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**TOWN OF AMHERST, MASSACHUSETTS
FINANCE COMMITTEE REPORT**

and

**RECOMMENDATIONS TO THE
250th ANNUAL TOWN MEETING**

Part Two

MAY 4, 2009

7:30 O'Clock p.m.

Amherst Regional Middle School Auditorium

2009 TOWN MEETING SCHEDULE

Town Meeting Begins:

MONDAY, MAY 4, 2009

The following dates are tentative. Town Meeting will decide each night when the next session will be.

WEDNESDAY, MAY 6, 2009

MONDAY, MAY 11, 2009

THURSDAY, MAY 14, 2009

MONDAY, MAY 18, 2009

THURSDAY, MAY 21, 2009

WEDNESDAY, MAY 27, 2009

MONDAY, JUNE 1, 2009

THURSDAY, JUNE 4, 2009

MONDAY, JUNE 8, 2009

THURSDAY, JUNE 11, 2009

MONDAY, JUNE 15, 2009

WEDNESDAY, JUNE 17, 2009

MONDAY, JUNE 22, 2009

TUESDAY, JUNE 23, 2009

WEDNESDAY, JUNE 24, 2009

THURSDAY, JUNE 25, 2009

MONDAY, JUNE 29, 2009

TUESDAY, JUNE 30, 2009

All meetings begin at 7:30 p.m.

Meetings will be held at:

Amherst Regional Middle School Auditorium

THERE ARE ONLY A LIMITED NUMBER
OF REPORTS AVAILABLE.
PLEASE BRING THIS REPORT WITH YOU.

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AMHERST TOWN BYLAWS - ARTICLE 1

RULES OF ORDER FOR TOWN MEETING

1. **CONSENT CALENDAR.** At least five business days prior to the opening of the first session of the Annual Town Meeting or any Special Town Meeting, the moderator shall propose to all members a "Consent Calendar" listing all articles and budget areas which, based on the records of recent town meetings, the moderator deems to be non-controversial. At the first session of the meeting, at the request of any member, any article or budget area shall be removed from the Consent Calendar so that it can be debated and voted upon in accordance with the provisions of these Rules of Order. All items remaining in the Consent Calendar shall then be voted upon by a single vote without debate.
2. Any motions shall be in writing if requested by the moderator.
3. Any question may be divided on call of a member when the sense will admit of such division.
4. **GREEN AND RED CARDS DURING DEBATE.** To assist the moderator in shaping an orderly and equitable debate, green and red cards shall be used by members to indicate a desire to speak for or against the current motion on the floor. A desire to speak without advocacy or to ask a question shall be indicated by raising a hand without a green or red card.
5. When a question is under debate, the moderator shall receive no motion but to adjourn, to dismiss, for the previous question, to postpone for a day certain, to commit, or to amend, which several motions shall have precedence in the order herein mentioned. The meeting shall not vote to dismiss an article without having heard a voter speak in its favor, unless no one seeks to do so.
6. Following a motion under any article, the Moderator shall first recognize the proponent thereof to speak for up to five (5) minutes in favor of the motion, or with leave of Town Meeting, for additional time. Thereafter, and in the absence of leave of Town Meeting granting additional time, each subsequent speaker shall be limited to three (3) minutes. No person shall speak more than twice on the same subject, without leave of the meeting, except to raise a point of order or to answer a question.
7. When two or more motions are made with regard to the same subject relating to sums of money, numbers or times, the question shall first be put upon the largest sum or number, and the longest time.
8. **VOICE VOTES, TALLIED VOTES, AND STANDING VOTES.** All votes unless otherwise provided for by law shall in the first instance be taken by 'ayes' and 'noes' voice vote.

If any member questions the voice vote, or if a four-fifths or nine-tenths vote is required by statute and the vote is not unanimous, the vote shall be taken by counted standing vote. When a two-thirds vote is required by statute, a counted standing vote shall not be taken unless the voice vote is doubted by the moderator or questioned by a member.

If, within a short but reasonable period of time following the voice vote, which period of time shall be fixed by the moderator, any member requests a tally vote and if 14 members manifest their concurrence with that member, the vote of each member shall be tallied by the use of a color-coded (green for aye, red for no) cards. Each such card shall bear the member's name and indicate his/her vote. Each member shall cast his/her own vote only. Such cards shall be collected and counted by the tellers, which count shall be determinative of the question.
9. A vote may be reconsidered only on motion of a member who did not vote with the minority. When a motion for reconsideration is decided that decision shall not be reconsidered, and no question shall be twice reconsidered.
10. A motion to dissolve shall be debatable, but a motion to adjourn to a day certain shall not be debatable.
11. No motion to dissolve a town meeting shall be in order until every article in the warrant therefor has been acted upon.
12. A registered voter of the town who ceased to be an elected town meeting member upon election as chair of the finance committee and who subsequently ceases to be a town meeting member at large upon ceasing to be chair of the finance committee shall be a town meeting member at large for a period ending on the date of the next annual town election.
13. After 10:00 PM, and in the absence of a majority vote of Town Meeting so permitting, no motion under any article other than the article then under debate may be made.

THE FINANCE COMMITTEE AND THE BUDGET PROCESS

Duties of the Finance Committee

The bylaws of the Town of Amherst require the Finance Committee "to investigate all proposals in the articles of the warrant for any town meeting that shall in any way affect the finances of the town and to recommend to the town...a course of action thereon, and in general to make recommendations to the town in regard to any financial business of the town." This report is in partial fulfillment of our responsibility in regard to the 250th Annual Town Meeting.

Budget Process

The budget process takes place throughout the year. It begins in early fall with the development of the Select Board's policy guidelines to the Town Manager, the Amherst School Committee's policy guidelines to the Superintendent of Schools, and the Library Trustees' policy guidelines to the Library Director. The various administrators confer with department heads, boards and committees to develop specific budget proposals which they feel will best meet the needs of the Town, Schools and Libraries for the next fiscal year. The Amherst-Pelham Regional Schools use the same procedure.

Also in the fall, the Town Manager presents financial projections to the other administrators, the elected boards and committees, and the Finance Committee. This provides preliminary guidance on the level of resources that may be available for the coming year. Using this information, the Finance Committee develops preliminary budget guidelines for spending.

In January, the budgets are presented to the Finance Committee, whose members spend the next few months reviewing the budgets, asking questions, and hearing comments. In the same period of time, the Joint Capital Planning Committee examines requests for capital spending in the coming year within the context of a five-year capital spending plan; it then makes recommendations to the Finance Committee, the Select Board, the School Committee, and the Library Trustees, all of whom are represented on the Joint Committee. In addition, the Budget Coordinating Group, consisting of administrators, finance officers and board and committee representatives of the Select Board, Amherst and Regional School Committees, Jones Library Trustees and Finance Committee, meets to coordinate their calendars and share information and views on the Town's budget.

After much deliberation, the Finance Committee determines its recommendations on the budget to be presented to Annual Town Meeting. The budget, as voted by Town Meeting each spring, then becomes the plan of action for the following fiscal year (July 1 through June 30). Concurrently with this work, and also immediately after the close of the fiscal year, the budget of the present year is monitored and evaluated so that experience with it can guide future budget decisions.

Budget Presentation

Spending articles. The operating budget for the Town as a whole makes up Article 22 of the warrant for this Annual Town Meeting. The budget is divided into sections covering five separate municipal functional areas, the elementary schools, the Regional School assessment, library services, each of four enterprise funds, and debt service. For each section, a motion will be made proposing the total amount to be spent on that section. In all cases, Town Meeting will be able to discuss individual budget lines within the sections and provide advice and direction.

Most capital spending appears in separate articles, as does funding for Community Preservation Act projects and the various special services the Town provides. Capital spending of the enterprise funds appears in their operating budgets. The same is true of the Regional Schools.

Procedures. Any member of Town Meeting who wishes to propose an amendment to an operating budget motion may do so by moving to increase or reduce the amount of an appropriation that has been moved. Town Meeting members should remember that the subject of these articles is the appropriation of money and not the day-to-day administration of the Town. If an amendment is proposed, it is essential for the Meeting to know what the amendment is intended to accomplish, but it should be kept clearly in mind that responsibility for running the affairs of the Town rests with the Select Board, School Committee, Library Trustees, and appointed officials.

The issues covered under each motion may be complex, especially in sections of the budget that are supported by a variety of revenue sources. Town Meeting members who want to make an alternate motion or amendment are encouraged to seek assistance from the Moderator, a member of the Finance Committee or the Select Board, or an appropriate staff person prior to introducing the amendment.

If a Town Meeting member wishes to propose an increase in the operating budget, he or she should be aware that a source of funding will have to be found to cover the increase. This could be a reduction made elsewhere in the budget, an override or exclusion referendum, or use of reserves. In general, the amounts of money stated in the separate spending articles cannot be increased significantly on the floor of Town Meeting. If you have questions about this, please consult with the Moderator.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

This is Part Two of a two-part report describing the financial condition of Amherst and the Finance Committee's recommendations for balancing the Town's budget for fiscal year 2010. Part One, presented in mid-April, 2009, gave information on the nature and general causes of the current financial distress, and also a description of the extent of the problem as it was understood then. This report describes the situation as of late May. In the interim, decreases in revenues have been identified and budgets cuts have been proposed. At this time, two significant questions remain unresolved. One is the exact amount of state aid Amherst will receive. The other is the amount of potential savings and/or additional revenue that may result from passage of proposals contained in the Municipal Relief bill recently voted by the Senate and due to be taken up by the House. The recommendations in this report are based on current knowledge as of late May and informed expectations concerning the unresolved questions.

The FY 10 Budget Process

The FY 10 budget process has followed the Facilitation of Community Choices Committee's (FCCC) suggestion in its December 2008 report to identify the core services provided by each budget and to then try to identify ways to preserve that core going forward. Each budget entity has gone about this in slightly different ways but all have had to face harsh fiscal realities that indicate that our current recurring revenues are not sufficient to continue funding budgets even at the identified "core" level going forward. All budget developers have had to make extremely difficult decisions as to what programs and services would remain in the core and what would fall outside the core. Additionally, services even within the core have been scrutinized for ways to continue them in some form utilizing different funding or service provision models.

The FCCC report also indicated that respondents to their public input processes expressed a desire to have budgets reduced before seeking an override of Proposition 2 ½ property tax limits. Given this from the FCCC and the severe downturn in the economy, budget developers agreed early that FY 10 was not likely to be a year in which a meaningful override attempt would succeed. Furthermore, the political capital required for a successful override expended on a failed attempt for FY 10 could possibly jeopardize an attempt for FY 11 when almost all budget developers agree an override will be needed.

The process has been complicated by a continuous and steep decline in State tax collections since last fall. As a result, estimates for State revenues for FY 10 have been reduced several times, resulting in an estimated local aid reduction to Amherst of 21.5% or \$3.67 million as of May 28. Each time we learned of further reductions in State revenue estimates for FY 10, the definition of the "worst case" fiscal situation changed and more core services were threatened. When we began last fall we had financial projections that indicated increases over FY 09 were possible for the Town and Elementary school budgets of no more than 2%, for a Library budget with a tax support increase of no more than 2% and a Regional School budget with an assessment increase to Amherst of no more than 3 1/2 %. As of the writing of this report, those percentage changes from FY 09 spending levels have become as follows;

Municipal Budget	-1.4%
Elementary Schools	-1.5%
Regional Assessment	+1.4%
Library Tax Support	-1.5%
Capital Spending –Tax Funded	- 8.9%

Please note that the Finance Committee voted a Regional budget within our revenue constraints that would decrease the Regional budget by 1.2% but increase Amherst's assessment by 1.4%; however, Shutesbury and Leverett Town Meetings have already voted their budgets and included the Regional budget and assessments at a level that would increase Amherst's assessment by 3 ½ %, the level the Finance Committee's preliminary guidelines last fall indicated might be possible based on information known at that time. Because state and local revenues have decreased significantly, a budget consistent with the preliminary guideline is no longer tenable. We believe the actions of the Leverett and Shutesbury town meetings reflect the ceiling, not the floor of the Region budget. The Finance Committee recommends the lower budget and assessment based on the revenues available to the town in these extraordinary times. The budget submitted by the Regional School Committee must be approved by three of the four towns. The Regional School Committee voted June 2 to approve a reduced budget recommendation from Acting Superintendent Maria Geryk that conforms to the amount recommended by the Amherst Finance Committee.

Part one of our report ended with an identified deficit to provide level services of \$6.3 million based on the House Ways and Means budget proposal. Since then, the full House debated that proposal and increased the sales tax to 6.25% allocating most of the increase to local aid. At that point it looked as though our deficit had been reduced to \$810,303. That was on a Friday. The following Monday, news arrived from the Senate that the revenue estimates had been reduced yet again. The Senate Ways and Means proposal came out in mid May with no tax increase proposals and increased our deficit to nearly \$7.2 million. The final budget version voted by the full Senate affirmed the sales tax increase included in the House budget but did not allocate any of the increase to local aid with the exception of a small amount added back to unrestricted local aid. For Amherst, that amounts to \$267,503. This leaves our current deficit to provide level services at \$6,908,219. The Finance Committee is basing FY10 budget recommendations on the Senate budget numbers that reduce State Aid to Amherst by \$3.67 million or 21.5% from the original FY 09 level, and that reduce state aid to the Amherst-Pelham Regional School District by \$723,418.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

The Proposed Solution

To balance the FY 10 budget, a proposed solution is before you that is comprised of 35% revenue sources and 65% budget cuts. On the revenue side, the largest piece relates to reserve use. The Budget Coordinating Group, (a group made up of members of the Finance Committee, the Library Trustees, the School Committee, the Select Board, and their respective administrators) requested the use of a significant amount of reserves to avoid the most severe cuts that we knew were already reaching into the identified core for each budget. The town's reserves, including the combined balance of Free Cash and the Stabilization Fund, currently total about \$4.4 million, or 7.2% of general fund operating revenue. According to Financial Policies adopted by the Finance Committee in January of 2008, town reserves should not drop below 5% of general fund operating revenue in order to maintain the town's good bond rating and cushion the town against possible future revenue decreases. We currently have about \$1.4 million in reserves above the 5% level available for use for the duration of the current recession to mitigate its effects on the proposed FY 10 and future budgets. In line with the intent of the Finance Committee's reserve use criteria memo issued in March, two items have been identified that mesh with those criteria. The first is an estimated annual future savings, beginning in FY 11, of \$700,000 in the Elementary School budget by reorganizing the Elementary schools through the closure of Marks Meadow Elementary School. The second is the use of reserves in anticipation of additional local revenues becoming available by FY 11. The Senate version of the budget approved potential new revenue through local option meals and lodging taxes that could provide an additional \$500,000 in FY 11 if the proposal survives the House/Senate Conference Committee, if the Governor signs it, and if a future Amherst Town Meeting approves an article to adopt the proposal.

These two elements combine to provide justification for the use of \$1.2 million in reserves toward the solution, but not without risk. The proposal frontloads nearly all of the available reserves into the first year of what may be several years with reduced State Aid. If FY 10 brings mid-year cuts in aid as we saw in FY 09, reserves won't be available to help mitigate budget cuts without risking our bond rating. Additionally, if the local option taxes don't materialize, or if the savings from the Marks Meadow closure are not as substantial as estimated, future budget cuts could be more severe or a potential override in FY 11 would need to be that much larger.

Additional new revenues over the reserve use include;

- \$413,618 in new or increased fees for service included in the Manager's January budget proposal. (Ambulance, LSSE and Inspections)
- \$49,990 from the State reimbursement for the State share of debt payments related to replacing the Wildwood Elementary School roof
- \$550,000 for an estimated 6 months of local option taxes in FY 10, assuming the proposal survives the State and local approval processes and that the vehicle for implementation can be established.
- \$250,000 in Telecom property taxes approved by the Senate but still requiring House approval and the Governor's signature.

This brings the deficit to provide level services down to \$4,480,127 to be met by budget cuts, real cuts to operating budgets and the capital budget to levels below FY 09 levels. Budget cuts account for 65% of the FY 10 solution. The cuts are deep and represent material changes in the way programs and services are provided and or funded. Some changes involve movement towards a greater use of regionalized approaches to service provision. Others represent a fundamental shift in funding sources in order to retain services considered core but with alternatives available for funding other than taxation. The Finance Committee believes that both of these strategies are going to be required not only for FY 10, but for future years as well. As sweeping as the changes are for FY 10, administrators are continuing to look for additional areas where rethinking operations can result in future savings while retaining an acceptable level of service.

The ending of the first part of our report still applies in a slightly modified form. Unless the House/Senate Conference Committee reduces the level of cuts to local aid or provides significant relief through agreement to allow local option taxes or through other relief proposals, balancing the FY 10 budget will be an excruciatingly painful process that, in the absence of significant new local revenue, will likely involve recommending service and program cuts that under any but the most dire circumstances would not even be considered. Present indications are that we are in those dire circumstances and unpalatable cuts are necessary to balance the FY 10 budget. We sincerely hope Town Meeting will also recognize their necessity.

Appreciation

The process of creating a spending plan for FY 10 within the limitation of available funds has been extraordinarily challenging and painful this year. A great many officials, both appointed and elected, have cooperated in this unparalleled struggle. The Finance Committee respects the efforts of all of the people responsible for creating budgets; their job was, and still is, an extremely difficult one. Town Manager Larry Shaffer, as always, has been generous to the Committee with his time and thoughtful ideas. So have Bonnie Isman, Library Director; Maria Geryk, Interim School Superintendent; Helen Vivian and Al Sprague, former Interim Co-Superintendents of Schools; and Robert Detweiler, Director of Finance and Operations for the schools. The Select Board, Regional and Amherst School Committees and the Jones Library Trustees have had to force their desire to provide excellent

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

services to fit within the unrelenting confines of available resources. Many staff members representing all parts of Town government have given us their time and expertise. We thank them all.

We especially appreciate the support of our staff liaison, Assistant Town Manager/ Finance Director John Musante. He consistently offers us expert advice and provides us with a wealth of timely and useful information. Maria Racca has talents for data analysis and report publication that the Committee could not do without. Staff of the Town Manager's office helps keep us organized and the public informed of Finance Committee activities. We thank you all for your support and dedication to the Town of Amherst.

Finance Committee Members:

We invite your questions and views about Town money matters.

Marilyn Blaustein	253-5963
Kay Moran, Vice Chair	549-5767
Brian Morton, Chair	549-4161
Robert Saul	253-6631
Andrew Steinberg	549-6826
Douglas Slaughter	253-9920
Marylou Theilman	253-7980

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FINANCE COMMITTEE REPORT - FY 10

CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

	GENERAL FUND FY 10 BUDGET	WATER FUND FY 10 BUDGET	SEWER FUND FY 10 BUDGET
<u>RESOURCES</u>			
<u>Revenues:</u>			
Taxes	39,209,418	0	0
Other Local Source Revenues	5,664,649	3,922,000	3,490,500
Federal & State Revenue	13,454,915	0	0
Subtotal Revenues	58,328,982	3,922,000	3,490,500
Other Financing Sources:			
Borrowing	0	0	0
Ambulance Fund	2,094,262	0	0
From Jones Inc	625,565	0	0
Stabilization Fund	0	0	0
Free Cash/Retained Earnings	1,200,000	215,684	232,658
Other Available Funds	49,990	0	0
Overlay Reserve Account	0	0	0
Community Preservation Act	645,074	0	0
Subtotal Other Financing Sources	4,614,891	215,684	232,658
TOTAL RESOURCES	62,943,873	4,137,684	3,723,158
<u>EXPENDITURES</u>			
State Assessments	1,029,162	0	0
Choice/Charter Tuition Assessments	697,266	0	0
PVTA Assessment	819,335	0	0
PVPC Assessment	5,231	0	0
Regional Lockup Assessment	31,323		
Retirement Assessment	3,000,652	0	0
Subtotal Assessments	5,582,969	0	0
Town Operating Budget	18,331,553	2,564,680	2,709,610
Debt Service	579,317	811,988	333,804
Capital Program	813,000	366,600	373,600
Community Preservation Act (other than debt)	561,300		
Subtotal Town Budgets	20,285,170	3,743,268	3,417,014
Amherst Elementary School Budget	20,381,768	0	0
Amherst-Pelham Regional School District	12,574,043	0	0
Debt Service	911,001	0	0
Capital Program	360,200	0	0
State Aid Offsets	6,866	0	0
Subtotal School Budgets	34,233,878	0	0
Jones Library Operating Budget	2,093,594	0	0
Jones Library Debt	55,549	0	0
State Aid Offsets	67,522		
Library Capital	88,000	0	0
Subtotal Jones Library	2,304,665	0	0
Reserve Fund	100,000	0	0
Reserve for Abatements & Exemptions	363,210	0	0
Interfund Transfers	10,000	394,416	306,144
TOTAL EXPENDITURES	62,879,892	4,137,684	3,723,158

FINANCE COMMITTEE REPORT - FY 10

CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

SOLID WASTE FUND FY 10 BUDGET	TRANSPORTATION FUND FY 10 BUDGET	TOTAL FY 10 BUDGET	TOTAL FY 09 BUDGET	CHANGE FY 09 - 10
0	0	39,209,418	37,243,143	1,966,275
507,000	903,700	14,487,849	13,104,277	1,383,572
0	0	13,454,915	17,698,381	(4,243,466)
507,000	903,700	67,152,182	68,045,801	(893,619)
0	0	0	625,000	(625,000)
0	0	2,094,262	2,068,818	25,444
0	0	625,565	637,762	(12,197)
0	0	0	0	0
24,194	84,323	1,756,859	882,978	873,881
0	0	49,990	190,000	(140,010)
0	0	0	0	0
0	0	645,074	621,982	23,092
24,194	84,323	5,171,750	5,026,540	145,210
531,194	988,023	72,323,932	73,072,341	(748,409)
0	0	1,029,162	251,420	777,742
0	0	697,266	248,048	449,218
0	207,197	1,026,532	794,362	232,170
0	0	5,231	5,231	0
0	0	31,323	31,323	0
0	0	3,000,652	2,917,009	83,643
0	207,197	5,790,166	4,247,393	1,542,773
531,194	557,131	24,694,168	24,778,541	(84,373)
0	76,788	1,801,897	1,766,846	35,051
0	50,000	1,603,200	3,598,900	(1,995,700)
531,194	683,919	28,660,565	30,679,687	(2,019,122)
0	0	20,381,768	20,689,430	(307,662)
0	0	12,574,043	12,395,375	178,668
0	0	911,001	905,771	5,230
0	0	360,200	579,500	(219,300)
0	0	6,866	6,875	(9)
0	0	34,233,878	34,576,951	(343,073)
0	0	2,093,594	2,128,147	(34,553)
0	0	55,549	58,547	(2,998)
0	0	67,522	82,226	(14,704)
0	0	88,000	39,000	49,000
0	0	2,304,665	2,307,920	(3,255)
0	0	100,000	100,000	0
0	0	363,210	347,898	15,312
0	96,907	807,467	812,492	(5,025)
531,194	988,023	72,259,951	73,072,341	(812,390)

ANNUAL TOWN MEETING WARRANT ARTICLES

ARTICLE 13. Petition – Gas Tax (O'Connor)

"To see if the town will vote to support by resolution, with reservations and reform requirements:

- a) Governor Deval Patrick's proposal to increase the Massachusetts state gasoline tax by not more than 19 cents per gallon; and,
- b) a proposal to increase the federal gasoline tax by an amount not greater than the amount needed to bring that tax in line with inflation since the last increase in the federal gasoline tax."

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

The Finance Committee is awaiting actual wording of the motion before making its recommendation.

ARTICLE 14. FY 2009 Budget Amendments (Finance Committee)

- D. To see if the Town will amend the budget voted under Article 12 of the 2008 Annual Town Meeting (FY 2009 Operating Budget) to transfer sums of money between General Government, Public Safety, Public Works, Planning, Conservation, and Inspections, Community Services, and Debt Service accounts to balance the 2009 Fiscal Year.

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

Part D of Article 14 transfers funds appropriated at the 2008 Annual Town Meeting between functional areas of the Municipal portion of the budget to address shortfalls in the FY 09 Municipal operating budget. The current expected ending balances within the Municipal budget are as follows:

	<u>Surplus (Shortfall)</u>	<u>Resulting From</u>
General Government	\$55,000	Insurance savings from retaining FY 08 premium rates into FY 09 netted against legal budget overruns and an elections overrun for a special election
Public Safety	\$(55,000)	Police Facility utilities related to cooling needs for expanded dispatch center equipment, Police and Dispatch overtime
Public Works	\$(115,000)	Snow and Ice actual expenditures exceeded budget due to the severity of the winter and the timing of many storms on holidays and weekends
Planning/Conservation/Inspections	\$5,000	Staff turnover
Community Services	\$(25,000)	Net of Veterans Benefits exceeding budget offset by savings from vacancies within the functional area— 75% of the Veterans Benefits shortfall will eventually be reimbursed by the state.
Debt Service	\$15,000	Short term interest costs lower than estimated
NET Surplus (Shortfall)	\$(120,000)	

The motion under this article accomplishes the transfer by reducing the appropriations for General Government by \$50,000 and Debt Service by \$15,000, and increasing the appropriations for Public Safety by \$50,000 and Community Services by \$15,000, for a total transfer of \$65,000. The reason Town Meeting has to act on this is that we vote on the municipal budget in five separate votes, by functional area. Funds can be transferred between departments in the same functional area without Town Meeting action; however, the transfer of funds between functional areas requires a vote of Town Meeting to reallocate appropriated amounts for each Functional area affected.

As FY 09 progressed, budget situations developed, or were recognized as problems, that required early action to resolve in order to try to stay within the overall appropriation for the Municipal budget as a whole. Areas were identified that appeared headed for shortfalls and other areas were identified as areas where potential offsetting savings could be achieved. The results are shown in the chart and these transfers get us part way to covering the shortfalls. The Finance Committee will cover the remainder with a Reserve Fund transfer at year-end as either the Snow and Ice deficit or the Veteran's Benefits deficit clearly fall within the "extraordinary and unforeseen" criteria for the use of the Reserve Fund.

ANNUAL TOWN MEETING WARRANT ARTICLES

- E. To see if the Town will amend the action taken under Article 13 of the 2008 Annual Town Meeting (Reserve Fund) and appropriate and transfer a sum of money from Free Cash in the Undesignated Fund Balance of the General Fund.

RECOMMEND DISMISSAL by Finance Committee vote of 6-0, 1 absent.

The Finance Committee Reserve Fund is sufficient to cover the remaining shortfall; therefore, part E of this article is not needed and we will be making a motion to dismiss.

**ARTICLE 21. Amherst-Pelham Regional School District Assessment Method
(Amherst –Pelham Regional School Committee)**

To see if the Town will vote to approve following the existing Amherst-Pelham Regional School District Agreement for allocating the total amount to be contributed by each member town of the District for Fiscal Year 2010 as required by Section VI of the Regional Agreement.

RECOMMENDED by Finance Committee vote of 6-0 with 1 absent.

The state's 1993 Education Reform Law requires regional school districts to calculate assessments to a region's towns for support of regional district operating and capital budgets according to a formula intended to take into account each individual municipality's ability to pay and to equalize local efforts toward financial support of schools throughout the Commonwealth. Its design never fit the Amherst-Pelham Region's circumstances well, as yearly changes to the formula sometimes produced sudden changes in individual towns' required support which caused the per pupil cost to vary significantly from one town to another.

The state allows a regional district to apportion assessment amounts by a method other than the state formula if all of the member municipalities agree to do so. Amherst, Leverett, Pelham and Shutesbury annual town meetings of 2006 all voted to revert to the method prescribed by our regional agreement, in which costs of operating the regional schools are apportioned to the towns according to a five-year rolling average of the number of students enrolled from each town. In contrast to the state formula, this method produces greater stability for the towns with respect to their financial obligation. It also produces equal per-pupil costs to the towns, a result generally perceived as more fair.

A Department of Elementary and Secondary Education rule requires regional school districts to get approval of all member towns annually if they use an assessment method other than the state's formula. Unless that rule is changed, an article like this one will presumably be on each year's Annual Town Meeting warrant in all four towns. The alternative to unanimous approval of the article is to revert to the state's formula, a change that could seriously disrupt financing of the schools.

Annual Town Meetings in Leverett, Pelham and Shutesbury have already approved it for FY 10.

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 22. FY 2010 Operating Budget
(Finance Committee)**

To see if the Town will adopt a comprehensive operating budget for the ensuing year and raise and appropriate money therefor.

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FINANCE COMMITTEE REPORT - FY 10

GENERAL FUND MUNICIPAL SUMMARY

SUMMARY	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
General Government	\$ 5,423,700	5,765,139	5,627,681	5,989,728	5,752,026	(237,702)	-4.0%
Public Safety	\$ 8,020,321	8,071,970	8,063,272	8,265,817	8,315,386	49,569	0.6%
Public Works	\$ 1,735,257	1,690,501	1,859,422	1,756,999	1,843,942	86,943	4.9%
Planning, Conservation & Inspections	\$ 837,407	871,881	802,423	859,656	886,562	26,906	3.1%
Community Services	\$ 1,861,638	1,743,604	1,680,488	1,719,363	1,533,637	(185,726)	-10.8%
TOTAL APPROPRIATION	\$ 17,878,322	18,143,095	18,033,287	18,591,563	18,331,553	(260,009)	-1.4%

ANNUAL TOWN MEETING WARRANT ARTICLES

PUBLIC SAFETY

16% OF GENERAL FUND OPERATING BUDGETS

PUBLIC SAFETY	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
Police Facility	\$ 185,231	170,870	197,894	181,996	210,791	28,795	15.8%
Police	\$ 3,863,415	3,860,369	3,863,252	3,886,529	3,899,208	12,679	0.3%
Fire/EMS	\$ 3,392,809	3,447,287	3,430,105	3,583,493	3,601,839	18,346	0.5%
Communications Center	\$ 541,488	548,009	528,339	564,575	551,703	(12,872)	-2.3%
Animal Welfare	\$ 37,379	45,435	43,682	49,223	51,845	2,622	5.3%
TOTAL APPROPRIATION	\$ 8,020,321	8,071,970	8,063,272	8,265,817	8,315,386	49,569	0.6%

SOURCES OF FUNDS

Ambulance Receipts	\$ 1,449,630	1,505,790	1,505,790	1,798,030	2,005,275	207,245	11.5%
Departmental Receipts	\$ 142,530	143,800	163,582	143,800	150,100	6,300	4.4%
Educational Incentive	\$ 167,714	194,059	181,796	193,159	33,348	(159,811)	-82.7%
Fines	\$ 162,152	140,000	122,360	140,000	140,000	0	0.0%
Licenses & Permits	\$ 11,105	8,000	11,451	8,000	8,000	0	0.0%
Umass Contribution	\$ 80,000	165,727	299,232	0	0	0	0.0%
Transportation Fund	\$ 4,911	4,932	4,932	4,939	5,170	231	4.7%
Taxation	\$ 6,002,279	5,909,662	5,774,129	5,977,889	6,225,176	247,287	4.1%

PUBLIC SAFETY

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

Public Safety is the largest segment of the Town's General Fund Operating Budget (45%) of the five functional areas for FY 10. Services provided include police, fire, ambulance, emergency dispatch (communications center) and animal welfare. These services are provided 24 hours per day 365 days per year.

Public Safety personnel share services with other Town departments. For example, police train with the schools for emergency situations; assist the Department of Public Works by towing cars and/or diverting traffic when needed; train with the Health Department on joint emergency responses; work with the Fire Department at accident and fire scenes and as first responders, and in doing fire investigations; and work with the Senior Center and senior citizens through the SALT Council. The Town Finance Department took over police billing and payroll when APD's clerical staff was depleted last year. The Fire Department works with Inspection Services to coordinate permits and inspections; and provides EMTs at school athletic events. The Fire and Police departments and the DPW work together during incidents and bad weather, coordinating through the Communications Center.

The FY 10 Public Safety overall budget of \$8,315,386 increases by 0.6%, or \$49,569.

The Police Facility budget increase of \$28,795 is primarily due to increased utility costs required to cool added equipment in the communications center.

The Police budget increases by 0.3%. This budget reduces staffing by three officer positions for a savings of \$121,145 from taxation. The Town is applying for a federal grant that could allow us to restore the three positions if successful; however, if the grant is not received, the authorized strength will be reduced by three positions. A 50% information technology position is transferred to the General Government budget for a savings in this budget of \$30,538 with a corresponding increase to the IT budget. This is part of a cross functional area reorganization of the Information Technology Department that eliminates a full time professional position.

The Fire budget increases by only 0.5% for FY 10. Reductions to this budget include a reduction in overtime and extra help totaling \$145,000. \$65,000 of this reflects a reduction in call force and extra help lines to align with recent historical actual expenditures and these funds have been reallocated to the Fire operating budget to adequately fund vehicle, equipment, and building maintenance needs and rising fuel costs. The remainder will require having many more shifts manned at the 7 on duty minimum staffing level than has been the recent history.

The Communications Center decreases by 2.3% resulting from the elimination of the Director of Communications position, a savings of \$80,277. Command staff in the Police Department will absorb the duties of this position.

There are 107.5 FTE proposed employees providing service from the Police Facility, the Central Fire Station and the North Fire Station, a decrease of 4.5 from FY 09.

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FINANCE COMMITTEE REPORT - FY 10

PUBLIC WORKS

3% OF GENERAL FUND OPERATING BUDGETS

PUBLIC WORKS	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
Public Works Administration	\$ 218,094	246,534	238,588	256,589	268,385	11,796	4.6%
Highway	\$ 551,910	521,049	542,838	554,016	578,800	24,784	4.5%
Snow & Ice Removal	\$ 161,930	182,210	286,777	189,410	240,410	51,000	26.9%
Street & Traffic Lights	\$ 103,679	105,887	101,915	112,248	112,248	0	0.0%
Equipment Maintenance	\$ 260,501	240,266	271,245	252,530	259,245	6,715	2.7%
Town Cemeteries	\$ 19,378	23,295	17,250	18,773	19,957	1,184	6.3%
Parks, Commons & Downtown Maintenance	\$ 272,212	247,348	263,893	250,166	286,086	35,920	14.4%
Tree Care & Pest Control	\$ 147,552	123,912	136,917	123,267	78,811	(44,456)	-36.1%
TOTAL APPROPRIATION	\$ 1,735,257	1,690,501	1,859,422	1,756,999	1,843,942	86,943	4.9%
SOURCES OF FUNDS							
Departmental Receipts	\$ 29,115	26,550	32,910	26,550	26,800	250	0.9%
Reserve Fund	\$ 0	0	0	0	0	0	0
Water Fund	\$ 190,702	188,129	188,129	191,753	195,023	3,270	1.7%
Sewer Fund	\$ 130,038	130,275	130,275	144,331	143,769	(562)	-0.4%
Transportation Fund	\$ 41,777	38,438	38,438	40,183	43,919	3,736	9.3%
Taxation	\$ 1,343,625	1,307,109	1,469,670	1,354,182	1,434,431	80,249	5.9%

PUBLIC WORKS

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

This functional area provides maintenance for most of the outdoor facilities of the Town as well as a few buildings. The overall Public Works budget of \$1,843,942 increases by 4.9%.

Public Works Administration oversees not only the General Fund public works activities and budgets, but also the activities and budgets of the Water, Sewer and Solid Waste Enterprise Funds. The Enterprise Funds make appropriate reimbursements for administrative costs to the General Fund. There are no significant changes.

The Highway budget provides personnel and supplies to maintain our existing roads (including line painting and road patching) and for small construction projects. Highway operating expenses are level funded. Four positions totaling about \$120,000 in this budget are funded from Chapter 90 or Capital project work during the construction season.

The Snow and Ice budget provides overtime pay for plowing and sanding performed outside of the normal workday or beyond the standard 40-hour week. (Plowing and sanding performed during the workday is charged to other Public Works budgets.) This budget also provides funds for melting agents, sand, vehicle maintenance items such as wiper blades, flashers, beacon lights, etc., and one snowplow setup that is part of the annual replacement schedule. This budget increases by \$51,000 to more closely reflect actual expenditures over the last few years.

The Street and Traffic Lights budget provides funding to ensure the safety of people using public ways by maintaining Town-owned street lights and pedestrian and traffic signals in operating condition. This budget is level funded.

Equipment Maintenance includes a 3-person crew to maintain and repair all vehicles and equipment used by Highway, Parks, and Tree Care personnel as well as those of the Water, Sewer and Solid Waste Enterprise Funds (with appropriate reimbursements to the General Fund by each of the Enterprise Funds). There are no significant changes in this budget.

The Parks, Commons & Downtown Maintenance budget provides funding for mowing and maintaining parks, commons, and other green spaces around the Town; for maintaining athletic fields (including those at the schools); for maintaining park buildings; for pool maintenance; and for daily trash collection for the curbside trash receptacles downtown.

The Tree Care budget line is reduced by 36.1% for FY 10 due to the elimination of the Crew Supervisor position. The remaining employees in this department will work under Parks and Commons supervision.

Public Works personnel provide assistance to many other departments across the Town. For example, the DPW does exterior maintenance for the North Amherst and Munson libraries, and occasionally does library vehicle maintenance; helps the Police and Fire departments with sawhorses when traffic needs to be diverted; assists with Leisure Services and school sports events; works cooperatively with the Facilities Maintenance Department in many ways; cooperates on projects and shares a land manager with the Conservation Department, and helps with mowing; does site plan reviews for the Planning Department; sweeps school parking lots (which the schools pay for) and removes excess snow from school lots. Particular assistance varies from year to year but the level remains relatively constant.

Public works services are provided by 25.9 FTE employees, a decrease of 1 from FY 09.

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FINANCE COMMITTEE REPORT - FY 10

PLANNING/CONSERVATION/INSPECTIONS

2% OF GENERAL FUND OPERATING BUDGETS

PLANNING, CONS, INSPECTIONS	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
Conservation	\$ 209,996	209,452	217,021	228,464	239,634	11,170	4.9%
Planning	\$ 275,678	291,382	286,381	286,094	299,928	13,834	4.8%
Inspection Services	\$ 351,732	371,047	299,021	345,098	347,000	1,902	0.6%
TOTAL APPROPRIATION	\$ 837,407	871,881	802,423	859,656	886,562	26,906	3.1%
SOURCES OF FUNDS							
Departmental Receipts	\$ 80,373	63,700	74,416	62,800	68,400	5,600	8.9%
Licenses & Permits	\$ 440,100	325,347	508,110	299,398	295,700	(3,698)	-1.2%
Rental of Land	\$ 2,016	0	4,165	0	0	0	0.0%
Grants	\$ 8,000	8,000	8,000	8,000	8,000	0	0.0%
Water Fund	\$ 13,911	14,370	14,370	15,028	16,433	1,405	9.3%
Golf Course Fund	\$ 0	0	0	0	0	0	0.0%
Transportation Fund	\$ 5,701	5,723	5,723	5,532	4,903	(629)	-11.4%
Taxation	\$ 423,250	454,741	449,189	468,898	493,126	24,228	5.2%

PLANNING/CONSERVATION/INSPECTIONS

RECOMMENDED by Finance Committee vote of 6-0 with 1 absent.

Planning, Conservation and Inspections provides services to monitor, protect, and enhance both the developed and undeveloped environments throughout the Town. This is accomplished through the protection of open space; long range planning for an orderly and appropriate development process; and the application of policies, regulations, state laws and local bylaws enacted to promote these goals.

In FY 09 Planning, Conservation and Inspections were reorganized. This included the physical relocation of the Inspections area to the second floor of Town Hall to allow for increased sharing of information, cross-training of administrative staff, and a central counter for the three functions. In addition, a new MUNIS permit tracking system was implemented that enables information sharing and increased productivity for these units. This plan will be fully implemented in the coming year. The new organization is designed to increase productivity, better serve the public and realize monetary savings.

There is a 4.9% increase (\$11,170) in the Conservation budget due to an increase in personnel services. However, the number of employees will not change. The plan is to continue to rely on private fundraising for the maintenance and site management Puffer's Pond.

The Planning Department is fully staffed for the first time in five years. Savings were realized by filling the two planning positions at lower levels. This budget will increase by \$13,634 in FY 10. A priority for this area will be to work on the implementation of the Master Plan and grant writing.

The Inspections Services budget increases by only 0.6% in FY 10 due to reclassification of the vacant Assistant Building Commissioner position to a Building Inspector and the elimination of a part-time clerical support position (\$11,217). An increase in electrical permit fees will yield approximately \$10,000 in new revenues. Revenue generated by this area covers the cost of operations plus benefits.

Staff members in the three units provide support and coordination to many of the Town's boards and committees. Conservation supports seven committees including the Conservation Commission, Agricultural Commission, and Energy Task Force; Planning supports 10, including the Planning and Zoning Boards, and the Kendrick Park Committee; and Inspections supports four, including the Planning and Zoning Boards.

There are 12.72 FTEs in this functional area, no change from FY 09.

COMMUNITY SERVICES

3% OF GENERAL FUND OPERATING BUDGETS

COMMUNITY SERVICES	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
Public Health	\$ 297,678	285,465	254,667	278,543	283,844	5,301	1.9%
Senior Center	\$ 206,650	198,866	192,519	192,584	197,007	4,423	2.3%
Community Development	\$ 177,315	111,477	89,514	83,161	0	(83,161)	-100.0%
Veterans' Serv. & Benefits	\$ 188,401	132,902	193,139	156,388	168,339	11,951	7.6%
Leisure Services & S.E.	\$ 587,540	637,704	589,862	628,544	568,488	(60,056)	-9.6%
Pools	\$ 187,243	168,480	151,472	169,887	97,154	(72,733)	-42.8%
Town Commemorations	\$ 1,116	875	1,405	875	875	0	0.0%
Golf Course	\$ 215,696	207,835	207,910	209,381	217,930	8,549	4.1%
TOTAL APPROPRIATION	\$ 1,861,638	1,743,604	1,680,488	1,719,363	1,533,637	(185,726)	-10.8%
SOURCES OF FUNDS							
Departmental Receipts	\$ 596,089	595,124	622,633	647,681	837,548	189,867	29.3%
Licenses & Permits	\$ 80,020	80,325	74,459	80,325	79,700	(625)	-0.8%
Fines	\$ 100	4,000	1,375	4,000	4,000	0	0.0%
State Reimbursement	\$ 26,776	68,842	91,850	100,873	100,873	0	0.0%
Sewer Fund	\$ 2,000	2,000	2,000	2,000	2,000	0	0.0%
Taxation	\$ 1,178,511	1,032,340	943,653	925,063	553,586	(371,477)	-40.2%

COMMUNITY SERVICES

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

The Finance Committee recommends an appropriation of \$1,533,637 for Community Services.

The Community Services budget supports a variety of regulatory and service functions, including Public Health, Veterans' Services, the Senior Center, Leisure Services and Supplemental Education programming, including the pools and Cherry Hill Golf Course, low income housing initiatives, and programs to enhance the health and welfare of people who live in our community by the administration of Community Development Block Grant (CDBG) and CDBG initiatives. This budget continues these important services, and responds to the financial challenges facing the Town by incorporating new approaches to use non-tax revenues and increase efficiency.

While the Health Department has been most visible in the last year with the flu epidemic and compliance with a federal pool safety law, it continues to enforce a variety of sanitary codes and regulations, investigate and contain food-borne and communicable diseases, assure that Amherst is prepared to respond to health emergencies, and promote access to health care. The Department continues to seek and obtain grants to achieve these goals. The outreach worker will be entirely funded by grant in FY 10.

The Senior Center supports the health, welfare, and independence of seniors through a variety of essential programs at the Center and in the community that provide nutrition, access to health care and other services, and prevent isolation and neglect. While Senior Center employee salaries and benefits will continue to be funded from taxation, Senior Center activities will be funded entirely from grants and donations.

Veterans' Services assures that veterans and their dependants in Amherst who need assistance receive financial benefits according to state law, provide other supportive services, and provide commemorations to honor their service. The budget increases to provide sufficient funding for benefits required by state law, which are reimbursed at 75% by the state. While the implementation date is uncertain, Amherst is cooperating with other communities, including Northampton, to create a regional Veteran's District which will incorporate our Department and its staff, improve service, and reduce cost.

The most significant changes in Community Services are with the funding for programs of Leisure Services and Supplemental Education, the decision to not operate the War Memorial pool during the summer of 2009, and in the manner in which the Town provides funding to human services agencies. Several significant changes enable LSSE to continue providing quality recreational and educational programs within the challenges posed by the Town's budget. Tax support is reduced from \$302,763 in the current year to \$115,447. This includes \$80,250 for tuition assistance to low income families and \$28,000 to allow people with special needs to participate, the same amounts provided in FY 09. Two LSSE staff, a Program Coordinator and a management assistant, have been eliminated. Also, after a thorough program-by-program review of costs and needs, the programs offered and the fees charged have been adjusted so that LSSE is almost entirely supported by fees. The fee increases for the major programs that will continue will not inhibit participation, even though the amount budgeted for tuition assistance is not changed. For example a week at Adventure Playground increases by \$6. Most summer sports camps increase \$20, to \$170. A similar camp, the Hampshire YMCA gymnastics camp in Northampton, has a weekly fee of \$280.

Regrettably, this budget does not include funds to operate the War Memorial Swimming Pool during the summer of 2009. By mid-June the planning and hiring for pool operations and staff for the season will have occurred. The facility is being maintained to preserve the asset for the community. The Town Manager and Select Board have not made a permanent decision about the pool's future after this summer. The Cherry Hill Golf Course is now self-sustaining and entirely supported by course revenue. No taxation is needed or provided for Cherry Hill.

Two significant changes in the Community Development Department transfer all costs to the Community Development Block Grant and eliminate the need for support from taxation. The department manages programs supported by the grant, supports services provided to residents who need assistance from non-profit human service organizations, and works with the Housing Partnership/Fair Housing Committee to increase the number of low income housing units available in Amherst. The Development Director's position, which was funded at 80% from the CDBG in FY 09, will be entirely funded by the grant in FY 10. Six human services agencies received support from taxation, totaling \$66,000, in FY 09. This funding was general support, not directed to specific programs or services. For FY 10, the Town will fund specific programs and services from five of these organizations at an amount that will be greater than the \$66,000 in tax support during the present year. The Town will be increasing its support of human services work for residents with identified needs, the amount of that support will increase, there will be more specific expectations about the services and more accountability, and tax supported funding will not be required in a year when we are forced to eliminate or curtail so many town services.

There are 19.75 FTE employees providing services in this budget, down 1.96 from FY 09.

FINANCE COMMITTEE REPORT - FY 10

GENERAL GOVERNMENT

11% OF GENERAL FUND OPERATING BUDGETS

GENERAL GOVERNMENT	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
Select Board/Town Manager	\$ 226,894	236,559	227,745	238,327	221,464	(16,863)	-7.1%
Town Meeting/Finance Comm	\$ 886	800	628	800	800	0	0.0%
Finance Department	\$ 771,128	775,777	775,145	819,185	854,102	34,917	4.3%
Legal Services	\$ 144,164	110,000	171,414	95,000	95,000	0	0.0%
Human Resources/ Human Rights	\$ 180,759	188,080	201,115	197,008	140,362	(56,646)	-28.8%
Information Technology	\$ 450,823	438,799	452,116	467,585	463,840	(3,745)	-0.8%
Town Clerk's Office	\$ 141,237	141,384	147,262	152,829	163,043	10,214	6.7%
Elections & Registration	\$ 58,691	42,325	35,046	54,824	28,524	(26,300)	-48.0%
Facilities Maintenance	\$ 429,353	435,089	436,354	461,297	491,322	30,025	6.5%
General Services	\$ 431,146	434,861	368,733	405,361	410,321	4,960	1.2%
SUBTOTAL	\$ 2,835,081	2,803,674	2,815,558	2,892,216	2,868,778	(23,438)	-0.8%
Employee Pay/Benefits	\$ 2,588,620	2,961,465	2,812,123	3,097,512	2,883,248	(214,264)	-6.9%
TOTAL APPROPRIATION	\$ 5,423,700	5,765,139	5,627,681	5,989,728	5,752,026	(237,702)	-4.0%
SOURCES OF FUNDS							
Ambulance Receipts	\$ 91,745	113,821	113,821	85,788	88,987	3,199	3.7%
Departmental Receipts	\$ 152,836	145,895	221,530	149,254	149,254	0	0.0%
Interest From Taxes	\$ 179,434	146,500	142,909	144,000	144,000	0	0.0%
Investment Income	\$ 439,706	350,000	431,421	342,500	260,000	(82,500)	-24.1%
Licenses & Permits	\$ 146,083	142,650	154,945	142,650	142,650	0	0.0%
State Aid-Elections Hours Reimbursement	\$ 5,580	7,289	6,403	7,500	0	(7,500)	-100.0%
Water Fund	\$ 155,627	165,931	165,931	161,017	165,647	4,630	2.9%
Sewer Fund	\$ 166,301	175,688	175,688	167,496	171,937	4,441	2.7%
Transportation Fund	\$ 32,234	33,892	33,892	33,316	36,950	3,634	10.9%
Taxation	\$ 4,241,086	4,552,639	4,395,130	4,756,207	4,592,601	(163,606)	-3.4%

GENERAL GOVERNMENT

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

The General Government area represents 31% of the proposed FY 10 municipal budget and is second only to Public Safety in the Town's operating budget. All of the general administrative costs of managing and operating the Town (except Enterprise Funds), including Town Meeting, financial operations, employee benefits for all General Fund departments (except retirement benefits), maintenance of public facilities (except fire and public works facilities), legal expenses and insurance costs are included in this budget. Employee benefits account for about half of the budget. The proposed FY 10 budget will decrease by 4% (\$237,702). A summary of changes for FY 10 is as follows:

The Select Board/Town Manager budget will decrease by 7.1%. Reductions include the elimination of an administrative assistant to the Town Manager and Select Board (\$41,096), and a part-time clerical position (\$20,000).

There is no change in the Town Meeting/Finance Committee Budget. Most of the expenses for Town Meeting are not reflected in this budget and are charged to other departments within General Government.

The Finance Department collects and processes tax bills, fees, fines and water and sewer charges. Since FY 03 the department has reduced the number of staff by 20%, from 16.3 to 13.0. Increased automation, on-line access to information, and closing Town Hall to the public on Thursday mornings has made it possible for the Department to operate with a reduced staff. Tax collection rates have remained strong and were 98.6% for the most recent year. There are no significant changes in this budget.

Legal Services. There are no changes in this budget.

The Human Resources/Human Rights budget will decrease by 28.8%. Funding of the Human Resources consultant (\$44,200) will be transferred to the Health Care Trust Fund (HCTF). The consultant will be responsible for day-to-day management of the fund and employee benefits.

The Information Technology Department has been instrumental in realizing savings and efficiencies in other departments. A major initiative for FY 09 was the migration of Health, Planning, Conservation and Inspection Services departments to the MUNIS software system which allows departments to share information and allow building, health and fire inspectors to stay connected while in the field. Reorganization in the Information Technology Department in FY 10 will result in the elimination of the position of assistant director (\$64,612), and a .5 FTE information specialist will be transferred from the Police Department to IT, which adds \$30,538 to the IT budget but results in a corresponding reduction to the Police budget. In addition, a delay in outsourcing email will result in savings of \$20,000. Increases in operating expenses are largely in relicensing and maintenance agreements on software and hardware systems. This budget will decrease by 0.8%.

Town Clerk's Office. There are no significant changes in this budget.

Elections and Registration. The FY 10 budget will be reduced by \$26,300 because there is only one scheduled election in the coming year. There were three elections in FY 09.

The Facilities Maintenance budget will increase by 6.5% in FY 10. This is due to higher electricity costs which will be partially offset by a decrease in natural gas costs. Some savings in electricity costs have been realized through the Town's participation in a profit-sharing contract with the Hampshire Council of Governments. Energy use in every town building is monitored daily and energy conservation measures have been implemented in some town buildings resulting in reduced electricity use. The Town shares a facilities director (25%) with the schools.

The General Services area is responsible for centralized purchasing of services, supplies and equipment, contracts for maintenance of office equipment and general liability insurance. The Town has negotiated an extension of the current liability insurance contract through October 2009 resulting in some savings. FY 10 will be the last year of a five-year lease that upgraded the Town's telephone system. The savings will be realized in FY 11. There is a 1.2% increase in this budget due to a slight increase in supplies.

Employee Pay/Benefits have moderated in the past year, and the Health Care Trust Fund, which had been operating at a deficit, now boasts a surplus. This can be attributed to an overhaul of health insurance plans, increased co-payments and monitoring of day to day operations by the Human Resources consultant. In FY 10, \$85,442 in savings in employee benefits will be realized as a result of an increase in health insurance co-payments for some health plans, though this must first be agreed to by the unions representing town employees. In addition, the basic life insurance will increase to \$10,000 for employees, at a cost of \$10,110. Additional savings will be realized due to personnel reductions. There will be an overall decrease of 6.9% in this budget in FY 10.

This General Government budget also contains \$278,644 in unspecified personnel cuts, approximately 5 FTEs. Once identified, the reductions will be attributed to the respective departments within the five functional areas of the municipal budget.

There are 29.88 FTE employees providing services in this budget, down 1.5 from FY 09.

FINANCE COMMITTEE REPORT - FY 10

GENERAL FUND INDEBTEDNESS

	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
High School Renovations	\$ 382,217	340,425	340,425	441,321	400,837	(40,484)	-9.2%
Town Hall Renovations Refunding (2005)	\$ 238,650	228,250	228,250	218,000	212,900	(5,100)	-2.3%
Agricultural Pres. Restriction	\$ 9,515	8,519	8,003	0	0	0	0.0%
Police Facility	\$ 299,594	130,298	130,298	0	0	0	0.0%
Jones Library	\$ 65,622	62,326	62,326	58,547	55,549	(2,998)	-5.1%
Bangs Community Center	\$ 51,007	21,413	21,413	0	0	0	0.0%
Crocker Farm Renovation	\$ 286,000	277,250	282,000	272,188	272,000	(188)	-0.1%
Town Center Sidewalks	\$ 26,358	0	0	0	0	0	0.0%
Sidewalks (2005)	\$ 88,338	86,238	86,238	79,138	77,188	(1,950)	-2.5%
Wildwood Roof	\$ 77,319	75,548	75,548	73,728	66,885	(6,843)	-9.3%
Street Lights	\$ 35,481	0	0	0	0	0	0.0%
Interest on Temporary Debt	\$ 0	20,000	0	20,000	20,000	0	0.0%
Deferred Teachers' Payroll	\$ 56,514	56,514	56,514	56,514	56,514	0	0.0%
Crocker Farm Renovation	\$ 58,743	0	0	0	0	0	0.0%
Plum Brook Recreation Fields	\$ 76,380	66,160	64,898	64,140	62,120	(2,020)	-3.1%
Town Hall Exterior	\$ 0	0	0	44,250	207,109	162,859	368.0%
High School Roof	\$ 19,431	118,418	133,666	118,535	114,765	(3,770)	-3.2%
TOTAL APPROPRIATION	\$ 1,771,167	1,491,359	1,489,579	1,446,361	1,545,867	99,506	6.9%

GENERAL FUND INDEBTEDNESS

RECOMMENDED by Finance Committee vote of 6-0 with 1 absent.

This budget appropriates funds to pay for General Fund debt obligations. Debt incurred for the enterprise funds is included within each enterprise fund budget. Payments for the High School addition and renovation project and for the High School roof are made in response to assessments by the Amherst-Pelham Regional Schools. The High School addition and renovation is funded by a Proposition 2½ debt exclusion, which means annual debt service payments are added to the tax levy only until the debt is fully paid, which will occur in 2018. The district issued long term bonds for the High School roof project in 2006 and received reimbursements from the new Massachusetts School Building Authority (MSBA). This debt will be retired in FY 15. All other current debt service in this article is included in the Town's Capital Plan using money from the General Fund.

FY 10 debt service includes estimated principal and interest of \$62,120 for the Plum Brook Recreation Fields project, the fifth of 10 years' anticipated debt service on a \$500,000 bond issue previously authorized by Town Meeting for the project as in previous years, Community Preservation Act funds have been committed to fund two-thirds of the debt service (\$40,999 in FY 10) with taxation funding the remaining third (\$21,121 in FY 10). CPA funds are also supporting a portion of the debt service (\$42,775) for exterior renovations at Town Hall previously authorized by Town Meeting. A MSBA grant funds \$49,990 of the debt service for the Wildwood School roof project.

The Deferred Teachers' Payroll is for elementary school teachers' payroll liability accrued in FY 92 and FY 93 under a state-authorized option to budget for only 10 of the 12 months of the teachers' payroll while continuing to pay them the full amounts earned. The liability is the lingering effect of the economic downturn that occurred in the early 1990's when the town used every means at its disposal to balance budgets. The FY 10 payment of \$56,514 is the fourteenth of fifteen, all in the same amount.

Appendix A provides more detail about Town debt.

FINANCE COMMITTEE REPORT - FY 10

LIBRARY SERVICES

4% OF GENERAL FUND OPERATING BUDGETS

Library Trustees Recommendation:

	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Library Trustees	Change FY 09 - 10	Percent Change
EXPENDITURES							
Public Services	\$ 1,016,288	1,049,048	1,044,776	1,076,136	1,042,505	(33,631)	-3.1%
Special Collections	\$ 110,479	117,255	117,255	123,086	125,403	2,317	1.9%
English as a Second Language	\$ 33,892	35,573	35,573	36,069	37,039	970	2.7%
Munson Library	\$ 85,442	88,377	88,377	87,857	86,016	(1,841)	-2.1%
North Amherst Library	\$ 80,269	85,659	85,659	83,651	83,561	(90)	-0.1%
Technical Services	\$ 226,389	236,011	234,011	243,929	250,242	6,313	2.6%
Administration	\$ 243,596	238,669	238,669	241,749	241,501	(248)	-0.1%
Building Maintenance	\$ 232,128	251,217	248,217	250,870	262,021	11,151	4.4%
TOTAL APPROPRIATION	\$ 2,028,483	2,101,809	2,092,537	2,143,347	2,128,288	(15,059)	-0.7%

	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Library Trustees	Change FY 09 - 10	Percent Change
SOURCES OF FUNDS							
Public funds							
Tax support	\$ 1,439,727	1,461,162	1,457,770	1,490,385	1,502,733	12,348	0.8%
Town Trust Funds	\$ 0	0	0	1,200	0	(1,200)	-100.0%
State Aid to Libraries	\$ 83,215	104,271	104,244	100,000	85,229	(14,771)	-14.8%
Subtotal	\$ 1,522,942	1,565,433	1,562,014	1,591,585	1,587,962	(3,623)	-0.2%
Private Funds							
Jones Inc support	\$ 451,074	462,115	456,262	472,412	441,326	(31,086)	-6.6%
Annual Fund Drive & Bk Fds	\$ 41,500	46,250	46,250	53,700	53,000	(700)	-1.3%
Friends Donation	\$ 4,000	15,000	15,000	9,500	21,000	11,500	121.1%
Jones Inc. Memorial & ESL Gifts, Room Rentals	\$ 8,967	13,011	13,011	16,150	25,000	8,850	54.8%
Subtotal	505,541	536,376	530,523	551,762	540,326	(11,436)	-2.1%
TOTAL	\$ 2,028,483	2,101,809	2,092,537	2,143,347	2,128,288	(15,059)	-0.7%

Finance Committee Recommendation:

	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
TOTAL APPROPRIATION	\$ 2,028,483	2,101,809	2,092,537	2,143,347	2,093,584	(49,763)	-2.3%

	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
SOURCES OF FUNDS							
Public funds							
Tax support	\$ 1,439,727	1,461,162	1,457,770	1,490,385	1,468,029	(22,356)	-1.5%
Town Trust Funds	\$ 0	0	0	1,200	0	(1,200)	-100.0%
State Aid to Libraries	\$ 83,215	104,271	104,244	100,000	85,229	(14,771)	-14.8%
Subtotal	\$ 1,522,942	1,565,433	1,562,014	1,591,585	1,553,258	(38,327)	-2.4%
Private Funds							
Jones Inc support	\$ 451,074	462,115	456,262	472,412	441,326	(31,086)	-6.6%
Annual Fund Drive & Bk Fds	\$ 41,500	46,250	46,250	53,700	53,000	(700)	-1.3%
Friends Donation	\$ 4,000	15,000	15,000	9,500	21,000	11,500	121.1%
Jones Inc. Memorial & ESL Gifts, Room Rentals	\$ 8,967	13,011	13,011	16,150	25,000	8,850	54.8%
Subtotal	505,541	536,376	530,523	551,762	540,326	(11,436)	-2.1%
TOTAL	2,028,483	2,101,809	2,092,537	2,143,347	2,093,584	(49,763)	-2.3%

LIBRARY SERVICES

RECOMMENDED by Finance Committee vote of 5-0, 1 absent and 1 abstaining.

The Finance Committee is recommending approval of a budget of \$2,093,584 for Library Services and appropriation of \$1,468,029 in town tax support.

Library services are provided at the Jones Library, the North Amherst Library and the Munson Memorial Library in South Amherst. The mission of the libraries is to provide access to materials, to assist people in their quest for information, to preserve the history of this region and to serve as a meeting place for the community's educational and cultural pursuits. The libraries offer information in the form of print, audiovisual and electronic media. The Jones Library holds collections of historical and literary significance related to the Town and its residents. The libraries offer programs to encourage children to read, to help people whose native language is not English to learn English, and to teach people how to use electronic information resources.

The General Fund appropriation of \$1,468,029 represents a decrease of \$37,541, or -1.5%, from FY 09. This compares with our recommended decreases for the town (-1.4%), the elementary schools (-1.5%), the regional schools assessment (+1.4%, to support a regional schools budget decrease of -1.2%), and tax funded capital projects (-8.9 %). To maintain equity between operating budgets, we are unable to support the Library Trustees' request of \$1,502,733, an increase of 0.8%, which is Amherst's Minimum Appropriation Requirement (MAR). The state requires municipalities to fund their libraries at 2.5% above the average of the preceding three years' municipal appropriations in order for the libraries to be certified and to continue receiving state aid. However, if a municipality can't meet the MAR, it may petition the state Board of Library Commissioners for a waiver by demonstrating fiscal hardship and similar reductions in the rest of its budget. If our recommendation is approved by Town Meeting, we expect library and town officials to begin the waiver application process. We suspect Amherst will not be the only community doing so this year, and after a preliminary review of the Massachusetts Board of Library Commissioners requirements we are hopeful of success. In FY 08, 18 libraries applied; 13 were granted full waivers; of 22 applicants in FY 07, 17 received full waivers.

Our recommended appropriation of \$1,468,029 provides 70.1% of the total library budget, up from 69.7% in FY 09 and 69.5% in FY 08.

The overall library budget of \$2,093,584 is down 2.3%, due to decreases in support from the endowment and state aid, as well as the municipal appropriation. The Jones Library Trustees' policy is to use 5 percent of the three-year rolling average value of the endowment to support the libraries. This upper limit was established in order to ensure the endowment's capacity to keep up with inflation and provide support in future years. The limit has proved hard to observe. For FY 10, the Trustees plan to use 5.4%, the same percentage as in FY 09. However, the dollar amount of endowment support for FY 10 decreases by 6.6%, or \$31,086, because the endowment's investments have lost value over the past year and a half.

The library budget for FY 10 shows a reduction of \$14,771, or 14.8%, in state aid. Most of that reduction is due to an ongoing adjustment to the Trustees' unsustainable practice, begun in FY 08, of using more than the state aid in hand by "borrowing" from the coming year's aid. In FY 08 they used all of the FY 07 state aid plus part of the aid expected for FY 08. In FY 09, the Trustees' budget spent \$100,000 in state aid by adding some FY 09 money (\$32,801) to the amount remaining from FY 08 aid (\$67,199). For FY 10 they plan to use all the remaining FY 09 state aid plus all of the aid expected in FY 10 (\$67,522). From FY 11 onward they will be restricted to using whatever aid is received in that year.

Fund-raising continues to be very important. The Trustees are working to increase gifts, donations, grants and additional revenue by 22.9%, to a total of \$99,000 in FY 10. This includes an annual fund drive target of \$47,000; Friends of the Jones Library donation of \$21,000; donations and grants of \$11,000 for the English-as-a-Second-Language Program, the same amount as in FY 09; room rental fees and memorial funds of \$9,000; and \$5,000 from the Town Gift Fund. The Library and its Trustees are also exploring other interesting ideas for increasing revenue, such as a DVD rental program and an in-house coffee shop.

The Trustees' budget includes a reduction of \$76,000, or 30%, in expenditures for new materials, a reduction made possible by changes in state-mandated minimum expenditure requirements. Staffing in the Technical Services department will be reduced by \$4,894. The Finance Committee's recommended appropriation will require deeper cuts, already discussed by the Trustees, such as eliminating the four Sunday hours the Jones Library is now open (\$12,935), a voluntary-one week furlough for professional staff (\$10,933), cutting computer classes (\$4,000), cutting shelving staff (\$9,540), and cutting children's staff-led programs (\$8,000).

There are many instances of cooperation and shared services among the libraries, schools and town departments. The Jones Library stores historic town records and provides library orientation sessions to second-grade classes from Amherst's public schools, including a free book for each child. The Jones Library building is owned by Jones Library Inc., which is governed by the Library Trustees; maintenance, heat and utilities are in the library budget, and the corporation keeps rental fees for use of Jones Library rooms (\$2,470 in FY 07, \$3,967 in FY 08). The Town owns the Munson building and the North Amherst Library building. The library pays the Town annual rent of \$6,500 for space in the Munson building, which includes heat and utilities; the rental amount has not changed for more than a decade, though the library has taken over an additional room. The costs of interior and exterior maintenance at Munson and exterior maintenance at the Town-owned North Amherst Library are in the budgets for the Town Maintenance and Public Works Departments. The library does not pay rent for use of the North Amherst building but pays heat, utilities and interior maintenance costs. Most library accounting and payroll is handled by the Town

LIBRARY SERVICES

Finance Department; the Town Information Technology Department does most of the updating and maintenance of library computers, printers, telephones and related software. The DPW does occasional library vehicle maintenance.

In the Library Trustees' proposed budget, there would be 25.2 FTEs, unchanged from FY 09. As of this writing, library staff had not determined how to reduce their budget to meet the Finance Committee's recommended budget.

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FINANCE COMMITTEE REPORT - FY 10

AMHERST ELEMENTARY SCHOOLS

38% OF GENERAL FUND OPERATING BUDGETS

	FY 07 Actual	FY 08 Actual	FY 09 Original Budget	FY 09 Current Budget	FY 10 School Committee	Difference
PAYROLL ACCOUNTS:						
Salaries						
Regular Education	5,696,896	5,700,395	5,698,148	5,701,573	6,021,364	323,216
English Learner Education	810,256	823,224	837,347	825,416	879,361	42,014
Special Education	3,859,087	3,973,783	4,202,590	4,237,112	4,533,740	331,150
Student Services	580,080	592,946	595,031	643,317	649,973	54,942
Support Services	325,667	286,806	353,619	391,578	409,276	55,657
School Administration	921,175	965,865	906,987	949,546	940,865	33,878
Central Administration	463,425	496,581	482,781	475,615	466,847	(15,934)
Information Systems	200,404	192,911	215,391	181,875	221,947	6,556
Facilities	697,842	680,192	707,851	715,931	756,620	48,769
Transportation	162,137	156,198	182,629	182,629	183,681	1,052
Total Salaries	13,716,968	13,868,900	14,182,374	14,304,592	15,063,674	881,300
Substitutes	165,971	186,527	190,735	190,735	191,312	577
EXPENSE ACCOUNTS:						
Regular Education	58,039	52,871	60,477	64,821	60,068	(409)
English Learner Education	4,998	6,163	8,440	7,645	8,440	-
Special Education	173,727	217,485	237,272	235,865	237,167	(105)
Other Programs	140,526	98,873	210,663	210,663	288,037	77,374
Student Services	50,431	51,382	8,202	8,202	8,189	(13)
Support Services	28,323	16,249	28,279	28,279	28,200	(79)
Program & Staff Development	178,392	120,584	178,067	174,454	178,067	-
School Administration	55,781	46,211	53,937	54,528	53,937	-
Central Administration	74,866	77,868	95,154	121,504	95,154	-
Information Systems	153,403	78,445	149,790	150,170	149,790	-
Facilities	155,200	152,422	135,286	135,286	135,286	-
Utilities	441,171	523,728	540,801	572,608	583,211	42,410
Transportation	64,445	53,188	405,023	405,023	415,714	10,691
Food Service	73,859	74,368	8,300	15,300	43,300	35,000
Health Insurance	2,573,783	3,016,742	3,263,377	3,263,377	3,418,094	154,717
Other Insurance & Benefits	1,030,466	803,404	842,048	683,113	631,687	(210,361)
Control Accounts	123,772	10,346	91,205	63,265	171,864	80,659
LEVEL SERVICES TOTAL	19,264,119	19,455,755	20,689,430	20,689,430	21,761,191	1,071,761
Level Services Increase		1.0%	6.3%		5.2%	
Additions and Cuts	-	-	-	-	(1,379,423)	(1,379,423)
BUDGET TOTAL	19,264,119	19,455,755	20,689,430	20,689,430	20,381,768	(307,662)
Budget Increase		1.0%	6.3%		-1.5%	

AMHERST ELEMENTARY SCHOOLS

RECOMMENDED: Appropriation of \$20,381,768. This appropriation is a 1.5% decrease from the current year, and 15.7% below a level services budget.

As with all of the budgets presented to you, this amount reflects what is available and not what is needed. On June 2 the School Committee voted to adopt a budget of \$20,381,768. This required net cuts totaling \$1,379,423 from a level services budget. Four elementary schools will be maintained during this year, including Marks Meadow, which is to be closed after the 2009-2010 school year. The Superintendent and School Committee followed five guiding principles to develop budgets including maintaining class size, providing opportunities for each child to reach his or her highest level of achievement, ensuring equitable distribution of resources across schools, ensuring emotional and physical safety for children, and providing necessary supports for all students to achieve academically.

The reductions in staff and programs approved on June 2 include three classroom teachers, 0.5 guidance counselor at the Wildwood School, one custodian, reducing assistant principals at Wildwood and Crocker Farm to school year positions (from full-year)positions, instrumental music teachers (1.25 reduction), 2.3 cafeteria paraprofessionals at Wildwood and Fort River Schools, a 0.8 reduction in instructional technology (computer) teacher, 2.70 intervention teachers (math coaches, ELE and intervention), a total of 1.0 FTE reduction of all specialist teachers (art, music, and physical education) to 80% time from full-time, and one librarian. Instrumental music would have a one-year delay, so that strings would start in 4th grade instead of 3rd and band would start in 5th grade instead of 4th. The reductions also included 6.44 FTE positions that are central office, or district staff, including administrative, faculty and clerical positions assigned to outreach, the business office, human resources, information technology, the superintendent's office,, and student services office.

The Finance Committee voted 5-0, with 1 absent, 1 abstaining to recommend approval of this budget. One member abstained from any discussion or vote on the school budget due to a potential conflict of interest.

AMHERST ELEMENTARY SCHOOLS

Amherst Schools Student Enrollment Summary				
Grade	FY 09 Projected	FY 09 Actual	FY 10 Projected	Increase/ (Decrease)
Pre-School	71	73	71	(2)
K	186	178	184	6
1	168	185	175	(10)
2	190	182	187	5
3	181	175	183	8
4	205	207	174	(33)
5	192	196	205	9
6	206	201	201	0
In-House	1,399	1,397	1,380	(17)
Choice, Charter	38	57	67	10
Totals	1,437	1,454	1,447	(7)

Amherst Public Schools Staffing Summary (Full Time Equivalents)						
	FY 09 Current		FY 10 Proposed		Increase / (Decrease)	
	Regular	Grant	Regular	Grant	Regular	Grant
Administrators	11.62	0.13	11.25	-	(0.37)	(0.13)
Teachers	160.51	0.70	148.41	0.55	(12.10)	(0.15)
Paraprofessionals	80.11	11.24	75.83	11.22	(4.28)	(0.02)
Clerical/Media/Other	21.77	0.10	17.90	-	(3.87)	(0.10)
Maint./Cust./Trans.	17.00	-	16.00	-	(1.00)	-
Nurses	3.50	-	3.50	-	-	-
Information Systems	2.22	-	1.25	-	(0.97)	-
Totals:	296.73	12.17	274.14	11.77	(22.59)	(0.40)

Amherst Public Schools Staffing Summary (Full Time Equivalents)						
	FY 08 Current		FY 09 Proposed		Increase / (Decrease)	
	Regular	Grant	Regular	Grant	Regular	Grant
Administrators	14.14	-	14.20	-	0.06	-
Teachers	164.98	1.66	163.00	3.50	(1.98)	1.84
Paraprofessionals	82.20	7.27	82.30	10.30	0.10	3.03
Clerical/Media/Other	18.98	0.15	18.90	0.20	(0.08)	0.05
Maint./Cust./Trans.	16.85	-	16.80	-	(0.05)	-
Nurses	3.20	-	2.20	-	(1.00)	-
Information Systems	2.69	-	2.40	-	(0.29)	-
Totals:	303.04	9.08	299.8	14	(3.24)	4.92

AMHERST-PELHAM REGIONAL SCHOOLS

**FY10 BUDGET
REVENUES**

	FY 08	FY 09	FY 10	Difference	
Revenue					
Chapter 70	9,793,582	9,883,632	9,685,959	(197,673)	
Chapter 70 to Stabilization	(150,000)	(150,000)	(90,000)	60,000	
SUBTOTAL: available from Ch 70	9,643,582	9,733,632	9,595,959	(137,673)	
Transportation Reimbursement	888,130	817,841	447,336	(370,505)	
Medicaid Reimbursement	150,000	120,000	95,000	(25,000)	
Charter Reimbursement	108,518	100,000	108,733	8,733	
Choice Revenues	500,000	710,000	650,000	(60,000)	
Indirect Cost Reimbursement	38,000	34,000	15,000	(19,000)	
Interest Revenue	230,203	220,000	120,000	(100,000)	
E&D for budget support	-	100,000	280,000	180,000	
E&D for contingency	-	280,000	280,000	0	
Assessments	16,008,567	16,005,522	16,184,324	178,802	
Total Revenue	<u>27,567,000</u>	<u>28,120,995</u>	<u>27,776,352</u>	<u>(344,643)</u>	
Total Expense	27,567,000	28,120,995	27,776,352	(344,643)	
Revenue less Expense	<u>0</u>	<u>0</u>	<u>0</u>		
Assessments					
Amherst	12,385,188	12,395,375	12,574,043	178,668	1.4%
Pelham	997,627	1,024,307	1,061,837	37,530	3.7%
Leverett	1,151,898	1,130,932	1,142,105	11,173	1.0%
Shutesbury	1,473,854	1,454,908	1,406,339	(48,569)	-3.3%
	<u>16,008,567</u>	<u>16,005,522</u>	<u>16,184,324</u>	178,802	1.1%

FINANCE COMMITTEE REPORT - FY 10

AMHERST-PELHAM REGIONAL SCHOOLS

24% OF GENERAL FUND OPERATING BUDGETS

	FY 07 Actual	FY 08 Actual	FY 09 Original Budget	FY 09 Current Budget	FY 10 School Committee	Difference
PAYROLL ACCOUNTS:						
Salaries						
Regular Education	6,705,840	6,449,964	6,764,077	6,852,982	7,289,056	524,979
English Learner Education	302,742	271,608	407,400	342,824	366,442	(40,958)
Special Education	3,393,303	3,412,315	3,864,934	4,112,007	4,278,853	413,919
Other Programs	298,393	305,884	311,381	316,286	320,499	9,118
Student Services	897,414	925,097	923,450	921,590	964,427	40,977
Support Services	242,466	267,178	366,751	404,325	420,320	53,569
School Administration	1,170,730	1,187,221	1,288,245	1,368,043	1,401,559	113,314
Central Administration	498,249	582,658	540,051	541,196	533,489	(6,562)
Information Systems	206,064	191,117	201,489	200,812	202,985	1,496
Facilities	763,148	777,203	762,030	768,499	795,863	33,833
Transportation	475,321	491,747	544,869	477,001	490,230	(54,639)
Total Salaries	14,953,671	14,861,992	15,974,677	16,305,564	17,063,723	1,089,046
Substitutes	145,371	137,860	158,442	158,442	158,997	555
EXPENSE ACCOUNTS:						
Regular Education	185,810	274,395	157,365	159,965	157,365	0
English Learner Education	5,664	4,454	5,396	6,369	5,396	0
Special Education	826,157	1,155,996	1,376,929	1,233,352	1,377,020	91
Other Programs	1,466,123	1,238,691	1,383,574	1,383,574	1,451,107	67,533
Student Services	15,351	36,819	16,715	16,715	16,845	130
Support Services	166,397	216,580	179,014	178,014	179,406	392
School Administration	73,668	80,255	72,102	70,502	72,153	51
Central Administration	177,578	206,112	154,043	181,846	154,043	0
Information Systems	388,012	445,531	367,052	367,353	367,052	0
Facilities	576,394	742,088	290,991	290,991	290,991	0
Utilities	899,381	1,069,647	1,114,635	1,044,090	1,032,679	(81,956)
Transportation	1,267,588	1,327,609	932,388	932,388	930,240	(2,148)
Food Service	35,198	63,213	1,000	1,000	66,000	65,000
Health Insurance	3,626,699	3,886,137	4,093,524	4,249,177	4,484,672	391,148
Other Insurance & Benefits	1,651,504	1,509,502	1,233,157	1,247,584	1,528,794	295,637
Control Accounts	227,919	1,000	329,991	14,069	200,636	(129,355)
Contingency funding from E&D	0	0	280,000	280,000	280,000	0
LEVEL SERVICES TOTAL	26,688,485	27,257,882	28,120,995	28,120,995	29,817,119	1,696,124
Level Services Increase	5.2%	2.1%	3.2%		6.0%	
Additions and Cuts	0	0	0	0	(2,040,767)	(2,040,767)
BUDGET TOTAL	26,688,485	27,257,882	28,120,995	28,120,995	27,776,352	(344,643)
Budget Increase	5.2%	2.1%	3.2%		-1.2%	

AMHERST-PELHAM REGIONAL SCHOOLS

RECOMMENDED: Appropriation of \$12,574,043 for the Amherst assessment to support a Regional School District budget of \$27,776,352. The assessment increases by 1.4% from the current year, but the Regional School District budget decreases by 1.2%.

As with all of the budgets presented to you, this amount reflects what is available and not what is needed. On June 2 the Regional School Committee voted a \$27,776,352 budget with assessments of \$12,574,043 for Amherst. This required net cuts totaling \$2,040,767 from a level services budget.

In addition to the cuts in the amount that would be received from the towns as assessments, the Chapter 70 and regional transportation reimbursements projected from the state budget are significantly reduced. The Regional District plans to use \$280,000 from Excess and Deficiency (E&D) funds (similar to a town's Free Cash) to support the budget.

On April 25, Shutesbury's Town Meeting voted to approve a budget adopted at the April 7 Regional School Committee meeting that was \$859,862 higher than the June 2 budget. The Leverett Town Meeting approved this budget on May 2. Because the Regional School Committee adopted a lower revised budget after it was approved by two towns, approval by either Pelham or Amherst will adopt the revised budget. The Pelham Town Meeting will vote on its budget on June 13. Assessments for each town will then be calculated according to the Regional Agreement's method of allotting the amounts charged to each town, in proportion to the five-year rolling average of the number of students coming from each town. This method has to be approved by the four towns every year (See Article 21).

The reductions in staff and programs approved on June 2 include 8.2 FTE teaching positions at the High School, including elimination of the Child Study program. This will result in average class sizes between 24 and 28 students. Other High School cuts include 1 assistant principal, 1 guidance counselor, 4.0 paraprofessionals, 0.46 student activities coordinator, 1 clerical staff member, and 1 custodian. The High School also sustained reductions to the athletic programs and fee increases totaling \$100,000. Another impact of these High School cuts is the elimination of up to 80 sections at the high school, which will require all students to take two study halls per year and eliminate opportunities for elective courses.

At the Middle School, 7.4 FTE teaching positions have been cut. These include 5 core academic teacher cuts, realized by eliminating one seventh grade team and eighth grade team, and a corresponding cut of 2 integrated studies teachers and 0.4 FTE performing music teacher. Additional Middle School cuts include 1 assistant principal, and either 1 guidance counselor or the Middle School librarian (still to be determined).

Budget reductions also include cuts totaling 3.0 FTE Central Office/district level positions assigned to the Superintendent's office, business office, human resources, and Professional Development and Evaluation. This includes the 0.5 FTE Regional share of the Assistant Superintendent for Curriculum.

The Finance Committee voted 5-0, with 1 absent, 1 abstaining to recommend approval of this budget. One member abstained from any discussion or vote on the school budget due to a potential conflict of interest.

AMHERST-PELHAM REGIONAL SCHOOLS

Amherst-Pelham Regional School District Student Enrollment Summary				
Grade	FY 09 Projected	FY 09 Actual	FY 10 Projected	Increase/ (Decrease)
7	273	241	261	20
8	290	298	242	(56)
9	299	305	315	10
10	304	311	299	(12)
11	295	309	312	3
12	311	305	305	0
In-House	1,772	1,769	1,734	(35)
Choice, Charter, Voc.	103	97	117	20
Totals	1,875	1,866	1,851	(15)

Amherst-Pelham Regional School District Staffing Summary (Full Time Equivalents)						
	FY 09 Current		FY 10 Proposed		Increase / (Decrease)	
	Regular	Grant	Regular	Grant	Regular	Grant
Administrators	13.83	0	10.83	0	(3.00)	-
Teachers	180.77	16.09	166.47	13.33	(14.30)	(2.76)
Paraprofessionals	70.08	12.74	66.58	12.74	(3.50)	-
Clerical/Media/Other	30.06	1.25	27.22	1.09	(2.84)	(0.16)
Maint./Cust./Trans.	33.99	0	32.99	0	(1.00)	-
Nurses	2.50	0	2.50	0	-	-
Information Systems	2.75	0	2.75	0	-	-
Totals:	333.98	30.08	309.34	27.16	(24.64)	(2.92)

Amherst-Pelham Regional School District Staffing Summary (Full Time Equivalents)						
	FY 08 Current		FY 09 Proposed		Increase / (Decrease)	
	Regular	Grant	Regular	Grant	Regular	Grant
Administrators	15.58	0.24	16.6	0.15	1.02	(0.09)
Teachers	171.23	16.65	179.9	15.1	8.67	(1.55)
Paraprofessionals	65.73	14.74	67.73	15.3	2.00	0.56
Clerical/Media/Other	24.05	0.62	24	0.55	(0.05)	(0.07)
Maint./Cust./Trans.	37	0	37	0	-	-
Nurses	1	0.8	2.5	0.8	1.50	-
Information Systems	3	0	3	0	-	-
Totals:	317.59	33.05	330.73	31.9	13.14	(1.15)

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FINANCE COMMITTEE REPORT - FY 10

WATER FUND

SOURCES OF FUNDS	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
Operating Revenues	\$ 3,041,324	3,740,000	3,684,671	3,914,006	3,862,000	(52,006)	-1.3%
Interest	\$ 100,914	60,000	60,000	60,000	60,000	0	0.0%
State Grants	\$ 273,877					0	--
Surplus Funds	\$ 412,815	107,453	107,453	250,000	215,684	(34,316)	-13.7%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
TOTAL	\$ 3,828,930	3,907,453	3,852,124	4,224,006	4,137,684	(86,322)	-2.0%

EXPENDITURES	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
Operating Budget	\$ 2,165,177	2,371,720	2,316,391	2,473,336	2,564,680	91,344	3.7%
General Fund Services	\$ 386,766	385,742	385,742	385,111	--	(385,111)	-100.0%
Debt Service	\$ 592,987	724,991	724,991	920,559	811,988	(108,571)	-11.8%
Capital Program	\$ 684,000	425,000	425,000	445,000	366,600	(78,400)	-17.6%
Interfund Transactions	\$ 0	0	0	0	0	0	0.0%
TOTAL APPROPRIATION	\$ 3,828,930	3,907,453	3,852,124	4,224,006	3,743,268	(480,738)	-11.4%
Indirect Costs Appropriated in General Fund	\$				394,416	394,416	--
TOTAL EXPENDITURES	\$ 3,828,930	3,907,453	3,852,124	4,224,006	4,137,684	(86,322)	-2.0%

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

This budget provides funds for the development, treatment, and distribution of the potable water supply for the Town. It is a completely self-supporting enterprise fund.

With over a 40% increase in the cost of chemicals, coupled with the regular inflationary pressures of salary step increases, health insurance costs, and energy costs, a rate increase from \$3.20 to \$3.30 per 100 cubic feet is necessary for FY 10 to provide sufficient revenue to sustain the Water Fund.

The 3.7% increase in the operating budget results primarily from employee pay and benefits (step increases, cost of living adjustments, health insurance costs, and retirement assessments), insurance (building, vehicle, and liability), electricity, fuel, and the costs of chemicals (which in some cases have tripled).

There are 15.08 FTE positions providing services in this Fund; no change from FY 09.

Debt Service covers principal and interest payments for the Atkins Treatment Facility (\$738,873), and the South East Street Water Main Project (\$73,115).

Capital Program expenditures are:

- \$ 8,600 Billing software upgrade
- \$300,000 Water System Improvements
- \$ 40,000 Geographic Information System (GIS) Aerial Photography
- \$ 5,000 DPW Facility Improvements
- \$ 13,000 Water System Leak Study

Due to changes required by the state regarding the method of reporting the indirect costs incurred by enterprise funds, the Town Meeting motion as well as the presentation of these costs in this report differs from previous years. There has been no change in our enterprise fund operations, merely a change in the accounting methods used to report the indirect costs

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FINANCE COMMITTEE REPORT - FY 10

SEWER FUND

SOURCES OF FUNDS	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
Operating Revenues	\$ 2,828,133	3,625,878	3,409,882	3,569,647	3,459,500	(110,147)	-3.1%
Interest	\$ 80,563	31,000	72,813	31,000	31,000	0	0.0%
Grants	\$ 26,196	0	0	25,000	0	(25,000)	-100.0%
Surplus Funds	\$ 0	0	0	0	232,658	232,658	0.0%
Other Available Funds	\$ 211,835	0	0	0	0	0	0.0%
TOTAL	\$ 3,146,727	3,656,878	3,482,695	3,625,647	3,723,158	97,511	2.7%

EXPENDITURES	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
Operating Budget	\$ 2,269,978	2,550,000	2,375,817	2,621,912	2,709,610	87,697	3.3%
General Fund Services	\$ 296,789	296,400	296,400	302,264	--	(302,264)	-100.0%
Transfers to Trust Funds	\$ 0	0	0	0	0	0	0.0%
Debt Service	\$ 354,960	348,478	348,478	341,471	333,804	(7,667)	-2.2%
Capital Program	\$ 225,000	462,000	462,000	360,000	373,600	13,600	3.8%
TOTAL APPROPRIATION	\$ 3,146,727	3,656,878	3,482,695	3,625,647	3,417,014	(208,634)	-5.8%
Indirect Costs Appropriated in General Fund					306,144	306,144	--
TOTAL EXPENDITURES	\$ 3,146,727	3,656,878	3,482,695	3,625,647	3,723,158	97,511	2.7%

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

The budget for this enterprise fund pays for the collection, treatment and discharge of the Town's wastewater. It is a completely self supporting enterprise fund. A rate increase from \$3.10 to \$3.25 per 100 cubic feet of water usage is necessary for FY 10 to sustain the fund balance. Primary contributors to the need for a rate increase are increases in employee salary and benefits, utilities, chemicals, and sludge disposal.

The 3.3% increase in the operating budget results primarily from employee pay and benefits (step increases, cost of living adjustments, health insurance costs, and retirement assessment), electricity, fuel, chemicals and sludge disposal.

There are 17.50 FTE positions providing services in this Fund, no change from FY 09.

Debt service is for the Middle Street sewer extension project, \$211,803, and for the Chapel Road/Mechanic Street sewer extension, \$122,001.

Capital expenditures are as follows:

\$8,600	Billing software upgrade
\$300,000	Collection System Improvements
\$ 40,000	Geographic Information System (GIS) Aerial Photography
\$5,000	DPW Facility Improvements
\$20,000	Sandblast and paint treatment units

Due to changes required by the state regarding the method of reporting the indirect costs incurred by enterprise funds, the Town Meeting motion as well as the presentation of these costs in this report differs from previous years. There has been no change in our enterprise fund operations, merely a change in the accounting methods used to report the indirect costs.

FINANCE COMMITTEE REPORT - FY 10

SOLID WASTE FUND

SOURCES OF FUNDS	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
Operating Revenues	\$ 396,365	450,300	410,286	486,300	476,000	(10,300)	-2.1%
Interest	\$ 43,452	30,000	31,205	30,000	31,000	1,000	3.3%
Borrowing Authorizations	\$ 0	0	0	0	0	0	0.0%
Taxation	0	0	0	0	0	0	0.0%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 33,497	42,951	42,951	109,224	24,194	(85,030)	-77.8%
TOTAL	\$ 473,315	523,251	484,442	625,524	531,194	(94,330)	-15.1%

EXPENDITURES	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Fin Com	Change FY 09 - 10	Percent Change
Operating Expenditures	\$ 473,315	523,251	519,113	537,524	531,194	(6,330)	-1.2%
General Fund Services	\$ 0	0	0	0	-	0	0.0%
Debt Service	\$ 0	0	0	0	0	0	0.0%
Capital Program	\$ 0	0	0	88,000	0	(88,000)	0.0%
Transfer to Trust Funds	\$ 0	0	0	0	0	0	0.0%

TOTAL APPROPRIATION	\$ 473,315	523,251	519,113	625,524	531,194	(94,330)	-15.1%
Indirect Costs Appropriated in General Fund					0		
TOTAL EXPENDITURES	\$ 473,315	523,251	519,113	625,524	531,194	(94,330)	-15.1%

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

This budget funds the costs of solid waste management facilities and activities of the Town. These include monitoring landfills, managing the recycling and transfer facility, monitoring of Town-wide solid waste and recycling collection and disposition, and special activities such as hazardous waste collection and disposal.

The closed landfill on the northeast side of Belchertown Road remains a significant capital asset, the Fund has a substantial fund balance, and the Town has long-term obligations to maintain the cap and perform environmental monitoring of that site as well as the older landfill site on the southwest side of the road. A solid waste transfer and recycling operation continues to operate at the newer landfill.

All wages and benefits payable to the employees performing the services in this Fund continue to be paid from the Fund. The 1.2% decrease in the operating budget results from a reduction in the budgeted amount of capital outlay for the solid waste facilities. This reduction more accurately reflects the actual use of funds for capital expenditures for the facilities. The reduction in this budget line more than compensates for the increases to personnel services and operating expenses, thus the 1.2% decrease overall. The decrease in the capital program from \$88,000 (used to complete the Comprehensive Site Assessment at the old landfill) to \$0 is the primary reason the total appropriation decreases 15.1% below the FY 09 amount.

There are 3.60 FTE positions providing services in this Fund, unchanged from FY 09.

Due to changes required by the state regarding the method of reporting the indirect costs incurred by enterprise funds, the Town Meeting motion as well as the presentation of these costs in this report differs from previous years. There has been no change in our enterprise fund operations, merely a change in the accounting methods used to report the indirect costs. Since this fund no longer generates sufficient revenue to compensate the General Fund for services provided, the indirect costs are listed as \$0.

FINANCE COMMITTEE REPORT - FY 10

TRANSPORTATION FUND

SOURCES OF FUNDS	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Revised	Change FY 09 - 10	Percent Change
Operating Revenues	\$ 887,317	897,453	871,424	892,000	891,700	(300)	0.0%
Interest	\$ 22,328	10,000	11,725	20,000	12,000	(8,000)	0.0%
Surplus Funds	\$ 0	0	11,098	98,754	84,323	(14,431)	0.0%
TOTAL	\$ 909,645	907,453	894,247	1,010,754	988,023	(22,731)	-2.2%

EXPENDITURES	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Revised	Change FY 09 - 10	Percent Change
Operating Budget	\$ 685,940	719,629	706,425	756,349	764,328	7,979	1.1%
General Fund Services	\$ 91,514	88,949	88,949	90,117	--	(90,117)	-100.0%
General Fund Loan Repayment	0	0	0	0	0	0	0.0%
Debt Service	\$ 132,191	98,874	98,874	79,288	76,788	(2,500)	-3.2%
Capital Program	\$ 0	0	0	85,000	50,000	(35,000)	-41.2%
TOTAL APPROPRIATION	\$ 909,645	907,453	894,247	1,010,754	891,116	(119,638)	-11.8%
Indirect Costs Appropriated in General Fund	\$				96,907	96,907	--
TOTAL EXPENDITURES	\$ 909,645	907,453	894,247	1,010,754	988,023	(22,731)	-2.2%

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

This budget funds activities related to the parking and public transportation system. Operating revenues come from parking violations, parking fines, parking meter fees and parking permit fees. This fund is fully self-supporting.

For FY 10, the town's entire share of the estimated PVTA assessment, \$207,197 (an increase of 2.5%, from FY09), is funded within the Transportation Fund. The Transportation Fund also pays the charge to Amherst for the M40 express bus route between Amherst and Northampton, estimated to be \$5,000 (down from \$8,000 in FY 09), and \$10,000 in subsidies for Amherst residents using the on-call van service (the same as FY 09). Also funded are the outreach routes, which are not part of PVTA service; they are provided via a direct contract between the Town and UMass Transit. For FY 10, outreach route costs are budgeted at \$122,164, an increase of \$10,164 (9.1%) from FY 09.

Personnel services increases include contractual employee pay increases and the Transportation Fund's share of increases to employee health insurance costs and retirement assessments.

There are 4.00 FTE positions providing services in this Fund, unchanged from FY 09.

The Transportation Fund operating budget for FY 10 increases by \$7,979, or 1.1%, from FY09. The primary component of this increase is due to rising operating expenses (personnel services actually decrease for FY 10 due to employee turnover).

The capital budget includes \$50,000 for improvements to potentially convert the Bank of America parking lot to public parking. Discussions with bank representatives are ongoing. If this effort does not proceed, funds would be utilized for improvements to our existing parking system equipment.

Due to changes required by the state regarding the method of reporting the indirect costs incurred by enterprise funds, the Town Meeting motion as well as the presentation of these costs in this report differs from previous years. There has been no change in our enterprise fund operations, merely a change in the accounting methods used to report the indirect costs.

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 23. Petition – Human Service Budget
(The Coalition to Support an Amherst Human Services Budget)**

“To see if the town will raise and appropriate \$66,000 to assist agencies delivering a variety of critical services to Amherst residents, distributing these monies as per the FY 2008 and 2009 allocations recommended and implemented by the Community Development Committee as follows:

\$19,000	Amherst Survival Center
\$14,000	Big Brother, Big Sister of Hampshire County/Center for Human Development
\$ 4,200	Center for New Americans
\$ 4,900	Cot Programs/Servicenet
\$13,000	Family Outreach of Amherst/Center for Human Development
\$ 4,900	Men’s Resource Center (MOVE Program)
\$ 6,000	Not Bread Alone/Center for Human Development”

RECOMMENDATION DEFERRED UNTIL TOWN MEETING by Finance Committee vote of 5-1 with 1 absent.

We voted to defer our recommendation because we had not yet had an opportunity to hear from the petitioner.

**ARTICLE 24. Reserve Fund
(Finance Committee)**

To see if the Town will raise and appropriate \$100,000 for the Reserve Fund for FY 2010.

RECOMMENDED by Finance Committee vote of 6-0 with 1 absent.

The Reserve Fund is used by the Finance Committee to pay for extraordinary or unforeseen expenses that may occur during a fiscal year. Any unspent money in the fund after the fiscal year ends becomes Free Cash. The requested \$100,000 for FY 10 is the standard amount we have requested for many years.

**ARTICLE 25. Capital Program – Chapter 90
(Joint Capital Planning Committee)**

To see if the Town will authorize the expenditure of \$670,000 of Chapter 90 funds for qualifying purposes and further authorize the Treasurer to borrow in anticipation of reimbursement of these funds from the Commonwealth of Massachusetts.

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

This is the first of four articles dealing with capital spending as recommended by the Joint Capital Planning Committee. Please be sure to read their report to Town Meeting for more details.

Chapter 90 funds from the state reimburse the Town for the cost of qualifying road projects and equipment. These funds contribute significantly to the Town’s ability to pay for essential parts of the capital program. The Town undertakes Chapter 90 projects only when reimbursement funds are known to be available.

Of the total in this article, \$170,000 will purchase a dump/sander truck to replace a 14-year-old vehicle with well over 110,000 miles on it. \$500,000 is for road maintenance and repairs. Road work is done on a continuing basis. Identification of roads to be improved is assisted by the Public Works Department’s computerized tracking system for road condition and maintenance. Even with annual road maintenance spending of about this amount, there remains a \$4.3 million backlog of projects that needs to be addressed in future years.

**ARTICLE 26. Capital Program - Equipment
(Joint Capital Planning Committee)**

To see if the Town will appropriate a sum of money to purchase, repair, and/or install new or replacement equipment and determine whether such appropriation shall be met by taxation, by the transfer of available funds, or otherwise and further to authorize the application for and acceptance of any gifts, bequests, or grants.

ANNUAL TOWN MEETING WARRANT ARTICLES

RECOMMENDED by a Finance Committee vote of 6-0, 1 absent.

This article appropriates \$758,200 from taxation to fund equipment purchases. (Appropriation of \$170,000 in Chapter 90 funds for road repair equipment is handled in Article 25.) The recommendations were developed by the Joint Capital Planning Committee. Since JCPC voted its recommendations without knowing what the full impact of reductions in FY 10 state aid would be, the committee approved a prioritized list of requested items to eliminate if reductions were necessary. Those cuts are necessary. Therefore, in line with JCPC's stated priorities, the list we recommend does NOT include \$60,000 for a trash/recycling body for a dump truck purchased in FY 09; \$25,000 for a replacement LSSE pickup truck; and \$10,000 for a library computer accessible to members of the public with disabilities.

Below is the list of recommended capital items. For a more complete description, see the JCPC Report to Town Meeting.

\$ 18,000	Town photocopiers (replacements)
\$123,000	Town information systems: replace/upgrade computers and network equipment
\$ 40,000	Town's share of the second and final installment of GIS flyover costs
\$ 20,000	Business licensing module for Town's MUNIS financial management system
\$140,000	Four police cruisers (replacements)
\$ 32,000	Fire prevention officer's vehicle (replacement)
\$ 20,000	Fire Department trench rescue equipment
\$ 45,000	DPW three-quarter-ton pickup with plow (replacement)
\$ 20,000	DPW snow control equipment for dump/sander truck (Article 25)
\$ 20,000	Library information systems: replace/upgrade computers and network equipment
\$ 5,000	Library photocopier (replacement)
\$ 85,000	School bus (replacement)
\$ 26,000	School special education van (replacement)
\$ 30,000	School maintenance vehicle (replacement)
\$ 55,000	School kitchen equipment at Fort River and Wildwood schools (replacements)
\$ 24,000	School telecommunications equipment (replacements/upgrade)
\$ 23,000	School copiers (replacements)
<u>\$ 32,200</u>	School information systems: replace/upgrade computers and network equipment
\$758,200	TOTAL TAX-FUNDED EQUIPMENT

ARTICLE 27. Capital Program - Buildings & Facilities (Joint Capital Planning Committee)

To see if the Town will appropriate a sum of money to repair and/or improve buildings and facilities and determine whether such appropriation shall be met by taxation, by the transfer of available funds, or otherwise and further to authorize the application for and acceptance of any gifts, bequests, or grants.

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

This article appropriates \$503,000 from taxation for building repairs and renovations and for facilities. (Appropriation of \$500,000 from Chap. 90 funds for road repairs is handled in Article 25.) Since JCPC voted its recommendations without knowing what the full impact of reductions in FY 10 state aid would be, the committee approved a prioritized list of requested items to eliminate if reductions were necessary. Those cuts are necessary. Therefore, in line with JCPC's stated priorities, the list we recommend does NOT include \$5,000 for roof repair at the town-owned Hitchcock Center building; \$10,000 for a downtown-improvements matching fund; \$10,000 of the amount requested to restore the existing downtown wayfinding sign system; \$5,000 for maintenance of existing public art installations; and \$10,000 to repair leaks at War Memorial Pool.

Below is the list of recommended capital items. For a more complete description, see the JCPC Report to Town Meeting.

\$ 25,000	Emergency or unexpected repairs to the exterior of municipal buildings
\$ 10,000	Exterior maintenance to Town Hall
\$ 10,000	Heating, ventilation and air-conditioning improvements in Town buildings
\$ 10,000	Exterior maintenance to Bangs Community Center
\$ 25,000	Sidewalk repairs at Bangs Community Center entrance
\$ 12,000	Boiler repairs at Bangs Community Center
\$ 5,000	Exterior maintenance at Munson Memorial Building
\$ 25,000	Enlarge bay door at North Fire Station to accommodate new quint fire truck
\$ 65,000	Replace 34-year-old HVAC system at North Fire Station
\$ 5,000	Improvements/repairs at Public Works Garage
\$ 7,500	Repair to metal roof on new portion of Jones Library

ANNUAL TOWN MEETING WARRANT ARTICLES

\$ 55,500	Repainting of, repairs to rotted exterior siding and window frames at Jones Library
\$ 25,000	New security equipment at all elementary schools
\$ 10,000	Repair deteriorating storm drains at all elementary schools
\$ 10,000	On-going asbestos removal at all elementary schools
\$ 5,000	Exterior door repair at Fort River School
\$ 5,000	Exterior door repair at Wildwood School
<u>\$ 30,000</u>	Boiler room valve replacement at Fort River School
\$340,000	TOTAL BUILDINGS
\$ 12,500	Continued replacement of street trees
\$ 15,000	Downtown wayfinding sign system
\$ 30,000	Sidewalk repairs around town
\$ 6,000	On-going replacement of streetlights with more energy-efficient lights
\$ 49,500	Re-roof all four buildings at Mill River Recreation Area
<u>\$ 50,000</u>	To start comprehensive code revision, part of implementing Master Plan
\$163,000	TOTAL TAX-FUNDED FACILITIES

ARTICLE 28. **Petition – 79 South Pleasant Street (O’Connor)**

“To see if the town will vote:

a) to acquire from the Trustees of Amherst College or their successor by eminent domain, purchase, gift or otherwise the land and improvements of Parcel 248 of Map 14A of the Town Cadastre, located at 79 South Pleasant Street and comprising 16,678 square feet/0.38 acres more or less, for downtown revitalization, economic development, parking, pedestrian and other municipal purposes and to fund such acquisition appropriate an amount equal to the assessed value of said land and improvements for the three years prior to its acquisition by said Trustees of Amherst College/\$1,016,800, and to determine whether to meet such appropriation by taxation, the transfer of available funds, by borrowing, or otherwise and further to authorize the application for and acceptance of any gifts, bequests, or grants from the federal government, the Commonwealth of Massachusetts or otherwise and further authorize the Treasurer to borrow in anticipation of reimbursement for said grants; and,

b) to declare as surplus and authorize for sale in accordance with the provisions of Chapter 30B the land and improvements of Parcel 248 of Map 14A of the Town Cadastre, said location being 79 South Pleasant Street, subject to the following restrictions enforceable by sufficient penalties:

1. that said property not be sold or resold, transferred, or otherwise be tendered to any entity which could claim exemption from the payment of local property taxes;

2. that the minimum sale price recover all town acquisition and resale costs;

and, further, that the town act in accordance with the preceeding declaration and authorization as immediately after acquiring said land and improvements of Parcel 248 of Map 14A of the Town Cadastre as is possible.”

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

ARTICLE 29. **Free Cash (Finance Committee)**

To see if the Town will appropriate and transfer a sum of money from Free Cash in the Undesignated Fund Balance of the General Fund to balance the 2010 Fiscal Year Budget.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING

The budget proposal as brought forth by the Finance Committee recommends the use of \$1.2 million in reserves which we intend to move come from Free Cash. However, our final recommendation for an amount and source depends on what actions, if any, Town Meeting takes that affect the level of reserves needed to balance the budget.

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 30. Stabilization Fund
 (Finance Committee)**

To see if the Town will appropriate and transfer a sum of money from the Stabilization Fund to balance the 2010 Fiscal Year Budget.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING

The budget proposal as brought forth by the Finance Committee recommends the use of \$1.2 million in reserves which we intend to move come from Free Cash; therefore, our current thinking is to dismiss article 30. However, our final recommendation for an amount and source depends on what actions, if any, Town meeting takes that affect the level of reserves needed to balance the budget.

APPENDICES

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FINANCE COMMITTEE REPORT - FY 10

APPENDIX A

LONG TERM DEBT OBLIGATIONS FY 2010 - FY 2017

	Last <u>Payment</u>	Total <u>Principal</u>	Total <u>Interest</u>	Total <u>Cost</u>	FY 10 <u>Payments</u>	FY 11 <u>Payments</u>
GENERAL FUND						
LONG TERM DEBT						
Town Hall Renovations	FY 16	3,223,000	1,631,722	4,854,722	212,900	202,375
Jones Library	FY 11	1,025,731	539,032	1,564,763	55,549	46,989
Wildwood School Roof	FY 13	630,000	102,633	732,633	66,885	64,905
Crocker Farm (1)	FY 19	3,000,000	809,875	3,809,875	272,000	266,000
Sidewalks (2005)	FY 14	600,000	111,327	711,327	77,188	75,075
		<u>14,420,528</u>	<u>6,383,660</u>	<u>20,804,188</u>	<u>684,522</u>	<u>655,344</u>
SHORT TERM DEBT						
Plum Brook Recreation Fields		500,000			62,120	60,100
Town Hall Exterior		575,000			207,109	200,148
		<u>575,000</u>	<u>-</u>	<u>-</u>	<u>269,229</u>	<u>260,248</u>
DEBT PAID BY OVERRIDES						
High School Roof	FY 15			713,591	114,765	110,994
Regional High School Renovations	FY 18	17,019,678	9,108,003	26,127,681	400,837	352,466
		<u>17,019,678</u>	<u>9,108,003</u>	<u>26,841,272</u>	<u>515,602</u>	<u>463,460</u>
MISCELLANEOUS DEBT OBLIGATIONS						
Temp. Interest/Borrowing costs					20,000	20,000
Deferred Teachers Payroll	FY 11				56,514	56,514
					<u>76,514</u>	<u>76,514</u>
TOTAL GENERAL FUND DEBT		<u>32,015,206</u>	<u>15,491,663</u>	<u>47,645,460</u>	<u>1,545,867</u>	<u>1,455,566</u>
ENTERPRISE FUNDS						
LONG TERM DEBT						
WATER FUND						
Atkins Treatment Facility	FY 10	6,994,929	4,699,651	11,694,580	738,873	714,593
South East St. Water Main	FY 12	724,969	444,369	1,169,338	73,115	
		<u>7,719,898</u>	<u>5,144,020</u>	<u>12,863,918</u>	<u>811,988</u>	<u>714,593</u>
SEWER FUND						
Chapel Road Sewer Ext.	FY 14	1,000,000	236,627	1,236,627	122,001	119,751
Middle Street Extension	FY 13	1,920,000	317,248	2,237,248	211,803	205,533
		<u>2,920,000</u>	<u>553,875</u>	<u>3,473,875</u>	<u>333,804</u>	<u>325,284</u>
TRANSPORTATION FUND						
Parking Lot	FY 08	555,655	304,955	860,610		
Parking Garage	FY 20	1,000,000	534,825	1,534,825	76,788	74,288
		<u>1,555,655</u>	<u>839,780</u>	<u>2,395,435</u>	<u>76,788</u>	<u>74,288</u>
TOTAL ENTERPRISE FUNDS DEBT		<u>12,195,553</u>	<u>6,537,675</u>	<u>18,733,228</u>	<u>1,222,580</u>	<u>1,114,165</u>
TOTAL DEBT		<u>44,210,759</u>	<u>22,029,338</u>	<u>66,378,688</u>	<u>2,768,447</u>	<u>2,569,731</u>

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FINANCE COMMITTEE REPORT - FY 10

APPENDIX A

LONG TERM DEBT OBLIGATIONS FY 2010 - FY 2017

<u>FY 12</u> <u>Payments</u>	<u>FY 13</u> <u>Payments</u>	<u>FY 14</u> <u>Payments</u>	<u>FY 15</u> <u>Payments</u>	<u>FY 16</u> <u>Payments</u>	<u>FY 17</u> <u>Payments</u>	<u>Future</u> <u>Periods</u>
196,600	185,000	178,600	167,200	156,000	-	0
62,925	61,013					0
259,250	252,000	244,000	236,000	228,000	220,000	416,000
72,800	70,200	67,600				
591,575	568,213	490,200	403,200	384,000	220,000	416,000
58,080	56,060	54,040	52,020			0
193,188	186,227	179,266	172,305	165,344	158,383	295,883
251,268	242,287	233,306	224,325	165,344	158,383	295,883
107,341	103,689	99,918	96,148			0
305,688	259,373	213,522	171,480			0
413,029	363,062	313,440	267,628			-
20,000	20,000	20,000	20,000			
20,000	20,000	20,000	20,000			-
1,275,872	1,193,562	1,056,946	915,153	549,344	378,383	711,883
718,223						0
718,223	0	0	0			0
117,313	114,500	111,500				
199,263	193,206					
316,576	307,706	111,500	0			0
71,788	69,288	66,788	64,288	61,756	59,175	161,814
71,788	69,288	66,788	64,288	61,756	59,175	161,814
1,106,587	376,994	178,288	64,288	61,756	59,175	161,814
2,382,459	1,570,556	1,235,234	979,441	611,100	437,558	873,697

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FINANCE COMMITTEE REPORT - FY 10

APPENDIX B

**FY 09 MUNICIPAL SERVICES BUDGET WITH HEALTH INSURANCE COSTS
ALLOCATED TO DEPARTMENTS**

	FY 07 Budget	FY 08 Budget	FY 09 Budget	FY 10 Proposed	Change FY 09 - 10	Percent Change
Select Board/Town Manager	\$ 251,039	279,130	276,422	260,767	(15,655)	-5.7%
Town Meeting/Finance Committee	\$ 500	800	800	800	-	0.0%
Finance Department	\$ 946,095	936,425	974,422	1,001,257	26,835	2.8%
Legal Services	\$ 110,568	110,000	95,000	95,000	-	0.0%
Human Resources/ Human Rights	\$ 232,499	226,722	229,131	160,955	(68,176)	-29.8%
Information Technology	\$ 498,493	499,139	522,692	507,911	(14,781)	-2.8%
Town Clerk's Office	\$ 161,953	158,867	168,582	174,055	5,473	3.2%
Elections & Registration	\$ 65,850	42,325	54,824	28,524	(26,300)	-48.0%
Facilities Maintenance	\$ 457,398	501,768	513,300	555,587	42,287	8.2%
General Services	\$ 424,726	434,861	405,361	410,321	4,960	1.2%
SUBTOTAL	\$ 3,149,121	3,190,037	3,240,535	3,195,177	(45,358)	-1.4%
Employee Pay/Benefits	\$ 329,113	318,611	565,736	235,213	(330,523)	-58.4%
TOTAL APPROPRIATION	\$ 3,478,234	3,508,648	3,806,271	3,430,390	(375,881)	-9.9%

	FY 07 Budget	FY 08 Budget	FY 09 Budget	FY 10 Proposed	Change FY 09 - 10	Percent Change
Police Facility	\$ 148,173	177,014	181,996	216,418	34,422	18.9%
Police	\$ 4,410,685	4,367,704	4,503,435	4,597,460	94,025	2.1%
Fire/EMS	\$ 3,886,700	4,077,628	4,270,173	4,266,346	(3,827)	-0.1%
Communications Center	\$ 676,539	668,975	688,752	664,635	(24,117)	-3.5%
Animal Welfare	\$ 53,418	51,460	53,665	57,472	3,807	7.1%
TOTAL APPROPRIATION	\$ 9,175,515	9,342,781	9,698,022	9,802,331	104,309	1.1%

	FY 07 Budget	FY 08 Budget	FY 09 Budget	FY 10 Proposed	Change FY 09 - 10	Percent Change
Public Works Administration	\$ 323,939	327,027	325,074	325,239	165	0.1%
Highway	\$ 689,044	676,757	695,395	763,876	68,481	9.8%
Snow & Ice Removal	\$ 176,540	182,210	189,410	240,410	51,000	26.9%
Street & Traffic Lights	\$ 105,887	105,887	112,248	112,248	-	0.0%
Equipment Maintenance	\$ 259,541	273,965	270,119	279,127	9,007	3.3%
Town Cemeteries	\$ 28,659	29,991	30,283	26,686	(3,597)	-11.9%
Parks, Commons & Downtown Maintenance	\$ 276,023	285,663	291,105	324,778	33,673	11.6%
Tree Care & Pest Control	\$ 157,491	171,660	153,301	126,632	(26,669)	-17.4%
TOTAL APPROPRIATION	\$ 2,017,123	2,053,160	2,066,935	2,198,995	132,060	6.4%

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FINANCE COMMITTEE REPORT - FY 10

APPENDIX B

**FY 09 MUNICIPAL SERVICES BUDGET WITH HEALTH INSURANCE COSTS
ALLOCATED TO DEPARTMENTS**

	FY 07 Budget	FY 08 Budget	FY 09 Budget	FY 10 Proposed	Change FY 09 - 10	Percent Change
Conservation	\$ 248,330	258,522	263,850	287,462	23,613	8.9%
Planning	\$ 333,991	337,529	340,477	342,660	2,184	0.6%
Inspection Services	\$ 451,577	469,840	408,204	395,674	(12,530)	-3.1%
TOTAL APPROPRIATION	\$ 1,033,897	1,065,891	1,012,530	1,025,797	13,266	1.3%

	FY 07 Budget	FY 08 Budget	FY 09 Budget	FY 10 Proposed	Change FY 09 - 10	Percent Change
Public Health	\$ 393,692	400,256	384,355	407,929	23,575	6.1%
Senior Center	\$ 270,853	277,842	268,562	279,732	11,171	4.2%
Community Services	\$ 198,833	84,440	95,732	0	(95,732)	-100.0%
Veterans' Serv. & Benefits	\$ 154,367	150,618	168,404	194,427	26,023	15.5%
Leisure Services & S.E.	\$ 712,275	736,751	702,687	664,158	(38,529)	-5.5%
Pools	\$ 170,912	110,152	167,479	97,154	(70,325)	-42.0%
Town Commemorations	\$ 875	875	875	875	-	0.0%
Golf Course	\$ 203,317	221,681	219,711	229,765	10,054	4.6%
TOTAL APPROPRIATION	\$ 2,105,124	1,982,615	2,007,805	1,874,041	(133,764)	-6.7%

	FY 07 Budget	FY 08 Budget	FY 09 Budget	FY 10 Proposed	Change FY 09 - 10	Percent Change
General Government	\$ 3,478,234	3,508,648	3,806,271	3,430,390	(375,881)	-9.9%
Public Safety	\$ 9,175,515	9,342,781	9,698,022	9,802,331	104,309	1.1%
Public Works	\$ 2,017,123	2,053,160	2,066,935	2,198,995	132,060	6.4%
Planning, Conservation & Inspections	\$ 1,033,897	1,065,891	1,012,530	1,025,797	13,266	1.3%
Community Services	\$ 2,105,124	1,982,615	2,007,805	1,874,041	(133,764)	-6.7%
TOTAL APPROPRIATION	\$ 17,809,893	17,953,095	18,591,563	18,331,553	(260,010)	-1.4%

APPENDIX C

GLOSSARY

These definitions explain the meaning of some terms frequently used at Amherst Town Meeting as the terms apply to Amherst government.

Appropriation - The authorization by Town Meeting of an expenditure for a specified purpose using money from one or more specified sources (taxation, borrowing, grants, etc.). In most cases, a simple majority vote is required; authorization to borrow and appropriations from the Stabilization Fund require a two-thirds vote.

If the expenditure turns out to be less than the appropriation, the remainder is called an appropriation balance. An appropriation balance from a specific project or use can be made available for similar or related purposes by subsequent votes of appropriation transfers. Appropriation balances in the General Fund which stem from the Town's operating budget revert to Free Cash at the end of the fiscal year.

Capital expenditure exclusion - See "Exclusions".

Capital plan - A list of proposed expenditures and funding sources for needs such as land acquisition, construction, major equipment and maintenance, and other special projects that add to the value of the Town's assets.

Cherry Sheet – The official notification from the State of the amounts and types of aid the State will provide to each municipality in a fiscal year, and the amounts each municipality must pay the State and regional entities for a variety of services provided. The document is called a "cherry sheet" because it comes on pink paper.

Contingent appropriation - An appropriation voted by Town Meeting that becomes effective only if the amount is approved in a Proposition 2 1/2 override election.

Debt exclusion - See "Exclusions".

Enterprise fund - A fund established to provide specific services. The state allows enterprise funds only for water, sewer, solid waste, hospital, recreation services, and transportation. Amherst has five: water, sewer, solid waste, golf course, and transportation. Both the costs and the revenues of the enterprise are segregated from other finances of the Town. The costs of the operation are intended to be financed totally or primarily from user charges. Surplus funds, called unreserved retained earnings, may accumulate in the fund for future use by the enterprise. Surpluses result primarily from revenues in excess of estimates and from unexpended appropriations.

Excess taxing capacity - The difference between actual real and personal property taxes levied in any given year and the amount authorized to be assessed under Proposition 2 1/2.

Exclusions - Exclusions allow, by referendum, an increase in the amount of property taxes which a community may levy, for a limited period of time, and only for capital purposes. The revenue is in addition to the levy limit, but it neither increases the levy limit nor becomes part of the base for calculating levy limits of future years. "Capital purposes," in this context, are those for which the Town is authorized to borrow under Massachusetts General Laws, Chapter. 44, sections 7 and 8. Generally, this includes public building and public works projects and land and equipment acquisitions.

The money to pay for these projects is authorized by Town Meeting, but only the Select Board, by a two-thirds majority, can place exclusion questions on the ballot to raise money by increasing the levy.

Capital expenditure exclusion - A one-year increase in the levy limit approved by the voters in a referendum for the purpose of funding a capital project. The referendum question defines the project, states the maximum amount of the exclusion, and specifies the fiscal year in which the payment will occur.

Debt exclusion - A temporary increase in the levy limit approved by the voters in a referendum for the purpose of funding a capital project by means of debt. Both principal and interest are excluded from the levy limit until the debt is retired. The referendum question defines the project, but it does not state the amount of money to be excluded or the years of debt payments. (Estimated amounts are publicized prior to the referendum.)

APPENDIX C

GLOSSARY

Free Cash - The unreserved, undesignated fund balance of the General Fund that accumulates from revenues collected in excess of estimates and from unexpended appropriation balances. These are the only sources of Free Cash; money cannot be appropriated to Free Cash. The amount is calculated and certified by the state's Department of Revenue each year as of July 1, the first day of the fiscal year. Free Cash may be spent by Town Meeting appropriation only, by majority vote.

General Fund - The general operating fund of the Town. It includes revenues from taxation, general state aid, school aid, and all other financial resources that are not held for specific purposes. Expenditures from this fund may be for any purpose for which a municipality may legally appropriate funds. Enterprise Fund money is not part of the General Fund.

Levy - *Verb*: To impose a tax. *Noun*: The total amount of real and personal property taxes assessed in any given year, referred to as "the levy".

Levy ceiling - The limit imposed by Proposition 2 1/2 which equals 2 1/2% of the total full and fair cash value of all property in the Town. The levy may not exceed this amount; taxpayers may not vote a higher amount in an override. The levy ceiling is equal to a tax rate of \$25 per \$1,000 of valuation.

Levy limit - The amount that a town may raise in taxes each year without approval by the voters in a referendum. The levy limit is the prior year's limit plus 2 1/2% of that amount plus an amount approved by the state that resulted from "new growth".

Referenda of two types may be used to increase the limit: override and exclusion.
These are defined elsewhere in this list.

New growth - The increased value in a given year of new development and other growth in the tax base that is not the result of revaluation. Included are physical additions or improvements to taxable property, exempt real property returned to the tax roll, new personal property, and new subdivision parcels and condominium conversions. New growth of one year becomes part of the base for calculating the next year's levy limit.

Overlay / reserve for abatements and exemptions - Tax abatements and exemptions are allowed for a variety of reasons specified in the Massachusetts General Laws. At the time the levy is assessed, the amount of qualifying abatements that will be granted is not determinable; therefore an amount of money must be set aside to provide for these abatements. If at the end of a fiscal year a balance remains in the reserve and the Assessors determine that no further claims are pending, the amount remaining may be reappropriated for other purposes or closed to Free Cash.

Override - A permanent increase in the levy limit approved by the voters in a referendum. The increase becomes part of the base for calculating levy limits of future years.

An override ballot question requests funding for expenses that are expected to continue into the future. The purpose stated in the question may be broad (for example, "general operating expenses") or narrow (for example, "two fire fighters"). The amount of money is also stated in the question, along with the fiscal year in which the increase is to become effective. Money from an override is earmarked for the purpose stated in the ballot question in the first year the override is in effect. Funding for this purpose can be expected to continue, even though, in subsequent years, the money is considered to be an undifferentiated part of the General Fund.

Overrides may be structured in any of three forms: a single ballot question stating a single purpose and related amount of money; a "pyramid" consisting of two or more separate ballot questions stating the same purpose but different amounts of money in each question; or a "menu" of separate questions, each stating a different purpose along with its related amount of money.

Override questions can be put on the ballot only by majority vote of the Select Board. The form of the override and the wording of the question or questions is also determined by the Select Board.

Reserve Fund - An account voted annually by Town Meeting to be used for extraordinary and unforeseen expenses that may occur during a fiscal year. The appropriation may not exceed 5% of the previous year's tax levy. Transfers from this fund are made by majority vote of the Finance Committee.

APPENDIX C

GLOSSARY

Reserves - Money accumulated for future expenditure. Free Cash and the Stabilization Fund are general reserves that may be used for a wide variety of purposes. Some reserves are available only for restricted purposes, for example, the Ambulance Account, the Conservation Fund, the Parking Meter Receipt Account, and the Sale of Real Estate Account.

Revolving Fund - A special purpose account that accumulates revenues based on charges for services and from which expenditures are made without Town Meeting appropriation for uses for which the revenue was collected. The purposes for which the Massachusetts General Laws authorize such accounts to be established are recreation, adult education, and school lunch. These funds differ from enterprise funds in that they do not accumulate and capitalize assets, there are restrictions on the size of fund balances they may retain from year to year, and some restrictions are placed on the purposes for which funds may be expended.

Stabilization Fund - An account established to save funds for future needs. Town Meeting may appropriate funds to the account, subject to limits imposed by state law. Transfers from the account may be made at Annual or Special Town Meetings for any lawful purposes. A two-thirds vote of Town Meeting is required to transfer money out of the fund. The state originally limited use of this fund to capital purposes only, a restriction that no longer exists.