

This budget is dedicated in memory of John P. Musante and to his legacy.

It is a legacy of:

- Optimism
- Innovation
- Action
- Solid financial management
- Love for and dedication to the Town of Amherst



Amherst Town Manager 2011-2015 (10/15/2015)

All of us who worked with and for John mourn his loss and cherish his memory. This budget sustains the legacy he left for the Town and lays the groundwork for the future he envisioned.

TABLE OF CONTENTS

THE BUDGET PROCESS	inside front cover
TABLE OF CONTENTS	ii
TOWN MANAGER'S LETTER OF TRANSMITTAL	iv
FY 17 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS	xi
ORGANIZATION CHART	xii
CONSOLIDATED RESOURCES/EXPEDITURES SUMMARY	xiv
POSITIONS IN FULL TIME EQUIVALENTS	xvii
"FY17 Budget Policy Guidelines", Select Board (November 3, 2015)	xviii
"Preliminary Fiscal Year 2017 Budget Guidelines", Finance Committee (October 26, 2015)	xxiii
FY 17 MANAGER'S FORECASTED BUDGET REVENUE AND EXPENDITURE SUMMARY	xxviii
GENERAL FUND	
GENERAL FUND RESOURCES SUMMARY	2
GENERAL FUND RESOURCES DETAIL	4
GENERAL FUND EXPENDITURES SUMMARY	12
GENERAL GOVERNMENT SUMMARY	14
SELECT BOARD & TOWN MANAGER'S OFFICE	16
TOWN MEETING/FINANCE COMMITTEE	19
FINANCE DEPARTMENT	21
LEGAL SERVICES	26
HUMAN RESOURCES/HUMAN RIGHTS	28
EMPLOYEE BENEFITS	31
INFORMATION TECHNOLOGY	34
TOWN CLERK'S OFFICE	37
ELECTIONS & REGISTRATION	40
FACILITIES MAINTENANCE	42
GENERAL SERVICES	45
PUBLIC SAFETY SUMMARY	47
POLICE FACILITY	48
POLICE	50
FIRE / EMS	54
COMMUNICATIONS CENTER	58
ANIMAL WELFARE	61
PUBLIC WORKS SUMMARY	65
PUBLIC WORKS ADMINISTRATION	66
HIGHWAY	69
SNOW AND ICE REMOVAL	72
STREET & TRAFFIC LIGHTS	74
EQUIPMENT MAINTENANCE	76
TREE AND GROUND MAINTENANCE	78
PLANNING/CONSERVATION/INSPECTION SERVICES SUMMARY	83
CONSERVATION	84
PLANNING	87
INSPECTION SERVICES	92
COMMUNITY SERVICES SUMMARY	97
PUBLIC HEALTH	98
SENIOR CENTER	101
VETERANS' SERVICES	105
SOCIAL SERVICES	108
LEISURE SERVICES & SUPPLEMENTAL EDUCATION	110
MUNICIPAL POOLS	113
GOLF COURSE	115

TABLE OF CONTENTS

DEBT SERVICE	117
OTHER EXPENDITURES	119
OTHER ASSESSMENTS	121
WATER FUND	
WATER FUND SUMMARY	125
RESOURCES	126
WATER SUPPLY AND DISTRIBUTION	128
GENERAL FUND SERVICES	131
DEBT SERVICE & INTEREST	133
CAPITAL PROGRAM SUMMARY	135
SEWER FUND	
SEWER FUND SUMMARY	139
RESOURCES	140
SEWER MAINTENANCE	142
WASTEWATER TREATMENT PLANT	144
GENERAL FUND SERVICES	147
DEBT SERVICE & INTEREST	149
CAPITAL PROGRAM SUMMARY	151
SOLID WASTE FUND	
SOLID WASTE SUMMARY	155
RESOURCES	156
SOLID WASTE FACILITIES	158
GENERAL FUND SERVICES	160
DEBT SERVICE & INTEREST	162
CAPITAL PROGRAM SUMMARY	164
TRANSPORTATION FUND	
TRANSPORTATION SUMMARY	169
REVENUES	170
PARKING MANAGEMENT	172
GENERAL FUND SERVICES	174
DEBT SERVICE & INTEREST	176
CAPITAL PROGRAM	178
APPENDICES	
A. GRANT PROGRAMS AND POSITIONS	182
B. MAINTENANCE COSTS BY MUNICIPAL FACILITY	186
C. FEE-BASED RECREATION PROGRAMS	187
D. CURRENT LONG-TERM OBLIGATIONS	191
E. TRANSPORTATION FUND DATA	193
F. AMHERST HISTORICAL FINANCIAL DATA	197

**PLEASE RECYCLE
THIS BUDGET**

**(IN ACCORDANCE WITH THE TOWN OF AMHERST'S "BUY RECYCLED" POLICY, THIS BUDGET
HAS BEEN PRODUCED ON RECYCLED PAPER)**

Town of



AMHERST *Massachusetts*

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January 14, 2016

TO: Select Board
Finance Committee

FROM: David Ziomek, Interim Town Manager

CC: Department Heads

SUBJECT: Town Manager's Proposed FY 17 Municipal Budget

Consistent with the Amherst Town Government Act, Section 5.1, *Annual Operating Budget*, I am pleased to submit my proposed budget for the fiscal year beginning July 1, 2016 (FY 17). My recommended FY 17 Town of Amherst Municipal Budget includes the following:

• General Fund	\$22,287,667	+2.7%
• Water Fund	4,285,678	+2.2%
• Sewer Fund	4,150,158	-1.5%
• Solid Waste Fund	463,418	-2.3%
• Transportation Fund	1,003,750	+3.8%

FY 17 – A Time of Transition, A Budget that Sustains

This year has brought and will bring substantial changes to the Town of Amherst's government. This budget sustains core Town's services, funds required contractual increases, fills some chronic funding shortfalls, and makes modest changes to some key departments. In this time of transition, this budget does not put in place the bold initiatives the FY 16 budget did nor does it cut services, as budgets from years ago had to do. Instead it maintains the Town on a steady course and readies the Town for the new leadership that awaits us.

Sunday, September 20, 2015 was a sad day in the Town of Amherst. Town Manager John Musante's sudden and unexpected death shocked us all and left a gaping wound in our hearts and a void in our government. Each of us will heal that wound in our own

way, with the help of friends, neighbors, family, and colleagues. We will remember John and the qualities that made him our friend as well as our Town Manager.

This budget is one step of many to fill the void his death created in the Town government. Its structure and content continue the tradition he established as Finance Director and continued as Town Manager to present a clear, concise, and accurate accounting of the Town finances and the budgets and activities of its departments. It lays out an FY 17 budget that is balanced, sustainable, and reflective of the Town's priorities and values.

The past year was one in which the Town made progress on many important initiatives and priorities. That progress was the result of John Musante's vision and commitment as well as of the dedication of all the men and women who work for and volunteer with the Town of Amherst. Some of the more noteworthy accomplishments were:

- Enactment of an innovative tax incentive for affordable housing. This imaginative Home Rule petition was signed by Governor Baker in November;
- A second successful year of a ground-breaking Residential Rental Property Permitting Program that has achieved 100% compliance from landlords and has resulted in numerous health and safety improvements in rental housing units;
- Chancellor Subbaswamy and I launched the University/Town of Amherst Collaborative (UTAC) between the Town and the University of Massachusetts. UTAC's three subcommittees will focus on housing, economic development, and Arts and Living;
- Signing contracts for the development of solar arrays at the Old and New Landfills to provide electricity to Town and School buildings and to Amherst residents through a community solar project. After a thorough environmental regulatory review, construction is expected to start in the fall of 2016;
- Signed the Town's first Payment in Lieu of Taxes (PILOT) agreement with the developer building Hampshire College's new solar array;
- Construction started on two "living buildings" in Amherst, the Hampshire College Kerns Center and the Hitchcock Environmental Education Center. These buildings will have net zero energy use and will be built with minimal carbon impact. Town of Amherst staff have provided essential support throughout the permitting process;
- Worked with community advocates and Town part-time staff to create a new benefits policy for part-time workers that allows them to use sick and other personal leave for the first time;
- Hired the Town's first Economic Development Director, Geoff Kravitz, who will work closely with the Town Manager and will support efforts of UTAC to create an "anchor strategy" that builds upon the local innovation economy to create opportunities for local business;
- Finalized a three and a half year continuation of the Strategic Partnership Agreement with UMass. The University continues its support for increased Fire and Ambulance services during busy weekends and initiates new payments to the Town in recognition of the costs associated with the services it provides, in particular the cost of educating children of UMass parents.

Revenues

I prepared this budget assuming that most of our revenue growth will come from local sources, namely property taxes, local fees, and other sources. I assume State Aid will grow very modestly. No reserves are utilized to support the budget nor is an override proposed. Overall Town General Fund spending will grow by 3%.

This budget proposal assumes that the Town will levy to the property tax levy limit allowed under Proposition 2 ½, or \$48.5 million. New growth added to the levy is estimated by our assessors at \$750,000, which is 43% above the 10-year average for new growth, largely because of several large residential developments and apartment buildings currently under construction. Overall tax revenue will increase by 4%. That increase is somewhat offset by modest growth in local receipts of only 0.9%. I forecast growth in motor vehicle excise tax as sales figures for new cars show improvement over recent years, but other local revenues are flat or decline slightly.

I have assumed a State Aid increase of just 2.1%, the same increase the Town received in FY 16. We will know more when the Governor files his proposed state budget in late January, to be followed by House and Senate budget proposals. Once again this year, there are reports that the State's current budget is out of balance and the Governor has made mid-year cuts to state departmental budgets. This is a problem mostly of the State spending above its budget. He also promised to increase local aid to cities and towns at the same rate overall state revenue increases. The Town continues to advocate for an increase in state revenue sharing to cities and towns at or above the rate of increase in overall state revenues to fund local education, public safety, human services, roads, and other infrastructure needs.

In conjunction with my budget proposal, I will be submitting recommendations at the Select Board's January 25, 2016 meeting for a small increases to water rates and level sewer rates to support those services.

Proposed Spending Plan

My proposed FY 17 municipal budget is funded at \$22,287,667, an overall increase of 2.7%. It exceeds the Finance Committee's guideline of a 2.5% increase from FY 16, because of a transfer of funds from the Ambulance Fund to the Fire Department budget. My proposal also reflects the Select Board's FY 17 Budget Policy Guidelines to the Town Manager dated November 3, 2015 (both documents are included in the Introduction section of the budget). Some budget highlights:

- *Employee/retiree health insurance spending will remain unchanged again in FY 17, in contrast to industry trends. The total health insurance appropriation in the General Fund is virtually level funded from FY 16. This is the direct result of proactive multi-year efforts by the Town to stabilize employee health care costs by eliminating the costly indemnity plan, adding HMO's and the option of purchasing lower cost Canadian prescription drugs, increasing employee contributions, and increasing premiums to appropriate levels to pay claims and restore reserve levels in the Health Claims Trust Fund to required levels. Each year we see more employees opting for lower cost HMO plans and so last year we lowered HMO rates and raised PPO rates both to encourage that trend and to reflect more accurately the costs of*

- providing those plans. We are working to fund long-term retiree health insurance costs. Over the past three years, Town Meeting has voted to put \$2.6 million into the Other Post-Employment Benefits (OPEB) Trust Fund for the Town, including the School Department. In the FY 17 budget, I again recommend appropriating funds for the Town and Schools for OPEB in the regular budget. The Water, Sewer, and Transportation Funds will cover their Annual Required Contributions for OPEB, an amount that funds its approximate 15% share of the Town's long-term liability.
- General Government increases by 7.2%. Almost 90% of that increase is attributable to the need to set aside adequate salary reserves to fund the six collective bargaining contracts that expire June 30, 2016. The salary reserve is budgeted in General Government. After the contracts are settled, there will be requests to Town Meeting to transfer those funds to the departments. The Select Board/Town Manager budget increases to fully fund the Economic Development Director position and to fund increases to compensation for the Select Board. The Town Meeting/Finance Committee budget increases to fund a similar raise to the Town Moderator stipend and to pay for the software necessary to operate the new electronic voting devices. The Finance Department budget increases 0.4% to fund the Budget Analyst and the vacant Finance Director position. The Human Resources and Human Rights Department will focus on employee training and broadening the reach of the Town's employment recruitment. The Information Technology Department will continue its transition from a traditional cost center to a more entrepreneurial "productivity center." It will also work with other departments to deploy work order, inventory, and enhanced employee self-service programs. Its budget increases to fund the rising costs of software support contracts. The increase in the Elections budget is due to an additional election next year. The Facilities Maintenance budget increases modestly to keep up with the maintenance demands of our aging buildings. I will continue to pursue Green Communities grants to reduce energy usage in our Town buildings. The General Services budget increases by \$12,521 to account for rising property insurance costs.*
 - Public Safety services (Police, Fire/EMS, Communications, and Animal Welfare), the largest part of the Town budget, increase by 1%. After collective bargaining contracts are settled, these budgets will increase. The two Chiefs and I continue to monitor the workload of our public safety personnel and staffing levels, particularly as these departments report increasing call volume. This will be an important issue for the next Town Manager to study and to work with the Chiefs. I propose increases in these department to meet demonstrated cost increases but do not propose any major staffing changes. This is a year to maintain and support our departments, not to make substantial changes that will have effects for years to come. Last year the Police Department budget added two new positions. For FY 17, I propose increasing the overtime budget to reflect actual costs over the past years. In the Manager's Additions list later in this section, I have listed as my first priority funding an additional police officer, so the Department can retain the Community Liaison Officer that has been funded by a grant that will expire soon. The Fire Department budget will increase by \$30,000 from the Ambulance Fund to adequately fund the medical supplies account for the ambulances and licensing support for new power assisted stretchers. This is a source of funds that is dedicated to ambulance related activities*

and therefore I feel it is justified to use it to increase the overall Town budget above the Finance Committee's 2.5% guideline. The Fire Department budget increased substantially in FY 15 to achieve a staffing philosophy of eight persons per shift during the academic year (up from seven), as reflected in the new collective bargaining agreement. FY 17 will be the fourth academic year that UMass has generously agreed to pay the increased staffing costs for two additional paramedic-level ambulances and an Emergency First Response fire engine on peak high call volume weekends in the spring and fall during the academic year. I will also continue to work with UMass and others in the community on ways to reduce EMS call volume. In the spring of 2016, the Town will undertake a comprehensive study of call volume and staffing.

- *Public Works Budget is essentially level funded this year, while maintaining core services. Public Works Administration* will continue to analyze productivity and work effectiveness data under the AmherstStat program and help customers with their questions and service requests through the new Amherst Connect (SeeClickFix) link on the Town's website and app available on smartphones. The *Highway Division* budget increases slightly to account for step increases and staffing changes. *Snow and Ice* and *Streetlight* budgets are level funded. Vehicles and equipment used for road maintenance, snow plowing, tree care, park maintenance, leaf pickup as well as water and sewer (with appropriate reimbursements assessed) are maintained, repaired, and serviced by a three-person *Equipment Maintenance* crew. This budget has a modest increase for wages. The *Tree and Grounds Maintenance* budget decreased because of shifts in personnel.
- *Conservation and Development budgets are recommended to decrease by \$11,013 or (-0.9%).* The *Conservation Department*, headed by the Assistant Town Manager, will kick off efforts of the Amherst Center Recreation Group to look at the capital needs at Community Field. I will continue to work with UTAC to investigate and recommend housing, economic development, and arts and living opportunities with UMass and others. The *Planning Department* will continue to work with citizens and Town boards to support development of Amherst's village centers in an environmentally and economically sustainable way. In particular, I will work with staff, the Planning Board, and community members to implement the new affordable housing home rule law to provide tax incentives to developers who build affordable housing. The Planning Department budget once again will allocate Community Development Block Grant (CDBG) funds to offset the cost of staff. The *Inspection Services Department* will continue its successful Residential Rental Property Permitting Program. In FY 16, a health inspector and an assistant sanitarian moved from the Health Department. The move increased staff interactions and improved the service residents, businesses, and contractors receive while maintaining the highest levels of building and sanitary code compliance for our residents and visitors. The Department continues to realign its staff and will eliminate one position while also ending the arrangement of sharing a health inspector with the City of Northampton.
- *The 1.6% increase in the Community Services budgets supports modest increases in some budgets while maintaining level services in others.* The *Health Department* continues its second year focusing on key public health issues. The Health

Department's focus will be on enhancing the Bangs Community Center's role in promoting and protecting health in Amherst. The Community Services Director will work toward the successful opening of the John P. Musante Community Health Center in the Bangs Center to ensure that our citizens and neighbors receive quality health services, preventive services, and other advice and counseling. The Bangs Community Center offers programs and services to seniors, veterans, and other underserved populations and locating a health center there will enhance services to these groups and others.

For the third year, the *Senior Center* budget has additional funds to increase the hours of the social worker, who performs home visits and counsels seniors and their families and to reduce the Senior Center's dependence on grant funds for its staff. I am grateful to the Friends of the Senior Center, a non-profit organization, for ongoing financial support to the Senior Center to supply it with essential supplies, equipment, and program funds above and beyond the Town's budget allocation. The *Veterans' Services* budget is level funded. The Veterans' Agent Steve Connor and his staff will continue their pioneering work to end homelessness for veterans. The *Leisure Services and Supplemental Education (LSSE)* budget retains the fee subsidies Town Meeting voted last year to support children and families. The *Municipal Pools* budget will be increase to cover the cost of the rising minimum wage. The 9-hole *Cherry Hill Golf Course* continues to offer one of the best values in Western Massachusetts it will expand its winter programming and take proactive steps to create a more open and friendly environment that allows compatible programming on the shoulder months of the golf season.

- *The Water Fund budget of \$4,285,678 is recommended to increase by 2.2%, and water rates are recommended to increase modestly.* The current water rate is \$3.55 per 100 cubic feet and an increase of \$0.10 per 100 CF is recommended for FY 17, which would result in a \$12 annual increase (+2.8%) to the water bill of the average four-person household in Amherst. The small rate increase will fund normal operating cost rises and will maintain the Water Fund's balance, which is projected to fall to low levels in the coming years without such an increase. It is particularly important to maintain an adequate fund balance in both the Water and Sewer Funds because annual changes in weather can drastically affect water usage and revenue to these funds. This budget includes an appropriation to the OPEB Trust Fund for the retiree health insurance costs of this department.
- *The Sewer Fund budget of \$4,150,158 is recommended to decrease by -1.5%. The sewer rate is recommended to remain unchanged at \$3.65 per 100 cubic feet.* No funds will be appropriated from Sewer Fund Surplus to support this budget. The Sewer Department will complete phase 2 of installing of sewer lines in Amherst Woods. Town water and sewer rates remain well below many of our nearby communities and the state average. This budget includes an appropriation to the OPEB Trust Fund for the retiree health insurance costs of this department. Together, Water and Sewer Fund contributions to the OPEB Trust Fund represent approximately 15% of the annual required contribution by the Town to fully fund this liability over time.

- *The Solid Waste Fund budget of \$463,418 decreases by \$10,880 (-2.3%). The decrease is attributable to lowering the revenue estimate to accurately reflect recent trends. The Division will focus on increasing both the recycling rate and the revenue it derives from the sale of recyclable materials.*
- *The Transportation Fund budget of \$1,003,750 increases by \$37,100 (3.8%) largely because of increases assessments from the PVTA. It supports the operating and capital costs of the Town's public parking system, the Town's apportionment of costs for the PVTA bus system, and a contribution to support the Business Improvement District in downtown Amherst. In the fall of 2014, the Pioneer Valley Transit Authority (PVTA) introduced route changes and service enhancements to improve service in Amherst. Amherst ridership increased and the PVTA assessment has gone up accordingly.*

I am at your service as you review this budget. Please spread the word that this proposal and other budget-related information will be continuously updated and posted on the Town's award-winning website at www.amherstma.gov/budget.

Acknowledgements

The development of the Town's budget plan is a team effort. I thank the Select Board for your support to me and all Town staff and your guidance on Town priorities. I thank the Finance Committee for their tireless dedication and focus on the long term fiscal health of our Town. I want to thank every Town employee, committee volunteer, citizen, Town Meeting member, our partners in the business community, and our three world class higher education institutions who contribute each day to make Amherst a great place to live and work. Our extraordinarily talented department heads have strived with the support and involvement from the community for the Town to try and be a leader in everything we do. Lastly, I want to acknowledge the amazing skills and work ethic of my principal support staff in the production of this proposal: Finance Director Sandy Pooler, IT/Financial Analyst Maria Racca, Comptroller Sonia Aldrich, and Human Resources and Human Rights Director Deborah Radway.

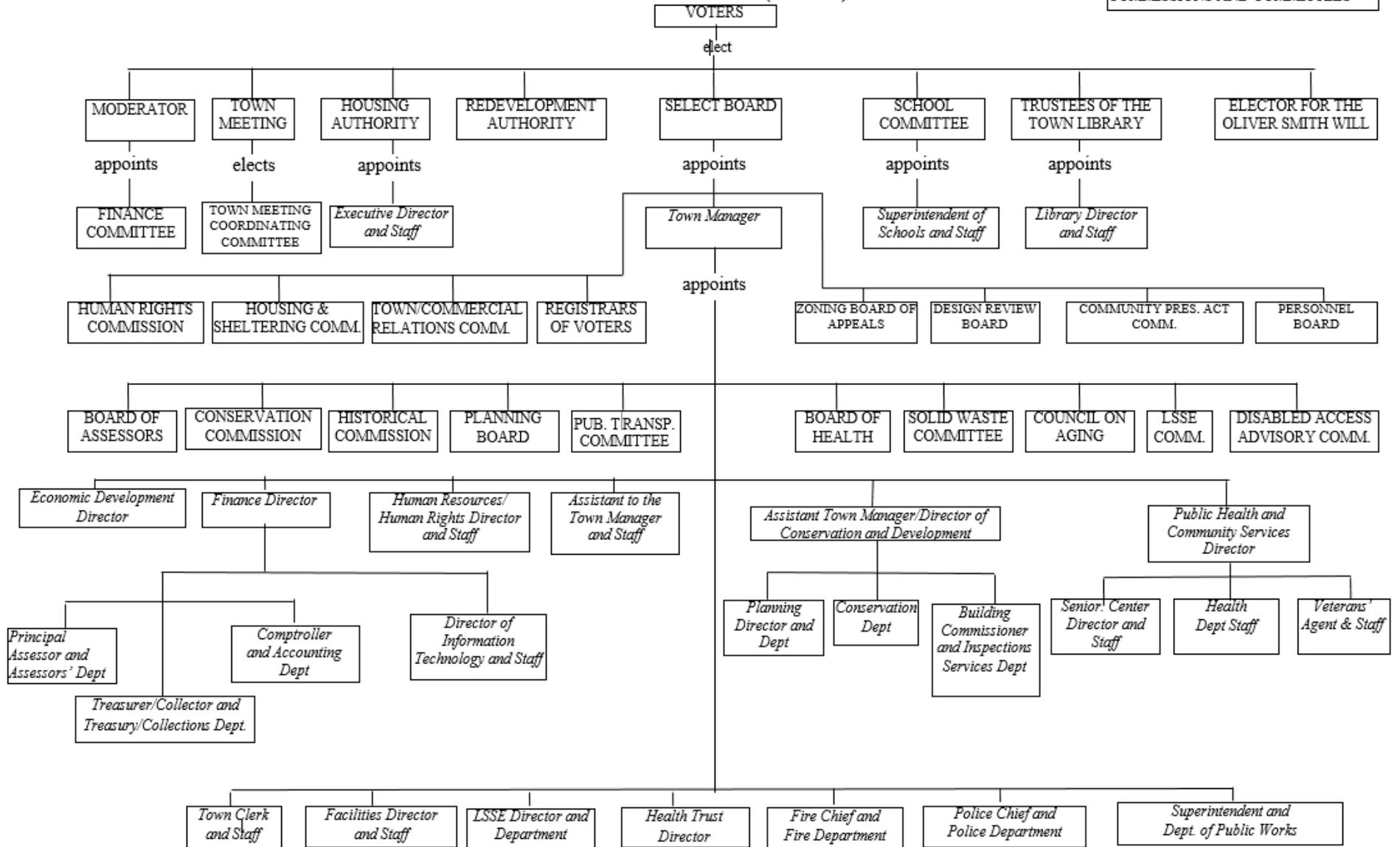
FY 17 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS

TOWN OF AMHERST - TOWN MANAGER'S PROPOSED FY 17 MUNICIPAL BUDGET							Date Last Revised: 1/14/2016			
FY 17 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS IF FUNDS AVAILABLE*										
<i>DRAFT - For Discussion Purposes Only</i>										
Department	Description	# FTE	Personnel Services	Employee Benefits	Operating Expenses	\$ Total	Cumulative Restore/Add	Manager Budget	Change FY 16 - 17	
								22,287,667	2.7%	
								Recommended		
Police	Community Liaison Police Officer (Currently funded from a grant)	1.00	53,190	10,598		63,788	63,788			
DPW	Eliminate staff funding reliance on project and capital funds				55,506	55,506	119,294			
							<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>	119,294	22,406,961	3.2%

* While it is unrealistic to think that this entire list could be funded in one year, I believe it is important to present such a list to promote constructive discussion about the community's needs and priorities in the coming years.

TOWN OF AMHERST
ORGANIZATION CHART (as of 1/7/16)

ELECTED AND APPOINTED BOARDS,
COMMISSIONS AND COMMITTEES



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CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

	FY 17 General Fund	FY 17 Community Preserv. Act	FY 17 Water Fund
REVENUES			
Property Tax	48,546,170	TBD	0
Local Receipts	7,161,892	0	4,285,678
State Aid	14,965,457	TBD	0
Other Financing Sources	3,672,023	TBD	0
TOTAL REVENUES	74,345,542	TBD	4,285,678
EXPENDITURES			
<u>OPERATING BUDGET</u>			
Town	22,287,667	0	2,907,541
Elementary Schools	TBD	0	0
A-P Regional School District (Assessment)	TBD	0	0
Jones Library (Tax Support)	TBD	0	0
Subtotal OPERATING BUDGET	22,287,667	0	2,907,541
<u>CAPITAL BUDGET</u>			
Debt Service - Debt Exclusion	83,239	0	0
Debt Service - Current	1,536,560	TBD	355,100
Debt Service - Projected	249,897	0	0
Cash Capital (Tax Support)	2,090,577	0	0
Subtotal Tax Funded Capital	3,960,273	0	355,100
Community Preservation Act	0	TBD	0
Cash Capital (Non-Tax Support)	0	0	262,666
Subtotal CAPITAL	3,960,273	TBD	617,766
<u>MISCELLANEOUS</u>			
Assessment - Retirement System	4,722,520	0	230,074
Assessment - Regional Lockup Facility	35,928	0	0
Other	0	0	0
OPEB	300,000	0	79,000
Reserve Fund	100,000	0	0
Subtotal MISCELLANEOUS	5,158,448	0	309,074
Total APPROPRIATIONS	31,406,388	TBD	3,834,381
<u>UNAPPROPRIATED USES</u>			
Reserve for Abatements & Exemptions	484,629	0	0
State Assessments (Cherry Sheet)	2,784,164	0	0
Cherry Sheet Offsets	418,543	0	0
Other Amounts to be Raised	15,673	0	451,297
Subtotal UNAPPROPRIATED USES	3,703,009	0	451,297
TOTAL BUDGET PLAN	35,109,397	TBD	4,285,678
\$ Change from Prior year			90,671
% Change from Prior Year			2.1%

CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

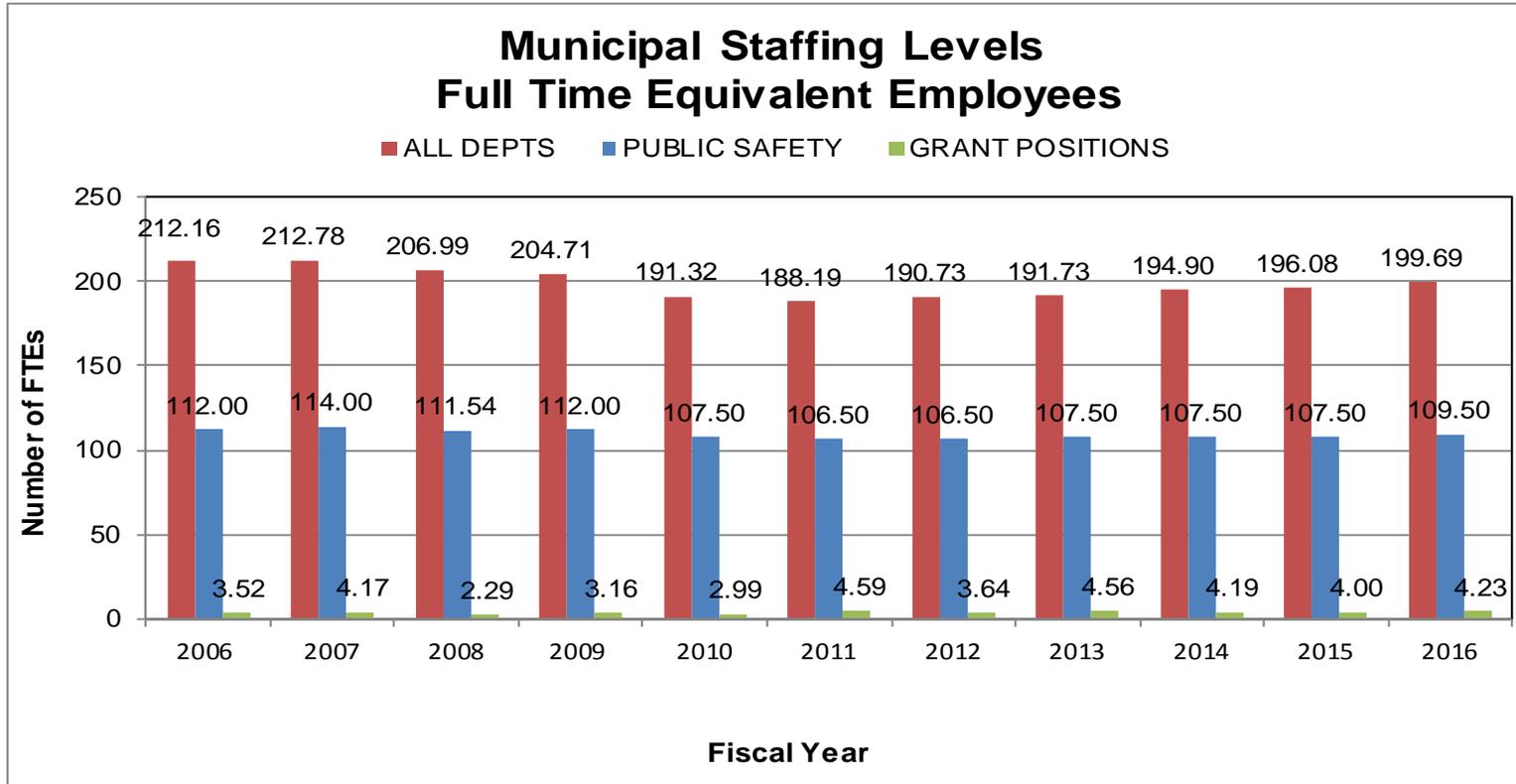
FY 17 Sewer Fund	FY 17 Solid Waste Fund	FY 17 Transportation Fund	FY 17 COMBINED FUNDS (memo only)	FY 16 COMBINED FUNDS (memo only)
0	0	0	48,546,170	47,282,012
4,150,158	463,418	1,003,750	17,064,896	16,835,313
0	0	0	14,965,457	14,979,412
0	0	0	3,672,023	3,764,650
4,150,158	463,418	1,003,750	84,248,546	82,861,387
2,805,171	421,466	532,550	28,954,395	28,448,140
0	0	0	TBD	21,869,835
0	0	0	TBD	14,825,506
0	0	0	TBD	1,833,246
2,805,171	421,466	532,550	28,954,395	66,976,727
0	0	0	83,239	125,378
378,610	0	99,125	2,369,395	2,934,000
0	0	0	249,897	10,000
0	0	0	2,090,577	1,673,298
378,610	0	99,125	4,793,108	4,742,676
0	0	0	TBD	525,096
240,000	0	0	502,666	527,000
618,610	0	99,125	5,295,774	5,794,772
242,279	41,952	52,907	5,289,732	5,055,067
0	0	0	35,928	35,928
0	0	0	0	0
150,000	0	26,920	555,920	455,920
0	0	0	100,000	100,000
392,279	41,952	79,827	5,981,580	5,646,915
3,816,060	463,418	711,502	40,231,749	78,418,414
0	0	0	484,629	465,492
0	0	0	2,784,164	2,486,556
0	0	0	418,543	407,894
334,098	0	292,248	1,093,316	1,083,031
334,098	0	292,248	4,780,652	4,442,973
4,150,158	463,418	1,003,750	45,012,401	82,861,387
(61,492)	(10,880)	37,100		
-1.5%	-2.2%	3.8%		

POSITIONS IN FULL TIME EQUIVALENTS

Department	FY 12 Actual	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Budget	FY 17 Manager	Change FY 16 - 17
MUNICIPAL BUDGET							
Select Board/Town Manager	2.50	2.50	2.50	2.50	3.50	3.50	0.00
Finance	13.00	13.00	13.00	13.00	13.00	13.00	0.00
Human Resources/Human Rights	1.50	1.50	1.50	1.50	1.83	1.83	0.00
Information Technology	4.00	4.00	4.00	4.00	4.00	4.00	0.00
Town Clerk	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Elections/Registration	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facilities Maintenance	4.88	4.88	4.88	4.88	4.88	5.25	0.37
TOTAL GENERAL GOVERNMENT	28.88	28.88	28.88	28.88	30.21	30.58	0.37
Police Facility	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Police	47.50	47.50	47.50	47.50	49.50	49.50	0.00
Fire/EMS	46.00	47.00	47.00	47.00	47.00	47.00	0.00
Communications Center	11.00	11.00	11.00	11.00	11.00	11.00	0.00
Animal Welfare	1.00	1.00	1.00	1.00	1.00	1.00	0.00
TOTAL PUBLIC SAFETY	106.50	107.50	107.50	107.50	109.50	109.50	0.00
Public Works Administration	3.73	3.73	3.36	3.36	4.04	4.04	0.00
Highway	13.00	13.00	13.00	13.00	13.00	13.00	0.00
Equipment Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Tree and Ground Maintenance	7.50	7.50	7.50	7.50	7.50	7.50	0.00
TOTAL PUBLIC WORKS	27.23	27.23	26.86	26.86	27.54	27.54	0.00
Conservation	4.30	4.30	4.30	4.50	4.50	4.50	0.00
Planning Department	3.82	3.82	3.82	4.80	4.40	4.40	0.00
Inspections	5.00	5.00	8.00	8.00	10.00	9.00	-1.00
TOTAL CONSERVATION & DEVELOPMENT	13.12	13.12	16.12	17.30	18.90	17.90	-1.00
Public Health	4.00	4.00	4.54	4.54	2.54	2.54	0.00
Senior Center	3.00	3.00	3.00	3.00	3.00	3.20	0.20
Community Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Veterans' Services & Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leisure Services & Supplemental Education	6.45	6.45	6.45	6.45	6.45	6.45	0.00
Pools	0.20	0.20	0.20	0.20	0.20	0.20	0.00
Golf Course	1.35	1.35	1.35	1.35	1.35	1.35	0.00
TOTAL COMMUNITY SERVICES	15.00	15.00	15.54	15.54	13.54	13.74	0.20
TOTAL GENERAL FUND	190.73	191.73	194.90	196.08	199.69	199.26	-0.43
Water Supply and Distribution	16.98	16.48	17.98	17.98	18.73	18.73	0.00
TOTAL WATER FUND	16.98	16.48	17.98	17.98	18.73	18.73	0.00
Sewer Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Wastewater Treatment Plant	15.33	15.83	16.33	16.33	16.48	16.48	0.00
TOTAL SEWER FUND	17.33	17.83	18.33	18.33	18.48	18.48	0.00
Sanitary Facilities	4.00	4.00	3.40	3.40	3.00	3.00	0.00
TOTAL SOLID WASTE FUND	4.00	4.00	3.40	3.40	3.00	3.00	0.00
Parking Facilities	4.20	4.20	4.20	4.20	4.60	4.60	0.00
TOTAL TRANSPORTATION FUND	4.20	4.20	4.20	4.20	4.60	4.60	0.00
TOTAL	233.24	234.24	238.81	239.99	244.50	244.07	-0.43

POSITIONS IN FULL TIME EQUIVALENTS

13 - Municipal Staffing Levels



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

The Town has reduced its workforce by 16.08 positions since FY06, or -7.6%. Public Safety personnel have decreased by 4.5 FTEs, or 4.0%. Non-public safety positions have been reduced by 11.58 FTEs, or -11.6%.

Town of



Amherst Massachusetts

 OFFICE OF THE SELECT BOARD

Select Board
 Town Hall
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selectboard@amherstma.gov
www.amherstma.gov

To: David Ziomek, Interim Town Manager
 From: Alisa Brewer, Select Board Chair
 Date: November 3, 2015
 Re: FY17 Budget Policy Guidelines

At our Monday, October 26, 2015, meeting the Select Board unanimously approved the following Budget Policy Guidelines for FY17, and then added one concept at our Monday November 2, 2015 meeting. These guidelines are meant to accompany the Finance Committee's annual Preliminary Budget Guidelines.

Please note references (e.g., section B-4) throughout to another key guidance document, "Town of Amherst Financial Management Policies & Objectives," adopted January 2008 and updated in 2012, available on the Finance Committee's page of the Town website.

I. OVERALL PHILOSOPHY AND KEY CONCERNS FOR FY17:

- a) Overall fiscal sustainability is the primary budget goal, so all revenue and expenditure plans must be viewed in a multi-year context
- b) Growth in state aid and tax receipts continue to be less than needed to support the infrastructure and services the Town needs
- c) Amherst relies very heavily on residential property taxes, as well as on regular new growth, to fund Town services
- d) A low housing production rate, high housing demand, and rising housing costs, have caused a loss of socio-economic diversity among Amherst families
- e) We support maintaining a level services budget while recognizing that there may be opportunities to address additional key priorities
- f) Reserve funds must not be used to support recurring expenses, which require recurring revenue sources (see VI. Reserves)
- g) We are fortunate again this year, thanks to Town staff's good planning and Town Meeting's fiscal discipline, and current projected revenues to have no need for considering a Proposition 2 ½ operating override. An operating override was last sought in 2010 for FY11 when voters approved \$1.68 million that was phased in over two years. Since then important

economies in providing for health care, reasonable contract renewals and efficiencies in operations have all been an important part of keeping within the Prop 2 ½ requirements

- h) There are essential capital projects, long delayed and in the near future that may need a debt exclusion override
- i) Continuation of the winter shelter for homeless men and women is an important community need again this year and we anticipate continued personnel support (e.g., inspections, public safety) even though we no longer provide direct financial support to that operating budget, after providing the majority of that operating budget for all years prior to FY16 (in FY16 our contribution was used for the new trailer rather than operating budget)
- j) Revenue in excess of that necessary to support level services and any approved additional spending should be directed at increasing our investment in capital (see V. Capital), decreasing our long-term retiree health care liability (OPEB), and shoring up our reserves. We welcome a short and prioritized list of budget additions, should funds become available, with the rationale for prioritization
- k) When the revenue projection changes significantly, we need prioritized recommendations for service adjustments
- l) Intense evaluation of the current range of municipal services and their delivery methods is critical for ensuring that we are spending every dollar wisely
- m) We need an evaluation of whether additional funds appropriated by Town Meeting at Annual Town Meeting 2015 (\$105,000 Community Services) are to be continued for FY17 based on how they were deployed to meet both FY16 and future community needs
- n) We continue to work with the three institutions of higher education on strategic partnership agreements and other initiatives that help defray some of the costs the Town incurs from providing the unique services they require
- o) We appreciate the support we receive from all of the academic institutions for regular Town operations, and for the Schools, and Library
- p) We voted 08-31-15 to recommend the FY17 budget General Government section reflect an increase to the Select Board and Moderator stipends, with initial implementation in the fiscal year following the expiration of each current term until the new stipend has been applied to all. The Moderator stipend was voted as \$1,000 instead of \$100. The Select Board stipends were voted as \$1,500 each instead of \$300 each, and the Select Board Chair differentiated at \$2,000 instead of no differentiation.

II. EXPENSE REDUCTION: The Select Board continues to support a number of expense reduction strategies and initiatives including the responsible reassigning services outside of the

general fund. Reassignment must be made with due consideration of the implications of reassignment and mindful of sections B-4 and B-8.

- a) Regionalization and reorganization that reduce costs and create efficiencies
- b) Seeking funding from outside of the General Fund when it is a responsible option
- c) Green initiatives that reduce expenses. We appreciate the benefits of the predictable power costs provided by comprehensive solar projects
- d) Expense reduction via “ordinary” means such as aggressive cost-comparison, reducing waste and seeking greater efficiency
- e) Negotiation of fair labor contracts that the Town can afford and sustain is a priority since salaries and benefits are the largest portion of our budget

III. ECONOMIC DEVELOPMENT

- a) We strongly support pursuing responsible and appropriate expansion of our commercial sector from the current level of about 10%, and support expansion of the tax base in accordance with the community’s goals as expressed in the Master Plan
- b) Growing our property tax base in net-positive ways is critical
- c) We strongly support pursuing responsible and appropriate expansion of our commercial sector, which currently stands at about 10% of the Town valuation. Expansion of the tax base in accordance with the community’s goals as expressed in the Master Plan would benefit the support of future budgets
- d) Pursuing solar power generation and other green initiatives as opportunities for economic development is important in supporting future budgets
- e) Continued support of the new Economic Development Director position approved by Town Meeting for FY16

IV. OTHER NEW REVENUE

- a) The UMass Strategic Partnership Agreement provides an important opportunity to ensure that all relevant categories of costs incurred by the Town are included and updated regularly, and serves as a model for working with the other two institutions of higher education
- b) We support participation in the new University-Town of Amherst Collaborative (UTAC) and the potential to develop models for public and private partnerships, especially around the creation of housing

- c) Service fees need regular evaluation to assure they are in line with the costs
- d) We appreciate and encourage aggressive pursuit of grants to off-set costs and expand services
- e) When grants involve funding of individual personnel, we need a clearly communicated strategy for whether those positions will be continued when the grant funding is no longer available
- f) We continue to advocate for State legislation that improves local taxation options, increases aid to Amherst, or mitigates onerous mandated costs, and any necessary legal action to support those options
- g) We support strong local advocacy for the State-wide effort to increase funding for road work, sidewalk work, and transit infrastructure
- h) We continue to advocate for increased State revenues, including vital and sustained increases in transportation funding, as well as more progressive taxation including higher income tax, in order to increase funds available for local aid to all communities

V. CAPITAL: The Select Board recognizes the perils of inadequate investment in capital improvements, and remains committed to trying to incrementally increase the percentage of the property tax levy allocated to capital over time to achieve a goal of 10% and catch up on the growing backlog of capital infrastructure needs as outlined in section C-7

- a) We continue to support funding capital investments by means other than the capital budget, including through the use of Community Preservation Act funds, CDBG, the PARC grant program, and other grant opportunities and through shared purchasing and ownership with other towns or entities
- b) Through bonding or borrowing for large long-term projects
- c) In support of a key community concern, we would like to see additional money put toward road paving (where there is a significant backlog of needs)
- d) We request updated assessments about the relative priority of addressing significant capital considerations, specifically including a new fire station, DPW facility, Jones Library renovations, Wildwood and Fort River elementary school renovations, and a downtown parking facility

VI. RESERVES:

- a) We consider it imprudent to use reserve funds for ongoing expenses

- b) We support careful and strategic reserve use as a source of bridge funding or start-up for programs that will generate new revenue or expense reductions
- c) Maintaining a responsible reserve balance is prudent fiscal management and contributes to our strong bond rating, which in turn reduces the cost of borrowing

Reserves may be needed (again) for that rainy day when there is a loss of revenue or increase in expenses that could not be anticipated. Section B-3 expands on this

Town of



AMHERST *Massachusetts*

Town Hall – 4 Boltwood Avenue – Amherst, MA 01002

October 26, 2015

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

From: Finance Committee

Re: Preliminary Fiscal Year 2017 Budget Guidelines

The Finance Committee asks you to develop operating budgets with an increase in Town support of 2.5%. That includes the Amherst-Pelham Regional School District assessment and the library's support from the Town. The budget increase for the Regional School District will then be determined by the assessment method that uses the current 5-year rolling enrollment average (assuming the method is approved, as it has been in past years, by each of the towns in the region). The actual amounts preliminarily proposed that the Town will raise and appropriate for each budget area are at the top of Page 2 of the General Fund Financial Projections, attached to these guidelines. These would be \$22,247,368 for the municipal budget; \$22,092,324 for the elementary schools; \$15,196,144 for Amherst's assessment to the regional schools; and \$1,879,077 for the Jones Library. The apparently smaller percentage increase shown for the elementary schools, 1.0%, is due to a change in the method of accounting for charter and school choice charges and reimbursements from the State. The increase for the elementary school budget would effectively be 2.5%.

These are preliminary budget guidelines, based upon the projections that Finance Director Sandy Pooler presented at the Four Boards Meeting on October 15.

Revenue

Pooler projected an overall revenue increase of 2.9% from FY16. The largest revenue source is the property tax, which is expected to increase by 4.0%, reflecting the allowable 2.5% increase plus revenue from taxes on new growth. This revenue is stable and predictable.

The second largest source of revenue is state aid. Pooler suggested using the assumption that state aid would increase by 2.1%. Every year this is an area of uncertainty. The state budget is developed after the Executive Office of Administration and Finance and the Chairs of the Ways and Means Committees reach consensus on a revenue estimate for the state. That estimate

considers revenue history and economic trends that may affect income and sales taxes. Information about the federal budget and state revenue projections will influence the Governor's budget recommendation and legislative decisions. The Governor will propose a state budget in January 2016, which will be the first indication of the amount of state aid we might actually receive. The Finance Committee is using that cautious 2.1% projection for our preliminary budget guidelines.

At the Four Boards Meeting, the Finance Director also estimated revenues for FY17 from local receipts and other financing sources. Local receipts, such as motor vehicle excise, fines and fees, and payments in lieu of taxes, are estimated to decrease by 0.2%, in part because improved behavior by students and other residents has resulted in fewer fines being issued. Other financing sources, which include reserves, decrease by 1.5%; the FY16 budget includes \$105,000 that Town Meeting transferred from the Stabilization Fund to Community Services, but no use of reserves is projected to help finance the FY17 budget.

We ask the Interim Town Manager, Superintendent, and Library Director to start developing operating budgets using these preliminary guidelines. We emphasize the word "preliminary." As the budget process continues, this Committee may use input from the Budget Coordinating Group and any additional information that becomes available to make adjustments in its preliminary assessment of the amounts recommended for allocation from the General Fund. We will consider the needs of the town as a whole, including municipal functions, education, and libraries, as we develop final budgets.

The capital budget and mandatory expenses

The capital budget includes debt service obligations and capital projects funded from current revenues. The Town's Financial Policy specifies that the annual capital budget should equal at least 10% of the estimated property tax levy. This policy recognizes that it is essential to maintain and improve infrastructure, including town, school, and library buildings and the equipment required to provide services, as well as to invest in recreation fields and facilities, open space, and other Town priorities. When the policy was adopted in 2008, 7.2% of the tax levy was allocated to that purpose. As the needs of operating budgets took precedence, the amount allocated for capital spending dropped to a low of 5.64% in FY11. It has gradually increased to 7.5% of the levy for FY16. The Finance Committee recommends that 8.0% of the levy be used for FY17, with a greater percentage of the levy used in future years if financial circumstances allow.

Some appropriations that are not part of the operating budget, and not under our control, will increase. The assessment for the Retirement System, for instance, is expected to rise by 7.0% from FY16 levels. This explains why, even with a 2.9% increase in overall revenue, we are recommending an overall spending increase of only 2.5%.

Other Post-Employment Benefits (OPEB)

We propose including an allocation of \$300,000 to the OPEB Trust in the FY17 budget. The June 30, 2014, actuary report estimated the Town of Amherst's liability at \$95.7 million. By

law, Amherst is required to fund pensions, but as of now, not its OPEB obligation. Town Meeting has begun to put money into the OPEB Trust, including \$585,342 at the Fall 2012 Special Town Meeting. Since then, Town Meeting has annually transferred into the OPEB Trust Amherst's share of the Medicare Part D reimbursements received because the Town provides drug benefits to retirees through its health plan. The FY15 operating budget included \$100,000 allocated to OPEB; for FY16, it was \$200,000. Given the size of the OPEB obligation, the allocation of \$300,000 for FY16, though 50% greater than the FY16 contribution may seem inconsequential. However, it is important that Town Meeting recognizes this debt and assumes responsibility by continuing to allocate funds for it.

Standard and Poor's included this unfunded liability in its last assessment of the Town's credit worthiness in January 2015, noting that the Town has begun funding its OPEB Trust Fund. At least in part because of that, the Town's credit rating was maintained at AA+, which reduces borrowing costs. Whether or not loan rates are reduced, the obligation to pay the health insurance costs for retired employees remains. Given the trend in federal and state budgets, we cannot expect significant help to meet that obligation. In prior years, the Town promised its employees to provide health care and life insurance after they retire without setting aside funds for that. It is sound financial policy to continue making that effort.

Reserve funds

The Town Financial Policy is to maintain reserves at 5-15% of General Fund operating revenues. The Department of Revenue has certified Free Cash at \$4,322,441 as of July 1, 2015. That plus the Stabilization Fund (\$5,603,245) comprise the Town's reserves of \$9,925,686 million, which is 13.8% of FY16 General Fund operating revenues. This Committee will propose that the November 2 Special Town Meeting allocate some of the free cash, the amount greater than 5% of General Fund operating revenues, to a Stabilization Fund. That action will not affect total reserves.

The Finance Committee believes that the Town is in a period when annual revenue growth cannot be expected to exceed 2.9%. With the uncertainty about state aid for FY17, we would not be wise to use any reserves to fund recurring expenses in FY17. In general, the Committee seeks to limit the use of reserves to the establishment of new programs that will have known future revenue; as a transition to the loss of funding; or for unique one-time projects.

Requested budget information

Budgets reflect changes in programs, services and staffing, which can be a combination of reductions and additions. The Finance Committee asks that you provide information about projected cost increases and changes in operations for FY17, the effect that a 2.5% increase in town funding will have on programs, and a description of what would be added with a small amount of additional funds. The Committee also requests that you describe new or possible changes in grants and other revenue you expect to receive in addition to the proposed allocation from the General Fund and how those changes might affect services. The Finance Committee needs this information to fulfill its responsibilities. Such information will also inform Budget

Coordinating Group discussions of overall priorities, and will help prepare all of us to adjust budgets, if necessary.

The Finance Committee wants to achieve uniformity in the descriptions of programs and budgets in its report to the Annual Town Meeting. That report will present each operating budget with a five-part budget narrative:

1. Budget and Finance Committee recommendation,
2. Basic functions,
3. Summary for the next fiscal year, including changes from the current year,
4. Full-time-equivalent employees for the next fiscal year and change from current year,
5. Services provided by other departments and for other departments.

The Finance Committee recognizes the difficulty of defining “full-time-equivalent” employees in a uniform way that works well for all budget areas. The important thing is to strive for year-to-year uniformity within each budget area and explain the projected change for the next year. For example, if the work force consists of salaried and hourly employees, the employee count might be projected as the number of FTE benefited staff and the number of hours of part-time staff.

For several years, the Finance Committee has been interested in the services provided by each department to assist other departments. This teamwork is important to Amherst. It helps all parts of the Town be efficient and effective. Town Meeting members will appreciate this practice and the Committee wants to report it to them.

Please provide this information with the written budgets you submit to the Finance Committee. If that is not possible, the Committee will ask for this information when you meet with us to present your budgets. As in prior years, we may have other questions as we review budgets and meet with you.

Schedule

The Finance Committee requests that you submit budgets according to the Budget Coordinating Group’s budget development calendar. We would like the Interim Town Manager, Superintendent, and Library Director to present budgets to the Finance Committee no later than January 21. We understand that in some cases they may be executive budgets that require review by elected policy boards and are subject to revision.

Conclusion

The Town provides high-quality schools, libraries, and municipal services, and the Committee expects that the modest increases in projected revenues will allow us to maintain this level of service across all sectors of Town government. Finding creative approaches to providing quality services economically is a challenge that will be with all of us for the foreseeable future.

Amherst is a model of responsible management and quality community services, due to your dedication and resourcefulness. The Finance Committee thanks you for that, for the cooperative

spirit that all of you bring to your work, and for your willingness to work together so that we can present a responsible budget to Town Meeting.

Stephen Braun	413-559-7992
Bernard Kubiak	413-259-1285
Kay Moran, Chair	413-549-5767
Timothy Neale	413-345-1671
Janice Ratner	413-253-7214
Anurag Sharma	413-549-1542
Marylou Theilman, Vice Chair	413-253-7980

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

DRAFT
For Discussion Purposes Only
Town Manager's Forecast
Thursday, January 14, 2016
Assumptions

	FY 15 Recap	FY 15 Actual	FY 16 Projected	FY 16 Recap	FY 17 Projected	\$ Chg	% Chg	FY 18 Projected	% Chg	FY 19 Projected	% Chg	
REVENUES												
PROPERTY TAX												
Base Levy	43,044,827	43,044,827	44,828,489	44,828,489	46,549,201	1,720,712	3.8%	48,462,931	4.1%	50,274,505	3.7%	
2.5% Allowable Increase	1,076,121	1,076,121	1,120,712	1,120,712	1,163,730	43,018	3.8%	1,211,573	4.1%	1,256,863	3.7%	
Estimated New Growth	707,541	707,541	600,000	612,000	750,000	138,000	22.5%	600,000	-20.0%	600,000	0.0%	FY06 - FY16 avg \$523,053/year
General Override	0	0	0	0	0	0		0		0		
Levy Limit	44,828,489	44,828,489	46,549,201	46,561,201	48,462,931	1,901,730	4.1%	50,274,504	3.7%	52,131,368	3.7%	
Debt Exclusion	171,480	171,480	125,378	125,378	83,239	(42,139)	-34%	37,330	-55%	0	-100%	High School debt
Maximum Allowable Levy	44,999,969	44,999,969	46,674,579	46,686,579	48,546,170	1,859,591	4.0%	50,311,834	3.6%	52,131,368	3.6%	
Excess Levy Capacity	(6,534)	(6,534)	0	0	0	0		0		0		
Subtotal PROPERTY TAX	44,993,435	44,993,435	46,674,579	46,686,579	48,546,170	1,859,591	4.0%	50,311,834	3.6%	52,131,368	3.6%	
LOCAL RECEIPTS												
Motor Vehicle Excise	1,494,225	1,624,290	1,531,581	1,624,290	1,664,897	40,607	2.5%	1,706,519	2.5%	1,749,182	2.5%	Car sales data shows increased sales.
Hotel/Motel and Meals Excise	767,029	703,492	786,204	703,492	703,492	0	0.0%	721,079	2.5%	739,106	2.5%	Equals FY15 actual revenue
Penalties and Interest	208,125	223,077	208,125	223,000	223,000	0	0.0%	223,000	0.0%	223,000	0.0%	Equals FY15 actual revenue
PILOT	944,358	948,735	946,976	948,476	948,476	0	0.0%	948,476	0.0%	948,476	0.0%	Largest source is Enterprise Funds PILOTS
Rentals	81,500	85,965	81,500	89,550	99,850	10,300	11.5%	99,850	0.0%	99,850	0.0%	Increase due to Musante Health Center
Departmental Revenue	1,131,791	1,428,148	1,186,260	1,112,420	1,090,764	(21,656)	-1.9%	1,090,764	0.0%	1,090,764	0.0%	Recurring department revenue
Licenses and Permits	1,038,213	1,301,754	1,077,927	1,077,927	1,077,927	0	0.0%	1,077,927	0.0%	1,077,927	0.0%	Equals FY15 actual revenue
Special Assessments	741,917	741,867	772,102	763,033	855,521	92,488	12.1%	855,521	0.0%	855,521	0.0%	PVTA assessment: UMass/5 College Inc.
Fines and Forfeits	227,033	147,562	227,033	204,570	149,565	(55,005)	-26.9%	149,565	0.0%	149,565	0.0%	Changed Police enforcement tactics
Investment Income	70,000	96,608	70,000	83,400	83,400	0	0.0%	83,400	0.0%	83,400	0.0%	Equals FY15 actual revenue
Miscellaneous	100,000	136,250	100,000	265,000	265,000	0	0.0%	265,000	0.0%	265,000	0.0%	Amherst College and UMass
Subtotal LOCAL RECEIPTS	6,804,191	7,437,747	6,987,708	7,095,158	7,161,892	66,734	0.9%	7,221,102	0.8%	7,281,792	0.8%	
STATE AID												
Chapter 70	5,925,198	5,925,198	5,949,038	5,954,998	5,984,773	29,775	0.5%	6,014,697	0.5%	6,044,770	0.5%	Match FY16 increase
Charter Assessment Reimbursement	200,835	334,378	200,835	141,367	141,367	0	0.0%	141,367	0.0%	141,367	0.0%	Based on trend data
Unrestricted General Govt Aid	7,491,306	7,491,306	7,760,993	7,760,993	8,040,389	279,396	3.6%	8,281,601	3.0%	8,530,049	3.0%	Match FY16 increase
Veterans Benefits	166,502	172,743	221,335	180,268	180,268	0	0.0%	180,268	0.0%	180,268	0.0%	Based on 75% of paid benefits
Exempt Vets, Blind, Surv. Spouses, Elderly	35,293	35,427	33,240	33,240	33,240	0	0.0%	33,240	0.0%	33,240	0.0%	No change
State Owned Land	166,877	166,877	166,877	166,877	166,877	0	0.0%	166,877	0.0%	166,877	0.0%	No change
Offset Receipts												
School Lunch	6,412	6,412	0	0	0	0		0		0		State pays School Department directly
School Tuition	246,902	255,276	328,802	338,073	338,073	0	0.0%	338,073	0.0%	338,073	0.0%	State pays School Department directly
Public Libraries	69,525	83,964	79,092	80,470	80,470	0	0.0%	80,470	0.0%	80,470	0.0%	State pays Jones Library directly
Subtotal STATE AID	14,308,850	14,471,581	14,740,212	14,656,286	14,965,457	309,171	2.1%	15,236,593	1.8%	15,515,114	1.8%	
OTHER FINANCING SOURCES												
Ambulance Fund	2,839,433	2,839,433	2,592,292	2,515,292	2,594,380	79,088	3.1%	2,659,240	2.5%	2,725,721	2.5%	Updated contracts with towns and UMass
Enterprise Fund Reimbursements	1,050,777	1,050,777	1,067,358	1,076,427	1,077,643	1,216	0.1%	1,077,643	0.0%	1,077,643	0.0%	Enterprise Funds reimburse Gen Fund
Free Cash	125,000	125,000	0	0	0	0		0		0		No use of reserves in FY17 budget
Stabilization Fund	0	0	105,000	105,000	0	(105,000)		0		0		FY16 appropriation for LSSE/Social Services
Subtotal OTHER FINANCING SOURCES	4,015,210	4,015,210	3,764,650	3,696,719	3,672,023	(24,696)	-0.7%	3,736,883	1.8%	3,803,364	1.8%	
TOTAL REVENUES	70,121,686	70,917,973	72,167,149	72,134,742	74,345,542	2,210,800	3.1%	76,506,411	2.9%	78,731,637	2.9%	

	<u>FY 15</u> <u>Recap</u>	<u>FY 15</u> <u>Actual</u>	<u>FY 16</u> <u>Projected</u>	<u>FY 16</u> <u>Projected</u>	<u>FY 17</u> <u>Projected</u>	<u>\$</u> <u>Chg</u>	<u>%</u> <u>Chg</u>	<u>FY 18</u> <u>Projected</u>	<u>%</u> <u>Chg</u>	<u>FY 18</u> <u>Projected</u>	<u>%</u> <u>Chg</u>	
EXPENDITURES												
OPERATING BUDGET												
Town	21,072,926	21,072,926	21,704,749	21,704,749	22,287,667	582,918	2.7%	22,844,859	2.5%	23,415,980	2.5%	
Elementary Schools	21,490,563	21,490,563	21,869,835	21,869,835	22,092,324	222,489	1.0%	22,644,632	2.5%	23,210,748	2.5%	
A-P Regional School District (Assessment)	14,463,908	14,463,908	14,825,506	14,825,506	15,196,144	370,638	2.5%	15,576,048	2.5%	15,965,449	2.5%	
Jones Library (Tax Support)	1,788,533	1,788,533	1,833,246	1,833,246	1,879,077	45,831	2.5%	1,926,054	2.5%	1,974,205	2.5%	
Subtotal OPERATING BUDGET	58,815,930	58,815,930	60,233,336	60,233,336	61,455,212	1,221,876	2.0%	62,991,592	2.5%	64,566,382	2.5%	
CAPITAL BUDGET												
Debt Service - Debt Exclusion	171,480	171,480	125,378	125,378	83,239	(42,139)	-33.6%	37,330	-55.2%	0	-100.0%	FY18 last year of debt exclusion
Debt Service - Current	1,665,418	1,665,418	1,807,892	1,807,892	1,536,560	(271,332)	-15.0%	1,491,708	-2.9%	1,491,708	0.0%	Per JCPC 5-Year Capital Plan
Debt Service - Projected	20,000	20,000	10,000	10,000	249,897	239,897	2399.0%	903,055	261.4%	903,055	0.0%	Per JCPC 5-Year Capital Plan
Cash Capital (Tax Support)	1,663,200	1,663,200	1,673,298	1,672,695	2,090,577	417,882	25.0%	1,878,570	-10.1%	2,297,060	22.3%	Per JCPC 5-Year Capital Plan
Subtotal Tax Funded Capital	3,520,098	3,520,098	3,616,568	3,615,965	3,960,273	344,308	9.5%	4,310,663	8.8%	4,691,823	8.8%	
Tax Capital Less Debt Exclusion	3,348,618	3,348,618	3,491,190	3,490,587	3,877,034	386,447	11.1%	4,273,333	10.2%	4,691,823	9.8%	
% Net Tax Levy	7.5%	7.5%	7.50%	7.5%	8%			8.50%		9.00%		Town Financial Policy goal is 10% of tax levy
Cash Capital (Ambulance Fund)	346,600	346,600	77,000	0	0			0		0		
Subtotal CAPITAL	3,866,698	3,866,698	3,693,568	3,615,965	3,960,273	344,308	9.5%	4,310,663	8.8%	4,691,823	8.8%	
MISCELLANEOUS												
Assessment - Retirement System	4,203,983	4,203,983	4,528,702	4,528,702	4,722,520	193,818	4.3%	4,958,646	5.0%	5,206,578	5.0%	Hampshire County Retirement Board
Assessment - Regional Lockup Facility	35,928	35,928	35,928	35,928	35,928	0	0.0%	35,928	0.0%	35,928	0.0%	No change
OPEB	100,000	100,000	200,000	200,000	300,000	100,000	50.0%	400,000	33.3%	500,000	25.0%	Building OPEB funding into annual budget
Reserve Fund	100,000	100,000	100,000	100,000	100,000	0	0.0%	100,000	0.0%	100,000	0.0%	Finance Committee Reserve Fund
Subtotal MISCELLANEOUS	4,439,911	4,439,911	4,864,630	4,864,630	5,158,448	293,818	6.0%	5,494,574	6.5%	5,842,506	6.3%	
Total APPROPRIATIONS	67,122,539	67,122,539	68,791,534	68,713,931	70,573,933	1,860,002	2.7%	72,796,829	3.1%	75,100,712	3.2%	
UNAPPROPRIATED USES												
Reserve for Abatements & Exemptions	448,285	448,285	465,492	465,612	484,629	19,017	4.1%	502,745	3.7%	521,314	3.7%	Target: 1% of tax levy
State Assessments (Cherry Sheet)	2,212,350	2,377,296	2,486,556	2,520,833	2,784,164	263,331	10.4%	2,853,768	2.5%	2,925,112	2.5%	Charter & Choice Tuition, PVTA, etc.
Cherry Sheet Offsets	322,839	345,652	407,894	418,543	418,543	0	0.0%	418,543	0.0%	418,543	0.0%	See Offset Receipts in Revenue above
Other Amounts to be Raised	15,673	9,699	15,673	15,823	15,673	(150)	-0.9%	15,673	0.0%	15,673	0.0%	PVPC and Tax Title
Subtotal UNAPPROPRIATED USES	2,999,147	3,180,932	3,375,615	3,420,811	3,703,009	282,198	8.2%	3,790,729	2.4%	3,880,642	2.4%	
TOTAL BUDGET PLAN	70,121,686	70,303,471	72,167,149	72,134,742	74,276,942	2,142,200	3.0%	76,587,558	3.1%	78,981,354	3.1%	
								2,310,616		2,393,795		
SURPLUS / (SHORTFALL)	0	614,502	0	0	68,600			(81,147)		(249,716)		