



Five Board Meeting

Review of Long Term Financials

Town of Amherst

September 14, 2016

5 Board Review



Agenda

- ▶ Opening Remarks and Announcements Bockelman/Brewer
- ▶ Call to Order Respective Chairs
- ▶ Building Project Updates
 - 1. DPW Facility Lynn Griesemer
 - 2. Jones Renovation Sharon Sharry
 - 3. Elementary School Mike Morris
 - 4. Amherst Fire Department Tim Nelson and Lynn Griesemer
- ▶ Capital Review (Long-Term Funding) McGinnis/Bockelman
- ▶ Adjourn

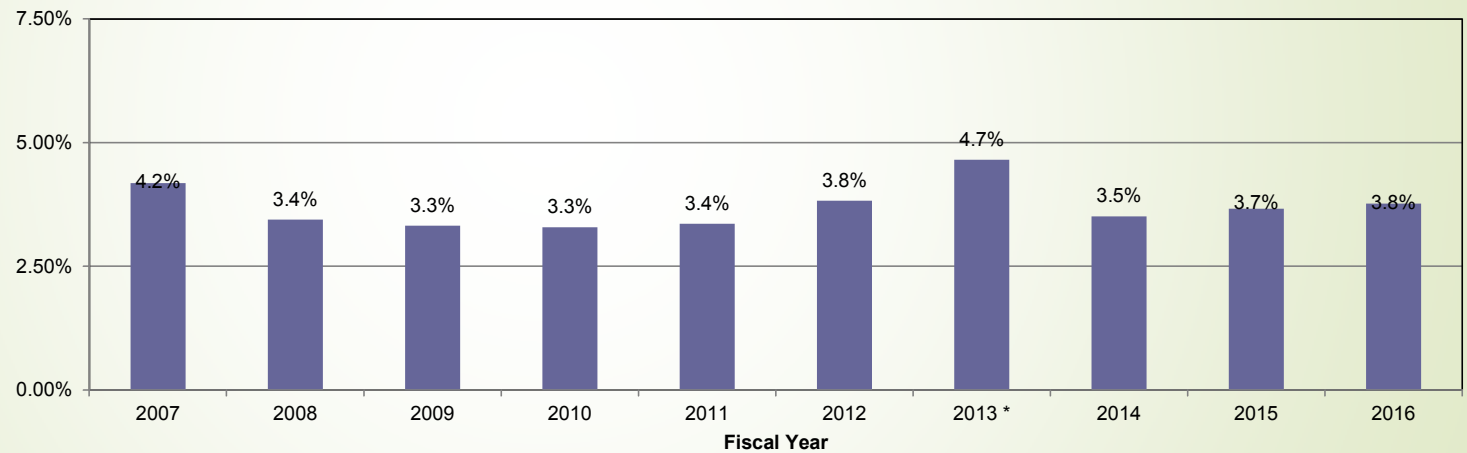


Schedule

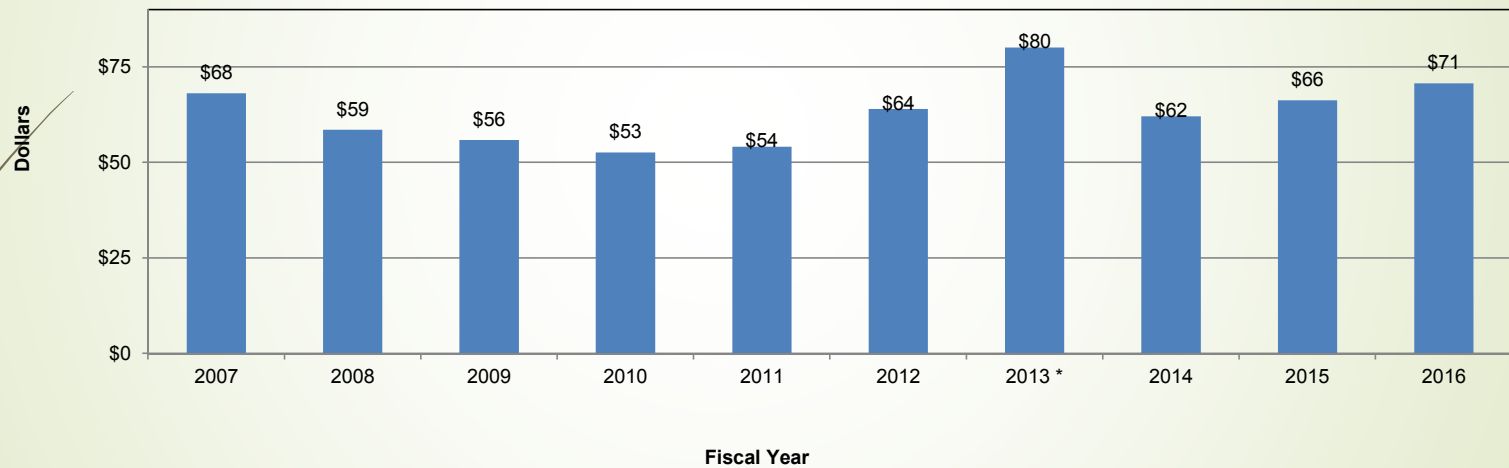
- ▶ 5 Boards meeting and presentations tonight
- ▶ Ballot November 8
- ▶ Fall Town Meeting November 14

Debt Expense Historically

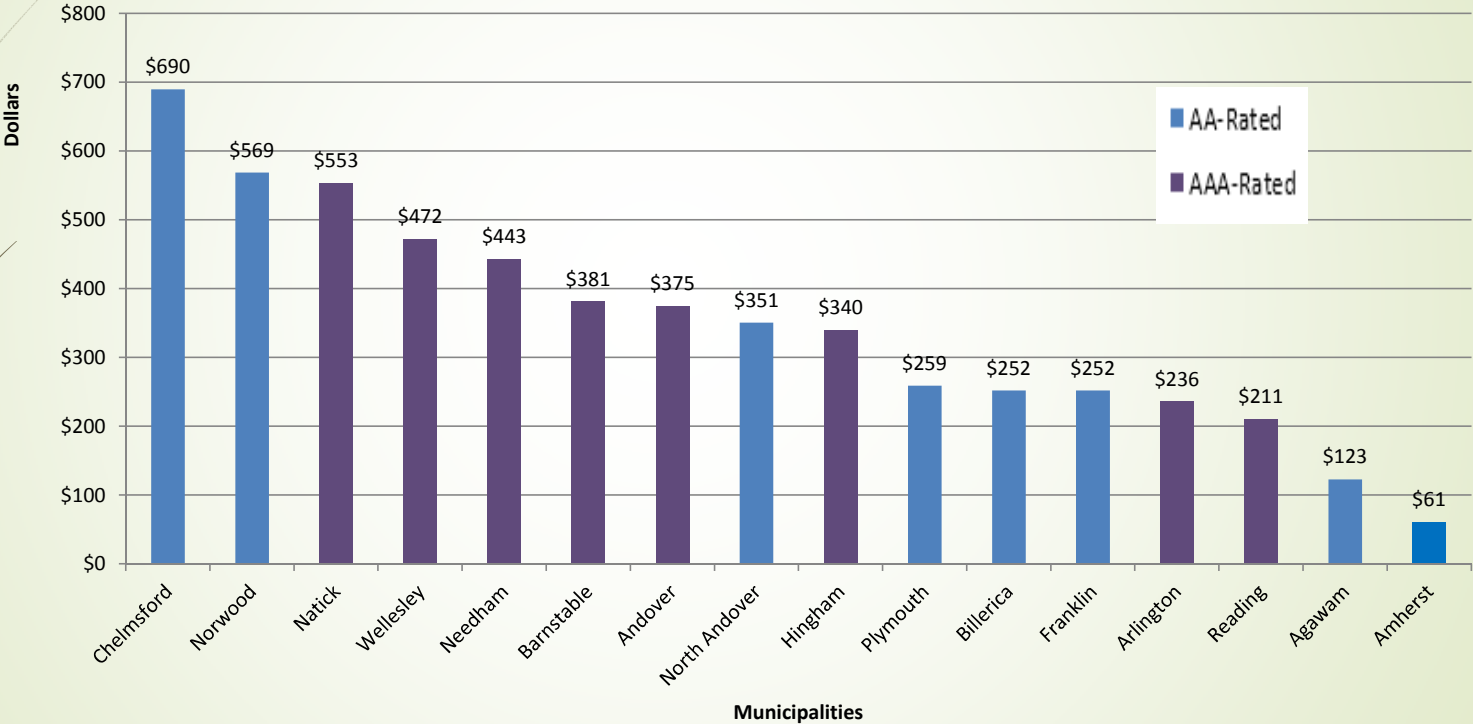
Debt Service as a Percentage of General Fund Revenue



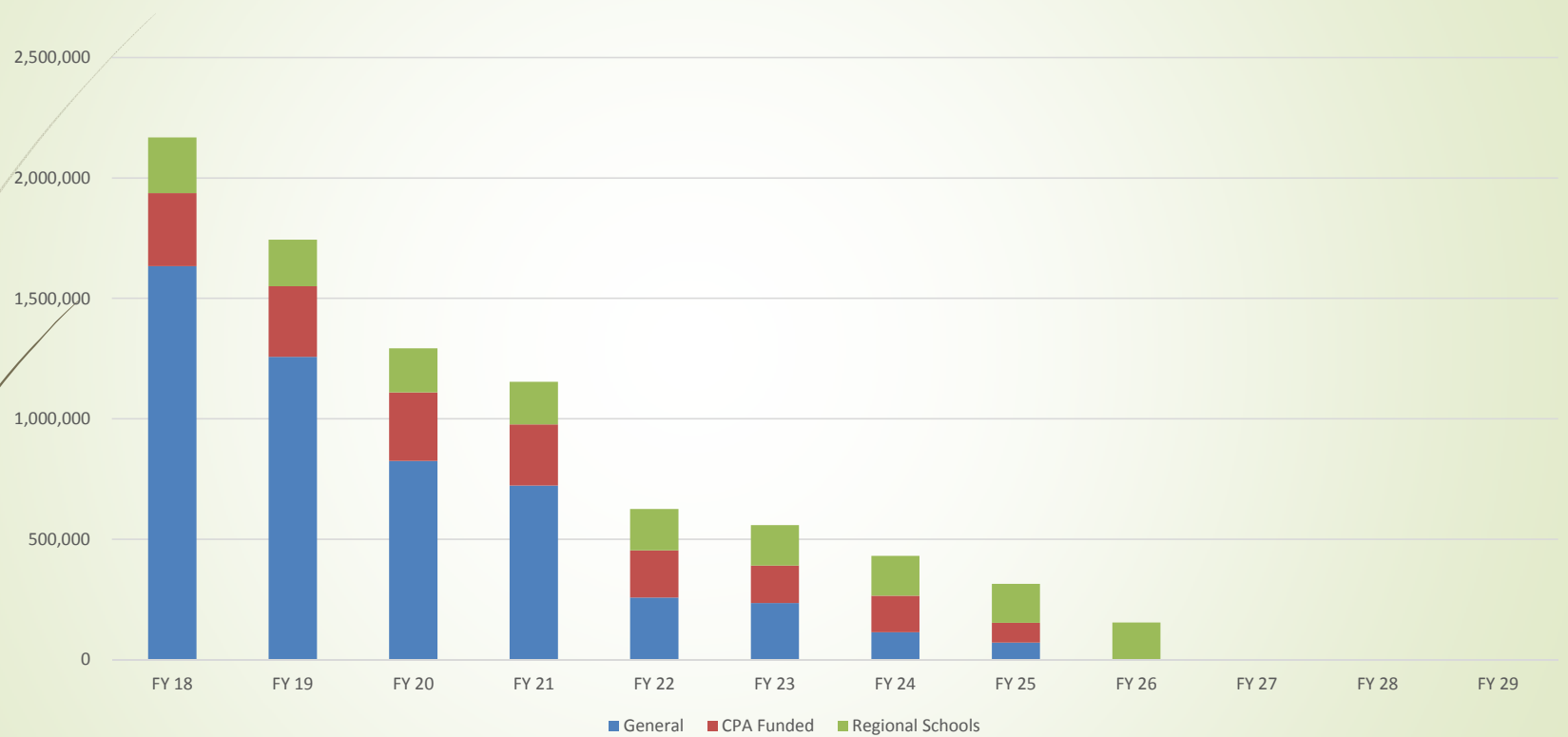
Debt Service per Capita, annual expense



Debt Service Per Capita FY14

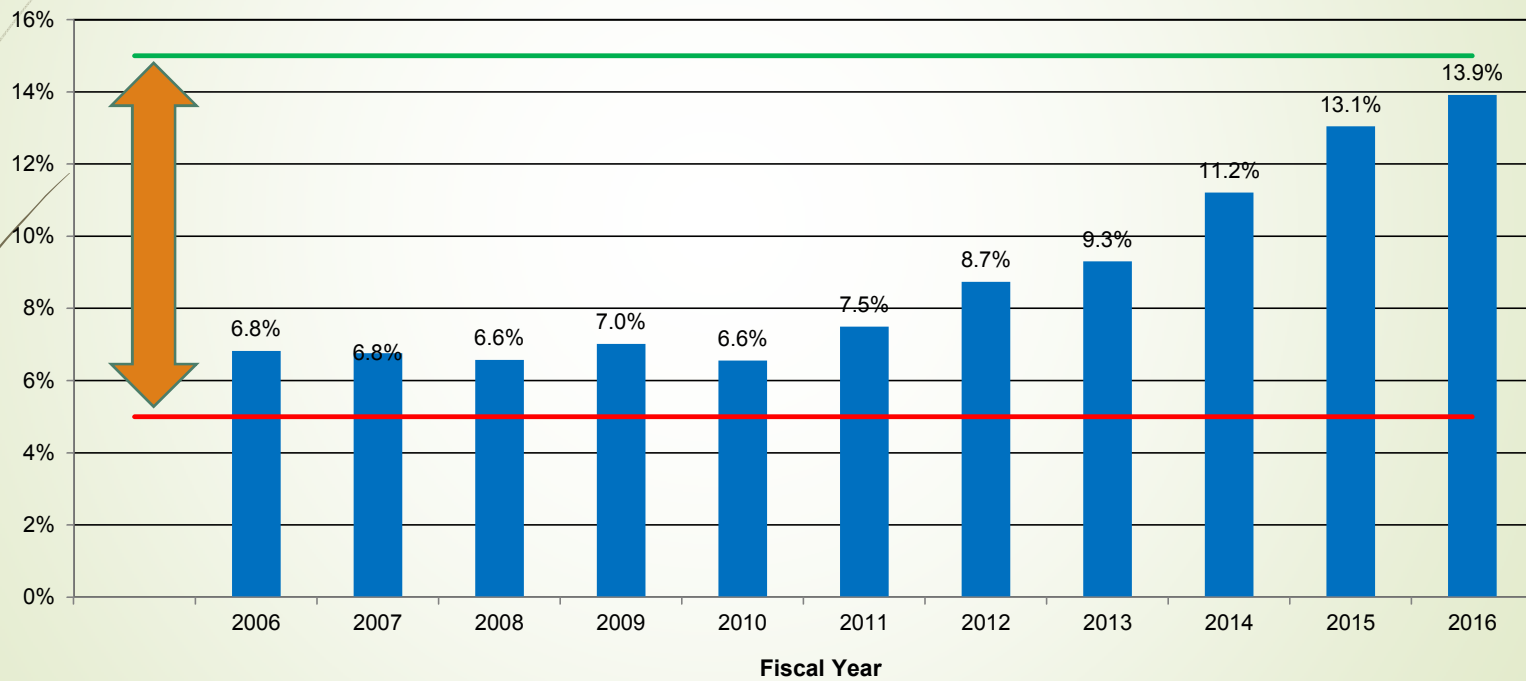


Committed General Fund Debt Service



Reserves as a Percentage of General Fund Budget


Policy is 5 to 15% upper and lower limit





Capital **Source** Assumptions (Steady State)

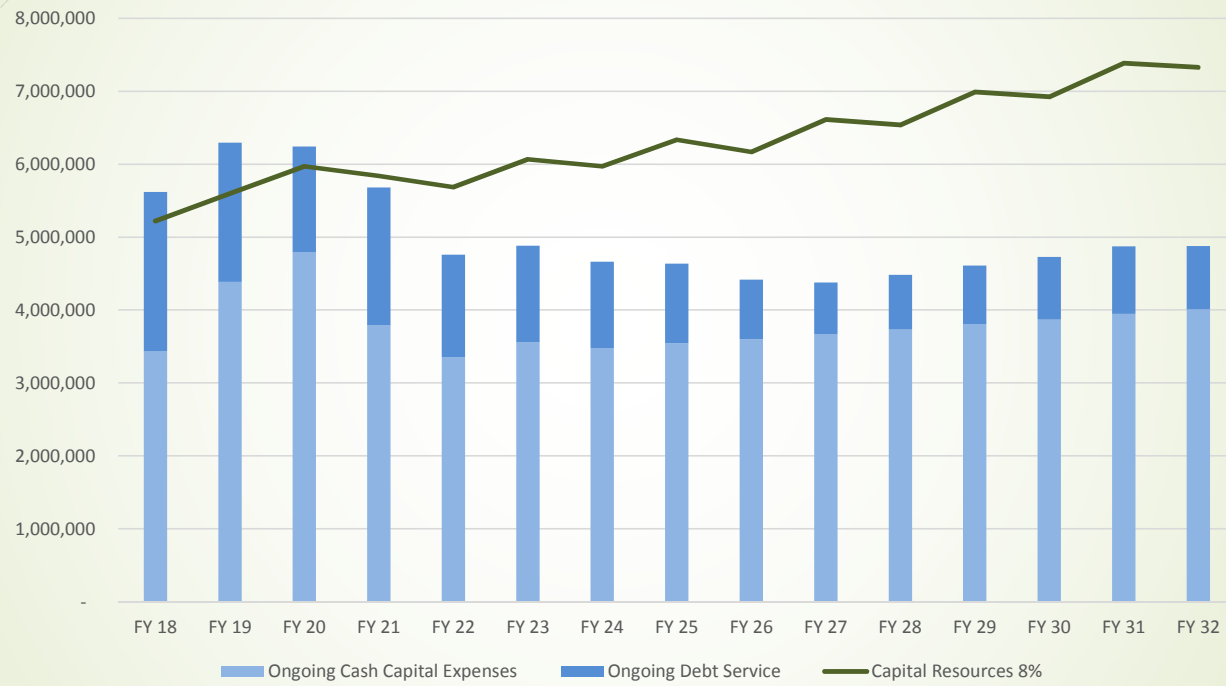
- ▶ 8% of taxation in FY17 is capital budget
- ▶ CPA fund as source for CPA projects
- ▶ Continued pursuit of grants, use of Ambulance fund, etc.
- ▶ Continued use of Enterprise Funds for Enterprise capital needs



Capital **Expense** Assumptions (Steady State)

- ▶ FY18 through FY21 includes departmental capital requests of last year's JCPC process
- ▶ Ongoing Capital - FY22 uses 10 year median of capital spending from preceding years
- ▶ Ongoing Capital - FY23 through FY32 is that 10 year median plus 2% for cost inflation
- ▶ Replacement debt projected for mid-size capital (firetrucks, roofs, land acquisition, etc.) in FY22 through FY32
- ▶ Regional School Capital Plan not included at this point

Capital Plan - Ongoing



Capital for New Buildings

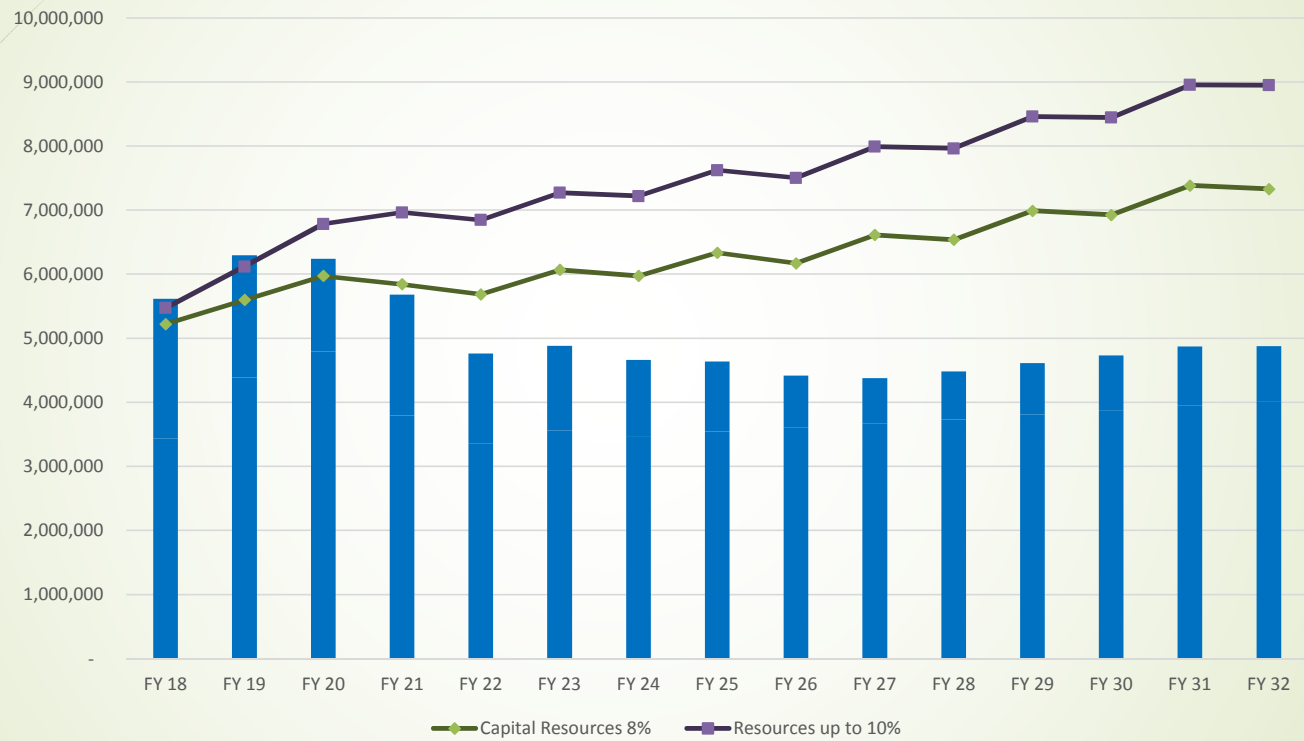
	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>Total</u>
Rebuild Elementary School	3,000,000	9,000,000	15,000,000	5,400,000			32,400,000
Library Addition		1,500,000	12,000,000	1,500,000			15,000,000
DPW Facility			2,700,000	8,100,000	13,500,000	12,700,000	37,000,000
Fire Dept Facility				2,000,000	10,000,000	10,000,000	22,000,000
Total	3,000,000	10,500,000	29,700,000	17,000,000	23,500,000	22,700,000	106,400,000



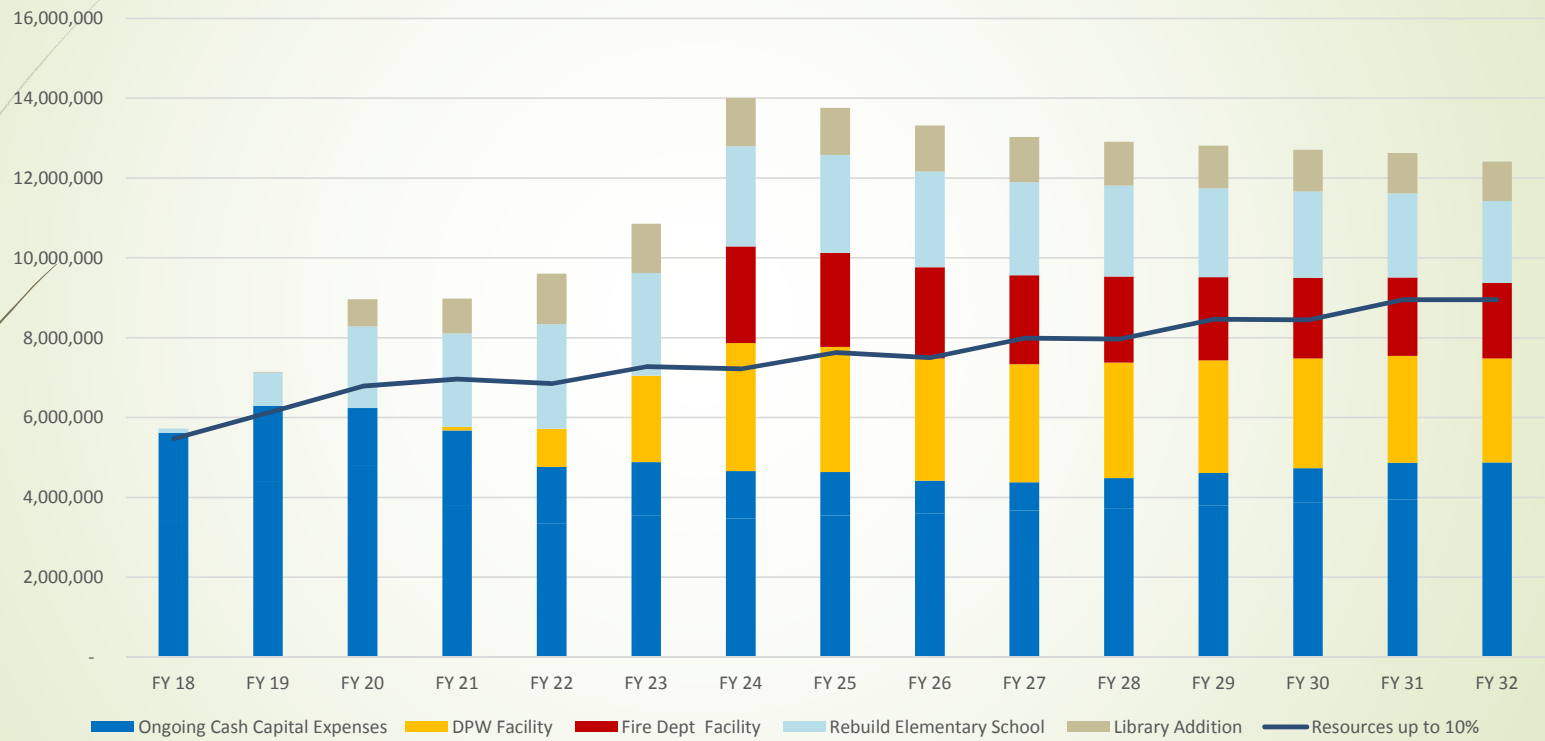
Scenario to Fund all Four

- ▶ Move capital budget up to 10% of taxation, gradual implementation between now and FY21
- ▶ Debt Exclusion Override (DEO) funding for two, Elementary School and Library
- ▶ Maintain a long term focus in budgeting
- ▶ Build Stabilization fund in FY17 through FY22
 - Contribute \$500,000 to \$600,000 annually (pattern as established FY2011-16)
 - Additional savings as part of capital planning process
- ▶ Use Stabilization to reduce the expense of debt service in FY24-30
- ▶ Borrowing:
 - 25 year terms
 - Interest cost are projected based on year of issue, 4-5%

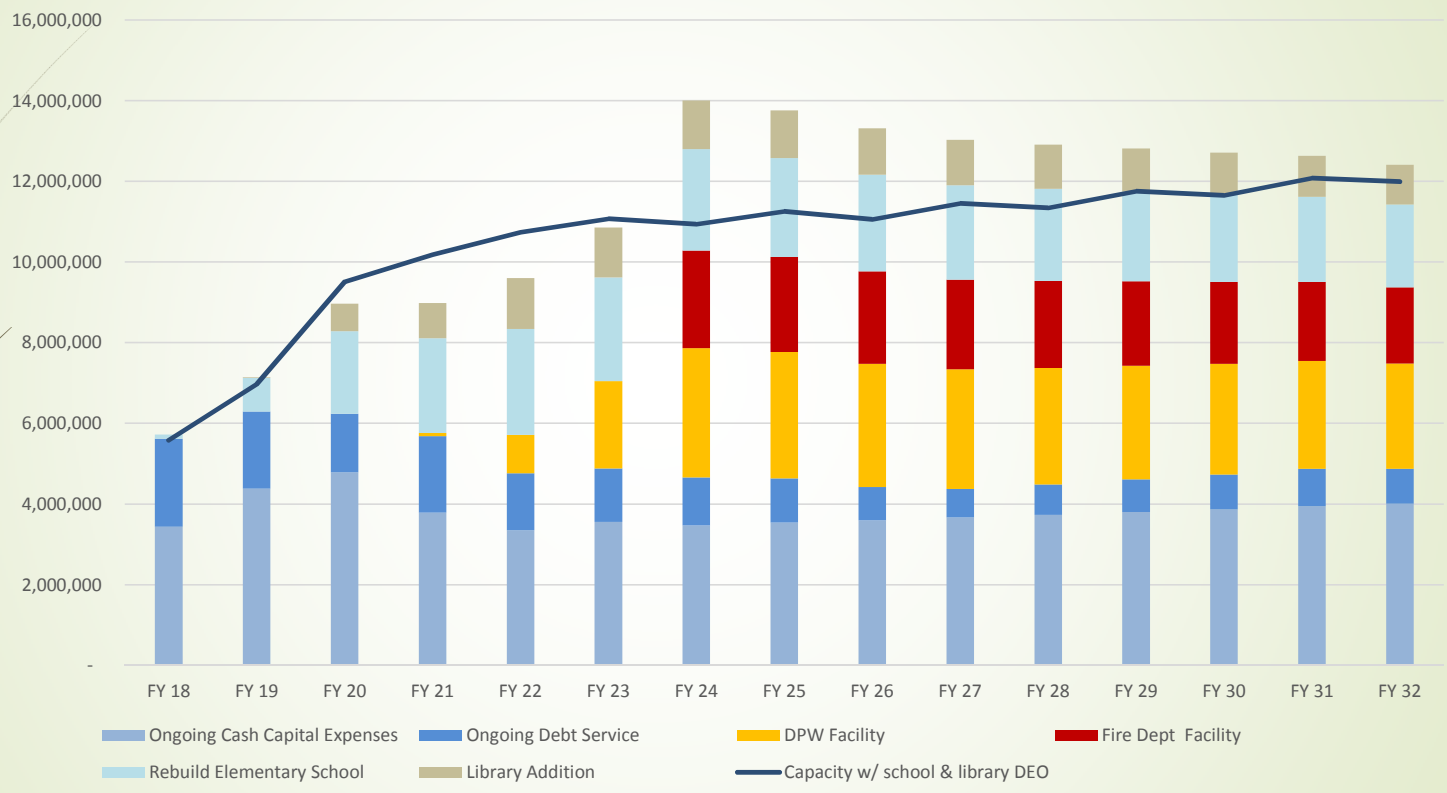
Capital Plan - 0.5% per year Growth up to 10%



10% of Taxation, with Expense of 4 Buildings

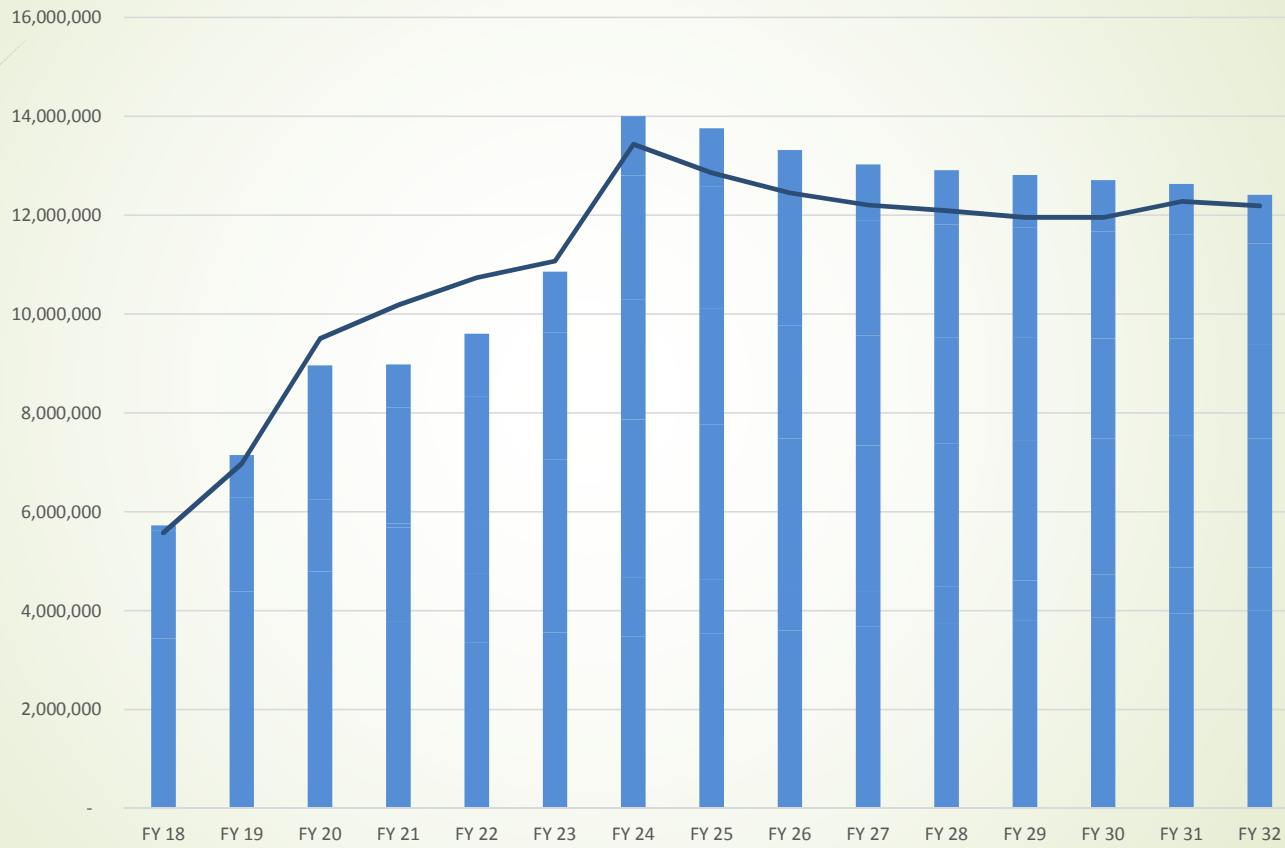



10% of Levy, School and Library Debt Excluded





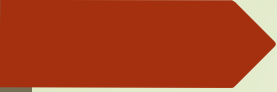
2 DEOs, 10% of Levy and Use of Stabilization





Knobs: variables which might turn and help fund this scenario

- Lower interest rates on debt than currently (conservatively) used in projections
- Extend borrowing terms from 25 to 30 years
- Continued pace of new growth
- Costs lower than projected for DPW Building and AFD Station
- Use more of Stabilization Fund than built into this model
- Sale of surplus Town property



Knobs turn the other way, make scenario harder to implement

- ▶ Changes in state aid and other sources of Town revenues
- ▶ Economic down turn affects new growth
- ▶ Acceleration of building schedules
- ▶ Land purchase costs
- ▶ Demolition costs
- ▶ Interest rate increase
- ▶ Others

2 DE Override impact on property of median value, \$306,300

