



# **FINANCE COMMITTEE REPORT AND RECOMMENDATIONS FOR THE NOVEMBER 14, 2016 SPECIAL TOWN MEETING**

## Fiscal Year 2016

The report on the FY16 municipal budget to the Finance Committee and Select Board from the Comptroller, dated August 24, 2016, is included in this mailing. It shows actual performance compared to revenue and expense budgets. This is unaudited and subject to modification. General Fund revenue exceeded the budget by \$1,334,552 and expenses were \$346,630 less than budgeted, through June 30. The net operating surplus was \$1,681,182. The Town's Free Cash increased, but not by the total amount of the additional revenue and unspent appropriations, because of adjustments made by the Department of Revenue and approximately \$876,675 in Free Cash expenditures made by Town Meeting.

Budgets are projections made before a year begins and are the financial and operation plans for that year. A variance of less than 3% and in the right direction shows that the budget process works well and that our staff does an excellent job managing budgets and collecting revenue.

After several lean years of fiscal restraint and reductions in services, reserves have finally built up to a level providing a needed cushion for future downturns in the economy. The Department of Revenue has certified Free Cash at \$4,818,684 as of July 1, 2016. That plus our Stabilization Fund (\$6,390,203) comprise our reserves of \$11,208,887. The Finance Committee will move to transfer some of the Free Cash to a Stabilization Fund when Article 11 is considered at the Special Town Meeting.

## Fiscal Year 2017

The FY17 budget adopted by Town Meeting last spring was essentially a "level services" budget. It assumes total state aid of \$15,234,864, an increase of \$494,652, or 3.0%, above FY16 aid. This is our second largest revenue source, representing about 20% of our total operating budget, and we do not expect significant state aid increases in future years. The largest source, property tax revenue, is estimated to be \$48,639,640, or 65% of the budget. Under Proposition 2½, the property tax levy can grow no more than 2½% a year, plus property taxes on any newly constructed property.

## Projections for Fiscal Year 18 and After

Each year at the beginning of November, the Finance Committee issues preliminary guidelines to the Town Manager, Superintendent, and Library Director to provide guidance about funds expected to be available for the next fiscal year. This is intended to help the chief executives of the three principal components of the Town to develop a draft budget that the Town can afford.

The Finance Committee will ask the Town Manager, interim Superintendent, and Library Director to develop budgets that assume an increase of approximately 2.5% in the General Fund appropriation. If other revenues from grants, donations, fees, and endowment are unchanged, this should provide enough funds to assure stability of programs and services. Adding any significant new program or service to the operating budgets, including programs previously funded from grants and other resources, will require the

reduction or elimination of other programs and services. We have been able to budget with no increase in health insurance costs for several years; this year we will assume a 10% increase in PPO rates for FY18.

The increase in the largest revenue source for the Town, property tax, is limited to 2.5% a year, plus taxation from new growth. However, it is a predictable amount. The second largest source of revenue is state aid. State aid is less predictable but has been stable for the past three years and is unlikely to change significantly in FY18. We project an increase of just 2.1%.

The state budget is developed after there is a consensus of the Executive Office of Administration and Finance and the Chairs of the Ways and Means Committees regarding a revenue estimate. The Governor's budget is not expected until January 2017. The consensus estimate for FY18 has not been announced. That estimate will consider revenue history and economic trends that may affect income and sales taxes.

The Town has been able to rebuild reserves without allocating funds in the annual budget for that purpose. This has happened because of prudent budgeting and sound management, leading to modest operating surpluses that are less than 3% of budget. Our reserves are within the range established by the Town's Financial Policies. While the Town is now in the upper section of the target range for its reserves, the Finance Committee continues to urge caution in the use of these funds to support recurring expenses. Reserves might be needed to provide stability for essential town services if there is a precipitous decline in revenue, such as happened with state aid after the 2008 recession began. There may also be important one-time funding needs that merit use of reserves, such as to establish a new program that will have known future revenue, to adjust for loss of funding as a transition, or for unique one-time projects. Reserves could also provide partial financing for one or more of the four large capital building projects anticipated in the near future: a new Fire Station, a Public Works headquarters, renovations and/or additions to the Jones Library, and Wildwood School project.

The liability for Other Post-Employment Benefits (OPEB), essentially health insurance promised to retirees, continues to grow. The Finance Committee supports efforts to fund the OPEB Trust, which a prior Town Meeting established for this purpose. Those deposits into the Trust can come from appropriate sources such as the Medicare Part D reimbursements (See Article 10, below) and from other budget allocations that do not otherwise reduce ongoing programs and services. The Committee will consider this as it establishes the Preliminary Budget Guidelines.

Our goal to present budgets that provide for stability of programs and services in FY18 will be tested. It is unreasonable to project large increases in state aid in FY18 and 19, or to depend on future property tax overrides to fund operating budgets.

### Fiscal Year 2018 Budget Process

The Finance Committee will issue preliminary guidelines for the development of budgets at the beginning of November. The Town Manager, interim Superintendent, and Library Director will develop initial budgets by January. The Committee will review these budgets and hold hearings so that it can develop and present a balanced budget for consideration at the Annual Town Meeting.

There are several ways to remain informed and involved in this process. The Town web site has a municipal budget page at <http://www.amherstma.gov/Budget>. The Jones Library budget page is <http://www.joneslibrary.org/budget/index.html>; and information on the elementary and Amherst-Pelham Regional budgets is available at [http://www.arps.org/administration/budget\\_information](http://www.arps.org/administration/budget_information). The Town web site also has sections for the Finance Committee, the Budget Coordinating Group and the Joint Capital

Planning Committee. Finance Committee meetings are public, televised later on Amherst Media Channel 17 and available for viewing in the Meetings on Demand section of the Amherst Media web site. Agendas, minutes, and meeting summaries are posted on the Town web site. The Finance Committee welcomes your questions and comments. Communications by email should be directed to [fincom@amherstma.gov](mailto:fincom@amherstma.gov).

Finance Committee Members:

Stephen Braun, Vice Chair

Joseph Jayne

Bernard Kubiak

Timothy Neale

Janice Ratner

Anurag Sharma

Marylou Theilman, Chair

**ARTICLE 1. Reports of Boards and Committees  
(Select Board)**

**NO RECOMENDATION.**

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**ARTICLE 2. Capital Program – Bond Authorization  
(Joint Capital Planning Committee)**

To see if the Town of Amherst will appropriate, transfer from available funds and/or borrow \$66,369,000 to be expended under the direction of the School Building Committee to construct, originally equip and furnish two co-located elementary schools on the Wildwood site to educate all Amherst students in grades 2-6, including the cost of architectural design, project management and other incidental and related costs, as well as demolition of the existing building and other necessary site improvements, which school facility shall have an anticipated useful life as an educational facility for the instruction of school children of at least 50 years, and for which the Town may be eligible for a school construction grant from the Massachusetts School Building Authority (“MSBA”), and to meet this appropriation, the Treasurer, with the approval of the Select Board, is authorized to borrow said amount under and pursuant to Chapter 44, Section 7(1) of the Massachusetts General Laws or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor. The MSBA’s grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any project costs the Town incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the Town. Any grant that the Town of Amherst may receive from the MSBA for the Project shall not exceed the lesser of (1) 68.34 percent (%) of eligible, approved project costs, as determined by the MSBA, or (2) the total maximum grant amount determined by the MSBA.

**RECOMMENDATION DEFERRED UNTIL TOWN MEETING.**

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**ARTICLE 3. Capital Program – Land Acquisition  
(Select Board)**

To see if the Town will: (a) authorize the Select Board to acquire by purchase, gift and/or eminent domain for public way and/or general municipal purposes, the parcel of land located at 24 Montague Road, containing 0.81 acres, more or less, and described in a deed recorded with the Hampshire District Registry of Deeds in Book 4825, Page 3478, Amherst Assessors Map 5A, Parcel 57; (b) raise and appropriate, transfer from available funds and/or borrow \$675,000 for the acquisition of said land, and any and all costs related thereto; (c) authorize the Select Board to enter into and execute any and all agreements necessary or convenient to effectuate the foregoing acquisition.

**RECOMMENDATION DEFERRED UNTIL TOWN MEETING.**

This article would (a) authorize the Select Board to acquire a parcel of land containing approximately 0.81 acres for public way and/or general municipal purposes, (b) raise, appropriate, transfer from available funds, and/or borrow \$675,000 for acquisition and costs, (c) and authorize the Select Board to execute all agreements necessary to effect the acquisition.

**ARTICLE 4. Capital Program – Buildings and Facilities  
(DPW/Fire Station Advisory Committee)**

To see if the Town will raise and appropriate, transfer from available funds and/or borrow \$75,000 to complete a feasibility and site selection study for a Fire Station.

**RECOMMENDED by Finance Committee vote of 5-0-2 absent.**

A consultant will look at space requirements, current state, and national standards, and suggest up to three possible sites. The money will come from the Overlay Surplus. The feasibility study will keep the Fire Station project moving along with the other capital building projects.

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**ARTICLE 5. Capital Program – Buildings and Facilities  
(DPW/Fire Station Advisory Committee)**

To see if the Town will raise and appropriate, transfer from available funds and/or borrow \$350,000 to complete a partial schematic design and construction cost estimate for a Department of Public Works facility.

**RECOMMENDED by Finance Committee vote of 5-0-2 absent.**

Weston & Sampson completed the preliminary study indicating 3 primary site suggestions and provided the quote for the feasibility study. This significantly more detailed study will provide site analysis, schematic design, and a cost estimate for a new facility. The study will be site specific, hence a site will need to be selected prior to the start of the consultant's work. Funding will come from Free Cash.

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**ARTICLE 6. Triennial Property Revaluation  
(Board of Assessors)**

To see if the Town will raise and appropriate or transfer from available funds \$40,000 to complete the triennial property revaluation.

**RECOMMENDED by Finance Committee vote of 5-0-2 absent.**

The State Department of Revenue presently requires that every three years cities and towns conduct a thorough revaluation of all real and personal property that is subject to property tax. The revaluation provides public notice prior to certification of values, informal appeals, and readjustments which results in fewer abatements and predictable revenue.

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**ARTICLE 7. Land Acquisition - Watershed Protection  
(Select Board)**

To see if the Town will: (a) authorize the Select Board, in its capacity as the Board of Water Commissioners, to acquire by gift, purchase, and/or eminent domain, for water supply protection purposes, the parcel of land located on Overlook Drive, Amherst, shown as Parcel 49 on Assessors Map 6B, and containing 2.0 acres, more or less, and described in a deed recorded with the Hampshire District Registry of Deeds in Book 11135, Page 334; (b) to appropriate and transfer \$58,000 from the Water Fund Surplus for the acquisition of such land and costs related thereto; and, (c) authorize the Select Board, the Town Manager, and/or such other boards or officers as they deem appropriate, to apply for and accept on

behalf of the Town any and all applications for funds under the Massachusetts Department of Environmental Protection Drinking Water Supply Protection Program and/or other funds, gifts, and grants, including grants for reimbursement, under any federal and/or other state programs, and to enter into any and all agreements and execute any and all instruments necessary or convenient to effectuate the foregoing acquisition.

**RECOMMENDED by Finance Committee vote of 5-0-2 absent.**

This article would (a) authorize the Select Board to acquire the property, approximately 2.0 acres, (b) appropriate and transfer \$58,000 from the Water Fund Surplus to acquire such land and costs related to, (c) and authorize the Select Board, the Town manager, or others to apply for and accept funds, gifts, grants, and reimbursement on behalf of the Town, and execute all necessary instruments to effect the acquisition. This property will add to the long-term protection of the Town's water supply.

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**ARTICLE 8. Groff Park Improvements  
(Leisure Services and Supplemental Education Commission)**

To see if the Town will: (1) transfer the care, custody, and control of a portion of the parcel of land located on Mill Lane, known as Groff Park, and identified by the Assessors as Parcel 17C-13, which portion contains .75 acres, more or less, and is approximately shown on a sketch plan entitled “PARC Grant: Improvements to Groff Park”, on file with the Town Clerk, from the board or officer having custody thereof for the purposes for which it is currently held to the Leisure Services and Supplemental Education Commission (LSSE) for active and passive recreational purposes under the provisions of G.L. c. 45, §3, as it may be amended, and other Massachusetts statutes related to recreation; (2) appropriate the sum of \$950,000 for the purpose of rehabilitating and preserving Groff Park and costs related thereto, \$400,000 of which shall be raised and appropriated, transferred from available funds, and/or borrowed, provided that the Town first obtains a grant reimbursement commitment in the same amount, and the remaining \$550,000 were appropriated and transferred from the Community Preservation Act Fund pursuant to the vote taken under Article 19A of the 2016 Annual Town Meeting; and (3) to authorize the Town Manager or designee to apply for and accept on behalf of the Town funds granted under the PARC Grant Program and/or any other funds, gifts, grants and/or reimbursements under any federal or other state programs in any way connected with the scope of this article, and to enter into all agreements and execute any and all instruments as may be necessary or convenient to effectuate the foregoing project.

**RECOMMENDATION DEFERRED UNTIL TOWN MEETING.**

Clause (1) transfers the care and custody of a portion of the of land known as Groff Park to the Leisure Services and Supplemental Education (LSSE) Commission for active and passive recreational purposes and is similar to other transfers made by Town Meeting in the past.

Clause (2) refers to the total amount of the project, \$950,000 of which \$550,000 would be paid from CPA funds (approved for this project at the spring 2016 Annual Town Meeting), which is an appropriate use. The \$400,000 would be raised and appropriated, transferred from available funds, and/or borrowed, provided that the Town first obtains a grant reimbursement commitment in the same amount.

Clause (3) authorizes the Town Manager to apply for and accept grants, gifts, funds, and reimbursements connected with this article, and execute all necessary instruments to effectuate the project.

**ARTICLE 9. Temporary Easements - Mill Street Bridge  
(Select Board)**

**NO RECOMMENDATION.**

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**ARTICLE 10. Free Cash – OPEB Trust Fund Reimbursement Transfer  
(Finance Committee)**

To see if the Town will appropriate and transfer \$202,802 from Free Cash in the Undesignated Fund Balance of the General Fund to the following accounts: \$106,163 to the Other Post-Employment Benefits (OPEB) Trust Fund of the Town of Amherst; \$7,806 to the Town of Pelham; and \$88,833 to the Amherst-Pelham Regional School District to account for Medicare Part D reimbursements received by the Town of Amherst for prescription drug costs incurred by the Health Claims Trust Fund for Town of Amherst, Amherst-Pelham Regional School District, and Town of Pelham members.

**RECOMMENDED by Finance Committee vote of 5-0-2 absent.**

This article is similar to one at last fall's Town Meeting. The Health Claims Trust Fund provides health insurance to employees and retirees of the Town of Amherst, the Town of Pelham, and the Amherst-Pelham Regional School District. Retirees receive a drug benefit that meets Medicare Part D requirements. As an incentive to employers to provide this benefit, the federal government has for the past eight years given Amherst, the administrator of the Trust Fund, partial reimbursement for its expenditures on the drug benefit. The total amount of the reimbursement, \$202,802, becomes part of the Town's Free Cash, since it has not been included in the budget. Some of this amount really belongs to the Town of Pelham and to the Regional School District since retirees from those entities have helped generate the subsidy by participating in the Health Claims Trust Fund.

This article divides the total reimbursement into three parts. Amherst's share (\$106,163) will be transferred into Amherst's Other Post-Employment Benefits (OPEB) Trust Fund, which is essentially a savings account to pay future health care benefits for Town of Amherst employees. The other two parts will be transferred to the other participating entities, the Town of Pelham (\$7,806) and the Regional School District (\$88,833).

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**ARTICLE 11. Free Cash – Stabilization Funds  
(Finance Committee)**

To see if the Town will appropriate and transfer a sum of money from Free Cash in the Undesignated Fund Balance to the Stabilization Fund.

**RECOMMENDED by Finance Committee vote of 5-0-2 absent.**

The Town's Financial Management Policies & Objectives state that reserves should be from 5% to 15% of General Fund operating revenue, as a cushion against a financial downturn. As of July 1, 2016, total reserves (Free Cash plus Stabilization) stood at \$11,208,887, or 15% of General Fund operating revenue. The policy on reserves also states that if Free Cash exceeds 5% of operating revenue, the excess may be appropriated to a Stabilization Fund. The State has certified our Free Cash for the fiscal year ending June 30, 2016, at \$4,818,684. This Article would transfer excess Free Cash of \$1,086,162 into a Stabilization Fund, increasing the total in such funds to \$7,476,365. This is the same thing Town Meeting has

**FINANCE COMMITTEE REPORT – SPECIAL TOWN MEETING 11/14/16**

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approved for the past several years, essentially moving part of our savings from one account to another where it can earn a little more interest. A two-thirds majority is required to transfer money into and out of a Stabilization Fund.

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**ARTICLE 12. Amend Prior Vote - Charter Commission Consultant Services  
(Charter Commission)**

**NO RECOMMENDATION.**

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**ARTICLE 13. Town Bylaw – Amend Article 1: Rules of Order for Town Meeting  
(Town Meeting Coordinating Committee)**

**NO RECOMMENDATION.**

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**ARTICLE 14. Zoning – Business Uses of Homes  
(Planning Board)**

**NO RECOMMENDATION.**

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**ARTICLE 15. Zoning – Site Plan Review Applicability  
(Planning Board)**

**NO RECOMMENDATION.**

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**ARTICLE 16. Zoning – Educational District Project Review  
(Planning Board)**

**NO RECOMMENDATION.**

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**ARTICLE 17. Zoning – Table 3 Footnotes  
(Planning Board)**

**NO RECOMMENDATION.**



**ARTICLE 18. Zoning – Inclusionary Zoning  
(Planning Board)**

**NO RECOMMENDATION.**

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**ARTICLE 19. Zoning Petition – South Prospect Rezoning  
(Guidera et al)**

To see if the Town will vote to amend the Official Zoning Map of the Zoning Bylaw to change the zoning designation for the contiguous area currently zoned Limited Business (B-L) and located south of Amity Street and east of South Prospect Street to General Business (B-G), including the following properties or portions of properties: 14A-214; 14A-216; 14A-217; 14A-218; 14A-219; and 14A-330.

**RECOMMENDED by Finance Committee vote of 5-0-2 absent.**

This article would change the zoning of the indicated parcels of land on the east side of South Prospect Street from Limited Business (B-L) to General Business (B-G). The B-G zoning has fewer restrictions about such things as setback, required lot sizes for residential units, and number of floors than the B-L zone, hence this change would increase the potential of the properties to be developed, either as commercial, residential, or mixed-use buildings. The Finance Committee agrees with the Planning Board that the B-G zoning of these properties is appropriate for this part of downtown. The potential for increased revenue to the Town is difficult to quantify, but the Committee believes it could be significant enough to justify the rezoning. The Committee is aware of, and is concerned about, the potential for development without the building of new parking spaces, which is allowed within the Town's downtown parking overlay zone, but this is a separate issue from the proposed re-zoning of these parcels. Any development of these parcels should be undertaken with careful consideration of the ongoing parking needs in downtown.

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**ARTICLE 20. Zoning Petition – Hallock Area Rezoning  
(Guidera et al)**

To see if the Town will vote to amend the Official Zoning Map of the Zoning Bylaw to change the designation for the contiguous area currently zoned Limited Business (B-L) and located west of North Pleasant Street and north of Cows Lane to General Business (B-G), including the following properties: 11C-174; 11C-179; 11C-180; 11C-181; 11C-195; 11C-196; 11C-197; 11C-227; 11C-229; 11C-230; 11C-231; 11C-304; and 11C-305

**RECOMMENDED by Finance Committee vote of 5-0-2 absent.**

This article would change the zoning of the indicated parcels of land to the south of Hallock Street on the west side of North Pleasant Street from Limited Business (B-L) to General Business (B-G). (Note: this is a more limited area than is stated in the warrant article, which is an amendment the petitioner expects to make at Town Meeting in response to feedback from the Planning Board.) As with the proposed rezoning in Article 19, the Finance Committee feels that this area of downtown is appropriate for this kind of development and that the potential for increased tax revenue resulting from the rezoning could be significant. The same concerns expressed by the Committee in Article 19 about the potential for adverse impacts of development on the downtown parking situation apply here, but, again, the Committee feels these issues are best dealt with in the course of the review and approval process for specific new

developments.

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**ARTICLE 21. Zoning Petition – Triangle Rezoning  
(Guidera et al)**

**NO RECOMMENDATION. Petitioner to Withdraw.**

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**ARTICLE 22. General Petition – East Pleasant Street/Triangle Street Intersection  
(O’Connor et al)**

**NO RECOMMENDATION.**

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**ARTICLE 23. General Petition – Removal of Public Works Building from 5 Year Capital Plan  
(O’Connor et al)**

**NO RECOMMENDATION.**

# ADDITIONAL INFORMATION

1. June 2016 YTD Budget Report
2. Override Explanation
3. Budget Calendar
4. Intro to Capital Projects
5. School Summary
6. Library Summary
7. DPW Summary
8. Fire Station Summary

Town of



# Amherst Massachusetts

ACCOUNTING

Sonia Aldrich, Comptroller  
Town Hall  
4 Boltwood Avenue  
Amherst, MA 01002-2351

Phone: (413) 259-3026  
Fax: (413) 259-2401  
accounting@amherstma.gov  
www.amherstma.gov

August 24, 2016

TO: Select Board  
Finance Committee  
Paul Bockelman, Town Manager

FROM: Sonia Aldrich, Comptroller

SUBJECT: FY16 Municipal Budget/Actual Reports for Quarter and Fiscal Year Ending  
June 30, 2016

Attached are two reports detailing performance versus budget for revenues and expenditures for the General Fund and Enterprise Funds for the fiscal year that ended June 30, 2016 (FY16).

1. Summary Statement of Revenues and Other Sources and Expenditures and Other Uses – Budget and Actual by Fund (General, Sewer, Water, Solid Waste and Transportation Funds).
2. Detailed Year to Date Revenues and Expenditures Budget Report.

The General Fund generated a net operating surplus of \$1,681,182 against a budget of \$72.5 million, 79% of the surplus came from revenues collected in excess of original estimates(explanations, below). The remaining surplus came from departments spending below budgeted levels, usually because of a lag in filling vacancies, this includes a turn back of \$100,000 from the Reserve Fund. The net operating surplus is consistent with previous years and reflects the Town's ongoing commitment to realistic revenue projections and tight control of departmental operating expenditures throughout the fiscal year.

It is important to note that the surplus in this report does not equate to a similar increase in the Town's Free Cash, because this report does not reflect the decrease in the Free Cash balance due to the \$876,675 in Free Cash expenditures voted by Town Meeting during FY16. The figures presented in the following pages are unaudited and are subject to change. We will submit figures to the Department of Revenue for certification of Free Cash and final confirmation of the numbers in these reports.

## GENERAL FUND

**Revenues:** Through June 30, 2016, the Town has collected 101.8% of budgeted revenues, or \$1,334,552 above the original budget.

- Golf Course: Receipts total 92.3% of budget; the two largest revenue categories, greens fees are up slightly and memberships down slightly from FY2014 and 2015.
- LSSE – Recreation: Receipts total 104.6% of budget. The Revolving fund performed better than in past years largely due to adjusted administrative estimates.
- Fines and Forfeits: Actual receipts were 63.4% year to date, or \$74,812, under the budgeted amount. Some categories were significantly down, including various nuisance fines, court fines and noise by-law violations. This is largely due to improved behavior by residents and students and a strategy change by the Amherst Police Department. The FY2017 budget has been adjusted for this.
- Investment Income: Actual receipts were 128.7%, year to date. Interest rates continue to be low and are expected to be so for the immediate future. In FY16 investment income is higher than the budget estimate, due to increased investment in CD's.
- Licenses and Permits: Actual receipts were 141.9% year to date, or \$451,548 over the budgeted amount largely due to increased building and fire inspection revenue.
- Medicaid Reimbursement: Actual receipts were 136.1%, or \$95,946 over the budget estimate. These receipts tend to fluctuate a lot, budget estimates are conservative.
- Misc. Non-Recurring: Actual receipts were 187.9%, or \$228,533 over budgeted revenues. The bulk of this is the result of UMass agreeing to pay a Hotel/Motel fee in lieu of Hotel/Motel tax. We received \$295,490 that was not budgeted for in FY2016.
- Motor Vehicle Excise: Actual receipts were 114.9% year to date, or \$241,410 over the budgeted amount.
- Other Departmental: Actual receipts were 221.3% year to date, or \$343,411 over budgeted amount. This surplus \$185,973 came from the Medicare Part D reimbursements for drug benefits the Town provides to retirees. Premiums on Bonds sold up by \$23,440. Certificates of Inspections up \$23,620, there was also an increase of \$8,025 because of higher Planning Board fees, \$7,219 for Title V inspections and \$36,147 prior year refunds.
- Hotel/Motel and Meals Taxes: Actual receipts were 98.9% year to date, or \$7,516 below the budgeted amount. The Meals tax generated \$491,004 in revenue, \$24,878, or 5.3% more than the budget estimate. The Hotel/Motel tax generated \$204,972 in revenue, \$32,394, or 14.6% less than the budget estimate.
- Penalties and Interest: Actual receipts were 91.2% of the budget estimate, or \$19,584 less than budgeted.
- Property Tax: Actual receipts were 100.2% year to date. Property tax collection accounted for \$83,216 of surplus revenue.
- State Aid: Actual receipts were 99.8% year to date.

**Expenditures:** Through June 30, 2016, expenditures totaled 99.5% of budgeted expenditures, or \$346,630 below the original budget. All functional areas returned funds to the General Fund. Significant budget turn backs or overspending are explained below within the functional areas.

- **General Government:** The total turn back in this functional area is \$262,274; this figure includes \$100,000 of unused Reserve Fund Transfer funds and \$105,572 in unspent Employee Benefits. The departments that overspent their budgets by more than 5% of budget follow.
  - Legal - over by 7.5%, this fluctuates year to year depending on land purchases, litigation, negotiations, etc... Over by 7.5% is not a bad year.
  - Human Resources – over by 7.3% largely due to heavy recruitment costs and the Fire Department staffing study.
  - Elections – over by 32.9% due to election costs and needed replacement of voting booths. There was significant savings in the Town Clerk salaries budget to cover this overage.
  - General Government Facilities –there are some facility budgets that went slightly over, however there were significant saving from the others to cover these shortages and return \$41,000.
  - Miscellaneous and Insurance – over by 9.4% mostly due to Property and Casualty Insurance, this budget was increased for FY17.
- **Public Safety:** The total turn back in this functional area is \$75,746. The Police Department returned \$70,033 mostly due to vacancies. Police Facility returned \$5,013 from operating budget. The Fire Department overspent by \$18,946 mostly due to medical supply costs and vehicle repairs. The budget for medical supplies was increased for FY17. Dispatch returned \$17,849 due to savings from 911 grant for salaries.
- **Public Works:** The total turn back in this area is \$16,662. Some divisions overspent their budgets, but there were savings in other divisions that prevented a budget shortfall.
- **Planning, Conservation and Inspections:** The total turn back in this area is \$523. The Planning Department budget was overspent by \$9,030. This is due to one of our senior planners leaving and the payout of his leave accruals. This deficit was offset by savings in in the Inspections Department of \$9,689, due to vacant positions that took time to fill.
- **Community Services:** The total turn back in this area is \$707. LSSE was overspent by \$27,209. This was due to the retirement of a long time employee. The saving in the Veterans’ and other budgets in this area was able to cover the payout. There were fewer veterans collecting benefits in FY15 and this has carried over to FY16 as well.
- **Education:** Unspent appropriations on the Elementary School side totaled \$15,770 against an appropriation of \$21,869,835.

## **ENTERPRISE FUNDS**

- Through June 30, 2016, all four Enterprise Funds generated operating surpluses that will increase Retained Earnings (Free Cash) balances. The Transportation Fund had a small revenue deficit of \$3,506, however there were returned appropriations totaling \$38,154 leaving a \$34,649 surplus. The other three funds met their revenue targets.
- The Enterprise Fund operating surpluses were:
  - Sewer \$138,766
  - Water \$202,684
  - Solid Waste \$ 7,727
  - Transportation \$ 34,649

**TOWN OF AMHERST, MASSACHUSETTS**  
**Statement of Revenues and Other Sources and Expenditures and Other Uses**  
**Budget and Actual - General Fund**  
**For the Fiscal Year Ended June 30, 2016**  
**(Unaudited)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues and Other Sources:</b>			
Property taxes	46,225,967	46,309,183	83,216
Excise	2,327,782	2,561,676	233,894
Penalties, interest and other taxes	1,171,476	1,151,851	(19,625)
Licenses and permits	1,077,927	1,529,475	451,548
Intergovernmental	15,009,845	14,968,798	(41,047)
Fines and forfeits	204,570	129,758	(74,812)
Interest earnings	83,400	107,336	23,936
Miscellaneous	1,461,970	2,139,412	677,442
Contributions			-
Transfers in	4,104,066	4,104,066	-
Other Sources (free cash and overlay)	836,675	836,675	-
Total Revenues and Other Sources	72,503,678	73,838,230	1,334,552
<b>Expenditures and Other Uses:</b>			
General Government	11,508,612	11,246,338	262,274
Public Safety	9,973,955	9,898,209	75,746
Public Works	2,162,004	2,145,342	16,662
Planning, Conservation and Inspections	1,245,577	1,245,054	523
Community Services	1,839,276	1,838,569	707
Library Services	1,833,246	1,833,245	1
Education	36,695,341	36,679,571	15,770
Debt Service	2,108,041	2,091,760	16,281
Region	156,766	137,316	19,450
Intergovernmental-Assessments	2,562,584	2,623,369	(60,785)
Transfers Out (Capital)	2,418,276	2,418,276	-
Total Expenditures and Other Uses	72,503,678	72,157,048	346,630
 Excess of revenues and other sources over expenditures and other uses	 (0)	 1,681,182	 1,681,182

TOWN OF AMHERST, MASSACHUSETTS  
Statement of Revenues and Other Sources,  
and Expenses and Other Uses  
Budget and Actual - Sewer  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues and Other Sources:			
Charges for services	4,191,650	4,226,463.88	34,814
Interest earnings	7,000	13,104.61	6,105
Other sources	13,000	23,915.41	10,915
Total Revenues and Other Sources	<u>4,211,650</u>	<u>4,263,483.90</u>	<u>51,834</u>
Expenses and Other Uses:			
Personnel	1,765,509	1,660,269.13	105,240
Purchase of services	1,072,417	1,075,937.20	(3,520)
Supplies	63,700	83,868.06	(20,168)
Other charges and expenses	319,726	314,345.57	5,380
Transfers	354,140	354,140.00	-
Capital outlay	250,000	250,000.00	-
Debt service	386,158	386,158.00	-
Other uses			-
Total Expenses and Other Uses	<u>4,211,650</u>	<u>4,124,717.96</u>	<u>86,932</u>
Excess of revenues and other sources over expenses and other uses	<u>-</u>	<u>138,765.94</u>	<u>138,766</u>



TOWN OF AMHERST, MASSACHUSETTS  
Statement of Revenues and Other Sources,  
and Expenses and Other Uses  
Budget and Actual - Water  
For the Fiscal Year Ending June 30, 2016  
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Sources:			
Charges for services	4,115,007	4,182,257	67,250
Interest earnings	5,000	11,792	6,792
Other sources	245,500	249,491	3,991
Total Revenues and Other Sources	<u>4,365,507</u>	<u>4,443,540</u>	<u>78,033</u>
Expenses and Other Uses:			
Personnel	1,692,650	1,541,409	151,241
Purchase of services	676,267	715,009	(38,742)
Supplies	183,100	153,697	29,403
Other charges and expenses	672,571	689,822	(17,251)
Transfers	463,319	463,319	-
Capital outlay	315,500	315,500	-
Debt service	362,100	362,100	-
Other uses	-	-	-
Total Expenses and Other Uses	<u>4,365,507</u>	<u>4,240,856</u>	<u>124,651</u>
Excess of revenues and other sources over expenses and other uses	<u>-</u>	<u>202,684</u>	<u>202,684</u>

TOWN OF AMHERST, MASSACHUSETTS  
Statement of Revenues and Other Sources,  
and Expenses and Other Uses  
Budget and Actual - Solid Waste Fund  
For the Fiscal Year Ending June 30, 2016  
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and Other Sources:			
Charges for services	413,098	453,891	40,793
Intergovernmental			-
Interest earnings	-	164	164
Other sources	61,200	27,903	(33,297)
Total Revenues and Other Sources	<u>474,298</u>	<u>481,957</u>	<u>7,659</u>
Expenses and Other Uses:			
Personnel	289,310	283,175	6,135
Purchase of services	164,481	167,334	(2,853)
Supplies	4,200	1,119	3,081
Other charges and expenses	16,307	22,602	(6,295)
Transfers			-
Capital outlay			-
Debt service			-
Other uses			-
Total Expenses and Other Uses	<u>474,298</u>	<u>474,230</u>	<u>68</u>
Excess of revenues and other sources over expenses and other uses	<u>-</u>	<u>7,727</u>	<u>7,727</u>

TOWN OF AMHERST, MASSACHUSETTS  
Statement of Revenues and Other Sources,  
and Expenses and Other Uses  
Budget and Actual - Transportation  
For the Fiscal Year Ending June 30, 2016  
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues and Other Sources:</b>			
Charges for services	514,150	543,115	28,965
Intergovernmental			-
Interest earnings	500	1,262	762
Other sources	452,000	418,768	(33,232)
<b>Total Revenues and Other Sources</b>	<u>966,650</u>	<u>963,144</u>	<u>(3,506)</u>
<b>Expenses and Other Uses:</b>			
Personnel	358,257	337,742	20,515
Purchase of services	91,300	85,987	5,313
Supplies	16,000	11,418	4,582
Other charges and expenses	99,881	98,026	1,855
Transfers	249,899	249,899	-
Capital outlay	55,000	55,000	-
Debt service	56,313	56,313	1
Public Transportation	40,000	34,111	5,889
Other uses			-
<b>Total Expenses and Other Uses</b>	<u>966,650</u>	<u>928,496</u>	<u>38,154</u>
<b>Excess of revenues and other sources over expenses and other uses</b>	<u>-</u>	<u>34,649</u>	<u>34,649</u>

**TOWN OF AMHERST**  
**Year to Date Budget Report**  
**FY2016 REVENUES**  
**Through June 30, 2016**

	<b>EST REVENUES</b>	<b>ACTUAL YTD REVENUE</b>	<b>REMAINING REVENUE</b>	<b>PCT COLL</b>
<b>TOWN GENERAL FUND</b>				
DEPART-CEMETERIES	\$ (4,000.00)	\$ (3,000.00)	\$ (1,000.00)	75.0%
DEPART-GOLF COURSE	\$ (227,638.00)	\$ (210,199.72)	\$ (17,438.28)	92.3%
DEPART-RECREATION	\$ (332,264.00)	\$ (347,560.95)	\$ 15,296.95	104.6%
FINES AND FORFIETS	\$ (204,570.00)	\$ (129,757.76)	\$ (74,812.24)	63.4%
INVESTMENT INCOME	\$ (83,400.00)	\$ (107,336.43)	\$ 23,936.43	128.7%
LICENSES AND PERMITS	\$ (1,077,927.00)	\$ (1,529,474.68)	\$ 451,547.68	141.9%
MEDICAID REIMBURSEMENTS	\$ (265,489.00)	\$ (361,435.34)	\$ 95,946.34	136.1%
MISC NON-RECURRING	\$ (260,000.00)	\$ (488,533.24)	\$ 228,533.24	187.9%
MOTOR VEHICLE EXCISE	\$ (1,624,290.00)	\$ (1,865,700.30)	\$ 241,410.30	114.9%
OTHER DEPT REVENUE	\$ (283,029.00)	\$ (626,439.91)	\$ 343,410.91	221.3%
HOTEL/MOTEL	\$ (237,366.00)	\$ (204,971.85)	\$ (32,394.15)	86.4%
MEALS TAX	\$ (466,126.00)	\$ (491,003.91)	\$ 24,877.91	105.3%
PENALTY AND INTEREST	\$ (223,000.00)	\$ (203,415.98)	\$ (19,584.02)	91.2%
PL PILOT	\$ (948,476.00)	\$ (948,435.15)	\$ (40.85)	100.0%
PROPERTY TAXES	\$ (46,225,967.00)	\$ (46,309,182.91)	\$ 83,215.91	100.2%
RENTALS	\$ (89,550.00)	\$ (102,242.59)	\$ 12,692.59	114.2%
SPECIAL ASSESSMENTS	\$ (772,102.00)	\$ (763,033.00)	\$ (9,069.00)	98.8%
STATE AID	\$ (14,237,743.00)	\$ (14,205,765.00)	\$ (31,978.00)	99.8%
TRANSFERS IN	\$ (4,940,741.00)	\$ (4,940,741.00)	\$ -	100.0%
<b>TOTAL TOWN GENERAL FUND</b>	<b>\$ (72,503,678.00)</b>	<b>\$ (73,838,229.72)</b>	<b>\$ 1,334,551.72</b>	<b>101.8%</b>
<b>6001 SEWER FUND</b>				
60011990 SF INTERFUND TRANSFERS			\$ -	
R4440 SF OPERATING BUDGET REV	\$ (4,211,650.00)	\$ (4,263,483.90)	\$ 51,833.90	101.2%
<b>TOTAL SEWER FUND</b>	<b>\$ (4,211,650.00)</b>	<b>\$ (4,263,483.90)</b>	<b>\$ 51,833.90</b>	<b>101.2%</b>
<b>6002 WATER FUND</b>				
60021990 WF INTERFUND TRANSFERS	\$ (170,500.00)	\$ (170,500.00)	\$ -	100.0%
R4450 WF OPERATING BUDGET REV	\$ (4,195,007.00)	\$ (4,273,039.65)	\$ 78,032.65	101.9%
<b>TOTAL WATER FUND</b>	<b>\$ (4,365,507.00)</b>	<b>\$ (4,443,539.65)</b>	<b>\$ 78,032.65</b>	<b>101.8%</b>
<b>6003 SOLID WASTE FUND</b>				
60031990 SWF INTERFUND TRANSFERS	\$ -		\$ -	#DIV/0!
R4435 SWF OPERATING BUDGET REVENUE	\$ (474,298.00)	\$ (481,957.30)	\$ 7,659.30	101.6%
<b>TOTAL SOLID WASTE FUND</b>	<b>\$ (474,298.00)</b>	<b>\$ (481,957.30)</b>	<b>\$ 7,659.30</b>	<b>101.6%</b>
<b>6005 TRANSPORTATION FUND</b>				
60051990 TRANS INTERFUND TRANSFERS			\$ -	#DIV/0!
R4480 PARKING OPERATING REVENUE	\$ (966,650.00)	\$ (963,144.32)	\$ (3,505.68)	99.6%
<b>TOTAL TRANSPORTATION FUND</b>	<b>\$ (966,650.00)</b>	<b>\$ (963,144.32)</b>	<b>\$ (3,505.68)</b>	<b>99.6%</b>

**TOWN OF AMHERST**  
**Year to Date Budget Report**  
**FY2016 EXPENSES**  
**Through June 30, 2016**

	BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
<b>TOWN GENERAL FUND</b>					
SELECT BOARD/TOWN MANAGER	\$ 355,436.00	\$ 344,165.30	\$ 15,055.48	\$ (3,784.78)	101.1%
FINANCE COMMITTEE(includes RFT)	\$ 101,900.00	\$ 1,064.50		\$ 100,835.50	1.0%
FINANCE DIRECTOR	\$ 160,662.00	\$ 119,719.14		\$ 40,942.86	74.5%
ACCOUNTING	\$ 254,303.00	\$ 256,375.67	\$ -	\$ (2,072.67)	100.8%
ASSESSOR	\$ 209,493.00	\$ 206,818.77	\$ 132.50	\$ 2,541.73	98.8%
COLLECTOR/TREASURER	\$ 366,907.00	\$ 356,476.53	\$ 4,016.50	\$ 6,413.97	98.3%
LEGAL SERVICES	\$ 110,000.00	\$ 104,269.81	\$ 14,000.00	\$ (8,269.81)	107.5%
HUMAN RESOURCES	\$ 199,859.00	\$ 184,952.80	\$ 29,523.44	\$ (14,617.24)	107.3%
EMPLOYEE BENEFITS (includes Hlth Ins. & Retirement Assessment)	\$ 8,043,519.00	\$ 7,934,946.58	\$ 3,000.00	\$ 105,572.42	98.7%
INFORMATION SYSTEMS	\$ 513,738.00	\$ 505,156.46	\$ 6,859.97	\$ 1,721.57	99.7%
TOWN CLERK	\$ 213,466.00	\$ 191,542.08	\$ 54.25	\$ 21,869.67	89.8%
ELECTIONS	\$ 35,225.00	\$ 42,411.91	\$ 4,400.00	\$ (11,586.91)	132.9%
REGISTRATIONS	\$ 6,100.00	\$ 3,063.92	\$ 437.20	\$ 2,598.88	57.4%
TOWN HALL FACILITY	\$ 169,962.00	\$ 155,668.02	\$ 9,633.82	\$ 4,660.16	97.3%
BANGS COMMUNITY CENTER	\$ 240,681.00	\$ 215,856.73	\$ 6,161.98	\$ 18,662.29	92.2%
NORTH AMHERST & CUSHMAN SCHOOL	\$ 18,000.00	\$ 18,483.52	\$ 1,264.40	\$ (1,747.92)	109.7%
AMHERST COMM CHILDCARE FACILIT	\$ 4,200.00	\$ 3,213.93	\$ 250.00	\$ 736.07	82.5%
MUNSON LIBRARY	\$ 50,590.00	\$ 53,094.19	\$ 2,102.84	\$ (4,607.03)	109.1%
EAST STREET SCHOOL	\$ 36,400.00	\$ 11,525.98	\$ 1,650.00	\$ 23,224.02	36.2%
MISCELLANEOUS AND INSURANCE	\$ 271,511.00	\$ 292,921.00	\$ 4,000.00	\$ (25,410.00)	109.4%
GENERAL SERVICES	\$ 146,660.00	\$ 127,563.50	\$ 14,504.84	\$ 4,591.66	96.9%
INTERFUND TRANSFERS	\$ 2,418,276.00	\$ 2,418,276.00		\$ -	100.0%
POLICE FACILITY	\$ 217,617.00	\$ 202,845.23	\$ 9,759.07	\$ 5,012.70	97.7%
POLICE DEPARTMENT	\$ 4,549,604.00	\$ 4,426,116.75	\$ 53,454.58	\$ 70,032.67	98.5%
FIRE DEPARTMENT	\$ 4,496,729.00	\$ 4,483,334.50	\$ 32,340.04	\$ (18,945.54)	100.4%
DISPATCH	\$ 652,341.00	\$ 633,955.22	\$ 536.69	\$ 17,849.09	97.3%
ANIMAL CONTROL	\$ 57,664.00	\$ 55,867.28		\$ 1,796.72	96.9%
EDUCATION (Region)	\$ 14,825,506.00	\$ 14,825,506.00		\$ -	100.0%
EDUCATION (Elementary)	\$ 21,869,835.00	\$ 21,854,064.79		\$ 15,770.21	99.9%
PUBLIC WORKS ADMINISTRATION	\$ 356,730.00	\$ 358,905.17	\$ 1,885.00	\$ (4,060.17)	101.1%
CONSTRUCTION AND MAINTENANCE	\$ 683,773.00	\$ 769,910.35	\$ 1,892.64	\$ (88,029.99)	112.9%
SNOW AND ICE	\$ 280,410.00	\$ 224,954.73	\$ 18,406.94	\$ 37,048.33	86.8%
STREET LIGHTS	\$ 73,599.00	\$ 37,961.41	\$ 5,080.70	\$ 30,556.89	58.5%
TRAFFIC LIGHTS	\$ 26,051.00	\$ 18,493.37	\$ 1,380.75	\$ 6,176.88	76.3%
EQUIPMENT MAINTENANCE	\$ 257,225.00	\$ 253,644.66	\$ 18,899.84	\$ (15,319.50)	106.0%
TREE & GROUNDS MAINTENANCE	\$ 484,216.00	\$ 410,705.80	\$ 23,220.78	\$ 50,289.42	89.6%
CONSERVATION OPERATIONS	\$ 313,610.00	\$ 307,845.40	\$ 5,900.16	\$ (135.56)	100.0%
PLANNING DEPARTMENT OPERATIONS	\$ 320,673.00	\$ 328,473.26	\$ 1,229.60	\$ (9,029.86)	102.8%
INSPECTION SERVICES OPERATIONS	\$ 611,294.00	\$ 599,303.41	\$ 2,302.07	\$ 9,688.52	98.4%
PUBLIC HEALTH OPERATIONS	\$ 182,269.00	\$ 182,532.15	\$ 57.50	\$ (320.65)	100.2%
SENIOR CENTER OPERATIONS	\$ 211,309.00	\$ 211,360.93		\$ (51.93)	100.0%
VETERANS SERVICES OPERATIONS	\$ 330,769.00	\$ 310,928.47		\$ 19,840.53	94.0%
PUBLIC ASSISTANCE	\$ 20,000.00	\$ 20,000.00		\$ -	100.0%
LEISURE SERVICES AND SUP ED	\$ 648,028.00	\$ 666,914.93	\$ 8,322.20	\$ (27,209.13)	104.2%
OUTDOOR POOL OPERATIONS	\$ 200,964.00	\$ 191,029.78	\$ 4,555.48	\$ 5,378.74	97.3%
CHERRY HILL OPERATIONS	\$ 245,937.00	\$ 241,246.93	\$ 1,620.37	\$ 3,069.70	98.8%
DEBT SERVICE	\$ 2,108,041.00	\$ 2,091,759.57		\$ 16,281.43	99.2%
REGIONAL DEBT ASSESSMENTS	\$ 156,766.00	\$ 137,315.90		\$ 19,450.10	87.6%
STATE ASSESSMENTS & CHARGES	\$ 74,490.00	\$ 74,490.00		\$ -	100.0%

**TOWN OF AMHERST**  
**Year to Date Budget Report**  
**FY2016 EXPENSES**  
**Through June 30, 2016**

	BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
TRANSPORTATION AUTHORITIES	\$ 865,183.00	\$ 865,183.00	\$ -	\$ -	100.0%
ANNUAL CHARGES AGAINST RECEIPTS	\$ 1,626.00	\$ 3,005.00		\$ (1,379.00)	184.8%
TUITION ASSESSEMENTS	\$ 1,579,534.00	\$ 1,638,940.00		\$ (59,406.00)	103.8%
OTHER LOCAL ASSESSMENTS	\$ 41,751.00	\$ 41,750.62	\$ -	\$ 0.38	100.0%
JONES LIBRARY OPERATIONS	\$ 1,833,246.00	\$ 1,833,245.15	\$ -	\$ 0.85	100.0%
<b>TOTAL TOWN GENERAL FUND</b>	<b>\$ 72,503,678.00</b>	<b>\$ 71,849,156.10</b>	<b>\$ 307,891.63</b>	<b>\$ 346,630.27</b>	<b>99.5%</b>
				\$ -	
<b>SEWER FUND</b>					
INTERFUND TRANSFERS	\$ 604,140.00	\$ 604,140.00	\$ -	\$ -	100.0%
WASTE WATER TREATMENT PLANT	\$ 3,421,158.00	\$ 3,148,462.69	\$ 232,407.37	\$ 40,287.94	98.8%
SEWER MAINTENANCE	\$ 186,352.00	\$ 139,637.38	\$ 70.52	\$ 46,644.10	75.0%
<b>TOTAL SEWER FUND</b>	<b>\$ 4,211,650.00</b>	<b>\$ 3,892,240.07</b>	<b>\$ 232,477.89</b>	<b>\$ 86,932.04</b>	<b>97.9%</b>
<b>WATER FUND</b>					
INTERFUND TRANSFERS	\$ 778,819.00	\$ 778,819.00	\$ -	\$ -	100.0%
WATER DEPARTMENT OPERATIONS	\$ 3,586,688.00	\$ 3,276,433.19	\$ 185,603.51	\$ 124,651.30	96.5%
<b>TOTAL WATER FUND</b>	<b>\$ 4,365,507.00</b>	<b>\$ 4,055,252.19</b>	<b>\$ 185,603.51</b>	<b>\$ 124,651.30</b>	<b>97.1%</b>
<b>SOLID WASTE FUND</b>					
INTERFUND TRANSFERS	\$ -	\$ -	\$ -	\$ -	0.0%
SOLID WASTE FUND				\$ -	
SOLID WASTE FACILITIES	\$ 474,298.00	\$ 466,231.83	\$ 7,998.17	\$ 68.00	100.0%
<b>TOTAL SOLID WASTE FUND</b>	<b>\$ 474,298.00</b>	<b>\$ 466,231.83</b>	<b>\$ 7,998.17</b>	<b>\$ 68.00</b>	<b>100.0%</b>
<b>TRANSPORTATION FUND</b>					
INTERFUND TRANSFERS	\$ 304,899.00	\$ 304,899.00	\$ -	\$ -	100.0%
PARKING FACILITIES	\$ 621,751.00	\$ 576,523.46	\$ 12,962.32	\$ 32,265.22	94.8%
PUBLIC TRANSPORTATION	\$ 40,000.00	\$ 34,110.80	\$ -	\$ 5,889.20	85.3%
<b>TOTAL TRANSPORTATION FUND</b>	<b>\$ 966,650.00</b>	<b>\$ 915,533.26</b>	<b>\$ 12,962.32</b>	<b>\$ 38,154.42</b>	<b>96.1%</b>

## The Override: Its Meaning and Financial Implications

By the Amherst Finance Committee

On November 8, on the same ballot as the vote for President, Amherst voters will be asked whether they want to increase their taxes for a proposed new elementary school through a debt exclusion override. A simple majority is needed. State law prohibits the ballot question from listing the amount of money requested in the override or how much it would add to annual property tax bills.

### **New School Cost:**

The Amherst School Committee has recommended construction of a new school on the Wildwood site to serve all students in grades 2-6 as part of a reconfiguration of the elementary school system. Estimated cost is \$67.2 million. The School Building Committee expects the Massachusetts School Building Authority (MSBA) to pay about \$34.4 million, leaving Amherst the remaining \$32.8 million. Assuming interest at 5%, payments on a 25-year bond for \$32.8 million is estimated at \$21.3 million. The Town's actual cost would thus be approximately \$54.1 million.

### **Override Explanation:**

An "override" raises the state's limit on how much towns can increase their property taxes each year. This limit, Proposition 2½, caps property tax increases to 2.5% of the previous year's tax levy, plus any amounts derived from new taxable property development. Towns can only exceed this limit if a majority of the voters agree to "override" the limit. There are two main types of overrides, both of which Amherst has used. The first is a "basic override" that adds a specific amount of revenue for the operating budget in a given year. In future years subsequent percentage increases are based on that higher amount. This type of override is thus permanent.

The other type (the November 8<sup>th</sup> vote) is a "debt exclusion override," which allows the cost/debt of a project to be excluded from the normal Proposition 2½ limits. When the debt for the project has been paid off, the additional yearly charge ends.

If the Town-wide vote for the override is successful, Town Meeting will still need to authorize (by a 2/3rd vote) the actual borrowing required. Town Meeting begins November 14.

### **Cost for Property Owners:**

Exact cost estimates are not possible because the interest rate or structure of the bonds that would fund the project are not known. The following figures, however, are reasonable approximations. Note that the actual impact on tax bills will change with time: payments will be highest in the early years of the bond repayment period, and lower in later years. These estimates cover both the principal and interest that the Town will pay over the bond life.

Assessed property value	Average yearly increase to existing tax bill for 25-year bond*	Range of yearly increase to tax bills (higher in early years of repayment, lower in later years)
\$200,000	\$212	\$270--\$126
\$250,000	\$265	\$337--\$157
\$300,000	\$318	\$405--\$189
\$350,000	\$371	\$472--\$221
\$400,000	\$424	\$540--\$252
\$450,000	\$477	\$607--\$283
\$500,000	\$530	\$674--\$315
\$550,000	\$583	\$742--\$346
\$600,000	\$636	\$810--\$378
\$650,000	\$689	\$877--\$409
\$700,000	\$742	\$945--\$441
* \$33 million bond at fixed 5% interest rate; flat principal payments.		

**Additional Information:**

If the debt exclusion override is passed, and Town Meeting authorizes the borrowing, the impact on residential property taxes would start in July, 2017 with the greater impacts starting in 2020.

If funding for this project is defeated, either by voters or Town Meeting, options for addressing the schools' needs are available. Although there is no guarantee that MSBA funds will be available, the MSBA allows another vote on the same override question, or a new proposal for downsizing, renovation, or some combination of renovation and new construction. A new proposal needs to be submitted as a new Statement of Interest to the MSBA and follow established rules for consideration of a project. A new or revised Feasibility Study would be required, which may be funded partially or solely by the town, depending on how much of the study is new, and how much the MSBA agrees to pay.

Reconsiderations have been submitted to the MSBA by other districts following a failed initial funding vote, and some districts have received funding for new/revised projects. The timeline for the reconsideration process is difficult to predict.

Voters should also be aware that, in addition to the proposed school project, Amherst is also weighing three other large capital projects—a new fire station, new DPW building, and expanded Jones Library—which will need to be paid for by some combination of another debt exclusion override or the Town's existing capital budget. To help offset the impact of these projects on taxpayers, the Town is exploring the following: savings from the operating budget; use of reserve funds; sale of Town properties; and increased revenue from new development.



## Budget Process Calendar 2016 -2017

Budget comments can be made at any time during the Budget Process. However, the best time period to comment on Town finances, as well as, request financial support for projects and/or items you believe the Town, Schools and/or Library should consider as part of their Budgets, is between September and November 1, 2016. This can be done by attending meetings listed on the Town Website (amherstma.gov), speaking during Public Comment and/or through emails to your elected officials on the Select Board, School Committee and/or Library Trustees. The Budget Process for all three entities follows a time-table that finalizes Budgets that will be presented to the Spring 2017 Town Meeting. You are urged to make your suggestions early so that they may be considered as part of the initial Budget Process.

<b>Date &amp; Who</b>	<b>What</b>
<b>October 13, 2016</b> Finance Department- - - - - Town Manager	Presents Financial Indicators—Trends and Next Year Budget Forecast to Select Board, Library Trustees, School and Finance Committees
<b>November 1, 2016</b> Finance Committee- - - - -  <b>November 2016</b> Select Board- - - - -  School Committee- - - - -  Library Director- - - - -  Joint Capital Planning Committee (JCPC)- - (JCPC--Two members each from the Select Board, School Committee, Library, Finance Committee and Town Finance Director)	Sends Financial Guidelines to Town Manager, School Superintendent, Library Director and their Boards  Sets policy and goals for development of Budget by Town Manager  Sets policy and goals for development of Budget by Superintendent  Presents draft Budget request to Trustees' Budget Committee after preparing throughout the year  Requests for capital items from Town Departments, Schools and Library are presented to the Town Manager as part of the Budget process
<b>November and December 2016</b> Town Manager- - - - -  <b>December 2016</b> Superintendent- - - - -  Library Director- - - - -  Library Trustees- - - - -	Allocates amounts to Department Heads to prepare Budget requests and meets with Town Hall Financial Team  Meets with Principals and Department Heads to prepare Budget requests  Presents updated draft Budget Request to the full Board of Trustees  Makes corrections/additions if necessary and votes the final Budget

<p><b>January 2017</b>          Superintendent- - - - -</p> <p>Town Manager- - - - -          Library Director</p> <p><b>January and February 2017</b>          JCPC- - - - -</p>	<p>Presents comprehensive balanced Budget to the School Committee</p> <p>Presents comprehensive balanced Budget to the Finance Committee</p> <p>Meets with Finance Director and reviews available funds and progress of prior year projects-          Meets with Town Department Heads, Schools, and Library to hear details of capital requests</p>
<p><b>February 2017</b>          School Committee- - - - -</p> <p>Superintendent- - - - -</p>	<p>Reviews Budget request-          Holds Public Hearings for input-          Votes Budgets</p> <p>Presents comprehensive balanced Budget to the Finance Committee</p>
<p><b>March 2017</b>          JCPC- - - - -</p>	<p>Makes recommendations to the Town Manager, who can modify them-          Presents 5 Year Capital Plan: current and next 4 years</p>
<p><b>Finance Committee Process</b></p>	
<p><b>January through March</b>          Finance Committee- - - - -</p>	<p>Reviews all Budgets from the Town, Schools, Library, Joint Capital Planning Committee, Debt Service, Enterprise Funds, Assessments, and Community Preservation Act Committee-          Reviews and considers Zoning, Petition and other Articles that might have financial implications</p>
<p><b>March and April</b>          Finance Committee- - - - -</p>	<p>Votes Recommendations-          Writes and distributes Finance Committee Report for Town Meeting</p>
<p><b>May 2017</b>          Finance Committee Town, Schools,- - -          Library, Petitioners</p>	<p>Makes recommendation at Town Meeting-          Presents information to Town Meeting</p>
<p><b>May 2017</b>          Town Meeting- - - - -</p>	<p>Received Finance Committee Report and acts on all Warrant Articles which includes the Budget</p>

Note the completion dates for the following Budgets:

Town Budget—Manager-----January 16, 2017

School Budgets—Superintendent-----February 2017

Library Budget--Library Director-----December 2016

Finance Committee (10/2/16)

To Town Meeting Members:

The summaries of the proposed School, Library, Fire and Public Works capital projects below were compiled from information in various studies and reports done for their respective departments. The summaries were reviewed by the relevant Department Heads for accuracy, and the information is current as of the date listed on each Summary.

Although estimated project costs are listed, including potential costs of borrowing, it should be noted that, unlike the school project, the Town has not yet determined the source of funding for the remaining three projects.

The Finance Committee welcomes your questions and comments.

Marylou Theilman (Chair)	413-253-7980
Stephen Braun (Vice Chair)	413-549-2697
Joseph Jayne	617-290-9564
Bernard Kubiak	413-253-5178
Tim Neale	413-345-1671
Janice Ratner	413-253-7214
Anurag Sharma	413-549-1542

## The Amherst School Building Project Summary

Since 2007, the Amherst School District has submitted Statements of Interest to the Massachusetts School Building Authority (MSBA) for both Wildwood and Fort River Elementary Schools requesting funding to address the issues of suboptimal classrooms and infrastructure in the buildings that were built in 1970 and 1973. In November of 2013 the MSBA accepted the Statement of Interest for Wildwood and the process began. Statements of Interest continue to be submitted for Fort River and have not been accepted, as a town's second project is not considered until the first project is completed. However, new information about Fort River is added to its file at the MSBA.

Once the MSBA accepted the Statement of Interest in May 2014, Town Meeting approved funding for a \$1 million Feasibility Study, 68% reimbursable, and in October 2014 a School Building Committee was formed. Since both Wildwood and Fort River have comparable needs, the Building Committee reviewed and accepted a schematic design that created a co-located school on the Wildwood site which was approved by the Amherst School Committee in January, 2016. Following the MSBA prescribed schedule and many meetings later, the final Scope and Budget plan was submitted to the MSBA and received final approval on September 28, 2016.

The proposed new co-located school is designed as one building with two classroom wings. Each building/classroom wing will have its own dedicated entrance, administrative area, music, and art rooms. The two schools will share the gymnasium, media center, and maker space. To the south of the building two complete sets of playscapes, hard surface play areas and grassy play areas will offer simultaneous play options to both schools.

Each school/wing would have its own principal and staff and would house up to 375 students for grades 2-6. School data indicates that enrollments are expected to continue to decline primarily based on a reducing birth rate in Amherst. When the project is complete the District estimates that enrollment in the new building will be 730 students in grades 2-6 and 325 at Crocker Farm in PreK-1.

Students would continue to attend the present Wildwood until construction of phase 1 is complete in 2019 and then the current building would be demolished. Fort River and Crocker Farm students in grades 2-6 would move in 2020 when phase 2 is complete, and Fort River would be vacated and available for other uses by the Town. Crocker Farm School would become an Early Childhood Center for PreK-1, similar to models in other Massachusetts districts. School Administrators estimate that the cost of renovation of Crocker Farm as an Early Childhood Center is \$50,000 and is not included within the scope of this project, but would be paid for from the operational savings from the consolidated model and would not require additional Town funding.

The new building's total square feet is 122,722 and is 25% smaller than the combined space of Wildwood and Fort River which each are 82,000 square feet and were built for approximately 600+ students each. The building project would cost an estimated \$67.2 million with the building cost of \$54 million. MSBA is expected to fund approximately \$34.45 million, with Amherst funding approximately \$32.75 million. With interest payments estimated at \$21.29 million, the Town's cost would be approximately \$54 million, assuming an interest rate of 5% over a 25 year bond. On Election Day, November 8, voters are being asked to approve a debt exclusion override which would fund the Town's share of the costs. The School Administration estimates that the project and reconfigured model would save between \$400,000-\$500,000 annually from the operating budget of the Amherst Public Schools due to efficiencies.

## The Jones Library Building Program Summary

In the Fall/Winter of 2013-2014, the Jones Library applied for a Planning and Design Grant from the Massachusetts Board of Library Commissioners (MBLC) requesting funding to address issues relating to safety, layout, space, HVAC, electrical, plumbing and other interior and exterior needs. In addition, the Jones also addressed serious functional problems having to do with lack of teen, children's and technology space, overall poor access for those with disabilities, and inadequate resources for special collections, ESL and other programming.

In January of 2014 the MBLC awarded the Library a Planning and Design Grant for \$50,000 and at its Spring 2014 meeting, Town Meeting approved \$25,000 for that purpose.

In the Fall of 2014, the Library Board of Trustees appointed a Feasibility Committee, which began meeting in the Winter of 2014. Following the MBLC's guidelines and process outlined, a draft *Building Program* was developed, identifying a need for a total of 110,000 square feet needed to meet services for at least twenty years. The Library Trustees approved and submitted the *Program* in July 2015 and it was approved by the Commissioners. Subsequently, the *Program* was modified to be a 65,000 square feet renovation/addition that would include all the historic portions of the present Library

The original building was built in 1928 and renovated and expanded in 1993. The cost of the original 31,000 square feet building in 1928, said to be "fireproof," was \$400,000. In 1993, the renovation of the Library's total 48,000 square feet cost \$5 million. The MBLC granted \$2.6 million, and the Library and Town each contributed \$1 million. The funding provided a glass-roofed center courtyard which connected new reference, audiovisual and reading rooms, and exhibit space to the original building. Meeting and individual study rooms also were added. Although made partially handicapped accessible, stacks are currently inaccessible. These issues would be addressed by the proposed new renovation/construction *Program*, which replace some of the renovations completed in 1993 including the leaking glass-roof.

In October 2016, the Trustees received a set of schematic designs by Finegold Alexander Architects for a renovated/expanded Library building, and an independent cost estimate, by Fennessy Consulting Services. Colliers International, the Library's Owner's Project Manager (OPM), now estimates the cost of the project to be \$34.4 million. It is estimated that the MBLC would fund \$13.2 million, leaving \$21.2 million as the "Town's share." The Library Director and the Trustees intend to raise substantial funds through a capital campaign and will test a \$5 million goal. The remaining amount would be requested from the Town tax levy. Assuming funding with a 25-year bond at 5% for \$16.2 million in principal and \$10.53 million in interest, the Town's share for the funding would be approximately \$26.73 million.

In January 2017, a construction grant application will be submitted to the MBLC. The Trustees expect to go before Town Meeting in May 2017 to obtain permission to apply for and receive grant funds from the MBLC with no funding request attached to this vote.

The MBLC's highly competitive grants will be awarded in July 2017. Approximately 30 towns applied and will be ranked. The top 8-10 projects will be awarded their grant funds immediately, with others put on a waiting list. Depending on legislature funding, the wait list could take 5 to 8 years to be fully funded. If the Jones' application falls within the top 8-10, in the Fall of 2017, Town Meeting will be asked for the "Town's share" of the project costs, at which point the Library Director and Trustees will know how much money was raised through its capital campaign, leaving the remaining amount to be paid by the Town.

## Amherst Department of Public Works Facility Study Summary

The Town, advised by the Public Works Committee, commissioned Weston & Sampson, consultants, to undertake a facility study for a new Department of Public Works (DPW) facility. The study completed in March 2016, includes assessment of current property and facilities, space needs, possible sites, basic building schematic, and cost estimates.

The present Department is spread among several sites: the 100 year old Main building, wastewater treatment plant, solid waste transfer station, recycling transfer station, and a garage near the high school. There are eight divisions: Administration, Engineering, Highway, Equipment Maintenance, Water Division, Wastewater & Traffic/Lights, Trees & Grounds, and Solid Waste & Recycling. The study assumes that the wastewater treatment plant and the transfer station will remain in their present locations.

According to the study, Amherst has 38,000 residents, 130 miles of road, 135 miles of sanitary sewer lines, 20 pump stations, water and wastewater treatment facilities, 5 wells, 2 surface water sources, 3 cemeteries, 80 acres of manicured turf playing fields/parks/Common, 2 pools and wading pools, 90 miles of sidewalks, approximately 200 miles of sewer lines, toilet facilities, and parking lots.

The main DPW building has 18,800 square feet and was built in 1915 as a street car repair barn. The study rates the condition of the building as moderate to poor. Some examples among the long list of issues stated include structural cracks in the brick masonry allowing water into the wall, roofing that needs replacement with some roof rot, minimal insulation, small maintenance area for current vehicles and inadequate ventilation. The second floor is not wheelchair accessible and lacks electrical outlets and computer and other work space, and meeting space is inadequate. The salt shed is old and past its useful life. The fuel management system needs updating. Yard space lacks cover for seasonal vehicles. An extensive list may be found in the March 21, 2016 Amherst DPW Facility Study.

<http://www.amherstma.gov/documentcenter/34943>

The study recommends approximately 12,000 square feet for administration and staff support, 24,000 square feet for maintenance and shop, 43,000 square feet for minimally heated vehicle storage and washing, a 3,000 ton-capacity salt shed, 4,800 square feet of open storage canopy, fueling facility and bulk storage, in addition to parking area for staff and public.

The consultants analyzed 9 sites and suggested 3 sites for the new DPW building with related estimated cost: Fort River School site (\$37 million, Town owned site, may require demolition), Old Farm Road (\$38.2 million, cleared land, purchase required) and Ball Lane (\$37.82 million, land purchase required, may require demolition).

In May 2016, Interim Town Manager, Peter Hechenbleikner, created the Department of Public Works Fire Station Advisory Committee, which is specifically charged with "the responsibility of providing advice to the Town Manager, and through the Town Manager to the Select Board, Joint Capital Planning Committee, and Town Meeting on the options and preferred alternatives for construction of a DPW facility and an Amherst South Fire Station." That Committee is now responsible for oversight of follow-up to the study described above.

See chart below.

The figures in the chart are estimates that assume funding with a 25-year bond at 5% interest.

**Summary of Department of Public Works Sites and Estimated Costs**

Site	Cost	Principal	Interest	Total Principal/Interest at 5% on 25 year Bond
Fort River (Without Demolition)	\$37,059,338	\$37,059,338	\$24,088,570	\$61,147,908
Old Farm Road (Without Land Cost)	\$38,260,855	\$38,260,855	\$24,869,556	\$63,130,411
Ball Lane (Without Land Cost and Demolition)	\$37,820,680	\$37,820,680	\$24,583,442	\$62,404,122

Finance Committee 10/05/16

## Amherst Fire Department Studies Summary

The existing downtown Amherst Fire Department (Central) headquarters was originally constructed in 1929. The one story garage at the rear of the building was constructed later and now functions as office space for the Business and Chief's Offices. The needs of the Department have been the focus of three Studies. The first Study (1966) resulted in the building of North Station in 1976.

The 1981 and 2006 Studies evaluated the department needs and existing Headquarters as part of their scopes. While the 2006 Study, now 10 years old, found at that time, the building was in fair to good condition, the building needed major renovations to meet the Fire Department's program requirements including demolition of the one story structure and adding a three story addition. It recommended replacement of the HVAC system, which no longer exists. Window AC units are used and are very inefficient. Ventilation is accomplished by opening doors and windows. Apparatus bay doors are closed most of the time for security reasons, as equipment has been stolen. The boiler was replaced in 2009 with a "rehabbed" boiler, and has failed approximately 3 times in the last five years. Piping is in need of replacement. The building's electrical system has not improved since the 2006 assessment when it was recommended that new lighting fixtures be installed in work areas to meet electrical standards, and electrical receptacles be installed to provide additional initiating and signaling devices. Carbon monoxide detectors, etc., as required by code have not changed and the building still is not ADA compliant. The Study further states that the building's three apparatus bay configuration does not provide sufficient horizontal and vertical clearances for modern firefighting apparatus, and today, it still has not changed, nor have the partitions been removed. Equipment has only inches of clearance at the overhead door and masonry walls. The apparatus concrete floor was cracked and was repaired in 2014. The exterior roof was redone in 2013. Finally, the Study states that the present site is the limiting factor for options of reuse for a new Fire Headquarters facility.

In the summer of 2016, Interim Town Manager, Peter Hechenbleikner, appointed the Department of Public Works Fire Station Advisory Committee, which is specifically charged with "the responsibility of providing advice to the Town Manager, and through the Town Manager to the Select Board, Joint Capital Planning Committee, and Town Meeting on the options and preferred alternatives for construction of a Department of Public Works facility and an Amherst South Fire Station."

The newly appointed Department of Public Works Fire Station Advisory Committee will consider a number of sites in South Amherst that would serve the center of Town (jointly with North Station) and South Amherst. Since the Committee is in the early stages of fulfilling its responsibilities, no firm cost estimate is available, although several other similar Fire Headquarter projects in other towns have cost between \$11 and \$13 million.

The Finance Committee estimates that if a new Fire Station were built at \$13 million and assuming a 25-year bond at 5%, the estimated cost of a new facility would be approximately \$21.45 million (\$13 million in principal plus \$8.45 million in interest).