

**GENERAL
FUND**

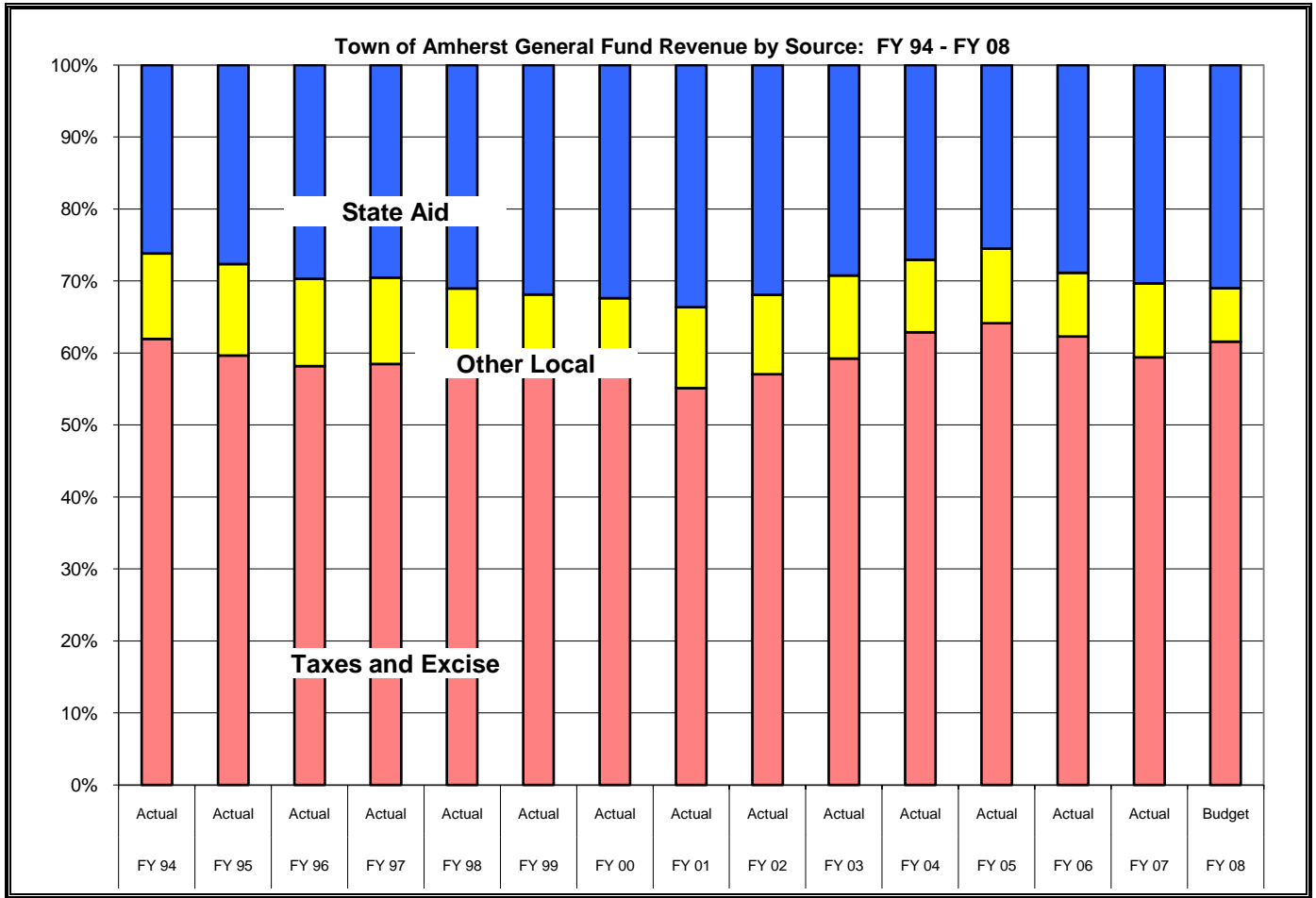
GENERAL FUND RESOURCES SUMMARY

MISSION STATEMENT: To provide funds to meet the on-going needs of General Fund services.

CONTINUING OBJECTIVES:

- To increase the tax levy within constraints of Proposition 2½.
- To monitor state aid and local aid distributions and formulas.
- To monitor availability of Federal and State Grants.
- To develop fees, charges and other local sources of funding wherever possible.

SERVICE LEVELS:	FY 03 <u>Actual</u>	FY 04 <u>Actual</u>	FY 05 <u>Actual</u>	FY 06 <u>Actual</u>	FY 07 <u>Actual</u>
<u>As % of Total Resources</u>					
Taxes	58	57	60	58	57
Other Local Source Revenues	7	7	7	7	9
State Revenues	29	26	25	26	28
Other Financial Sources	6	10	8	9	6



GENERAL FUND RESOURCES SUMMARY

		FY 06 Actual	FY 07 Budget	FY 07 Actual	FY 08 Budget	FY 09 Manager	Change FY 08 - 09	Percent Change
Taxes and Excise	\$	33,089,869	34,486,509	34,200,151	35,788,616	37,243,143	1,454,527	4.1%
Other Local Source Revenues	\$	4,131,721	4,345,748	5,481,653	4,039,161	3,911,624	(127,537)	-3.2%
State Revenues	\$	14,820,650	16,845,680	16,895,173	17,413,170	17,841,246	428,076	2.5%
Other Financing Sources	\$	4,941,810	3,902,329	3,902,329	4,245,337	3,229,635	(1,015,702)	-23.9%
TOTAL REVENUES	\$	56,984,050	59,580,266	60,479,306	61,486,284	62,225,649	739,366	1.2%

MAJOR COMPONENTS:

Revenues include all local sources of taxation and fees that are constitutionally allowed and assessed on an annual basis. Other Financing Sources include funds available for expenditure by the General Fund that are drawn from reserves or represent assessments to other operating funds of the Town. These may be funds available only once, e.g., when an asset is sold, or they may be available each year that the services are provided to other funds.

SIGNIFICANT BUDGET CHANGES:

See following pages.

RESOURCES

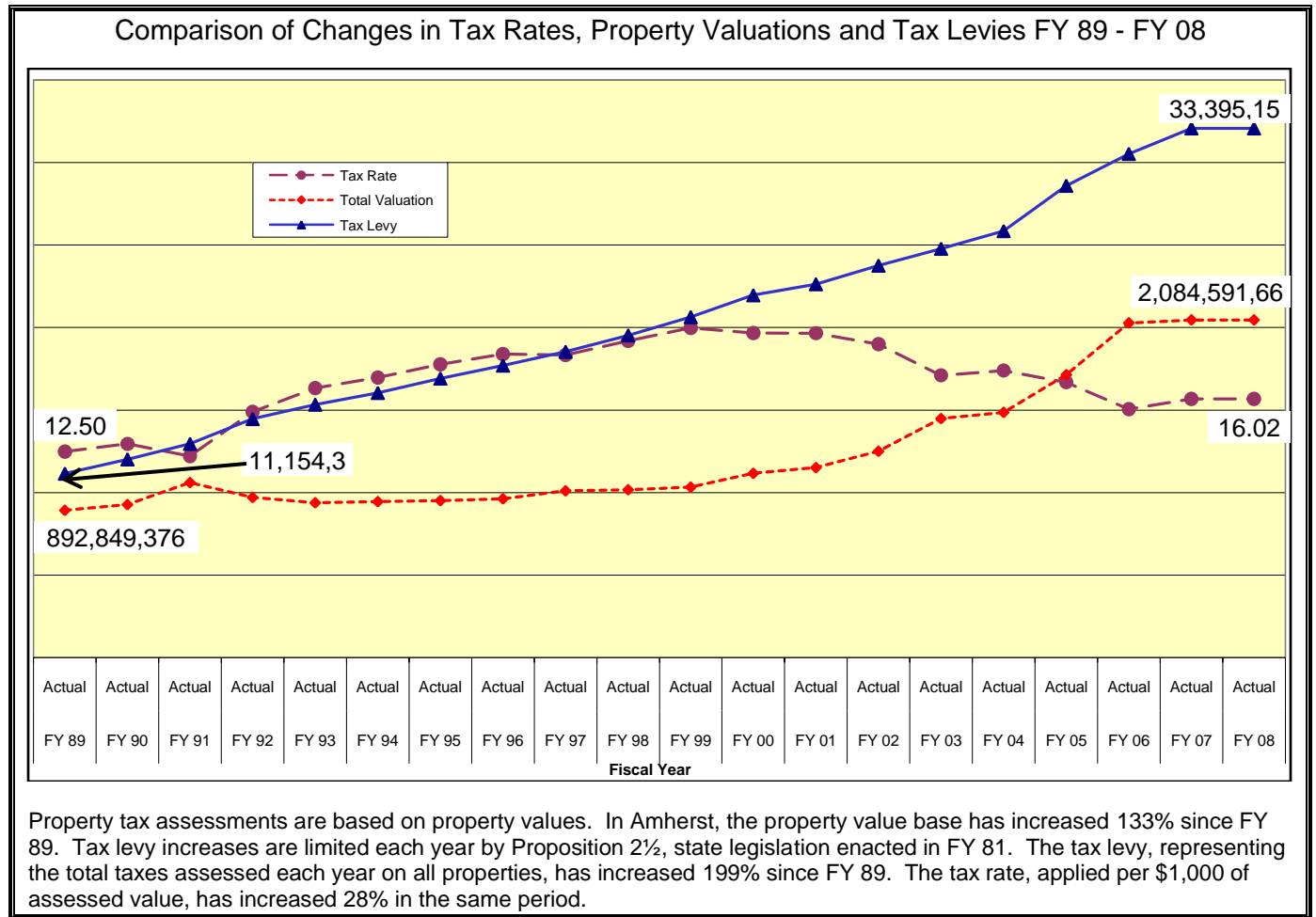
TAXATION

MISSION STATEMENT: To provide tax support for General Fund services.

CONTINUING OBJECTIVES:
To manage the tax levy within constraints of Proposition 2½.

FY 09 OBJECTIVES:
To consider the need for and type of Proposition 2 ½ override, if necessary, to balance the FY 09 Budget.

SERVICE LEVELS:	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Actual	FY 07 Actual
Taxes as % of Total Resources					
Real and Personal Property Taxes	53	52	55	54	52
Other Taxes	5	5	5	4	4



RESOURCES

TAXATION

	FY 06 Actual	FY 07 Budget	FY 07 Actual	FY 08 Budget	FY 09 Manager	Change FY 08 - 09	Percent Change
Real & Personal							
Property Taxes	\$ 30,535,984	32,080,051	31,745,174	33,395,158	34,804,685	1,409,527	4.2%
Payments In Lieu of Taxes	\$ 931,778	931,458	919,723	918,458	918,458	0	0.0%
Excise Taxes	\$ 1,622,107	1,475,000	1,535,254	1,475,000	1,520,000	45,000	3.1%
TOTAL TAXES & EXCISE	\$ 33,089,869	34,486,509	34,200,151	35,788,616	37,243,143	1,454,527	4.1%

MAJOR COMPONENTS:

Real and Personal Property Taxes are the Town's largest source of revenue. Payments in lieu of taxes include taxes assessed to municipal enterprise funds (approximately 90% of total payments). Excise taxes include motor vehicle, hotel/motel, farm animal and boat excise.

SIGNIFICANT BUDGET CHANGES:

CALCULATION OF TAX LEVY:

	FY 08 Actual Tax Levy	FY 09 Estimated Tax Levy
Base Levy (Prior Year Levy Limit)	\$ 31,713,076	33,066,697
2 ½ % Allowable Increase	792,827	826,667
New Growth	560,794	470,000
General Override	0	0
Levy Limit	33,066,697	34,363,364
Regional School Debt Override	340,425	441,321
Levy Limit	33,407,122	34,804,685
Actual Tax Levy	33,395,158	34,804,685
Excess Levy Capacity	11,964	0

This budget assumes the Town will increase the tax levy to the Proposition 2 ½ levy limit in FY 09.

Motor vehicle excise (\$1,430,000) and hotel/motel excise tax (\$90,000) estimated to increase by \$45,000, which is close to FY 07 actual receipts.

RESOURCES**OTHER LOCAL SOURCE REVENUES****MISSION STATEMENT:**

To provide revenues to support General Fund services.

FY 09 OBJECTIVES:

To review current fee levels in relation to FY 09 costs of services.

SERVICE LEVELS:

	<u>FY 03</u> <u>Actual</u>	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Actual</u>
Revenues as % of Local Source Revenues					
Charges for Services	21	22	19	15	14
Departmental Revenue	14	19	19	24	34
Rentals	1	1	1	1	1
Licenses and Permits	24	22	25	25	14
Special Assessments	19	18	16	15	11
Fines and Forfeits	4	4	4	4	3
Penalties and Interest	6	5	6	4	3
Investment Income	9	6	6	8	8
Miscellaneous	2	3	3	3	10

RESOURCES

OTHER LOCAL SOURCE REVENUES

	FY 06 Actual	FY 07 Budget	FY 07 Actual	FY 08 Budget	FY 09 Manager	Change FY 08 - 09	Percent Change
Charges for Services	\$ 638,372	775,069	781,147	771,091	777,492	6,401	0.8%
Departmental Revenue	\$ 1,008,709	934,009	1,848,826	930,009	950,156	20,147	2.2%
Rentals	\$ 58,092	40,000	57,899	56,254	56,254	0	0.0%
Licenses and Permits	\$ 1,042,982	845,535	792,491	784,035	784,035	0	0.0%
Special Assessments	\$ 606,549	621,713	611,263	626,545	653,187	26,642	4.3%
Fines and Forfeits	\$ 167,568	150,000	190,056	163,000	163,000	0	0.0%
Penalties and Interest	\$ 152,312	152,500	187,490	167,500	167,500	0	0.0%
Investment Income	\$ 330,494	275,000	439,706	350,000	350,000	0	0.0%
Miscellaneous	\$ 126,641	551,922	572,774	190,727	10,000	(180,727)	-94.8%
TOTAL OTHER LOCAL SOURCE REVENUES	\$ 4,131,721	4,345,748	5,481,653	4,039,161	3,911,624	(127,537)	-3.2%

MAJOR COMPONENTS:Charges for Services:

Sewer Fund	\$ 302,264
Water Fund	385,111
Transportation Fund	90,117
Total Charges for Services	\$ 777,492

Special Assessments:

UMASS PVTA Assessment	\$ 475,328
Five College PVTA Assessment	177,859
Total Special Revenue Funds	\$ 653,187

Departmental Revenue:

General Government	\$ 211,635
Public Safety	52,800
Public Works	6,750
Conservation, Planning, Inspections	63,700
Community Services	615,271
Total Departmental Revenues	\$ 950,156

Miscellaneous

Real Estate Tax Supplemental	10,000
Total Miscellaneous	\$ 10,000

Licenses & Permits

General Government	\$ 153,410
Public Safety	92,000
Public Works	19,800
Inspection Services	438,500
Community Services	80,325
Total Licenses & Permits	\$ 784,035

SIGNIFICANT BUDGET CHANGES:

Enterprise Fund reimbursements cover services provided by various departments of the General Fund (for detail, see Sewer, Water, and Transportation Fund Enterprise budgets). Departmental revenue increase includes \$15,000 from Cherry Hill Golf Course (\$10,000 from increased greens fees receipts and anticipated additional \$10,000 net profit from concessions, for total of \$15,000), a \$36,347 increase in the LSSE administrative reimbursement to the General Fund generated by increased program user fees, and a decrease of \$31,200 in outdoor pool revenues due to the proposed closure of the War Memorial Pool. Special assessments receipts increase by \$26,642 (4.3%) from increased reimbursements from UMass Transit and Five College, Inc for the PVTA assessment. Fines receipts include \$19,000 from Library fines. If a revolving fund is recommended to Town Meeting, the tax share of the Library budget will be reduced by a corresponding amount. The decrease in miscellaneous revenue reflects the fact that payments from UMass for Fire/EMS services is reflected 100% in the Ambulance Fund (see Other Financing Sources).

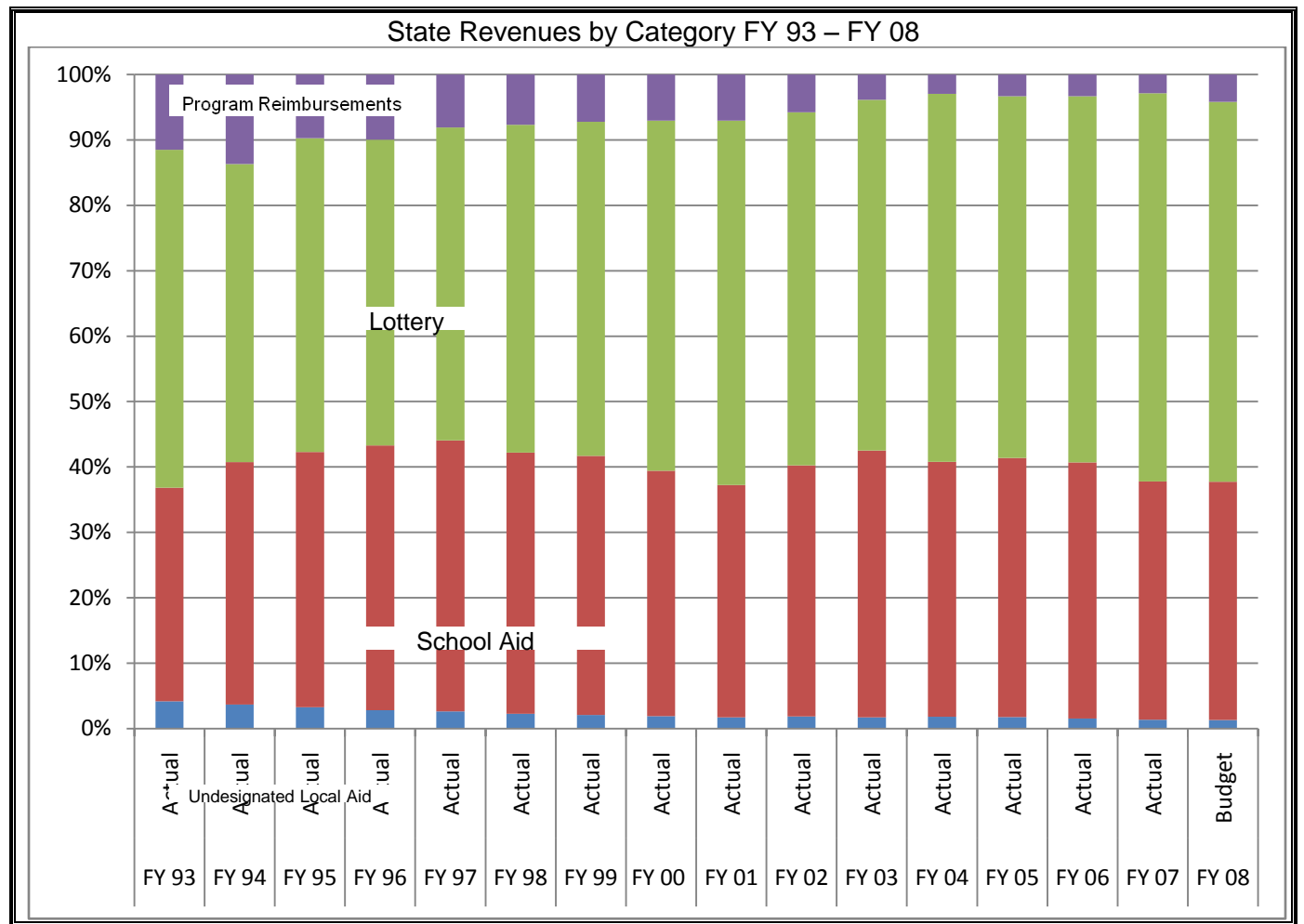
RESOURCES

STATE REVENUES

MISSION STATEMENT: To administer state revenues received for general purposes and purposes related to specific grants.

CONTINUING OBJECTIVES:
To review and monitor Local Aid distributions, the availability of other State and Federal funds and the Local Aid and Education Reform formulas.

SERVICE LEVELS:	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Actual</u>	<u>FY 07 Actual</u>
State revenues as a % of Total Resources	29	26	25	26	28



RESOURCES

STATE REVENUES

		FY 06 Actual	FY 07 Budget	FY 07 Actual	FY 08 Budget	FY 09 Manager	Change FY 08 - 09	Percent Change
Chapter 70	\$	5,572,787	5,933,998	5,933,998	6,158,796	6,343,560	184,764	3.0%
Lottery	\$	7,967,674	9,665,752	9,665,752	9,816,456	10,110,950	294,494	3.0%
Additional Assistance	\$	222,910	222,910	222,910	222,910	222,910	0	0.0%
Other Cherry	\$							
Sheet Revenues	\$	394,231	333,444	377,357	625,493	564,408	(61,085)	-9.8%
Other State Revenue	\$	663,048	689,576	695,156	589,515	599,419	9,904	1.7%
TOTAL STATE & FEDERAL	\$	14,820,650	16,845,680	16,895,173	17,413,170	17,841,246	428,076	2.4%

MAJOR COMPONENTS:

State Revenue – Cherry Sheet	
Lottery	\$ 10,110,950
Chapter 70 School Aid	6,343,560
Additional Assistance	222,910
Abatements	37,272
Veterans Benefits	68,842
Charter School Assessment	104,010
Police Career Incentive	194,059
State-Owned Land	160,225
Subtotal Cherry Sheet	\$ 17,241,828
Other State Revenue	
Public Libraries	\$ 84,282
School Lunch Program	7,289
Election Hours Reimbursement	7,848
Chapter 90	500,000
	\$ 599,419

SIGNIFICANT BUDGET CHANGES:

Assumes Chapter 70 school aid and Lottery Aid increase of 3%. Charter school assessment reimbursement estimated at FY 08 +5% times estimated 60% reimbursement in FY 09 (reduced from 100% in FY 08). All other state aid amounts are level funded. These estimates will be revised as the state budget process unfolds, beginning with the expected release of the Governor's FY 09 state budget proposal on January 23. The Chapter 90 grant program supports street resurfacing and road equipment components of the Capital Plan.

RESOURCES**OTHER FINANCING SOURCES**

MISSION STATEMENT: To make use of sources other than recurring revenues to finance government services and specific major capital projects.

CONTINUING OBJECTIVES:

To transfer appropriate amounts from enterprise funds for services provided by General Fund departments.
To manage debt financing in accordance with the Capital Plan.

FY 09 OBJECTIVES:

To eliminate the use of reserves (Free Cash and/or Stabilization Fund) to balance the FY 09 budget.

SERVICE LEVELS:

	FY 03	FY 04	FY 05	FY 06	FY 07
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
% of Total Resources					
Borrowing Authorization	0	0	0	0	0
Special Revenue Funds	2	2	2	3	3
Stabilization from 10% Plan	0	0	0	0	0
Overlay Reserve Account	0	1	0	0	0
Available Funds	0	0	0	1	1
Surplus Funds:					
Free Cash	3	7	0	3	0
Stabilization	0	0	4	1	2
Other Interfund Transactions	0	0	0	0	0
Jones Inc	1	1	1	1	1

RESOURCES

OTHER FINANCING SOURCES

	FY 06 Actual	FY 07 Budget	FY 07 Actual	FY 08 Budget	FY 09 Manager	Change FY 08 - 09	Percent Change
OTHER FINANCING SOURCES							
Borrowing Authorization	\$ 0	0	0	555,000	0	(555,000)	-100.0%
Special Revenue Funds	\$ 1,435,890	1,771,375	1,771,375	1,619,611	2,008,199	388,588	24.0%
Stabilization Fund from 10% plan	\$ 0	0	0	0	0	0	0.0%
Overlay Reserve Account	\$ 0	0	0	0	0	0	0.0%
Available Funds	\$ 594,632	380,000	380,000	627,766	609,899	(17,867)	-2.8%
Surplus Funds:							
Free Cash	\$ 1,555,443	216,087	216,087	831,423	0	(831,423)	-100.0%
Stabilization Fund	850,000	1,000,000	1,000,000	0	0	0	0.0%
Other Interfund Transactions	\$ 0	0	0	0	0	0	0.0%
Jones Inc	\$ 505,845	534,867	534,867	611,537	611,537	0	0.0%
TOTAL OTHER FINANCING SOURCES	\$ 4,941,810	3,902,329	3,902,329	4,245,337	3,229,635	(1,015,702)	-23.9%

MAJOR COMPONENTS:

Special Revenue Funds – Ambulance
 Available Funds – Community Preservation Act
 Jones, Inc. - Jones Library fundraising, direct expenditures, and prior year state library aid offset

SIGNIFICANT BUDGET CHANGES:

The increase in Special Revenue Funds is attributable to an increase in Ambulance Receipts of \$388,588 to support the Fire Department budget, other administrative support costs (billing, IT, etc.), and capital replacement (new ambulance). Of that increase, \$165,000 from UMass payments was formerly budgeted as an Other Local Source Revenue. Effective in FY 09, all payments from UMass for EMS services are credited to the Ambulance Fund in addition to payments from Hadley, Pelham, Leverett, and Shutesbury. An anticipated ambulance rate increase effective July 1, 2008 is expected to generate an additional \$85,000.

Available funds include a projected \$609,899 in Community Preservation Act funds available for appropriation in FY 09 (December 2007 estimate). Consistent with Finance Committee budget guidelines, no contribution from Free Cash/Stabilization Fund reserves is recommended to balance the FY 09 budget. In FY 08, a total of \$831,423 was appropriated from Free Cash, including \$237,893 to support a 3% Regional Schools budget, \$562, 207 to the Health Claims Trust Fund (to be repaid to General Fund from premium surcharges), and \$31,323 to fund the new Regional Lockup assessment.

Jones Library, Inc. receipts are level funded as an updated budget proposal from the Library Trustees is not anticipated until February.

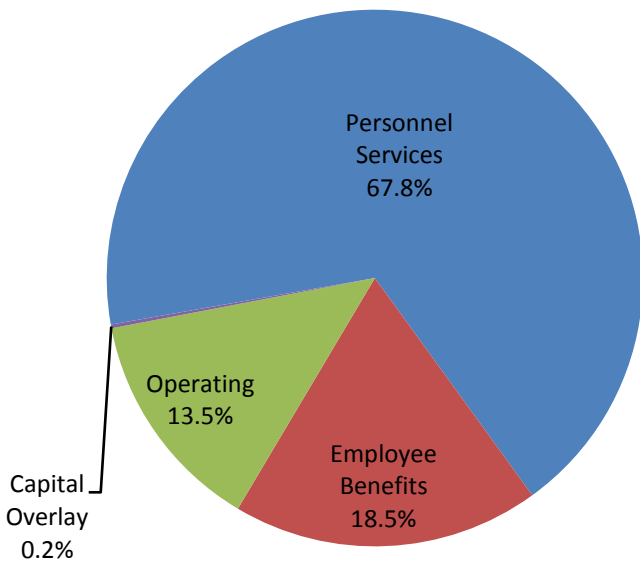
GENERAL FUND EXPENDITURES SUMMARY

	FY 06 Actual	FY 07 Budget	FY 07 Actual	FY 08 Budget	FY 09 Manager	Change FY 08 - 09	Percent Change
General Government	\$ 4,947,475	5,314,392	5,423,700	5,755,139	6,217,525	462,385	8.0%
Public Safety	\$ 7,661,322	8,029,047	8,020,321	7,891,970	8,160,644	268,674	3.4%
Public Works	\$ 1,766,738	1,737,044	1,735,257	1,690,501	1,726,974	36,473	2.2%
Planning, Conservation & Inspections	\$ 770,355	898,047	837,407	871,881	851,853	(20,028)	-2.3%
Community Services	\$ 1,860,817	1,831,363	1,861,638	1,743,604	1,561,386	(182,218)	-10.5%
TOTAL APPROPRIATION	\$ 17,006,705	17,809,893	17,878,322	17,953,095	18,518,382	565,286	3.1%

SIGNIFICANT BUDGET CHANGES:

The proposed FY 09 Town of Amherst General Fund budget is crafted within the 2% guideline established by the Finance Committee, once consideration of new revenue is calculated. The General Fund Budget has increased by 3.1% or \$565,286. The General Fund budget includes new revenue from a variety of sources (primarily Emergency Medical Services and LSSE), efficiencies created by the reorganization of two departments, and the elimination of some services. The reductions in the General Fund budget include the elimination of human service agency funding, the closing of the War Memorial Pool, reorganizations in the LSSE and Conservation/Planning/Inspections Departments, reduction in liability insurance premium, reduction in legal costs, and the reallocation of cost for the Community Development Director's salary to the Community Development Block Grant program. The single largest increase in the General Fund budget is for employee pay and benefits. That increase is \$404,608 and includes an estimated increase in the town's health insurance cost of 12%. The funding plan also assumes the Town levies property taxes to the maximum allowed under Proposition 2 ½, state aid increases of 3%, and no use of reserves to balance the operating budget.

**FY 09 Expenditures
By Type**



**FY 09 Expenditures
By Functional Area**

