2.1%	1,485,841	12.5%	1,599,008	7.6%	
Subtotal Tax Funded Capital	2,902,105	3,041,705	2,953,634	2,953,634	3,229,805	276,170	9.4%	3,298,170	2.1%	3,365,235	2.0%	
Tax Capital Less Debt Excl	2,596,417	2,736,017	2,694,260	2,694,260	3,016,283	322,022	12.0%	3,126,690	3.7%	3,239,857	3.6%	
% Net Tax Levy	6.49%	6.84%	6.50%	6.48%	7.00%			7.00%		7.00%		Town Financial Policy goal is 10% of tax levy
Cash Capital (Non-Tax Support)	109,000	109,000	255,000	0	0	0		0		0		FY13 Ambulance purchase
Subtotal CAPITAL	3,011,105	3,150,705	3,208,634	2,953,634	3,229,805	276,171	9.4%	3,298,170	3.0%	3,365,235	3.0%	
MISCELLANEOUS												
Assessment - Retirement System	3,256,793	3,250,310	3,468,324	3,468,324	3,925,567	457,243	13.2%	4,239,612	8.0%	4,430,395	4.5%	Per Hampshire County Retirement Board
Assessment - Regional Lockup Facility	31,323	31,323	31,323	31,323	31,323	0	0.0%	31,323	0.0%	31,323	0.0%	
Other	0	0	0	0	0	0		0		0		
OPEB				0	0			100,000		200,000		Adjusted less one time OPEB of \$585,342 in FY13
Reserve Fund	100,000	37,420	100,000	100,000	100,000	0	0.0%	100,000	0.0%	100,000	0.0%	Finance Committee Reserve Fund
Subtotal MISCELLANEOUS	3,388,116	3,319,053	3,599,647	3,599,647	4,056,890	457,243	12.7%	4,470,935	10.2%	4,761,718	6.5%	
Total APPROPRIATIONS	61,300,161	61,406,642	63,436,828	63,131,738	65,337,759	1,900,932	3.5%	67,561,701	3.4%	69,713,327	3.2%	
UNAPPROPRIATED USES												
Reserve for Abatements & Exemptions	400,220	376,985	414,718	415,510	430,898	15,388	3.7%	446,670	3.7%	462,837	3.6%	Target: 1% of tax levy
State Assessments (Cherry Sheet)	2,483,585	2,527,571	2,679,753	1,958,032	1,823,483	(134,549)	-6.9%	1,869,070	2.5%	1,915,797	2.5%	Charter & Choice Tuition, PVTA
Cherry Sheet Offsets	70,456	70,456	69,882	69,882	69,882	0	0.0%	69,882	0.0%	69,882	0.0%	School lunch and Library aid
Other Amounts to be Raised	15,231	7,559	15,673	15,673	15,673	0	0.0%	15,673	0.0%	15,673	0.0%	PVPC and Tax Title
Subtotal UNAPPROPRIATED USES	2,969,492	2,982,571	3,180,026	2,459,097	2,339,936	(119,161)	-4.8%	2,401,295	2.6%	2,464,189	2.6%	
TOTAL BUDGET PLAN	64,269,653	64,389,213	66,616,854	65,590,835	67,677,695	2,086,860	3.2%	69,962,996	3.4%	72,177,516	3.2%	
								2,285,301		2,214,519		
SURPLUS / (SHORTFALL)		806,083	0	54,194	0			(441,643)		(771,478)		FY13 Surplus due to reduced Regional Assessment