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THIS BUDGET

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"BUY RECYCLED" POLICY, THIS BUDGET HAS BEEN
PRODUCED ON RECYCLED PAPER)**

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Town of



AMHERST *Massachusetts*

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January 16, 2014

TO: Select Board
Finance Committee

FROM: John P. Musante, Town Manager

CC: Department Heads

SUBJECT: Town Manager's Proposed FY 15 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, 2014 (FY 15). My recommended FY 15 Town of Amherst Municipal Budget includes the following:

• General Fund	\$20,947,926	+3.4%
• Water Fund	4,256,067	-0.2%
• Sewer Fund	4,152,489	+1.2%
• Solid Waste Fund	491,133	-8.4%
• Transportation Fund	963,795	-4.0%

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. No reserves are utilized to support the budget nor is an override proposed.

This budget proposal assumes that the Town will levy to the property tax levy limit allowed under Proposition 2 ½, or \$44.7 million. New growth added to the levy is estimated by our assessors at \$600,000, which is 114% of our 10-year average for new growth. Both new growth and building permits have been increasing. In addition, I forecast growth in motor vehicle excise tax as sales figures for new cars show improvement over recent years.

There is palpable momentum in the community from two innovative downtown redevelopment and taxable student housing projects. Both will grow our tax base and address community needs.

On October 2, the Planning Board approved development projects by Archipelago Investments that I believe represent the most profound on the ground realizations of the potential embodied in our Master Plan to date. Kendrick Place, in downtown Amherst across from Kendrick Park, will include 44,000 square feet of LEED-certified mixed-use residential on the upper floors and ground floor retail and incubator space for new businesses spinning out from UMass and area colleges. Olympia Place will house approximately 260 beds in suite style dormitory apartments in another LEED-certified complex located near the UMass campus at the end of Olympia Drive. Ground floor space will include an on-site management apartment. Construction is scheduled to begin on both projects in this spring. Other projects of note under or about to be under construction are Ron Laverdiere's mixed-use building in the Pomeroy village center and the Trolley Barn with apartments and ground floor retail in North Amherst.

I have assumed a state aid increase of just 1%. We will know more when the Governor files his proposed state budget next week, to be followed by House and Senate budget proposals. The Town continues to advocate for an increase in state revenue sharing to cities and towns at or above the rate of increase in overall state revenues to fund local education, public safety, human services, roads, and other infrastructure needs.

In conjunction with my budget proposal, I will be submitting recommendations at the Select Board's January 27 meeting to adjust ambulance fees for the first time since 2009 to fund increased firefighter/EMT staffing levels articulated in my spending plan. The Select Board will also be asked to consider adjustments to building inspection fees, up and down, recommended by Building Commissioner Rob Morra, an increase to the rate charged for reserved parking at the Boltwood Garage, and small increases to water and sewer rates.

Proposed Spending Plan

My proposed FY 15 municipal budget is funded at \$20,947,926, an overall increase of 3.4%. It meets the Finance Committee's guideline of a 2.7% increase from FY 14, plus three other adjustments that are related to specific fees tied to specific departments; residential rental property permitting program, the public health nurse, and an updated staffing philosophy of eight firefighters/EMTs per shift. Additional details on these three initiatives are detailed on page 12. My proposal is also responsive to the Select Board's FY 15 Budget Policy Guidelines to the Town Manager dated November 5, 2013 (both documents are included in the Introduction section of the budget). Some budget highlights:

- *The Town of Amherst values maintaining high quality services over time. The FY 15 proposed budget represents an ongoing commitment to fiscal sustainability in a multi-year context. It maintains level services, makes adjustments to deliver services more efficiently and effectively, and includes funding for a handful of strategic investments. It is possible to maintain such high quality services because of the work we have done over the past few years to control health insurance and employee compensation costs and begin to realize growth to our property tax base from downtown redevelopment, taxable student housing, and other village center in-fill development consistent with Master Plan principles.*
- *The Town maintains a commitment to negotiate labor contracts that the Town can afford and sustain. We have signed reasonable and affordable collective bargaining settlements with*

four of the six municipal unions and productive negotiations are ongoing with the other two 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 15 and beyond. I am pleased that we have good labor relations with all of our unions. We have settled contracts that are fair and that the Town can afford. I am also working very closely with the Personnel Board, staff, and an experienced human resources consultant to modernize our compensation plan for non-union employees to position the Town of Amherst as an employer of choice in Western Massachusetts. A final report from the consultant has been received and reviewed with staff. The Personnel Board is likely to vote recommendations in February for the Select Board's consideration. I have included sufficient funds in my budget plan for implementation on July 1, 2014.

- Employee/retiree health insurance rates will remain unchanged in FY 15, in contrast to industry trends. The total health insurance appropriation in the General Fund is virtually level funded from FY 14. 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 34% of the total over the past ten years despite holding these costs steady during the past five years (see "Financial Trend Monitoring Report, October 2013" at www.amherstma.gov/budget). Over the past two years, Town Meeting has voted to put \$1.4 million into the Other Post-Employment Benefits (OPEB) trust fund for the Town, including the School Department. In the FY 15 budget, we will for the first time appropriate funds for the Town and Schools for OPEB in the regular budget. In the Water and Sewer Departments, we will continue to cover their Annual Required Contributions for OPEB, an amount that funds its approximate 15% share of the Town's long-term liability.*
- General Government increases by a modest 0.5%. Most departments have personnel cost increases to fund steps and COLAs. There is a drop in the Employee Benefits budget, because most the collective bargaining contracts have settled, so there is no separate salary reserve set aside, instead funds for the remaining unsettled labor contract reside in the departments. The Select Board/Town Manager and the Town Meeting/Finance Committee budgets are level funded, except for staff personnel salary increases. The Finance Department budget increases 2.7% and will focus on further deploying paperless billing, an electronic employee services systems, and regionalized assessing services. Finance Director Sandy Pooler, in collaboration with the Collins Center at UMass Boston, has launched our AmherstStat program with initial focus on developing DPW, Police, and Fire Department performance measures. The Town has applied for another grant to collaborate with other Massachusetts college towns to develop performance measures for relevant policy and service areas. The Human Resources and Human Rights Department will focus on increased use of Employee Self Service with electronic time sheets, and updated Town policies on vehicle use and mobile technology. It will update the Affirmative Action Plan to reflect current Human Rights philosophy and goals. The Town is aggressively taking steps to transform our Information Technology Department from a traditional cost center to a more entrepreneurial "productivity center" under the leadership of IT Director Kris Pacunas and*

his very talented staff. The Department will continue to enhance the Town's use of integrated, user friendly software between departments to increase productivity and customer service. It has applied for several grants to allow Amherst to expand its regionalization efforts with neighboring cities and towns. Each of these initiatives will generate revenues that leverage the Town's capital investments in its IT infrastructure. The increase in *Elections* budget is due to having a State primary and general election in FY 15, two more than in FY 14. The *Facilities Maintenance* budget increases by \$10,000 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 \$20,634 to account for rising insurance costs.

- *Public Safety services (Police, Fire/EMS, Communications, and Animal Welfare) remain at close to current service levels in the recommended budget of \$9.5 million, an increase of 4.7%.* 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, 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. The *Police Department* will continue its involvement with the Safe and Healthy Neighborhoods program and with its successful implementation of a sector-based patrol system. The *Fire Department* budget will increase by 5.9% to achieve a staffing philosophy of eight persons per shift during the academic year (up from seven), as reflected in the new collective bargaining agreement. This increase will be funded by the Ambulance Fund and no increase in authorized staffing is necessary or recommended. This is the second academic year that UMass has generously agreed to pay the increased staffing costs for two additional paramedic-level ambulances on peak high call volume weekends in the spring and fall during the academic year. In consultation with UMass, I expect this partnership to continue next year and beyond. I will also continue to work with UMass and others in the community on ways to reduce EMS call volume.
- *Public Works services will be preserved at current levels.* 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 it will complete the three-year program to plant 2,000 public shade trees to reduce pollution, beautify our community, and reverse a twenty-plus year trend of net loss of hundreds of street trees. The *Highway Division* budget has been modified to restore funding for some employees. 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 an additional \$10,000 to this budget, over and above the \$60,000 I restored in FY 14, the Division can perform more routine springtime maintenance such as pothole repairs, minor sidewalk repairs, roadway shoulder repairs, drainage system repairs, and equipment maintenance and preservation.

- *Conservation and Development budgets are recommended to increase by \$133,882 (13%) because of new Rental Property Registration staffing and replacing CDBG funding for program and administrative staff.* The Residential Rental Property Permitting Program Bylaw became effective January 1, 2014 per recommendations from the Safe and Healthy Neighborhoods Work Group and approval by Town Meeting last spring. The FY 15 budget has the first full year of funding for the program. To obtain a rental permit an owner or their representative will register the property, submit a parking plan, self-certify to compliance with health, safety, fire, noise, and nuisance regulations of the Commonwealth of Massachusetts and the Town of Amherst, and pay a Rental Permit fee of \$100 for each property. The FY 15 budget also contains funds to move staff who had been funded by the federal Community Development Block Grant (CDBG) to the Town's General Fund. The Town will reapply for a CDBG grant for social services and affordable housing preservation in FY 15. We expect to hear about that funding by June, 2014. As I did last year, I may recommend a special article to be considered at Annual Town Meeting for funding social services currently funded partially by CDBG. Conservation, Planning, and Inspections services staff are in their fifth full year operating as a consolidated functional area on the second floor at Town Hall. The *Inspections Department* will continue its efforts to use on-line permit applications and scanned documents to reduce paperwork and increase response time of permit applications. The *Planning Department* will continue to work with citizens and Town boards to pursue rezoning of Amherst's village centers in an environmentally and economically sustainable way. Rezoning will address housing, economic development, transportation, and other needs. The *Conservation Department*, headed by the Assistant Town Manager David Ziomek, will work to enhance opportunities for farmers to use conservation land to grow more local food. He and I are working aggressively with the Commonwealth's Department of Housing and Community Development (DHCD), the Massachusetts Housing Partnership (MHP), the Town's Housing and Sheltering Committee, current owners, and the affordable housing community to preserve affordable units at Rolling Green and Echo Village Apartments. Staff have submitted a local Community Preservation Act request for \$750,000 for long-term preservation of affordable housing units at Echo Village and/or Rolling Green. DHCD also encouraged us to apply for CDBG funds by its February 14 deadline for the same purposes, and I intend to do so. Mr. Ziomek is also co-chairing the Town-Gown study committee that will work this spring with a consultant jointly funded by the Town and UMass who will focus on neighborhood stressors, housing, economic development needs, and other short-term and long-term opportunities.
- *I am recommending that Community Services budgets increase slightly by 1.9%, to a total of \$1.8 million.* The *Health Department* continues its successful program of sharing a Sanitarian position with the City of Northampton. It has hired a part-time public health nurse. While I am not ready yet to make a final decision, I am continuing to actively explore with the Hilltown Community Health Center, Cooley Dickinson Hospital, and many human service professionals the potential for siting a satellite Community Health Center in downtown Amherst, potentially in the Bangs Community Center. It would fill an important community need for primary care, including dental, for underserved populations in our community. The Bangs Community Center already offers programs and services to seniors, veterans, and other underserved populations and co-locating a Health Center there could

enhance services to these groups and others. I have added funds to the *Senior Center* budget to increase the hours of the social worker there, who performs home visits and counsels seniors and their families. I am grateful to the Friends of the Senior Center, a non-profit organization, for ongoing financial support 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 \$11,400 to fully fund the assessment form the regional Veterans' Services district. 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. It will continue its involvement with the joint Town-School Afterschool program that provides structured play and learning time for 250+ children each afternoon. This program is funded through a revolving fund, supplemented by a \$40,000 appropriation from the General Fund and funds from the Amherst Public Schools. LSSE continues to offer a diverse array of youth sports, camps, after school, and adult education programs. The *Municipal Pools* budget will be level funded. Utilizing information gathered from the community through a series of citizen focus groups, LSSE will implement recommended changes to pool operations including reducing the daily use fee to encourage increased usage by individuals and families this summer. The Mill River pool will reopen with new shade structures and other facilities improvements. The 9-hole *Cherry Hill Golf Course* budget increases by \$1,197 (+0.5%). In addition to offering one of the best values in Western Massachusetts it will expand its winter programming and take proactive steps to create a more open and friendly environment that allows compatible programming on the shoulder months of the golf season. The golf course will cover its operating and employee benefits costs entirely from user fees.

- *The Water Fund budget of \$4,256,067 is recommended to decrease by 0.2%, and water rates are recommended to increase modestly.* The current water rate is \$3.50 per 100 CF, and an increase is of \$0.05 per 100 CF is recommended for FY 15. The small rate increase will fund normal operating cost rises and increased debt costs due to the Pine Street project. Pine Street water/sewer improvements deal with issues in North Amherst that have been around for more than 15 years. In 2014, the remaining length of water/sewer lines will be installed from North Pleasant Street past East Pleasant Street and the railroad tracks to Henry Street. Cash capital spending on water system improvements is lower in FY 15. No Water Fund Surplus will support this budget. This budget includes an appropriation for the second 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 \$4,152,489 is recommended to increase by 1.2% to support operating and capital expenses of the Town's sewer system. The sewer rate is recommended to increase by \$0.10 to \$3.65 per 100 cubic feet, which would result in a \$12 annual increase (+2.8%) to the sewer bill of the average four-person household in Amherst.* No funds will be appropriated from Sewer Fund Surplus to support this budget; this is a reduction of \$242,668 in the use of surplus since the FY 13 budget. The Sewer Department will complete the construction of the Harkness Road project and will complete Phase I 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. It will investigate and promote water reuse when it is environmentally compatible, such as the reuse of treated effluent at the new central heating plant and athletic fields at UMass. Town water and sewer rates remain well below many of our nearby communities and the state average. This budget includes an appropriation for the second of an ongoing series of contributions to the OPEB Trust Fund for the retiree health insurance costs of this department. Together, Water and Sewer Fund contributions to the OPEB Trust Fund represent approximately 15% of the annual required contribution by the Town to fully fund this liability over time.

- *The Solid Waste Fund budget of \$491,133 decreases by \$44,762 (-8.4%).* The decrease is attributable to lower tipping fee payments due to lower tonnage of waste being disposed of at the transfer station. The Department will also focus on increasing both the recycling rate and the revenue it derives from the sale of recyclable materials. 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 \$963,795 decreases by \$40,639 (-4.0%).* It supports the operating and capital costs of the Town's public parking system, the Town's apportionment of costs for the PVTA bus system and outreach routes, and the third year of a contribution (\$30,000) 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. In my dual roles as Town Manager and chair of the PVTA Advisory Board, I continue to work with community stakeholders including the Town's Public Transportation and Bicycle Committee and the Amherst Survival Center to offer input to the PVTA's Comprehensive Service Analysis of regional public bus transportation services, including suggestions to modify or enhance bus service in Amherst and the region for possible implementation in FY 15.

If additional funds become available, I have prepared a prioritized list of budget restorations and additions (see page xii). They are:

- \$62,908 for a *Police patrol officer* (salary and benefits). If savings are realized for FY 15 from the pending completion of the Regional Dispatch Study for the Towns of Amherst, Hadley, and Pelham, I recommend that the first \$62,908 of such savings be reinvested in public safety via the addition of a patrol officer for the downtown beat. Staffing levels do not currently allow for an officer assigned to downtown and many other sectors within town. Successful problem oriented policing with sector based assignments require a commitment to additional staffing. It is my goal to have a specific proposal ready for consideration by the Select Board and Finance Committee in advance of the Annual Town Meeting.
- \$77,100 for an *Economic Development Director* (salary and benefits). A greater focus on increasing the housing supply and expanding the tax base to include a higher percentage of commercial property have been identified by the Select Board and others as high priorities.

We need someone to connect all the dots, from need to opportunity, to bringing together all the right people to process 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. I continue to explore opportunities with potential partners to fund this effort. There is also an opportunity to coordinate this initiative with our recently launched Town-Gown Study with UMass.

- \$62,564 for an *IT Software Systems Administrator* (salary and benefits). If a Community Innovation Challenge grant is awarded to Amherst in February 2014, the Town would utilize these funds from the grant for this needed position to focus on MUNIS user support and training needs.
- \$65,506 to restore the remaining funds to the *Public Works Highway Division budget* for the employees funded through project funding i.e., capital appropriations or state grants, such as Chapter 90. This will allow the Division to perform more routine springtime maintenance such as pothole repairs, minor sidewalk repairs, roadway shoulder repairs, drainage system repairs, and equipment maintenance and preservation.
- An unspecified amount of funds to further increase the share of the tax levy earmarked for Town, school, and library capital needs to an amount greater than the current level of 7%. Each increase in levy share of +0.5% equals approximately \$200,000. There remain many capital needs including, but not limited to road and sidewalk improvements.

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 your support to me and all Town staff and your 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, committee volunteer, citizen, Town Meeting member, our partners in the business community, and our three world class higher education institutions who contribute each day to make Amherst a great place to live and work. Our extraordinarily talented department heads have strived with the support and involvement from the community 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 15 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS

TOWN OF AMHERST - TOWN MANAGER'S PROPOSED FY 15 MUNICIPAL BUDGET Date Last Revised: 16-Jan-2014
FY 15 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS IF FUNDS AVAILABLE*

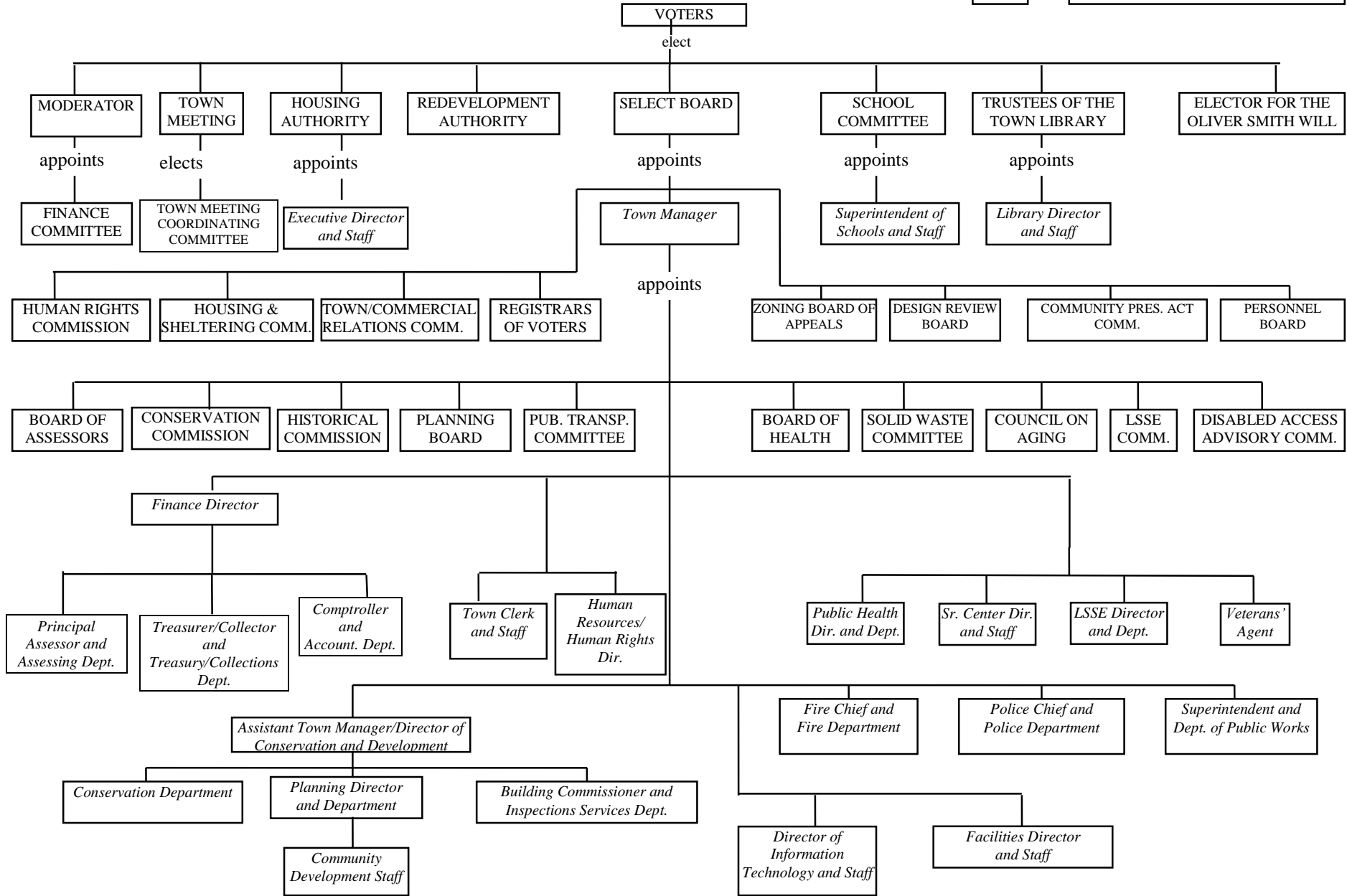
DRAFT - For Discussion Purposes Only

Department	Description	# FTE	Personnel Services	Employee Benefits	Operating Expenses	\$ Total	Cumulative Restore/Add	Manager Budget	Change FY 13 - 14
								20,947,926	3.4%
								Recommended	
Police	Downtown Police Officer (Funded from savings from Regional Dispatch)	1.00	52,147	10,761		62,908	62,908		
Town Manager	Economic Development Director	1.00	66,339	10,761		77,100	140,008		
IT	Munis Support Staff (Funded from State CIC grant, if awarded to Town)	1.00	51,803	10,761		62,564	202,572		
DPW	Eliminate staff funding reliance on project and capital funds		65,506			65,506	268,078	21,216,004	4.7%

** 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.*

**TOWN OF AMHERST
ORGANIZATION CHART (as of 1/16/14)**

Staff ELECTED AND APPOINTED BOARDS,
COMMISSIONS AND COMMITTEES



CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

	FY 15 General Fund	FY 15 Community Preserv. Act	FY 15 Water Fund
REVENUES			
Property Tax	44,892,428	TBD	0
Local Receipts	8,009,275	0	4,256,067
State Aid	14,203,240	TBD	0
Other Financing Sources	3,398,012	TBD	0
TOTAL REVENUES	70,502,955	0	4,256,067
EXPENDITURES			
<u>OPERATING BUDGET</u>			
Town	20,947,926	0	3,009,075
Elementary Schools	TBD	0	0
A-P Regional School District (Assessment)	TBD	0	0
Jones Library (Tax Support)	TBD	0	0
Subtotal OPERATING BUDGET	20,947,926	0	3,009,075
<u>CAPITAL BUDGET</u>			
Debt Service - Debt Exclusion	171,480	0	0
Debt Service - Current	1,591,332	TBD	365,850
Debt Service - Projected	266,900	0	0
Cash Capital (Tax Support)	1,272,234	0	0
Subtotal Tax Funded Capital	3,301,946	0	365,850
Community Preservation Act	0	TBD	0
Cash Capital (Non-Tax Support)	0	0	220,000
Subtotal CAPITAL	3,301,946	TBD	585,850
<u>MISCELLANEOUS</u>			
Assessment - Retirement System	4,204,149	0	206,363
Assessment - Regional Lockup Facility	31,323	0	0
Other	0	0	0
Reserve Fund	100,000	0	0
Subtotal MISCELLANEOUS	4,335,472	0	206,363
Total APPROPRIATIONS	28,585,344	TBD	3,801,288
<u>UNAPPROPRIATED USES</u>			
Reserve for Abatements & Exemptions	447,209	0	0
State Assessments (Cherry Sheet)	2,113,756	0	0
Cherry Sheet Offsets	293,170	0	0
Other Amounts to be Raised	15,673	0	454,779
Subtotal UNAPPROPRIATED USES	2,869,808	0	454,779
TOTAL BUDGET PLAN	31,455,152		4,256,067
\$ Change from Prior year			(6,820)
% Change from Prior Year			-0.2%

CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

FY 15 Sewer Fund	FY 15 Solid Waste Fund	FY 15 Transportation Fund	FY 15 COMBINED FUNDS (memo only)	FY 14 COMBINED FUNDS (memo only)
0	0	0	TBD	43,693,274
4,152,489	476,530	963,795	TBD	17,341,402
0	0	0	TBD	14,136,123
0	14,603	0	TBD	3,440,607
4,152,489	491,133	963,795	0	76,895,944
2,953,117	452,278	744,940	28,107,336	27,353,909
0	0	0	TBD	21,989,199
0	0	0	TBD	14,158,830
0	0	0	TBD	1,741,512
2,953,117	452,278	744,940	28,107,336	65,243,450
0	0	0	171,480	213,522
404,304	0	57,625	2,419,111	2,510,983
0	0	0	266,900	20,000
0	0	0	1,272,234	1,434,290
404,304	0	57,625	4,129,725	4,178,795
0	0	0	TBD	438,395
240,000	0	20,000	480,000	663,000
644,304	0	77,625	4,609,725	4,841,795
206,148	38,855	40,847	4,696,362	4,386,613
0	0	0	31,323	31,323
0	0	0	0	0
0	0	0	100,000	100,000
206,148	38,855	40,847	4,827,685	4,517,936
3,803,569	491,133	863,412	37,544,746	74,603,181
0	0	0	447,209	430,898
0	0	0	2,113,756	1,969,638
0	0	0	293,170	271,365
348,920	0	100,383	919,755	895,866
348,920	0	100,383	3,773,890	3,567,767
4,152,489	491,133	963,795	78,170,948	
51,136	(44,762)	(40,639)		
1.2%	-8.4%	-4.0%		

POSITIONS IN FULL TIME EQUIVALENTS

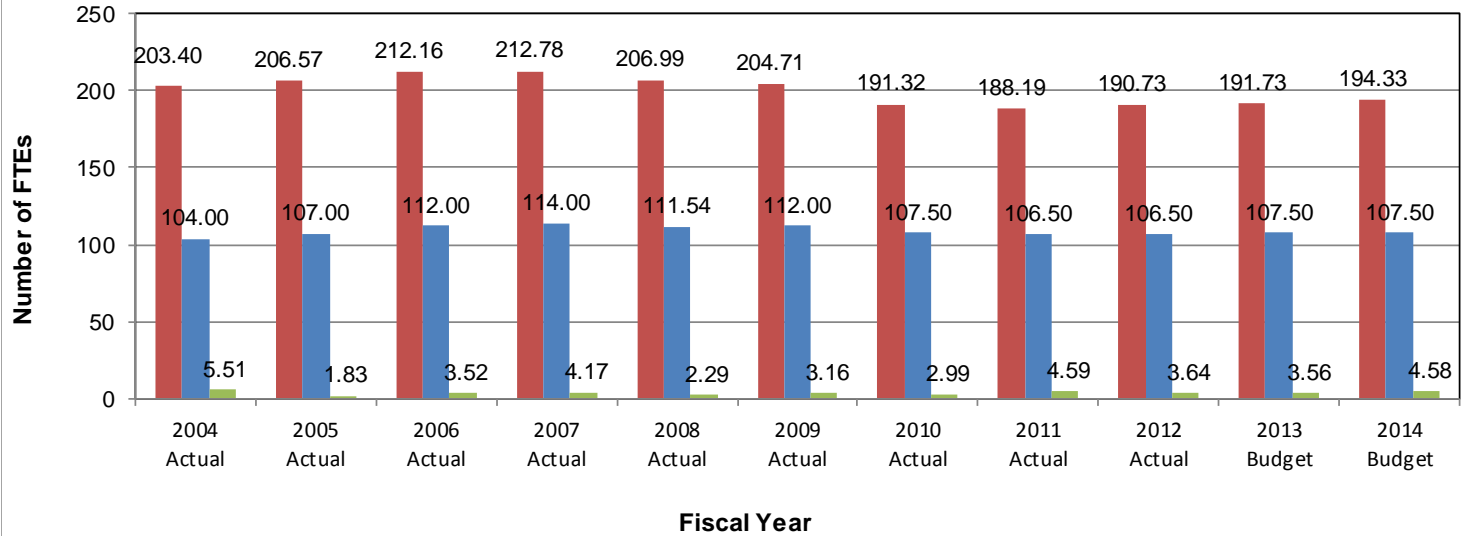
Department	FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Actual	FY 14 Budget	FY 15 Manager	Change FY 14 - 15
MUNICIPAL BUDGET							
Select Board/Town Manager	2.50	2.50	2.50	2.50	2.50	2.50	0.00
Finance	13.00	13.00	13.00	13.00	13.00	13.00	0.00
Human Resources/Human Rights	1.50	1.50	1.50	1.50	1.50	1.50	0.00
Information Technology	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	0.00
Elections/Registration	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facilities Maintenance	4.88	4.88	4.88	4.88	4.88	4.88	0.00
TOTAL GENERAL GOVERNMENT	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	0.00
Police	47.50	47.50	47.50	47.50	47.50	47.50	0.00
Fire/EMS	46.00	46.00	46.00	47.00	47.00	47.00	0.00
Communications Center	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	0.00
TOTAL PUBLIC SAFETY	107.50	106.50	106.50	107.50	107.50	107.50	0.00
Public Works Administration	3.40	3.73	3.73	3.73	3.36	3.36	0.00
Highway	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	0.00
Town Cemeteries	0.50	0.50					0.00
Parks and Commons	4.50	4.50					0.00
Tree Care and Pest Control	1.50	1.50					0.00
Tree and Ground Maintenance			7.50	7.50	7.50	7.50	0.00
TOTAL PUBLIC WORKS	25.90	26.23	27.23	27.23	26.86	26.86	0.00
Conservation	3.83	3.63	4.30	4.30	4.30	4.50	0.20
Planning Department	4.00	3.35	3.82	3.82	3.82	4.80	0.98
Inspections	3.00	3.00	5.00	5.00	8.00	8.00	0.00
TOTAL CONSERVATION & DEVELOPMENT	10.83	9.98	13.12	13.12	16.12	17.30	1.19
Public Health	4.34	4.00	4.00	4.00	4.54	4.54	0.00
Senior Center	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Community Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Veterans' Services & Benefits	0.60	0.00	0.00	0.00	0.00	0.00	0.00
Leisure Services & Supplemental Education	8.82	6.45	6.45	6.45	6.45	6.45	0.00
Pools	0.00	2.00	0.20	0.20	0.20	0.20	0.00
Golf Course	1.05	1.35	1.35	1.35	1.35	1.35	0.00
TOTAL COMMUNITY SERVICES	17.81	16.80	15.00	15.00	15.54	15.54	0.00
TOTAL GENERAL FUND	190.92	188.39	190.73	191.73	194.90	196.08	1.19
Water Supply and Distribution	15.08	16.15	16.98	16.48	17.98	17.98	0.00
TOTAL WATER FUND	15.08	16.15	16.98	16.48	17.98	17.98	0.00
Sewer Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Wastewater Treatment Plant	15.50	15.83	15.33	15.83	16.33	16.33	0.00
TOTAL SEWER FUND	17.50	17.83	17.33	17.83	18.33	18.33	0.00
Sanitary Facilities	3.60	4.00	4.00	4.00	3.40	3.40	0.00
TOTAL SOLID WASTE FUND	3.60	4.00	4.00	4.00	3.40	3.40	0.00
Parking Facilities	4.00	4.12	4.20	4.20	4.20	4.20	0.00
TOTAL TRANSPORTATION FUND	4.00	4.12	4.20	4.20	4.20	4.20	0.00
TOTAL	231.10	230.49	233.24	234.24	238.81	239.99	1.19

POSITIONS IN FULL TIME EQUIVALENTS

13 - Municipal Staffing Levels

Municipal Staffing Levels Full Time Equivalent Employees

■ ALL DEPTS
 ■ PUBLIC SAFETY
 ■ Grant Positions



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

The Town has reduced its workforce by 18.45 positions since FY07, or -9.1%. Public Safety personnel have decreased by 5.5 FTEs, or -6.3%, while non-public safety positions have been reduced by 11.95 FTEs, or -12%.

Town of



AMHERST *Massachusetts*

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SELECT BOARD
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To: John Musante, Town Manager
From: Stephanie O’Keeffe, Select Board Chair
Date: November 5, 2013
Re: FY15 Budget Policy Guidelines

At our Monday, November 4, 2013 meeting, the Select Board unanimously approved the following Budget Policy Guidelines for FY15.

OVERALL PHILOSOPHY AND KEY CONCERNS FOR FY15: Overall fiscal sustainability is the primary budget goal, so budgets including the FY15 revenue and expenditure plans must be viewed in a multi-year context. Growth in state aid continues to lag the growth in ongoing expenses, and recovery from the recession remains slow. We continue to believe that the Town’s reserve funds must not be used to bridge that gap: recurring expenses require recurring revenue sources. We support maintaining a level services budget to the degree that is possible, while recognizing that there may be opportunities to address key priorities which could justify additional spending, and those would require due consideration. Some key concerns and notes:

- Amherst’s heavy reliance on residential property taxes to fund Town services, our low housing production rate and high housing demand have consequences, including: high housing costs, pressures to convert low-income housing to market-rate rentals, and loss of socio-economic diversity among Amherst families. Increasing the housing supply, especially for those in demographic categories currently being squeezed out, and expanding the tax base to include a higher percentage commercial property, are high priorities. The Select Board supports thoughtful actions in support of these goals.
- We are fortunate again this year, thanks to Town staff’s and Town Meeting’s fiscal discipline, to not have to request a Proposition 2 ½ override from the voters for FY15. That was last sought in 2010 for FY11, when voters approved a \$1.68 million override, which the Town was able to phase in over two years.

- Funding of the winter shelter remains a critical need this year, and whether there is an expectation for that program to maintain or reduce its dependence on Town funds in the future needs clarity going forward. A plan for addressing the loss of Community Development Block Grant (CDBG) funds is still needed, including the loss of those funds for capital projects and Town staff support, and must include discussions of whether and how it is practical to continue providing support for local human service agencies without that grant.
- Finding ways to address concerns about adequate responsiveness to citizen inquiries and requests for Public Works services, and the timeliness of Public Works projects is being pursued on multiple fronts, and we include reference to that here in case it has broader budgetary effects for consideration.
- Revenue in excess of that necessary to support level services and any justified additional spending 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 that there will be benefits from predictable power costs provided by comprehensive solar project/s, should those come to fruition. 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 10.24%. 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 are optimistic that the fees to be collected as part of the new Rental Permitting Bylaw's implementation will be sufficient to cover the program's costs, and we encourage close attention to that to determine if adjustments are necessary to ensure adequate resources for this important initiative. 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 transit infrastructure. Additionally, we support advocating for increased State revenues, including vital and sustained increases in transportation funding, as well 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 (recognizing that we can apply for these, but we no longer have "mini-entitlement" status,) 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. In support of a key community concern, we would like to see additional money put toward road paving. Additionally, the Select Board requests updated assessments about the relative priority of addressing significant capital considerations such as a new fire station or parking facility. 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.



Amherst Massachusetts

FINANCE COMMITTEE

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November 4, 2013

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

From: Finance Committee

Re: Preliminary Fiscal Year 2015 Budget Guidelines

The Finance Committee asks you to develop operating budgets with an increase in Town support of 2.7%. That includes the Amherst Regional School assessment and the library's revenue from the Town. The budget increase for the Regional School District will then be determined by the assessment method and the current 5-year rolling enrollment average. The actual amounts preliminarily proposed that the Town will raise and appropriate for each budget area are set forth at the top of Page 2 of the General Fund Financial Projections, attached to these guidelines. We ask that the Library Trustees establish a budget as they determine to be appropriate with this projected increase in Town operating support.

These are preliminary budget guidelines, based upon the projections that Finance Director Sandy Pooler presented to all of us on October 17. These projections are reasonable. Nevertheless, there is a need to be cautious. As we look ahead to FY15, there is some uncertainty.

Revenue

Pooler projected an overall revenue increase of 3.1% from FY14. 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 1.0%. Every year this is an area of uncertainty. Decisions made in Washington could have an impact on the state budget and the funds it can share with local governments. After the recent federal government shutdown, Congress postponed the decision on the budget until February. The House of Representatives may insist upon reductions in entitlement program funding. While it is impossible to predict an outcome, there is a possible effect on state revenue. Some of the largest transfers from the federal to state budgets are for entitlement programs including Medicaid. Also, the state budget is developed after the Executive Office of Administration and Finance and the Chairs of the Ways and Means Committees reach consensus on a revenue estimate for the state. That estimate considers revenue history and economic trends that may

affect income and sales taxes. Information about the federal budget and state revenue projections will influence the Governor's budget recommendation and legislative decisions. The 1.0% projection is cautious and we are comfortable with that assumption for the purposes of preliminary budget guidelines.

At the Four Boards Meeting on October 17, the Finance Director also estimated revenues for FY15 from local receipts and other financing sources. Local receipts are estimated to increase by 4.3%, and other financing sources to increase by 0.5%. The committee notes that the increase in local receipts is due to some one-time factors; similar increases are not projected for subsequent years. We are comfortable with the FY15 projection and include that amount in the revenue available for the year for which we are developing a budget.

In addition to the uncertainty about state aid, there is another reason to exercise caution. The 2013 Community Development Block Grant (CDBG) included transition funds after the town lost its Mini-Entitlement status for the 2013 grant year. The Town will now have to apply for a competitive grant, and the Town Manager cannot establish a budget that assumes CDBG revenue. The Block Grant has provided funding for administrative expenses, capital projects, and human services. The committee will consider the effect of this change when the Town Manager presents his budget in January. We will consider the needs of the town as a whole, including municipal functions, education, and libraries, as we develop final budgets.

These are 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. As the budget process continues, this Committee, with 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 capital budget includes debt service obligations and capital projects funded from current revenues. The Town's Financial Policy specifies that the annual capital budget should equal 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, 7.2% of the tax levy was allocated to that purpose. Then the allocation decreased to 5.64% in FY11. In FYs 12 and 13 we used 6.5% of tax levy for capital projects allocated through the Joint Capital Planning Committee (JCPC), including debt service on capital expenses funded by borrowing. In FY14, the capital budget equaled 7% of the tax levy, and we propose using 7% of the levy for capital expenses in FY15. Because of the amount for debt service on several projects financed by borrowing in recent years, the dollar amount available for cash capital purchases in FY15 will decrease.

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

Other Post-Employment Benefits (OPEB)

We propose including an allocation of \$100,000 to the OPEB Trust in the budget. The June 30, 2012, actuary report estimated our liability at \$93.7 million. By law, we are required to fund pensions, but as of now, not our OPEB obligation. We have begun to put money into the OPEB Trust, including \$585,342 at the Fall 2012 Special Town Meeting and from Amherst's share of the Medicare Part D reimbursements we receive because we provide drug benefits to retirees through our health plan. Given the size of our OPEB obligation, the allocation of \$100,000 seems inconsequential. However, it is important that Town Meeting recognize this debt and assume responsibility by allocating funds for that purpose. Furthermore, Standard and Poor's included this unfunded liability in its last assessment of the Town's credit worthiness. A representative from that company speaking at the October 19, 2013, annual meeting of the Association of Town Finance Committees said that it considers an OPEB funding plan as an essential factor in rating bonds. If we do nothing, we place our AA rating at risk. With a solid and funded plan, Standard and Poor's might upgrade the Town to AAA and reduce future borrowing costs. This is not the reason we recommend allocating OPEB funds, though that is a benefit. Whether or not the loan rates are reduced, the obligation to pay the health insurance costs for our retired employees remains. Given the trend in federal and state budgets, we cannot expect significant help to meet that obligation. We must recognize that in prior years, the Town inflated its budget by making a promise to its employees to provide health care and life insurance after they retire without setting aside funds to do so. It is sound financial policy to take steps to do so now.

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, 2013 at \$4,738,976. At that time the Stabilization Fund had a balance of \$2,915,976, for a total reserve fund balance of \$7,654,952, 11.2% of FY14 revenues. This committee will propose that the November 4 Special Town Meeting allocate some of the free cash, the amount greater than 5% of General Fund operating revenues, to the Stabilization Fund. That action will not affect the total reserves.

The Committee believes that the Town is entering a period when there will be, at best, annual revenue growth of 2.8%. With the uncertainty about state aid for FY15, it would not be wise to use any reserves to fund recurring expenses in FY15. 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; to leverage outside revenue in order to maintain existing core services; and for limited, unforeseen and nonrecurring expenses. At the 2013 Annual Town Meeting, \$90,000 was allocated from Free Cash for social services because of the reduction of the Community Development Block Grant that had supported these services, and because of the lack of time to develop a new spending plan for the activities deemed the highest priorities by the Community Block Grant Advisory Committee. An additional \$30,000 in Free Cash was allocated to a one-time Town-Gown Strategic Planning Process conceived by University of Massachusetts Chancellor Subbaswamy and Town Manager Musante just prior to Town Meeting. These amounts are not included in the FY14 budget used to determine the 2.7% increase for municipal functions in FY15.

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 FY15, the effect that a 2.7% 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. It will also 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 five part budget narrative:

1. Budget and Finance Committee recommendation
2. Basic Functions
3. Summary for the next fiscal year, the year for which a budget is considered, including changes from the current year
4. Full-time-equivalent employees for the next fiscal year, showing change from the current year
5. 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 January 21. 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 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 revenues will improve in FY15, but only modestly. The challenge to find creative 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

Douglas Slaughter 253-9920

Andrew Steinberg, Chair 549-6826

Sarah Swartz, 362-2000

Marylou Theilman, 253-7980

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

DRAFT

**For Discussion Purposes Only
FY 15 Town Manager's Forecasted Budget
Assumptions**

	FY 13 Recap	FY 13 Actual	FY 14 Budget	FY14 Recap	FY 15 Projected	\$ Chg	% Chg	FY 16 Projected	% Chg	FY 17 Projected	% Chg	
REVENUES												
PROPERTY TAX												
Base Levy	40,045,691	40,045,691	41,550,978	41,550,978	43,044,827	1,493,849	3.6%	44,720,948	3.9%	46,438,972	3.8%	Levy limit prem previous year
2.5% Allowable Increase	1,001,142	1,001,142	1,038,774	1,038,774	1,076,121	37,347	3.6%	1,118,024	3.9%	1,160,974	3.8%	
Estimated New Growth	504,145	504,145	500,000	455,075	600,000	144,925	31.8%	600,000	0.0%	600,000	0.0%	FY04 - FY14 avg \$560,628
General Override	0	0	0	0	0	0		0		0		
Levy Limit	41,550,978	41,550,978	43,089,752	43,044,827	44,720,948	1,676,121	3.9%	46,438,972	3.8%	48,199,946	3.8%	
Debt Exclusion	259,374	259,374	213,522	213,522	171,480	(42,042)	-19.7%	125,378	-26.9%	83,239	3.6%	High School debt
Maximum Allowable Levy	41,810,352	41,810,352	43,303,274	43,258,349	44,892,428	1,634,079	3.8%	46,564,350	3.7%	48,283,185	3.7%	
Excess Levy Capacity	(10,626)	(10,626)	0	(4,291)	0	0		0		0		
Subtotal PROPERTY TAX	41,799,726	41,799,726	43,303,274	43,254,058	44,892,428	1,638,370	3.8%	46,564,350	3.7%	48,283,185	3.7%	
LOCAL RECEIPTS												
Motor Vehicle Excise	1,423,750	1,488,012	1,584,344	1,484,344	1,521,453	37,109	2.5%	1,559,489	2.5%	1,598,477	2.5%	Car sales data shows increased sales.
Hotel/Motel and Meals Excise	640,000	745,008	673,297	733,297	751,629	18,332	2.5%	770,420	2.5%	789,680	2.5%	Assumes modest growth in meals tax
Penalties and Interest	198,125	216,058	208,125	208,125	208,125	0	0.0%	208,125	0.0%	208,125	0.0%	Relies on only recurring department revenue
PILOT	935,958	941,877	940,958	940,958	944,358	3,400	0.4%	944,358	0.0%	944,358	0.0%	Largest source is Enterprise Funds PILOTs
Rentals	78,500	85,729	78,500	83,000	81,500	(1,500)	-1.8%	81,500	0.0%	81,500	0.0%	FY13 Survival Center moved
Departmental Revenue	1,158,385	1,484,745	1,162,385	1,201,209	1,249,420	48,211	4.0%	1,249,420	0.0%	1,249,420	0.0%	Relies on only recurring department revenue
Licenses and Permits	797,550	1,109,086	939,798	968,441	1,134,534	166,093	17.2%	1,134,534	0.0%	1,134,534	0.0%	Upturn in building permits plus Rental Registration
Special Assessments	675,215	649,540	575,292	583,126	728,688	145,562	25.0%	728,688	0.0%	728,688	0.0%	PVTA assessment from UMass/5 College Inc.
Fines and Forfeits	227,033	269,229	227,033	227,033	227,033	0	0.0%	227,033	0.0%	227,033	0.0%	Relies on only recurring department revenue
Investment Income	75,000	76,094	70,000	70,000	70,000	0	0.0%	70,000	0.0%	70,000	0.0%	Lower interest rates
Miscellaneous	1,226,491	1,249,408	1,123,341	1,123,341	1,092,535	(30,806)	-2.7%	1,092,535	0.0%	1,092,535	0.0%	Amherst College, Charter/Choice reimbursements
Subtotal LOCAL RECEIPTS	7,436,007	8,314,786	7,583,073	7,622,874	8,009,275	386,401	5.1%	8,066,102	0.7%	8,124,350	0.7%	
STATE AID												
Chapter 70	5,864,398	5,864,398	5,895,073	5,895,073	5,954,024	58,951	1.0%	6,013,564	1.0%	6,073,700	1.0%	FY15 Assumes small increase in education aid
Charter Tuition Assessment Reimbursement	171,425	220,114	188,821	195,880	200,777	4,897	2.5%	200,777	0.0%	200,777	0.0%	FY15 Based on trend data
Unrestricted General Govt Aid	7,120,842	7,120,842	7,289,164	7,289,164	7,362,056	72,892	1.0%	7,435,677	1.0%	7,510,033	1.0%	FY15 Assumes small increase in Unrestricted Aid.
Veterans Benefits	196,112	195,681	201,423	201,423	201,423	0	0.0%	201,423	0.0%	201,423	0.0%	Estimate is same as previous year.
Exempt: Vets, Blind, Surv. Spouses, Elderly	33,876	37,803	35,825	35,825	35,825	0	0.0%	35,825	0.0%	35,825	0.0%	Estimate is same as previous year.
State Owned Land	151,796	151,796	153,052	155,965	155,965	0	0.0%	155,965	0.0%	155,965	0.0%	Estimate is same as previous year.
Offset Receipts						0						
School Lunch	6,306	6,306	6,443	6,443	6,443	0	0.0%	6,443	0.0%	6,443	0.0%	Goes directly to School Department
School Tuition	219,624	219,624	197,819	219,624	219,624	0	0.0%	219,624	0.0%	219,624	0.0%	Goes directly to School Department
Public Libraries	63,576	63,576	67,103	67,103	67,103	0	0.0%	67,103	0.0%	67,103	0.0%	Goes directly to Jones Library
Subtotal STATE AID	13,827,955	13,880,140	14,034,723	14,066,500	14,203,240	136,740	1.0%	14,336,401	0.9%	14,470,893	0.9%	
OTHER FINANCING SOURCES												
Ambulance Fund	2,546,028	2,546,028	2,445,028	2,445,028	2,492,833	47,805	2.0%	2,555,154	2.5%	2,619,033	2.5%	FY15 incorporates renewed contracts with towns
Reserve for Debt Service - WW Roof	39,698	83,798	0	0	0	0		0		0		Debt paid off in FY13
Enterprise Fund Reimbursements	852,083	852,083	880,193	880,193	905,179	24,986	2.8%	927,808	2.5%	951,004	2.5%	Enterprise Fund reimbursements to Gen Fund
Free Cash	218,200	218,200	0	120,000	0	(120,000)		0		0		FY14 Town-Gown study and social services
Stabilization Fund	0	0	0	0	0	0		0		0		
Subtotal OTHER FINANCING SOURCES	3,656,009	3,700,109	3,325,221	3,445,221	3,398,012	(47,209)	-1.4%	3,482,962	2.5%	3,570,036	2.5%	
TOTAL REVENUES	66,719,697	67,694,761	68,246,291	68,388,653	70,502,955	2,114,302	3.1%	72,449,815	2.8%	74,448,464	2.8%	

	<u>FY 13</u>	<u>FY 13</u>	<u>FY 14</u>	<u>FY14</u>	<u>FY 15</u>	<u>\$</u>	<u>%</u>	<u>FY 16</u>	<u>%</u>	<u>FY 17</u>	<u>%</u>	<u>Assumptions</u>
	<u>Recap</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	19,583,195	20,078,464	20,238,481	20,260,192	20,947,926	687,734	3.4%	21,513,520	2.7%	22,094,385	2.7%	FY15 staffing: Health Inspector, Rental Regs, Fire Dept.
Elementary Schools	21,558,039	21,551,249	21,989,199	21,989,199	22,582,907	593,708	2.7%	23,192,645	2.7%	23,818,847	2.7%	
A-P Regional School District (Assessment)	13,746,434	13,746,434	14,158,830	14,158,830	14,541,118	382,288	2.7%	14,933,728	2.7%	15,336,939	2.7%	
Jones Library (Tax Support)	1,690,789	1,690,788	1,741,512	1,741,512	1,788,533	47,021	2.7%	1,836,823	2.7%	1,886,418	2.7%	
Subtotal OPERATING BUDGET	56,578,457	57,066,935	58,128,022	58,149,733	59,860,484	1,710,751	2.9%	61,476,717	2.7%	63,136,588	2.7%	
CAPITAL BUDGET												
Debt Service - Debt Exclusion	259,374	259,374	213,522	213,522	171,480	(42,042)	-19.7%	125,378	-26.9%	83,239	-33.6%	ARHS debt funded via debt exclusion
Debt Service - Current	1,382,150	1,532,081	1,561,993	1,561,993	1,591,332	29,339	1.9%	1,451,893	-8.8%	1,451,893	0.0%	Per JCPC 5-Year Capital Plan
Debt Service - Projected	17,911	0	20,000	20,000	266,900	246,900	1235%	353,290	32.4%	353,290	0.0%	Per JCPC 5-Year Capital Plan
Cash Capital (Tax Support)	1,294,199	1,294,199	1,434,290	1,431,455	1,272,234	(159,221)	-11.1%	1,677,740	31.9%	2,050,812	22.2%	Per JCPC 5-Year Capital Plan
Subtotal Tax Funded Capital	2,953,634	3,085,654	3,229,805	3,226,970	3,301,946	74,976	2.3%	3,608,301	9.3%	3,939,235	9.2%	
Tax Capital Less Debt Excl	2,694,260	2,826,280	3,016,283	3,013,448	3,130,466	117,018	3.9%	3,482,923	11.3%	3,855,996	10.7%	
% Net Tax Levy	6.48%	6.80%	7.00%	7.00%	7%	0.00%	0.0%	7.50%		8.00%		Town Financial Policy goal is 10% of tax levy
Cash Capital (Ambulance Fund)	255,000	332,100	144,000	144,000	0	(144,000)		0		0		FY14 Fire Department Equipment
Subtotal CAPITAL	3,208,634	3,417,754	3,373,805	3,370,970	3,301,946	(69,024)	-2.0%	3,608,301	9.3%	3,939,235	9.2%	
MISCELLANEOUS												
Assessment - Retirement System	3,468,324	3,442,971	3,925,567	3,925,567	4,204,149	278,582	7.1%	4,393,336	4.5%	4,591,036	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%	Per Hampshire County Sheriff
Other	0	0	0	120,000	0	(120,000)		0		0		FY14 Social Services and Town/Gown
OPEB	585,342	585,342	0	0	100,000	100,000		200,000	4.5%	300,000	187.1%	Begin building OPEB funding into annual budget
Reserve Fund	100,000	3,185	100,000	100,000	100,000	0	0.0%	100,000	0.0%	100,000	0.0%	Finance Committee Reserve Fund
Subtotal MISCELLANEOUS	4,184,989	4,062,821	4,056,890	4,176,890	4,435,472	258,582	6.2%	4,724,659	6.5%	5,022,359	6.3%	
Total APPROPRIATIONS	63,972,080	64,547,510	65,558,717	65,697,593	67,597,902	1,900,309	2.9%	69,809,676	3.3%	72,098,182	3.3%	
UNAPPROPRIATED USES												
Reserve for Abatements & Exemptions	415,510	415,510	430,898	426,042	447,209	21,167	5.0%	464,390	3.8%	481,999	3.8%	Target: 1% of tax levy
State Assessments (Cherry Sheet)	1,958,032	1,951,816	1,969,638	1,956,175	2,113,756	157,581	8.1%	2,166,600	2.5%	2,220,765	2.5%	Charter & Choice Tuition, PVTA
Cherry Sheet Offsets	69,882	289,506	271,365	293,170	293,170	0	0.0%	293,170	0.0%	293,170	0.0%	School lunch, School Choice tuition, and Library aid
Other Amounts to be Raised	15,673	188,558	15,673	15,673	15,673	0	0.0%	15,673	0.0%	15,673	0.0%	PVPC and Tax Title
Subtotal UNAPPROPRIATED USES	2,459,097	2,845,390	2,687,574	2,691,060	2,869,808	178,748	6.6%	2,939,833	2.4%	3,011,607	2.4%	
TOTAL BUDGET PLAN	66,431,177	67,392,900	68,246,291	68,388,653	70,467,710	2,079,057	3.0%	72,749,509	3.2%	75,109,789	3.2%	
								2,281,799		2,360,280		
SURPLUS / (SHORTFALL)	288,520	301,861	0	0	35,245			(299,694)		(661,325)		