

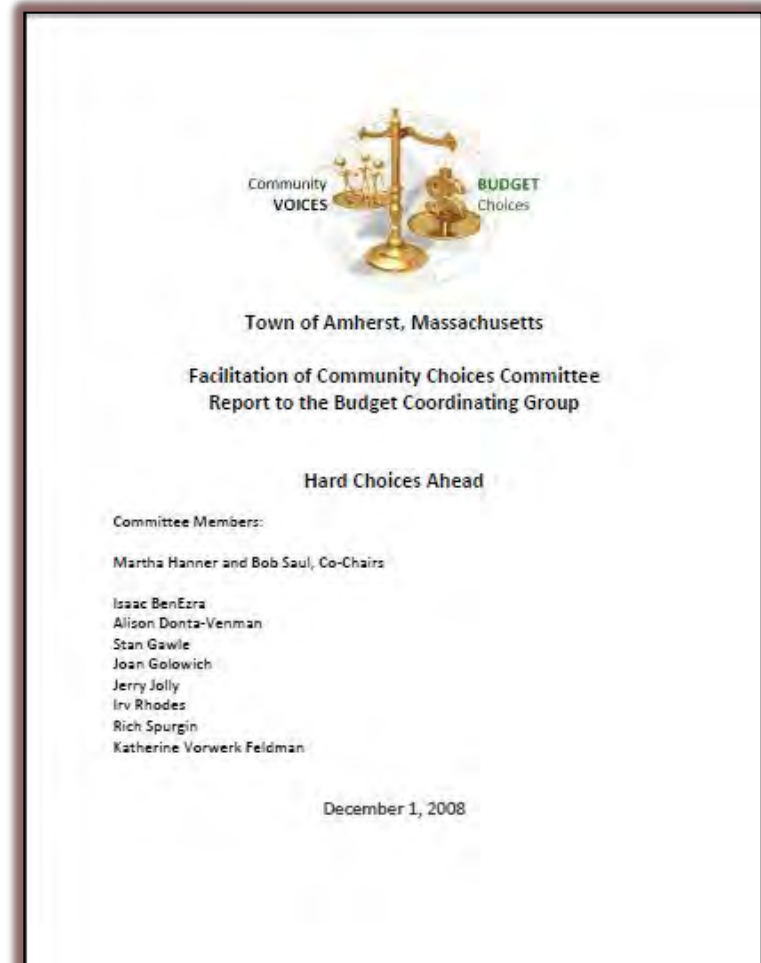


**Amherst Finance Committee
Report to 251st Annual Town Meeting
May 3, 2010**



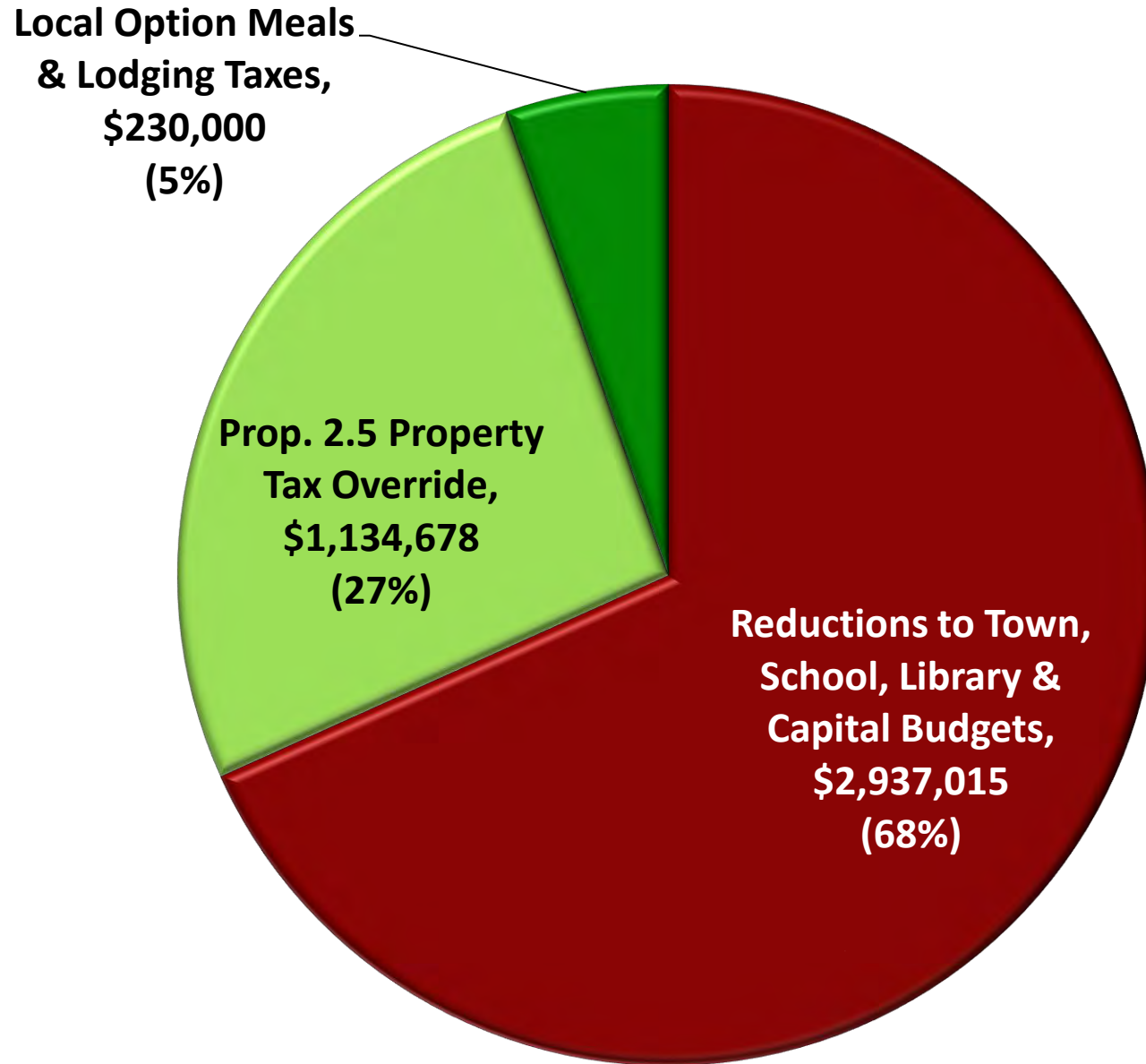
FINDINGS

- Amherst faces a significant budget gap
- Define core budgets
- Control personnel costs
- Reallocate a portion of capital budget, as appropriate
- Plan for unfunded liabilities for pensions and retiree health care
- Pursue new revenue options
- Property tax override will be needed



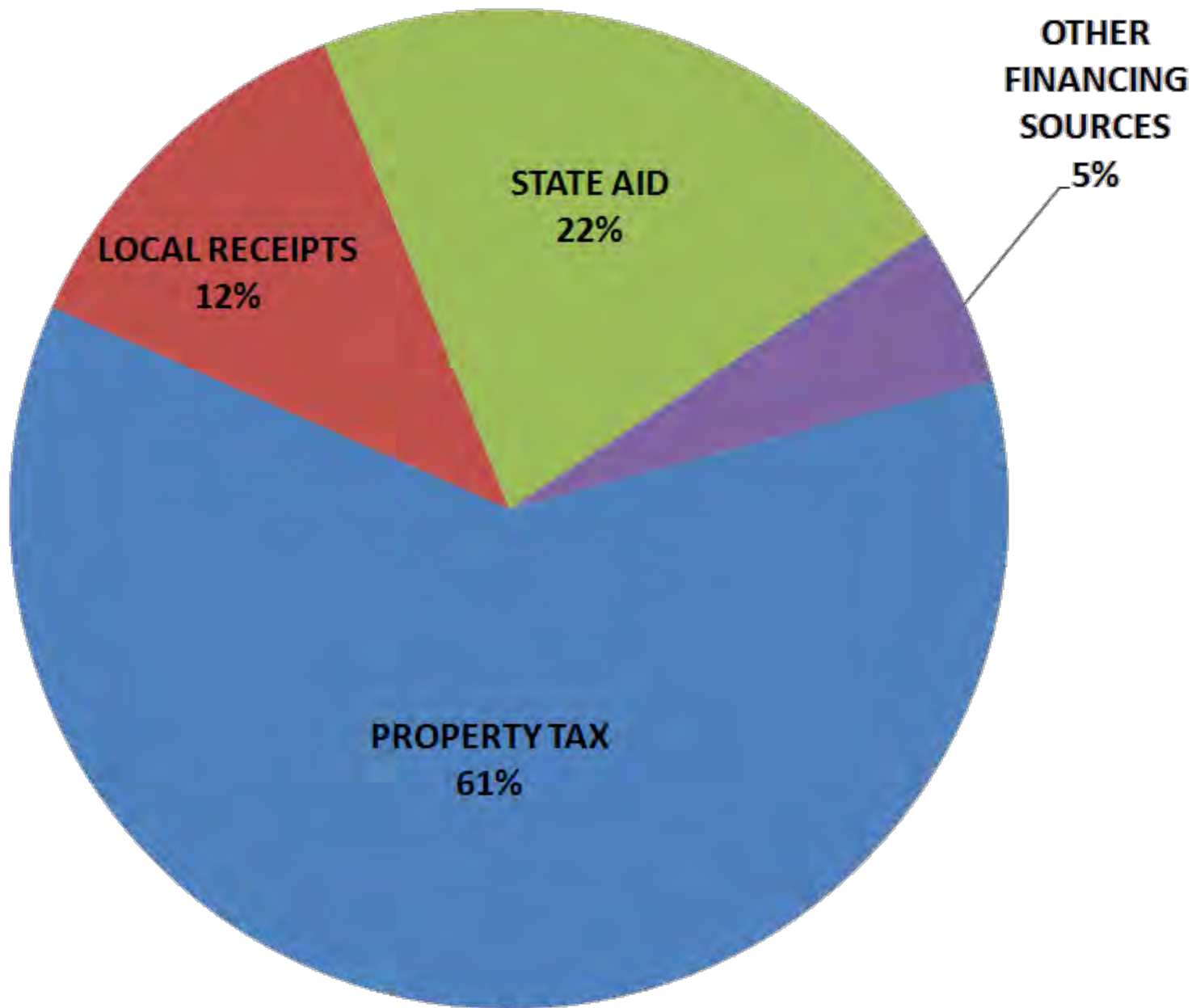


Closing the \$4.2 Million Budget Shortfall



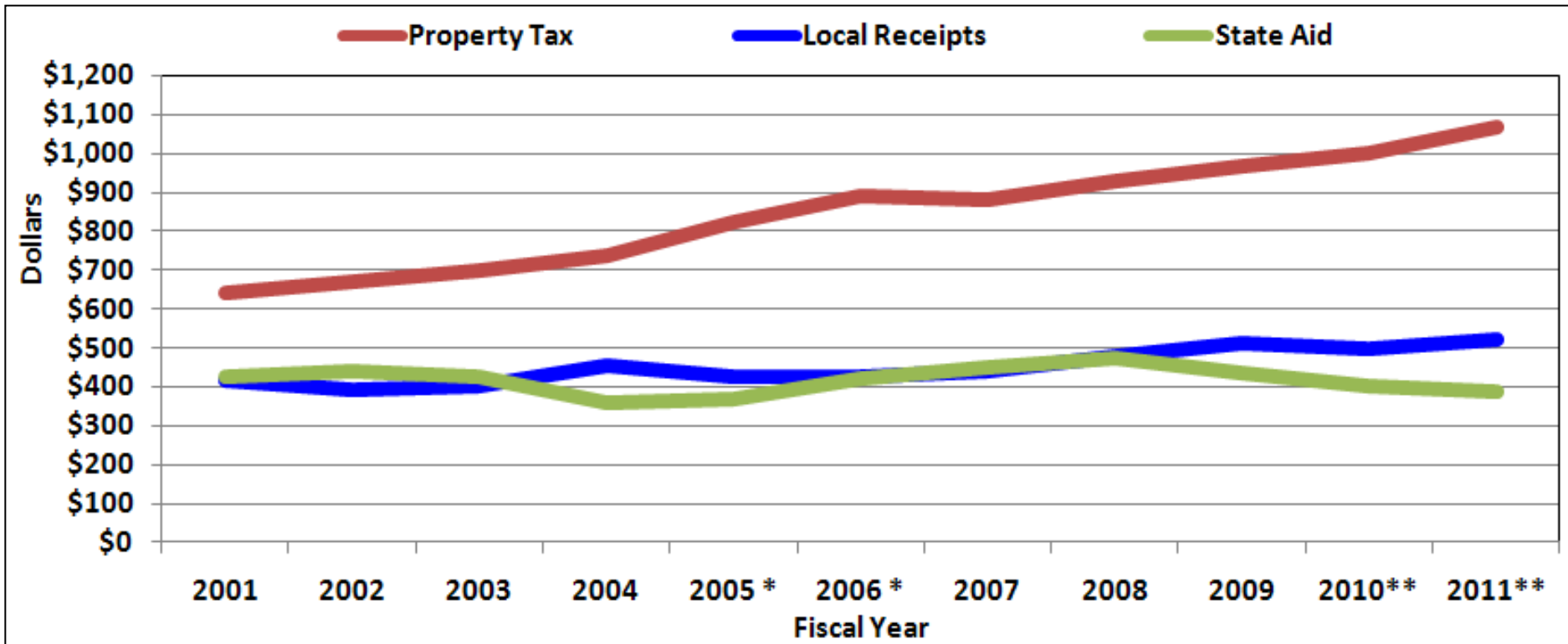


Sources of Revenues FY11





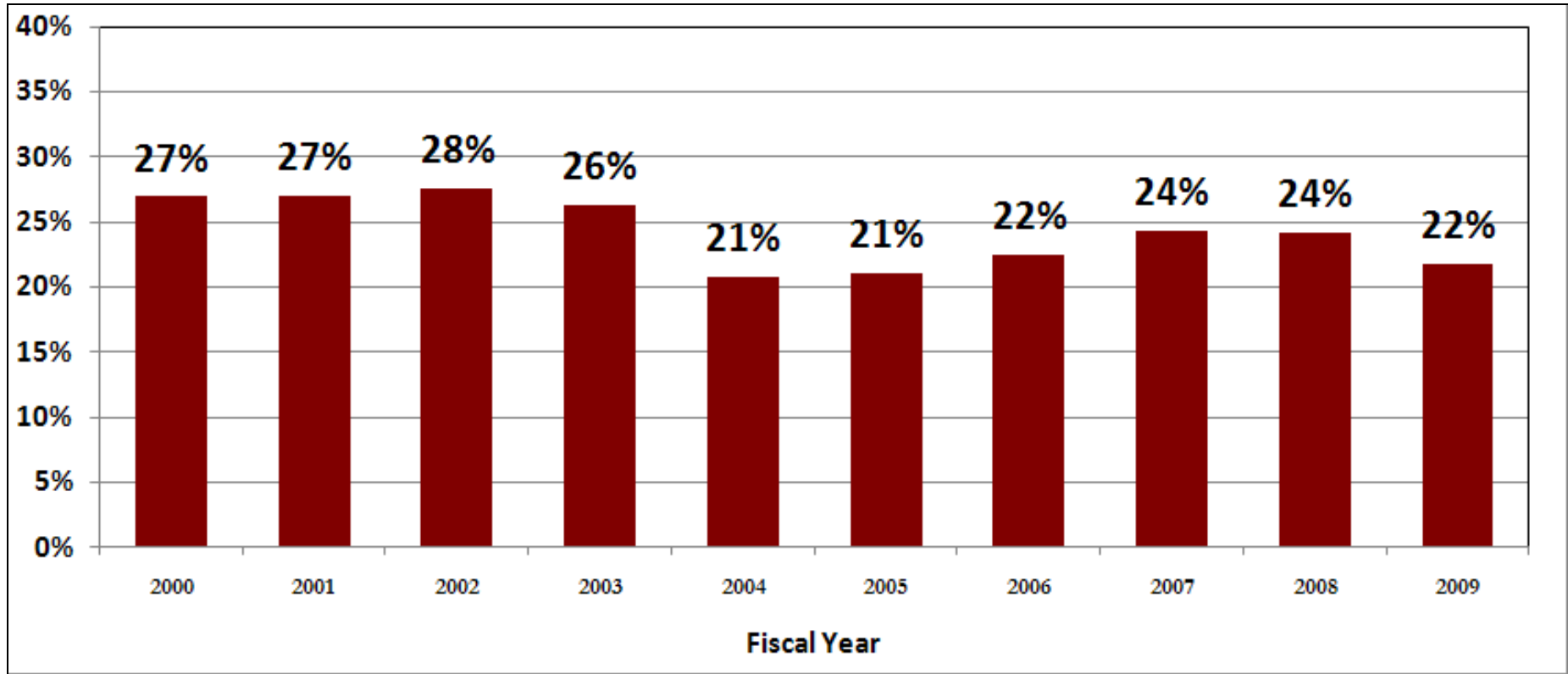
Revenues per Capita - Actual



* 2004 property tax override ** 2010 property tax override

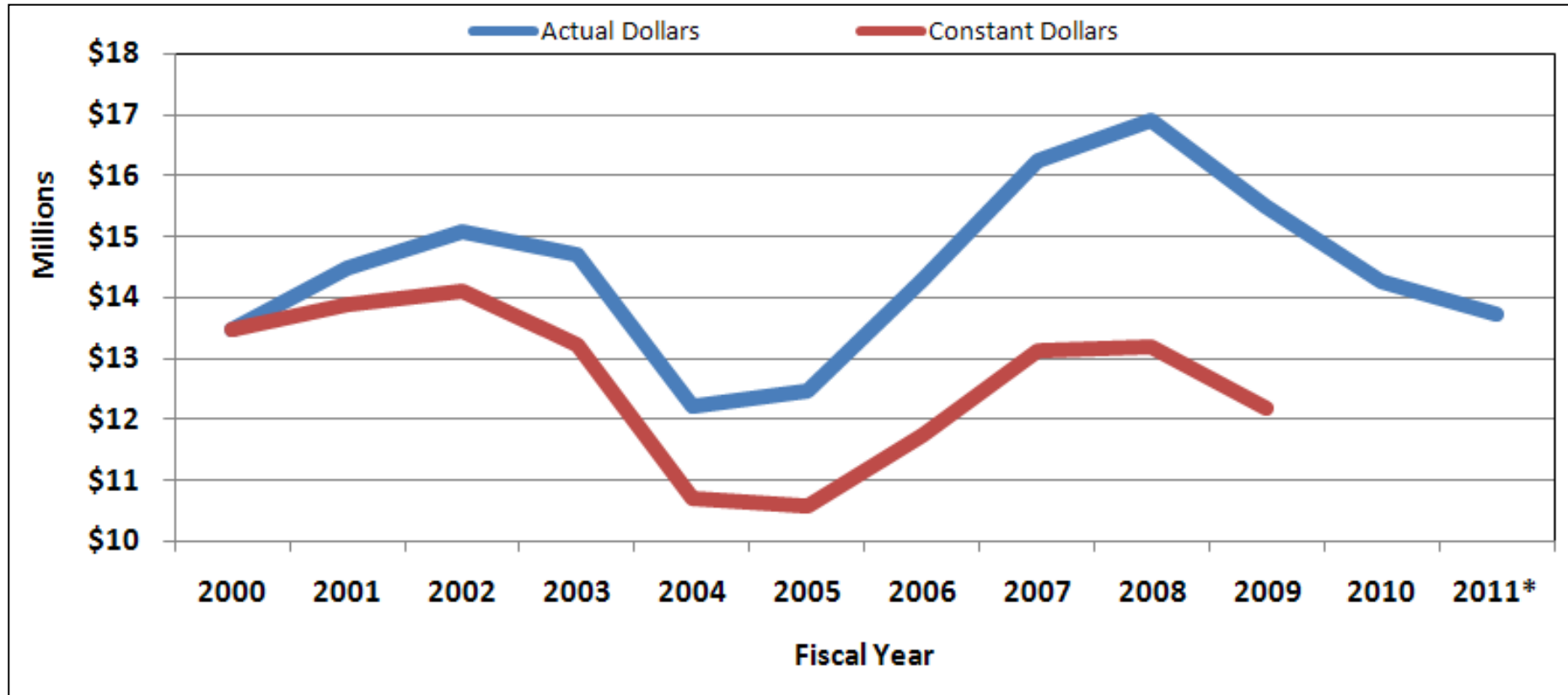


State Aid as a Percentage of Operating Revenues



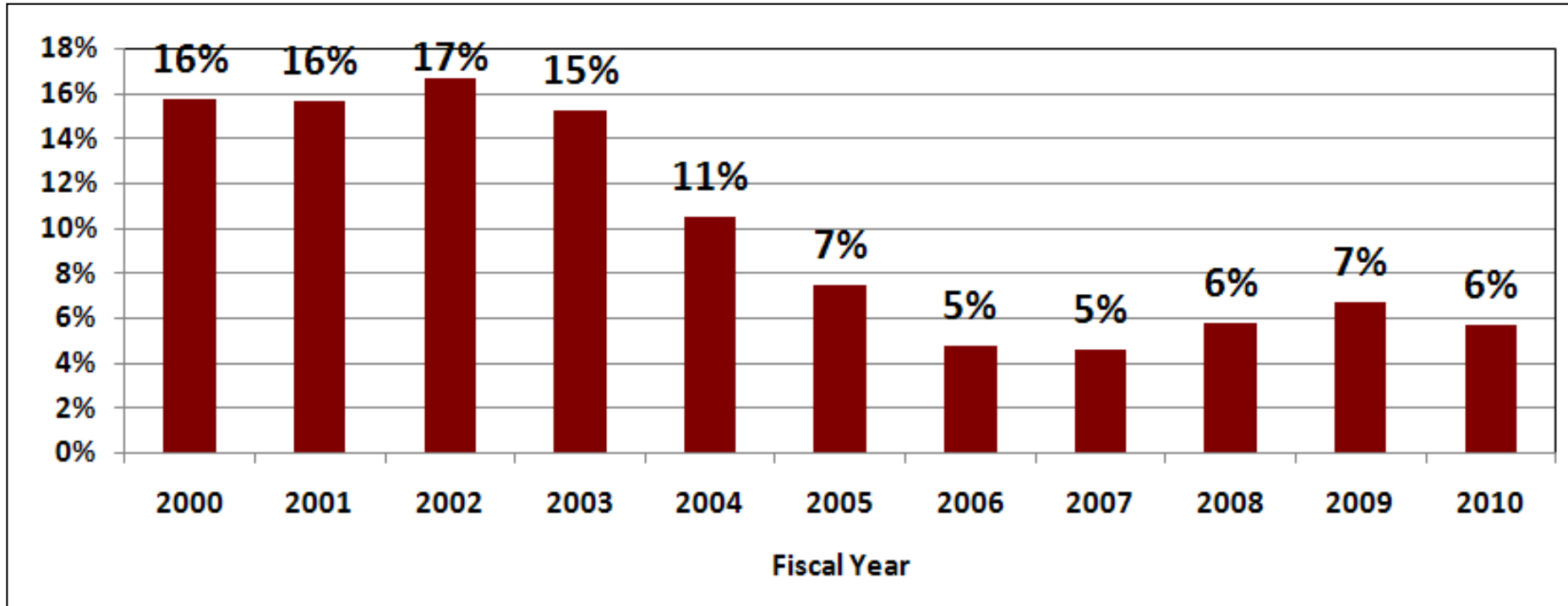


State Aid – Actual and Constant Dollars



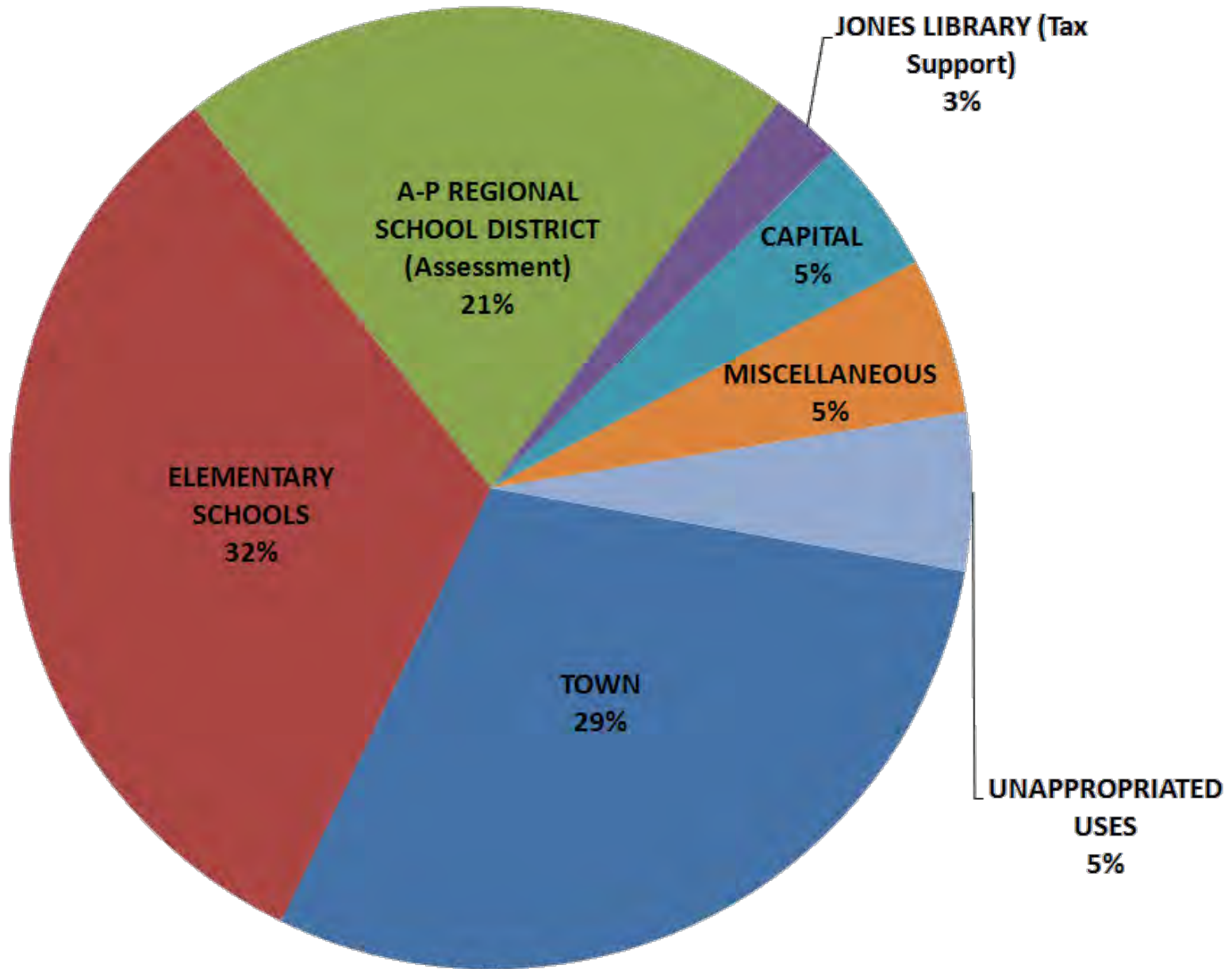


Reserves as a Percentage of Operating Revenues



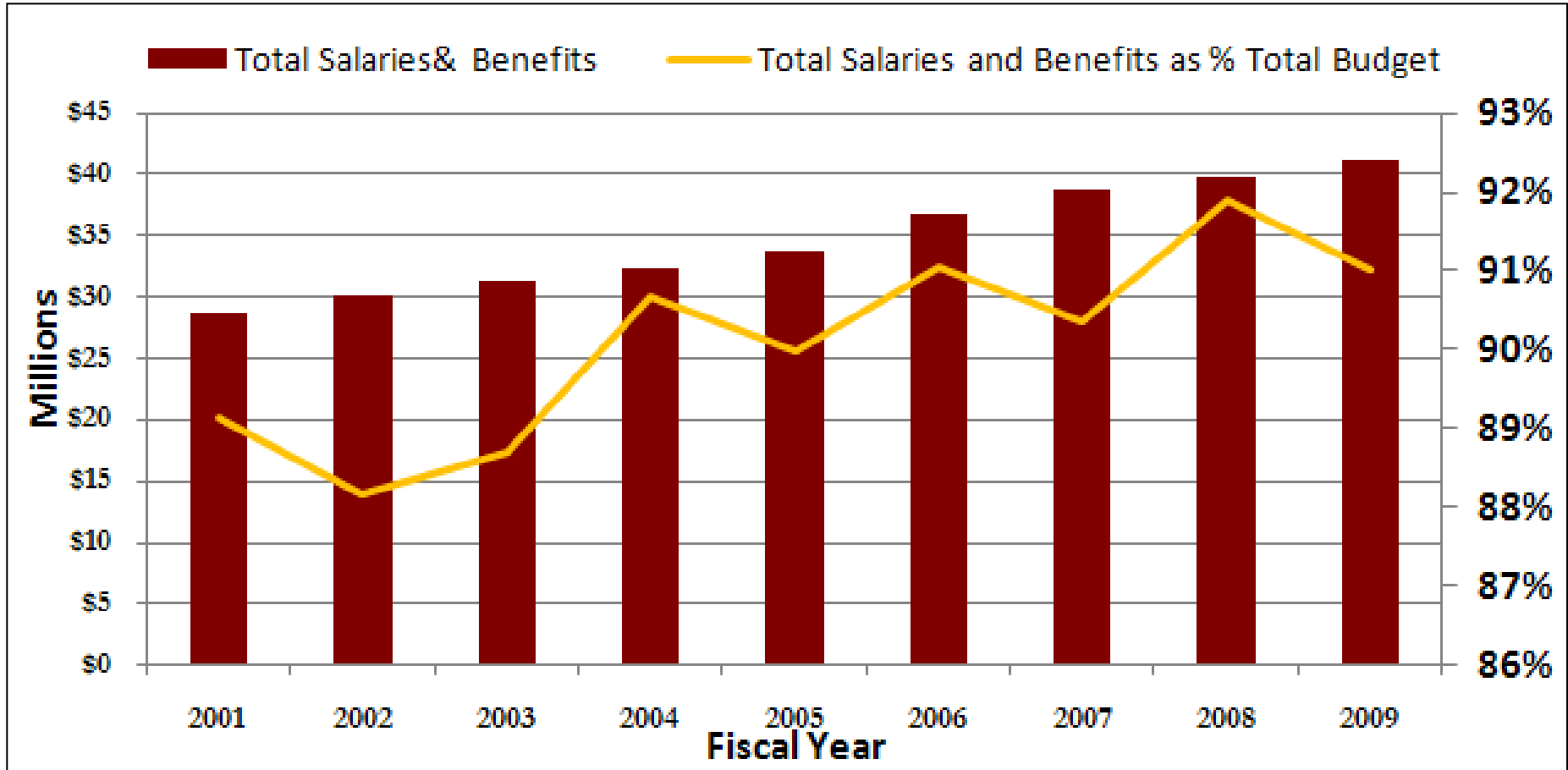


Expenditures FY11



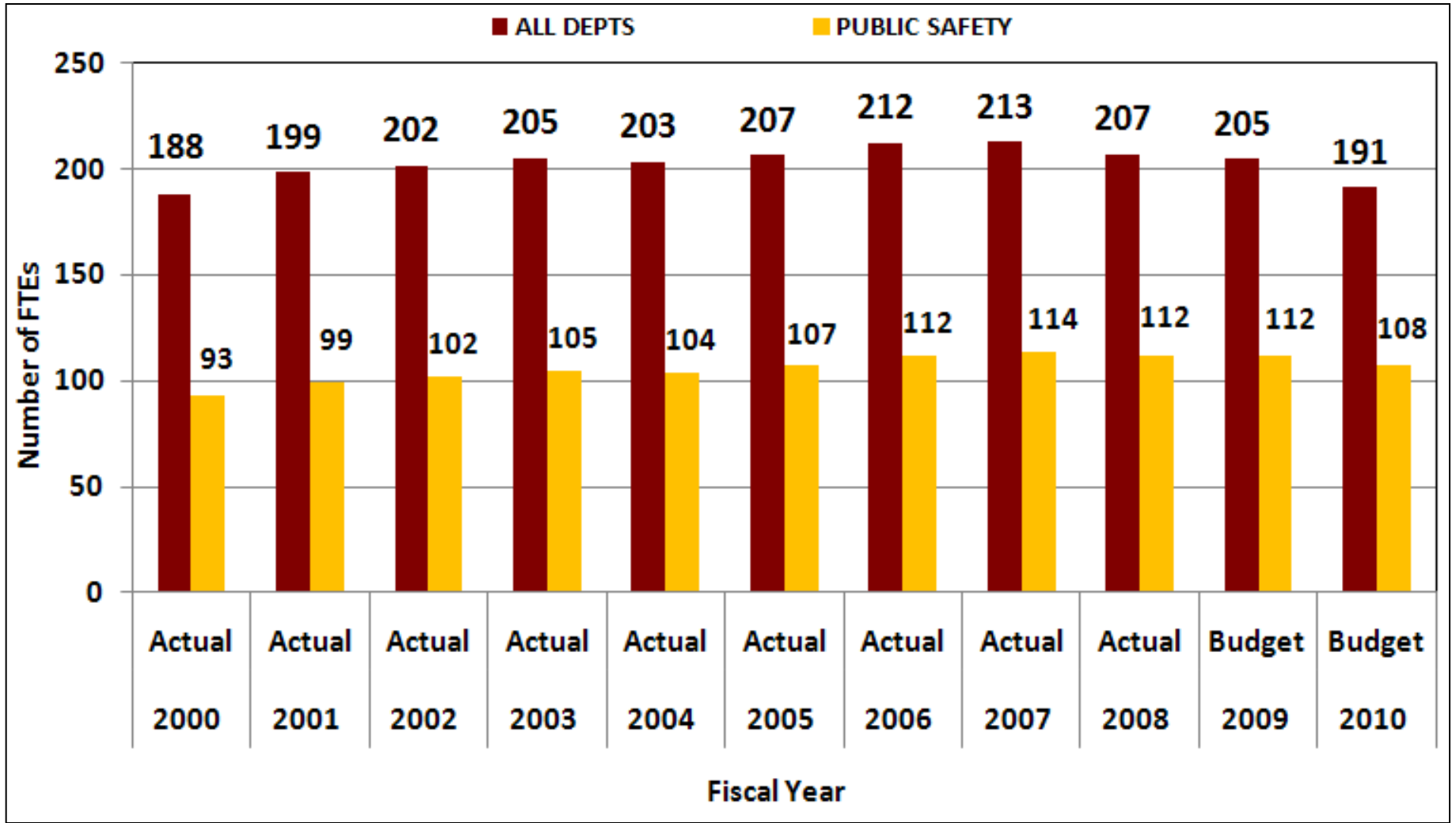


Salaries and Benefits as Percentage of Total Budget





Municipal Staffing Levels – Full Time Equivalents





Factors Affecting State Aid in FY12

State faces a \$2.5 billion budget deficit in FY12



State stabilization fund \$607 million



No federal stimulus funds available in FY 12



Ballot initiative reducing sales tax to 3%



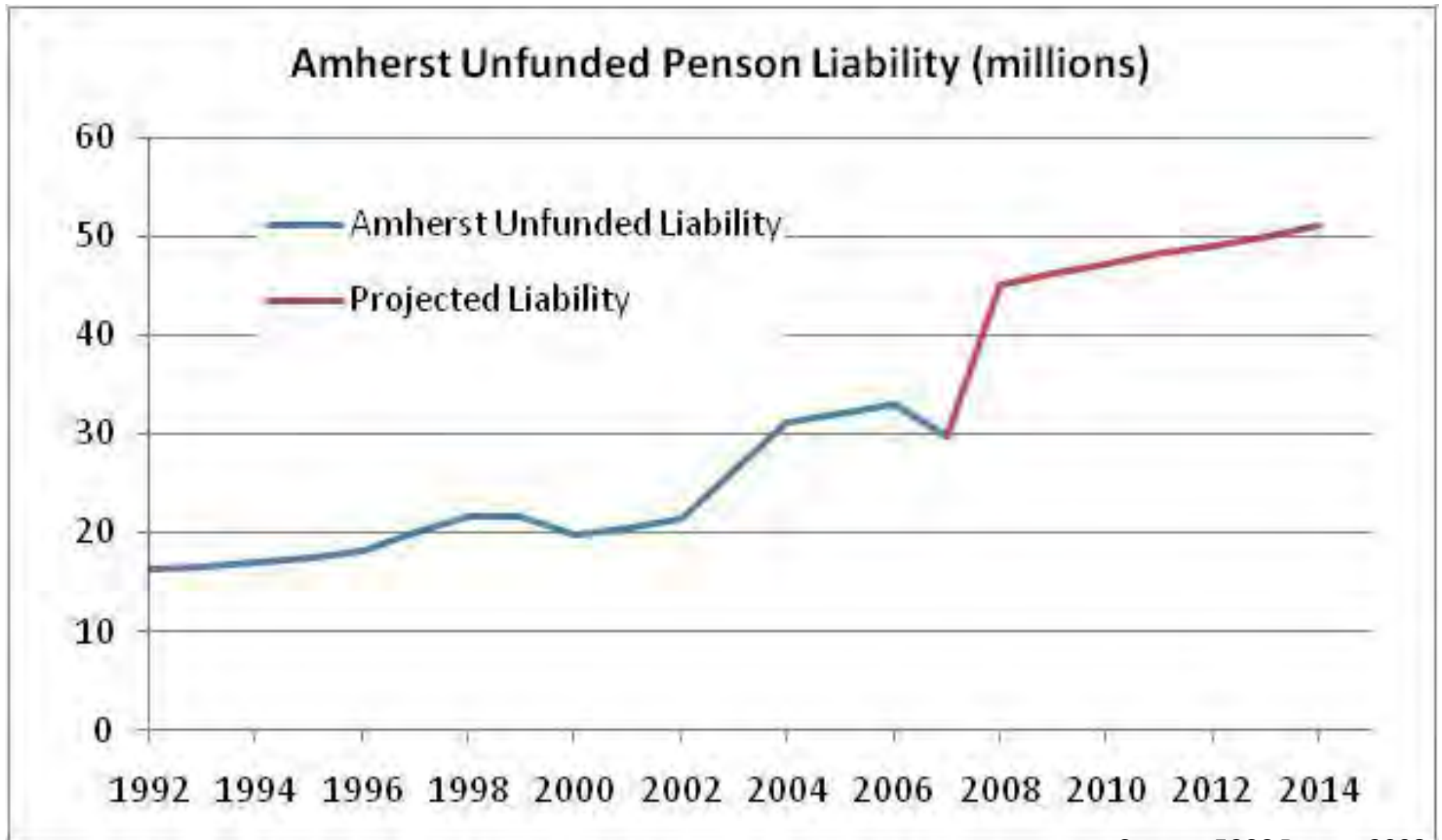
Ballot initiative exempting liquor from sales tax



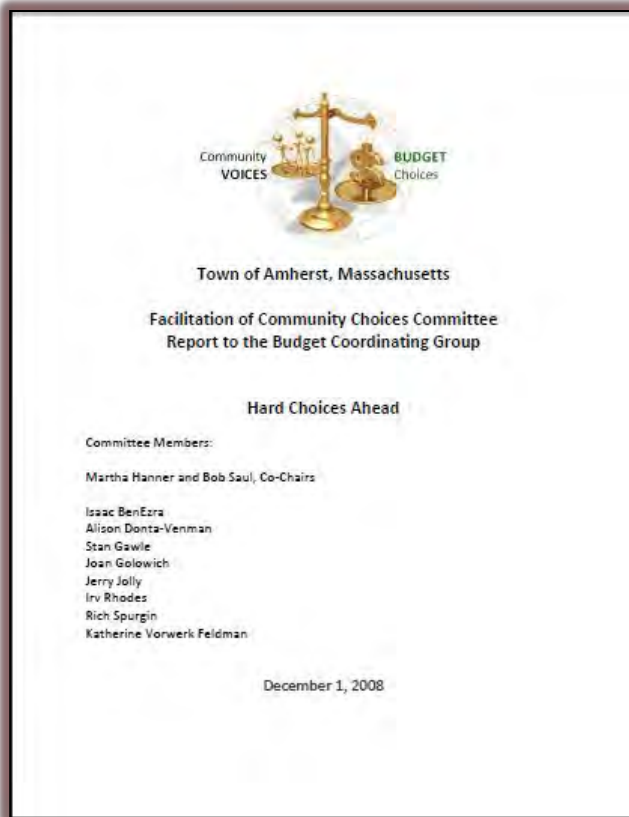
State health care costs continue to rise



Unfunded Liabilities for Retiree Pensions & Healthcare



Source: FCCC Report 2008



RECOMMENDATIONS

- Fee Increases
- PILOT payments
- Consolidation & Regionalization
- Economic Development
- Local Options Taxes
- Property Tax Override
- State Aid