

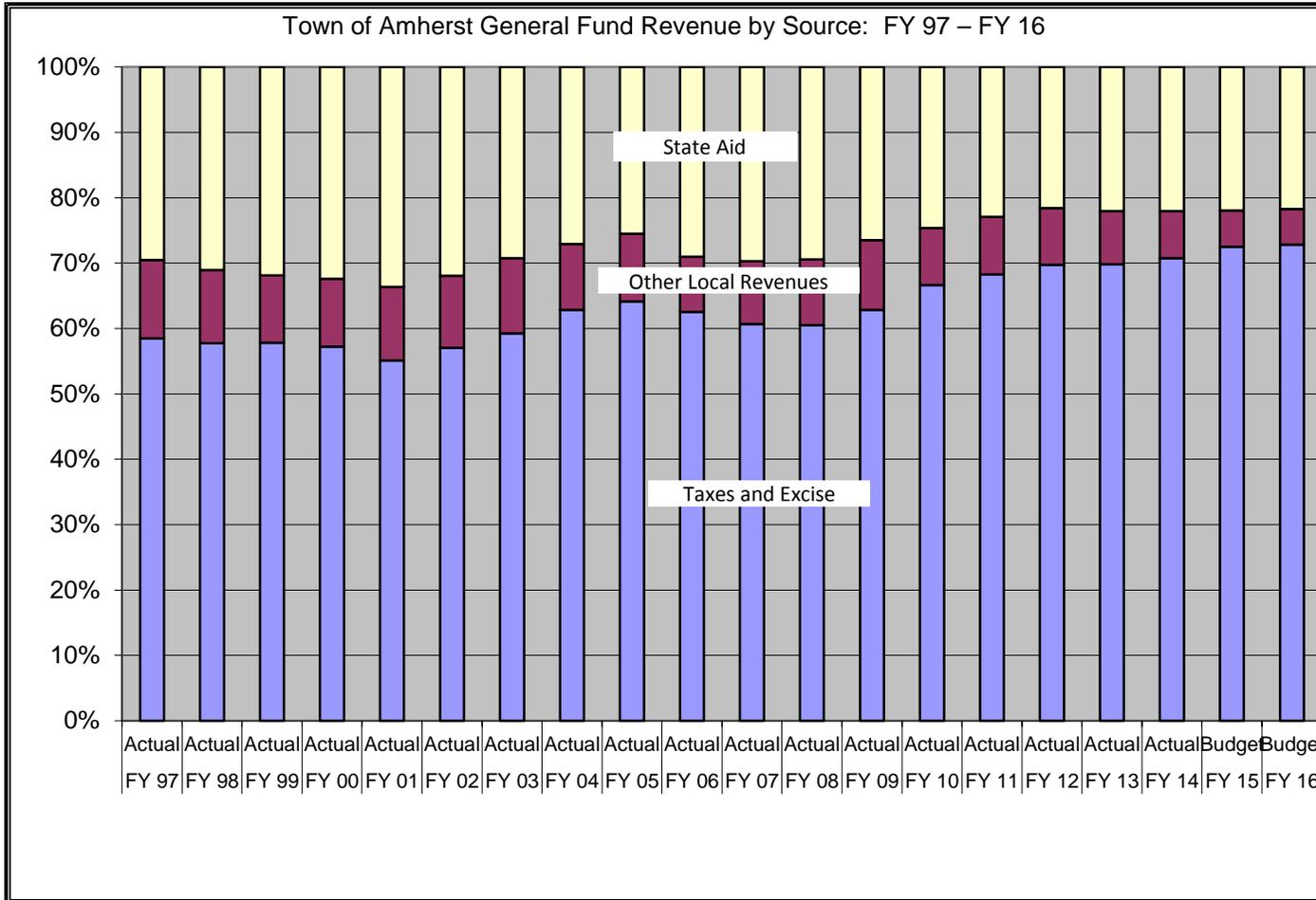
**GENERAL
FUND**

GENERAL FUND RESOURCES SUMMARY

MISSION STATEMENT: To identify funds to support General Fund services.

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

SERVICE LEVELS:	FY 10 <u>Actual</u>	FY 11 <u>Actual</u>	FY 12 <u>Actual</u>	FY 13 <u>Actual</u>	FY 14 <u>Actual</u>
As % of Total Resources					
Taxes	58	63	62	62	62
Other Local Source Revenues	12	12	13	12	11
State Revenues	23	20	20	21	20
Other Financial Sources	7	5	5	5	7



GENERAL FUND RESOURCES SUMMARY

	FY 12 Actual	FY 13 Actual	FY 14 Actual	FY 15 Budget	FY 16 Manager	Change FY 15 - 16	Percent Change
Property Tax	40,344,032	41,799,726	43,254,058	44,993,435	46,674,579	1,681,144	3.7%
Local Receipts	8,438,919	8,314,786	7,902,461	6,804,191	6,942,117	137,926	2.0%
State Aid	13,173,451	13,886,187	14,204,022	14,308,850	14,611,440	302,590	2.1%
Other Financing Sources	3,256,914	3,700,109	4,997,590	3,668,610	3,582,650	(85,960)	-2.3%
	<u>65,213,316</u>	<u>67,700,808</u>	<u>70,358,131</u>	<u>69,775,086</u>	<u>71,810,786</u>	<u>2,035,700</u>	<u>2.9%</u>

MAJOR COMPONENTS:

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

SIGNIFICANT BUDGET CHANGES:

See following pages.

RESOURCES

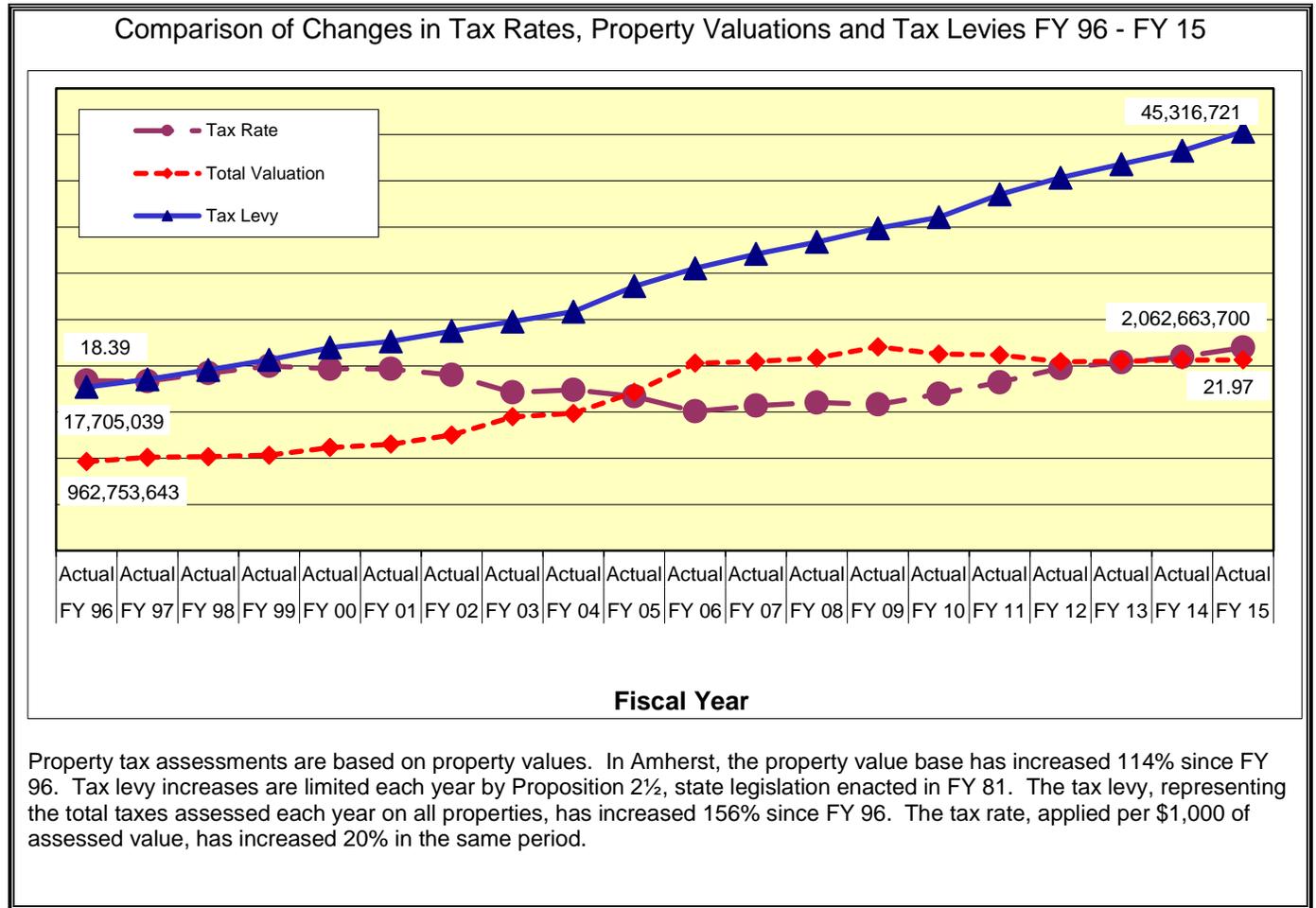
PROPERTY TAX

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

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

FY 16 OBJECTIVES:
To accurately estimate the property tax levy capacity, including new growth, in order to provide the resources necessary to support the Town's programs and services.

SERVICE LEVELS:	FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Actual	FY 14 Actual
Taxes as % of Total Resources					
Real and Personal Property Taxes	58	63	62	62	62



RESOURCES

PROPERTY TAX

	FY 12	FY 13	FY 14	FY 15	FY 16	Change	Percent
	Actual	Actual	Actual	Budget	Manager	FY 15 - 16	Change
Base Levy	38,606,791	40,045,691	41,550,978	43,044,827	44,828,489	1,783,662	4.1%
2.5% Allowable Increase	965,170	1,001,142	1,038,774	1,076,121	1,120,712	44,591	4.1%
Estimated New Growth	473,730	504,145	455,075	707,541	600,000	(107,541)	-15.2%
General Override	0	0	0	0	0	0	0
Levy Limit	40,045,691	41,550,978	43,044,827	44,828,489	46,549,201	1,720,712	3.8%
Debt Exclusion	305,688	259,374	213,522	171,480	125,378	(46,102)	-26.9%
Maximum Allowable Levy	40,351,379	41,810,352	43,258,349	44,999,969	46,674,579	1,674,610	3.7%
Excess Levy Capacity	(7,347)	(10,626)	(4,291)	(6,534)	0		
Subtotal PROPERTY TAX	40,344,032	41,799,726	43,254,058	44,993,435	46,674,579	1,681,144	3.7%

MAJOR COMPONENTS:

Real and Personal Property Taxes are the Town's largest source of revenue.

SIGNIFICANT BUDGET CHANGES:

This budget assumes that the Town will use its full tax levy capacity in FY 16. Property taxes will increase at the allowable 2.5% limit per year (+\$1,120,121). New growth added to property tax is estimated at \$600,000, which is 14% above the 10 year median for new growth. The amount added to the levy via a debt exclusion override back in 1994 for renovations and addition to Amherst Pelham Regional High School continues to decline annually as the local share of debt service for that project is retired.

RESOURCES

LOCAL RECEIPTS

MISSION STATEMENT: To provide revenues to support General Fund services.

FY 16 OBJECTIVES:

To review current fee levels in relation to FY 16 costs of services.

SERVICE LEVELS:

	<u>FY 10</u> <u>Actual</u>	<u>FY 11</u> <u>Actual</u>	<u>FY 12</u> <u>Actual</u>	<u>FY 13</u> <u>Actual</u>	<u>FY 14</u> <u>Actual</u>
Revenues as % of Local Source Revenues					
Other Taxes	34	37	37	38	41
Departmental Revenue	17	15	16	18	14
Rentals	1	1	1	1	1
Licenses and Permits	11	11	11	13	14
Special Assessments	11	9	8	8	7
Fines and Forfeits	2	2	3	3	3
Penalties and Interest	2	2	3	3	4
Investment Income	2	2	1	1	1
Miscellaneous	20	22	21	15	15

MAJOR COMPONENTS:

Departmental Revenue

General Government	\$136,355
Public Safety	32,200
Public Works	6,000
Conservation, Planning, Inspections	120,434
Community Services	661,670
Medicaid Reimbursement	<u>229,601</u>
Total Departmental Revenues	\$1,186,260

Special Assessments:

UMASS PVTA Assessment	\$556,441
Five College PVTA Assessment	<u>215,661</u>
Total Special Revenue Funds	\$ 772,102

Licenses & Permits

General Government	\$ 184,950
Public Safety	113,000
Public Works	10,000
Inspection Services and Health	<u>724,386</u>
Total Licenses & Permits	\$1,032,336

Miscellaneous

Amherst College	90,000
Real Estate Tax Supplemental	<u>10,000</u>
Total Miscellaneous	\$100,000

RESOURCES

LOCAL RECEIPTS

	FY 12	FY 13	FY 14	FY 15	FY 16	Change	Percent
	Actual	Actual	Actual	Budget	Manager	FY 15 - 16	Change
Motor Vehicle Excise	1,559,389	1,488,012	1,540,811	1,494,225	1,531,581	37,356	2.5%
Hotel/Motel and Meals Excise	638,973	745,008	796,176	767,029	786,204	19,175	2.5%
Penalties and Interest	210,239	216,058	303,430	208,125	208,125	0	0.0%
PILOT	947,646	941,877	947,025	944,358	946,976	2,618	0.3%
Rentals	85,438	85,729	97,954	81,500	81,500	0	0.0%
Departmental Revenue	1,314,518	1,484,745	1,092,364	1,131,791	1,186,260	54,469	4.8%
Licenses and Permits	884,535	1,109,086	1,102,441	1,038,213	1,032,336	(5,877)	-0.6%
Special Assessments	671,811	649,540	583,126	741,917	772,102	30,185	4.1%
Fines and Forfeits	256,169	269,229	232,437	227,033	227,033	0	0.0%
Investment Income	79,177	76,094	53,610	70,000	70,000	0	0.0%
Miscellaneous	1,791,024	1,249,408	1,153,087	100,000	100,000	0	0.0%
Subtotal LOCAL RECEIPTS	8,438,919	8,314,786	7,902,461	6,804,191	6,942,117	137,926	2.0%

SIGNIFICANT BUDGET CHANGES:

Consistent with data showing increases in new car sales this year, motor vehicle excise revenues are estimated at \$1,531,581, an decrease of 0.6% from FY 14 actual receipts and a 2.5% increase from the FY 15 estimate. The estimated increase of \$19,175 from the local option 6% hotel/motel excise and 0.75% meals excise taxes reflects strong growth in local restaurant food sales. Payment in Lieu of Taxes (PILOT) payments increases by \$2,618 to reflect actual collections from previous years.

Departmental revenue are consistent with long-term actual receipts. They appear to increase from FY 15, because the FY 15 estimate was lower than previous years to reflect what were one time lower actual revenues in FY 14.

Special Assessments increase by \$30,185. They are the payments made by UMass and Five Colleges, Inc. to reimburse the Town for their share of the Pioneer Valley Transit Authority (PVTA) annual assessments. The assessments and the reimbursement amounts change year-to-year based on PVTA's costs and on the ridership from UMass, the Five Colleges, and the Town.

RESOURCES

STATE AID

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

CONTINUING OBJECTIVES:

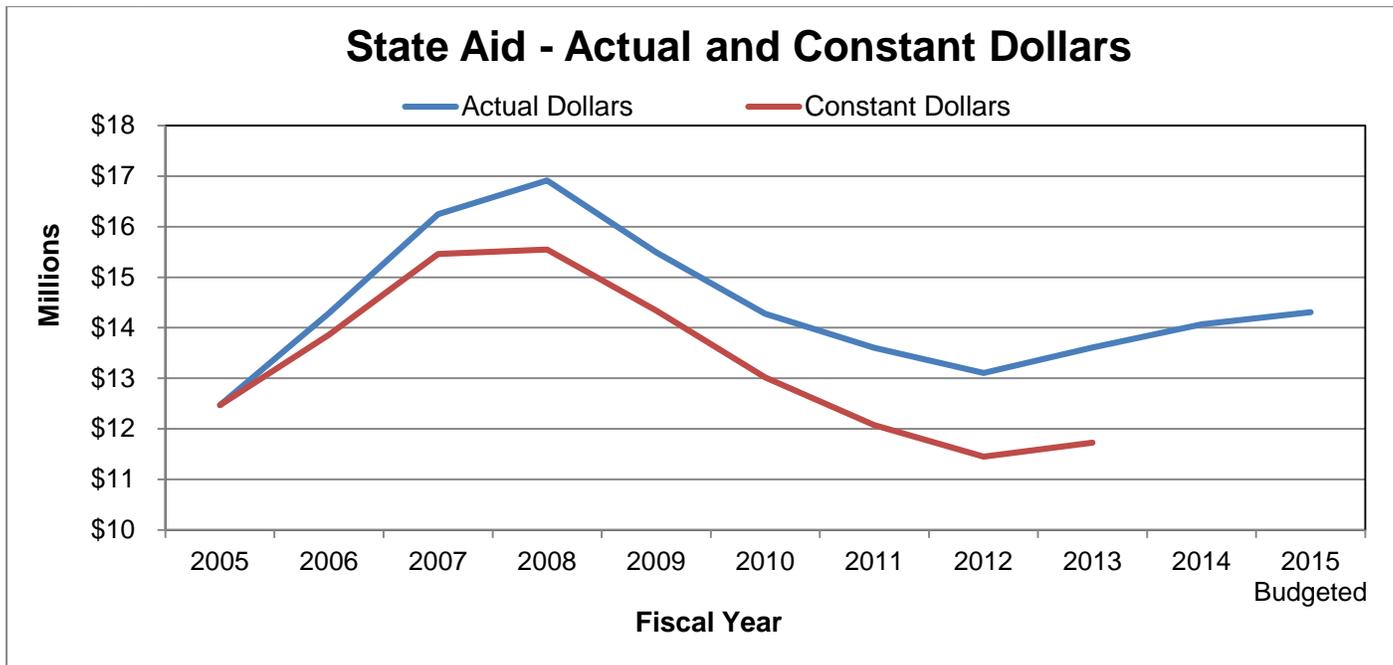
To review and monitor State Aid distributions, the availability of other State and Federal funds, and the State Aid and Education Reform formulas.

SERVICE LEVELS:

	FY 10 <u>Actual</u>	FY 11 <u>Actual</u>	FY 12 <u>Actual</u>	FY 13 <u>Actual</u>	FY 14 <u>Actual</u>
State revenues as a % of Total Resources	23	20	20	21	21

State Aid - Actual and Constant Dollars

Reductions in State Aid are considered a warning indicator, particularly if the Town does not have adequate reserves or other revenues to offset cuts.



Amherst Trend	
Favorable	
Marginal	
Unfavorable	X
Uncertain	X

Reliance on state aid for funding has both an upside and a downside. While increases in state aid may permit additional services, increased state aid as a percentage of operating revenue may be difficult to manage when there is a reduction in this funding.

State Aid to the Town is lower in FY 15 than in FY 08 in both actual and inflation adjusted dollars, with cuts of over \$2.6 million in the last five years.

RESOURCES

STATE AID

	FY 12 Actual	FY 13 Actual	FY 14 Actual	FY 15 Budget	FY 16 Manager	Change FY 15 - 16	Percent Change
Chapter 70	5,813,638	5,864,398	5,895,073	5,925,198	5,954,824	29,626	0.5%
Charter Tuition Assessment							
Reimbursement	284,995	220,114	300,229	200,835	200,835	0	0.0%
Unrestricted General Govt Aid	6,605,976	7,120,842	7,289,164	7,491,306	7,701,063	209,757	2.8%
Veterans Benefits	192,615	195,681	221,335	166,502	221,335	54,833	32.9%
Exempt: Vets, Blind, Surv. Spouses, Elderly	54,139	37,803	13,052	35,293	35,293	0	0.0%
State Owned Land	151,747	151,796	155,965	166,877	166,877	0	0.0%
Offset Receipts							
School Lunch	6,591	6,306	6,443	6,412	6,412	0	0.0%
School Tuition	0	219,624	255,276	246,902	255,276		
Public Libraries	63,750	69,623	67,485	69,525	69,525	0	0.0%
Subtotal STATE AID	13,173,451	13,886,187	14,204,022	14,308,850	14,611,440	302,590	2.1%

SIGNIFICANT BUDGET CHANGES:

Assumes state aid increase of 0.5% in Chapter 70 education, 2.8% increase in Unrestricted General Government Aid and a 33% increase in Veteran Benefits, based on recent trends. All other aid estimates are level funded. These estimates will be revised as the state budget process unfolds, beginning with the expected release of the Governor's FY 16 state budget proposal on March 4, 2015. Per the chart on the previous page and the table above, please note that state aid has been cut by over \$3.5 million since FY 08. State aid, when adjusted for inflation, is below FY 02 levels.

RESOURCES

OTHER FINANCING SOURCES

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

CONTINUING OBJECTIVES:

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

FY 16 OBJECTIVES:

- To maximize Ambulance Fund receipts to support EMS operating and capital costs and thereby minimize tax support needed.
- To not use reserves (Free Cash and/or Stabilization Fund) to balance the FY 16 budget, if possible.

SERVICE LEVELS:

	<u>FY 10 Actual</u>	<u>FY 11 Actual</u>	<u>FY 12 Actual</u>	<u>FY 13 Actual</u>	<u>FY 14 Actual</u>
<u>% of Total Resources</u>					
Borrowing Authorization	0	0	0	0	0
Special Revenue Funds	3	3	4	4	3
Stabilization from 10% Plan	0	0	0	0	0
Overlay Reserve Account	0	0	1	0	0
Available Funds	0	0	0	0	0
Surplus Funds:					
Free Cash	2	1	1	3	2
Stabilization	0	0	0	0	0
Other Interfund Transactions	1	1	1	1	2
Jones Inc.	0	0	0	0	0

RESOURCES

OTHER FINANCING SOURCES

	FY 12 Actual	FY 13 Actual	FY 14 Actual	FY 15 Budget	FY 16 Manager	Change FY 15 - 16	Percent Change
Ambulance Fund	2,276,577	2,546,028	2,355,028	2,492,833	2,515,292	22,459	0.0%
Reserve for							
Debt Service - WW Roof	44,844	83,798	0	0	0	0	0.0%
Community Preservation							0.0%
Act (debt service only)	831,243	852,083	880,193	1,050,777	1,067,358	16,581	0.0%
Enterprise Fund Reimbursements*	39,000	0	160,028	0	0	0	0.0%
Miscellaneous							
Free Cash	65,250	218,200	1,602,341	125,000	0	(125,000)	0.0%
Stabilization Fund	0	0	0	0	0	0	0.0%
Subtotal OTHER							
FINANCING SOURCES	3,256,914	3,700,109	4,997,590	3,668,610	3,582,650	(85,960)	-2.3%

SIGNIFICANT BUDGET CHANGES:

A total of \$2,515,292 in support from the Ambulance Fund is allocated to the Fire Department operating budget including recently settled collective bargaining agreements, other administrative support costs (billing, IT, etc.).

Consistent with Finance Committee budget guidelines, no contribution from Free Cash/Stabilization Fund reserves is included to balance the FY 16 budget. In FY 12, \$65,250 was appropriated from Free Cash to reimburse the Health Claims Trust Fund with federal Medicare Part D reimbursements. In FY 13, \$218,200 of Free Cash was appropriated to supplement the School Department budget as it started a school choice program. In FY 14, \$120,000 of Free Cash was appropriated to pay for a joint Town-Gown study with UMass and to provide social service program funds, \$156,188 was appropriated to the OPEB Trust fund from Medicare Part D reimbursements, and \$1,326,223 was transferred to the Stabilization Fund. In FY 15, \$125,000 was appropriated to support social services.

GENERAL FUND EXPENDITURES SUMMARY

		FY 12 Actual	FY 13 Actual	FY 14 Actual	FY 15 Budget	FY 16 Manager	Change FY 15-16	% Change
General Government	\$	6,019,118	6,614,757	6,252,457	6,333,845	6,468,317	134,472	2.1%
Public Safety	\$	8,549,237	8,876,436	9,140,796	9,596,952	9,943,955	347,003	3.6%
Public Works	\$	1,950,987	1,928,722	2,202,600	2,076,997	2,152,004	75,007	3.6%
Conservation & Development	\$	878,785	928,279	973,550	1,161,383	1,311,197	149,814	12.9%
Community Services	\$	1,595,253	1,730,271	1,713,245	1,903,749	1,724,276	(179,473)	-9.4%
TOTAL APPROPRIATION	\$	18,993,379	20,078,464	20,282,648	21,072,926	21,599,749	526,823	2.5%

SIGNIFICANT BUDGET CHANGES:

RECOMMENDED BUDGET:

The Town Manager's proposed FY 16 municipal budget is funded at \$21,599,749 and exactly meets the Finance Committee's guideline of a 2.5% increase from FY 15. Ongoing savings from controlling health insurance costs and settling reasonable collective bargaining contract provide the resources to maintain a level services budget in most departments and to add staff including an Economic Development Director, a customer service/data analyst in Public Works, and two Police officers.

POSSIBLE BUDGET RESTORATIONS AND ADDITIONS IF ADDITIONAL FUNDS AVAILABLE:

The Finance Committee budget guideline assumes a modest increase of 1% in state aid in FY 15. Once the Governor releases his budget on March 4, 2014, revenue estimates will become more definitive. There no list of budget additions for FY 16.