

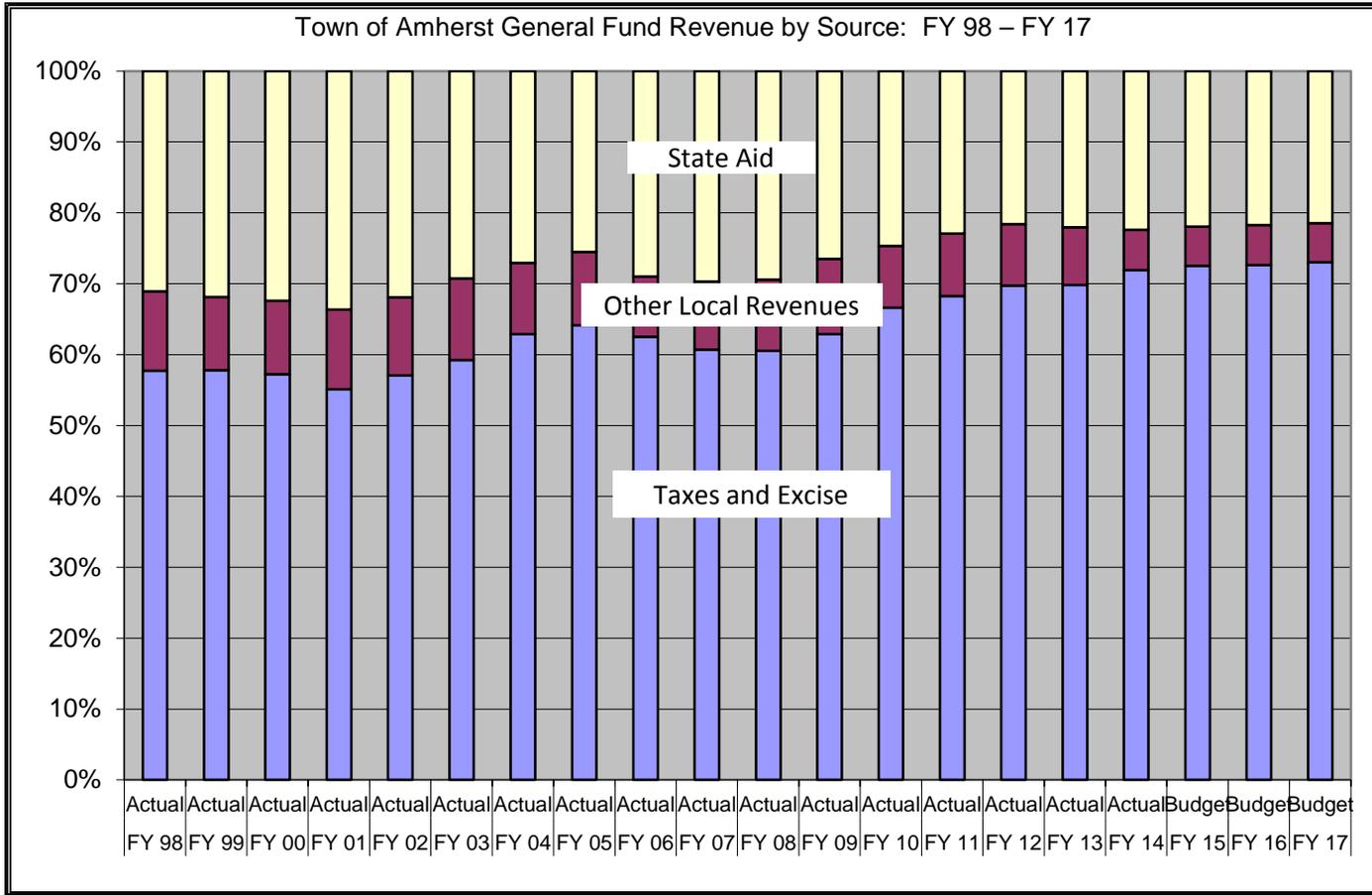
**GENERAL
FUND**

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 11 <u>Actual</u> | FY 12 <u>Actual</u> | FY 13 <u>Actual</u> | FY 14 <u>Actual</u> | FY 15 <u>Actual</u> |
|-----------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| As % of Total Resources | | | | | |
| Taxes | 63 | 62 | 62 | 62 | 63 |
| Other Local Source Revenues | 12 | 13 | 12 | 11 | 10 |
| State Revenues | 20 | 20 | 21 | 20 | 20 |
| Other Financial Sources | 5 | 5 | 5 | 7 | 6 |



GENERAL FUND RESOURCES SUMMARY

| | FY 13 Actual | FY 14 Actual | FY 15 Actual | FY 16 Budget | FY 17 Manager | Change FY 16 - 17 | Percent Change |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|-------------------|
| Property Tax | 41,799,726 | 43,254,058 | 44,993,435 | 46,686,579 | 48,546,170 | 1,859,591 | 4.0% |
| Local Receipts | 8,314,786 | 6,886,866 | 7,437,747 | 7,095,158 | 7,151,592 | 56,434 | 0.8% |
| State Aid | 13,886,187 | 14,204,022 | 14,471,581 | 14,656,286 | 14,965,457 | 309,171 | 2.1% |
| Other Financing Sources | 3,700,109 | 4,997,590 | 4,015,210 | 3,696,719 | 3,642,023 | (54,696) | -1.5% |
| | <u>67,700,808</u> | <u>69,342,536</u> | <u>70,917,973</u> | <u>72,134,742</u> | <u>74,305,243</u> | <u>2,170,500</u> | <u>3.0%</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

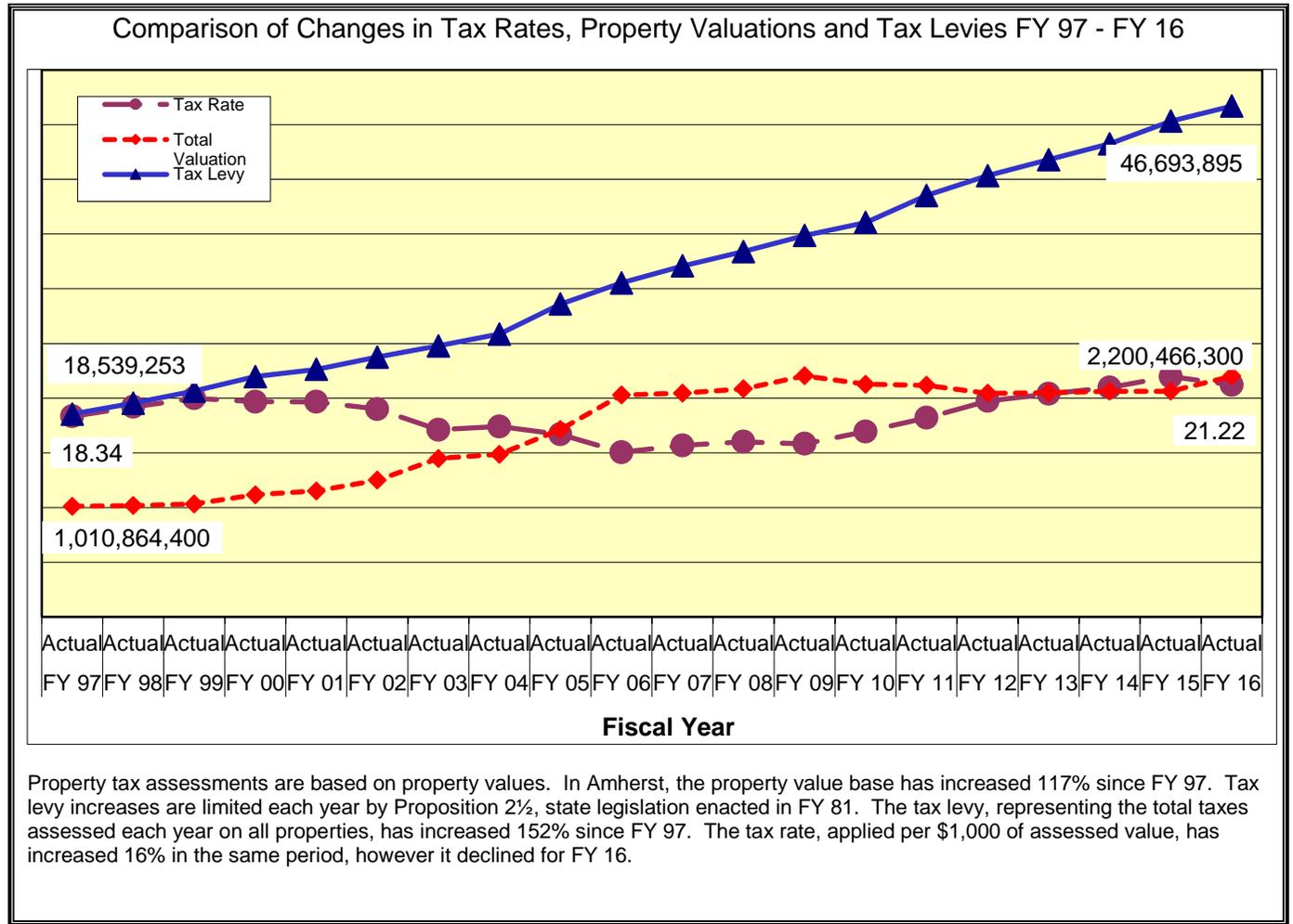
PROPERTY TAX

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

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

FY 17 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 11 Actual | FY 12 Actual | FY 13 Actual | FY 14 Actual | FY 15 Actual |
|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Taxes as % of Total Resources | | | | | |
| Real and Personal Property Taxes | 63 | 62 | 62 | 62 | 63 |



RESOURCES

PROPERTY TAX

| | FY 13 Actual | FY 14 Actual | FY 15 Actual | FY 16 Budget | FY 17 Manager | Change FY 16 - 17 | Percent Change |
|-------------------------|-----------------|-----------------|-----------------|-----------------|------------------|----------------------|-------------------|
| Base Levy | 40,045,691 | 41,550,978 | 43,044,827 | 44,828,489 | 46,549,201 | 1,720,712 | 3.8% |
| 2.5% Allowable Increase | 1,001,142 | 1,038,774 | 1,076,121 | 1,120,712 | 1,163,730 | 43,018 | 3.8% |
| Estimated New Growth | 504,145 | 455,075 | 707,541 | 612,000 | 750,000 | 138,000 | 22.5% |
| General Override | 0 | 0 | 0 | 0 | 0 | 0 | |
| Levy Limit | 41,550,978 | 43,044,827 | 44,828,489 | 46,561,201 | 48,462,931 | 1,901,730 | 4.1% |
| Debt Exclusion | 259,374 | 213,522 | 171,480 | 125,378 | 83,239 | (42,139) | -33.6% |
| Maximum Allowable Levy | 41,810,352 | 43,258,349 | 44,999,969 | 46,686,579 | 48,546,170 | 1,859,591 | 4.0% |
| Excess Levy Capacity | (10,626) | (4,291) | (6,534) | 0 | 0 | | |
| Subtotal PROPERTY TAX | 41,799,726 | 43,254,058 | 44,993,435 | 46,686,579 | 48,546,170 | 1,859,591 | 4.0% |

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 17. Property taxes will increase at the allowable 2.5% limit per year (+\$1,163,730). New growth added to property tax is estimated at \$750,000, which is 43% 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 17 OBJECTIVES:

To review current fee levels in relation to FY 17 costs of services.

SERVICE LEVELS:

| | <u>FY 11 Actual</u> | <u>FY 12 Actual</u> | <u>FY 13 Actual</u> | <u>FY 14 Actual</u> | <u>FY 15 Actual</u> |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Revenues as % of Local Source Revenues | | | | | |
| Other Taxes | 37 | 37 | 38 | 41 | 44 |
| Departmental Revenue | 15 | 16 | 18 | 14 | 19 |
| Rentals | 1 | 1 | 1 | 1 | 1 |
| Licenses and Permits | 11 | 11 | 13 | 14 | 18 |
| Special Assessments | 9 | 8 | 8 | 7 | 10 |
| Fines and Forfeits | 2 | 3 | 3 | 3 | 2 |
| Penalties and Interest | 2 | 3 | 3 | 4 | 3 |
| Investment Income | 2 | 1 | 1 | 1 | 1 |
| Miscellaneous | 22 | 21 | 15 | 15 | 2 |

MAJOR COMPONENTS:

Departmental Revenue

| | |
|-------------------------------------|----------------|
| General Government | \$147,073 |
| Public Safety | 32,200 |
| Public Works | 6,000 |
| Conservation, Planning, Inspections | 80,100 |
| Community Services | 559,902 |
| Medicaid Reimbursement | <u>265,489</u> |
| Total Departmental Revenues | \$1,090,764 |

Special Assessments:

| | |
|------------------------------|----------------|
| UMASS PVTA Assessment | \$648,929 |
| Five College PVTA Assessment | <u>206,592</u> |
| Total Special Revenue Funds | \$ 855,521 |

Licenses & Permits

| | |
|--------------------------------|----------------|
| General Government | \$ 177,950 |
| Public Safety | 120,000 |
| Public Works | 10,000 |
| Inspection Services and Health | <u>769,977</u> |
| Total Licenses & Permits | \$1,077,927 |

Miscellaneous

| | |
|------------------------------|---------------|
| Amherst College | \$130,000 |
| UMass Strategic Partnership | 125,000 |
| Real Estate Tax Supplemental | <u>10,000</u> |
| Total Miscellaneous | \$265,000 |

RESOURCES

LOCAL RECEIPTS

| | FY 13 Actual | FY 14 Actual | FY 15 Actual | FY 16 Budget | FY 17 Manager | Change FY 16 - 17 | Percent Change |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|----------------------|-------------------|
| Motor Vehicle Excise | 1,488,012 | 1,540,811 | 1,624,290 | 1,624,290 | 1,664,897 | 40,607 | 2.5% |
| Hotel/Motel and Meals Excise | 745,008 | 796,176 | 703,492 | 703,492 | 703,492 | 0 | 0.0% |
| Penalties and Interest | 216,058 | 303,430 | 223,077 | 223,000 | 223,000 | 0 | 0.0% |
| PILOT | 941,877 | 947,025 | 948,735 | 948,476 | 948,476 | 0 | 0.0% |
| Rentals | 85,729 | 97,954 | 85,965 | 89,550 | 89,550 | 0 | 0.0% |
| Departmental Revenue | 1,484,745 | 1,092,364 | 1,428,148 | 1,112,420 | 1,090,764 | (21,656) | -1.9% |
| Licenses and Permits | 1,109,086 | 1,102,441 | 1,301,754 | 1,077,927 | 1,077,927 | 0 | 0.0% |
| Special Assessments | 649,540 | 583,126 | 741,867 | 763,033 | 855,521 | 92,488 | 12.1% |
| Fines and Forfeits | 269,229 | 232,437 | 147,562 | 204,570 | 149,565 | (55,005) | -26.9% |
| Investment Income | 76,094 | 53,610 | 96,608 | 83,400 | 83,400 | 0 | 0.0% |
| Miscellaneous | 1,249,408 | 137,492 | 136,250 | 265,000 | 265,000 | 0 | 0.0% |
| Subtotal LOCAL RECEIPTS | 8,314,786 | 6,886,866 | 7,437,747 | 7,095,158 | 7,151,592 | 56,434 | 0.8% |

SIGNIFICANT BUDGET CHANGES:

Consistent with data showing increases in new car sales this year, motor vehicle excise revenues are estimated at \$1,664,897, an increase of 2.5% from FY 15 actual receipts.

Departmental revenue is consistent with long-term actual receipts. The decrease of \$21,656 reflects a change with shared sanitarian services with the City Northampton. In FY 17, the sanitarian is no longer a shared position with Northampton and is fully funded by the Town of Amherst.

Special Assessments increase by \$92,488. 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.

Fines and Forfeits decrease by \$55,005. Court fines are reduced to reflect reductions in actual amounts collected as a result of changing Police Department tactics that put more emphasis on community policing strategies and less on issuing fines to control undesirable behavior.

RESOURCES

STATE AID

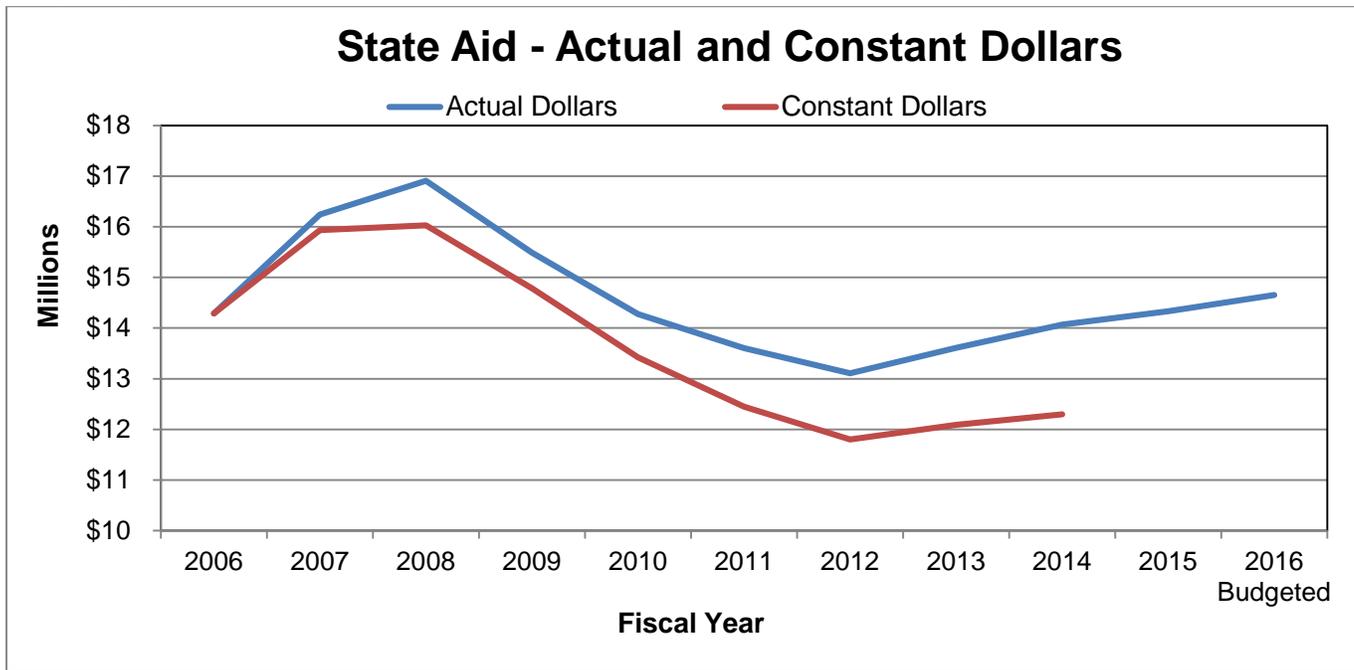
MISSION STATEMENT: To administer state revenues received for general purposes and purposes related to specific grants.

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: | <u>FY 11 Actual</u> | <u>FY 12 Actual</u> | <u>FY 13 Actual</u> | <u>FY 14 Actual</u> | <u>FY 15 Actual</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| State revenues as a % of Total Resources | 20 | 20 | 21 | 21 | 20 |

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 | X |
| Unfavorable | |
| 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 16 than in FY 08 in both actual and inflation adjusted dollars, with cuts of over \$2.3 million since FY 08.

RESOURCES

STATE AID

| | FY 13 Actual | FY 14 Actual | FY 15 Actual | FY 16 Budget | FY 17 Manager | Change FY 16 - 17 | Percent Change |
|--|-----------------|-----------------|-----------------|-----------------|------------------|----------------------|-------------------|
| Chapter 70 | 5,864,398 | 5,895,073 | 5,925,198 | 5,954,998 | 5,984,773 | 29,775 | 0.5% |
| Charter Tuition Assessment | | | | | | | |
| Reimbursement | 220,114 | 300,229 | 334,378 | 141,367 | 141,367 | 0 | 0.0% |
| Unrestricted General Govt Aid | 7,120,842 | 7,289,164 | 7,491,306 | 7,760,993 | 8,040,389 | 279,396 | 3.6% |
| Veterans Benefits | 195,681 | 221,335 | 172,743 | 180,268 | 180,268 | 0 | 0.0% |
| Exempt: Vets, Blind, Surv. Spouses, Elderly | 37,803 | 13,052 | 35,427 | 33,240 | 33,240 | 0 | 0.0% |
| State Owned Land | 151,796 | 155,965 | 166,877 | 166,877 | 166,877 | 0 | 0.0% |
| Offset Receipts | | | | | | | |
| School Lunch | 6,306 | 6,443 | 6,412 | 0 | 0 | 0 | 0.0% |
| School Tuition | 219,624 | 255,276 | 255,276 | 338,073 | 338,073 | | |
| Public Libraries | 69,623 | 67,485 | 83,964 | 80,470 | 80,470 | 0 | 0.0% |
| Subtotal STATE AID | 13,886,187 | 14,204,022 | 14,471,581 | 14,656,286 | 14,965,457 | 309,171 | 2.1% |

SIGNIFICANT BUDGET CHANGES:

Assumes state aid increase of 0.5% in Chapter 70 education and 3.6% increase in Unrestricted General Government Aid based on the FY 16 increase. All other aid estimates are level funded. These estimates will be revised as the state budget process unfolds, beginning with the release of the Governor's FY 17 state budget proposal on January 27, 2016. Per the chart on the previous page and the table above, please note that state aid has been cut by over \$2.3 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 17 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 17 budget, if possible.

SERVICE LEVELS:

| | <u>FY 11 Actual</u> | <u>FY 12 Actual</u> | <u>FY 13 Actual</u> | <u>FY 14 Actual</u> | <u>FY 15 Actual</u> |
|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <u>% of Total Resources</u> | | | | | |
| Special Revenue Funds | 3 | 4 | 4 | 3 | 4 |
| Overlay Reserve Account | 0 | 1 | 0 | 0 | 0 |
| Surplus Funds: | | | | | |
| Free Cash | 1 | 1 | 3 | 2 | 2 |
| Stabilization | 0 | 0 | 0 | 0 | 0 |
| Other Interfund Transactions | 1 | 1 | 1 | 2 | 2 |

RESOURCES

OTHER FINANCING SOURCES

| | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 | Change | Percent |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|------------|---------|
| | Actual | Actual | Actual | Budget | Manager | FY 16 - 17 | Change |
| Ambulance Fund | 2,546,028 | 2,355,028 | 2,839,433 | 2,515,292 | 2,594,380 | 79,088 | 3.1% |
| Reserve for | | | | | | | |
| Debt Service - WW Roof | 83,798 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Enterprise Fund Reimbursements | 852,083 | 880,193 | 1,050,777 | 1,076,427 | 1,077,643 | 1,216 | 0.1% |
| Overlay Surplus | 0 | 160,028 | 0 | 0 | 0 | 0 | 0.0% |
| Free Cash | 218,200 | 120,000 | 125,000 | 0 | 0 | 0 | 0.0% |
| Stabilization Fund | 0 | 0 | 0 | 105,000 | 0 | (105,000) | -100.0% |
| Subtotal OTHER | | | | | | | |
| FINANCING SOURCES | 3,700,109 | 3,515,249 | 4,015,210 | 3,696,719 | 3,672,023 | (24,696) | -0.7% |

SIGNIFICANT BUDGET CHANGES:

A total of \$2,594,380 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, and the Communications Center). The increase of \$79,088 is to support increases in medical supply costs and a service agreement for stretchers purchased in FY 16 in the Fire Department budget.

Consistent with Finance Committee budget guidelines, no contribution from Free Cash/Stabilization Fund reserves is included to balance the FY 17 budget. 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. In FY 15, \$125,000 was appropriated to support social services. In FY 16, \$105,000 of Stabilization was voted at Town Meeting to support subsidies for LSSE's programs.

GENERAL FUND EXPENDITURES SUMMARY

| | | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 | Change | % |
|----------------------------|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------|-------------|
| | | Actual | Actual | Actual | Manager | Manager | FY 16-17 | Change |
| General Government | \$ | 6,614,757 | 6,252,457 | 6,262,466 | 6,483,937 | 6,950,541 | 466,604 | 7.2% |
| Public Safety | \$ | 8,876,436 | 9,140,796 | 9,580,832 | 9,943,955 | 10,044,269 | 100,314 | 1.0% |
| Public Works | \$ | 1,928,722 | 2,202,600 | 2,310,082 | 2,162,004 | 2,159,022 | (2,982) | -0.1% |
| Conservation & Development | \$ | 928,279 | 973,550 | 1,124,037 | 1,285,577 | 1,274,564 | (11,013) | -0.9% |
| Community Services | \$ | 1,730,271 | 1,713,245 | 1,847,984 | 1,829,276 | 1,859,271 | 29,995 | 1.6% |
| TOTAL APPROPRIATION | \$ | 20,078,464 | 20,282,648 | 21,125,401 | 21,704,749 | 22,287,667 | 582,918 | 2.7% |

SIGNIFICANT BUDGET CHANGES:

RECOMMENDED BUDGET:

The Town Manager's proposed FY 17 municipal budget is funded at \$22,287,667 and meets the Finance Committee's guideline of a 2.5% increase from FY 16, plus an additional appropriation from the Ambulance Fund to the Fire Department budget, making the total increase 2.7%. This is a level services budget with some increases necessary to fund increased contractual costs and minor staffing adjustments resulting in an overall reduction of .43 full time equivalent positions (FTE).

POSSIBLE BUDGET RESTORATIONS AND ADDITIONS IF ADDITIONAL FUNDS AVAILABLE:

The Finance Committee budget guideline assumes a modest increase of 2.1% in state aid in FY 17. Once the Governor releases his budget on January 27, 2016, revenue estimates will become more definitive. A list of budget additions for FY 17 is included in the Town Manager's Letter of Transmittal.