

**PLEASE RECYCLE
THIS BUDGET**

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

TABLE OF CONTENTS

THE BUDGET PROCESS	inside front cover
TABLE OF CONTENTS	ii
TOWN MANAGER'S LETTER OF TRANSMITTAL	iv
FY 18 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS	xi
ORGANIZATION CHART	xii
CONSOLIDATED RESOURCES/EXPEDITURES SUMMARY	xiv
POSITIONS IN FULL TIME EQUIVALENTS	xvii
"FY18 Budget Policy Guidelines", Select Board (November 2, 2016)	xviii
"Preliminary Fiscal Year 2018 Budget Guidelines", Finance Committee (October 28, 2016)	xxii
FY 18 MANAGER'S FORECASTED BUDGET REVENUE AND EXPENDITURE SUMMARY	xxvii
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	77
TREE AND GROUND MAINTENANCE	78
PLANNING/CONSERVATION/INSPECTION SERVICES SUMMARY	84
CONSERVATION	85
PLANNING	88
INSPECTION SERVICES	91
COMMUNITY SERVICES SUMMARY	95
PUBLIC HEALTH	96
SENIOR CENTER	99
VETERANS' SERVICES	102
SOCIAL SERVICES	104
LEISURE SERVICES & SUPPLEMENTAL EDUCATION	106
MUNICIPAL POOLS	109
GOLF COURSE	111

TABLE OF CONTENTS

DEBT SERVICE	113
OTHER EXPENDITURES	115
OTHER ASSESSMENTS	117
WATER FUND	
WATER FUND SUMMARY	121
RESOURCES	122
WATER SUPPLY AND DISTRIBUTION	124
GENERAL FUND SERVICES	127
DEBT SERVICE & INTEREST	129
CAPITAL PROGRAM SUMMARY	131
SEWER FUND	
SEWER FUND SUMMARY	135
RESOURCES	136
SEWER MAINTENANCE	138
WASTEWATER TREATMENT PLANT	140
GENERAL FUND SERVICES	143
DEBT SERVICE & INTEREST	145
CAPITAL PROGRAM SUMMARY	147
SOLID WASTE FUND	
SOLID WASTE SUMMARY	151
RESOURCES	152
SOLID WASTE FACILITIES	154
GENERAL FUND SERVICES	156
DEBT SERVICE & INTEREST	158
CAPITAL PROGRAM SUMMARY	160
TRANSPORTATION FUND	
TRANSPORTATION SUMMARY	165
REVENUES	166
PARKING MANAGEMENT	168
GENERAL FUND SERVICES	170
DEBT SERVICE & INTEREST	172
CAPITAL PROGRAM	174
APPENDICES	
A. GRANT PROGRAMS AND POSITIONS	178
B: MAINTENANCE COSTS BY MUNICIPAL FACILITY	182
C: FEE-BASED RECREATION PROGRAMS	183
D: CURRENT LONG-TERM OBLIGATIONS	187
E: TRANSPORTATION FUND DATA	191
F: AMHERST HISTORICAL FINANCIAL DATA	195

Town of



AMHERST *Massachusetts*

Office of the Town Manager
Town Hall
4 Boltwood Avenue
Amherst, MA 01002

Paul Bockelman, Town Manager
Phone: (413) 259-3002
Fax: (413)-259-2405
Email: townmanager@amherstma.gov

To: Select Board
Finance Committee

From: Paul Bockelman, Town Manager

Copies: Department Heads

Date: January 12, 2017

Subject: Town Manager's Proposed FY18 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, 2017 (FY18).

My proposed FY18 municipal budget is funded at \$22,967,135, an overall increase of 2.5%. It aligns with the Select Board's Budget Policy Guidelines and complies with the Finance Committee's guideline of a 2.5% increase.

My proposed FY18 budget for the enterprise funds includes a range of increases as follows: Solid Waste Fund up 1.4%; Water Fund up 2.0%; Sewer Fund up 3.7%; and Transportation Fund up 16.0%. (A summary of all budget changes is included later in this memo.)

FY18: Stability and Progress

This FY18 budget will continue to move the Town of Amherst forward along the steady and prudent financial path established over decades of strong fiscal management.

The financial strength of the Town is a testament to the long history of wise stewardship of the Town's financial affairs by the Select Board, Town Manager and staff, and the Finance Committee. I hope to continue to build on this legacy of pragmatic, progressive financial management.

In support of that goal, this budget sustains core Town services. Increases in the budget have been made only to cover benefits, contractual payroll requirements, and adjustments in departmental expenses. No additional staff positions are proposed.

FY16: A Year Like No Other

FY16 concluded a year without precedent. The sudden and devastating passing of Town Manager John Musante required Town leaders – both elected and staff – to step into the breach and not only provide comfort to others in Town while managing their own grief, but to maintain the operations of Town government, which never abated. These municipal officials deserve the highest thanks from members of the community. And I commend all Town staff for their resiliency in these trying times.

The work of the Town continued unabated; and even more work had to be taken on. The Select Board appointed Assistant Town Manager David Ziomek to be Acting Town Manager. David and other members of the leadership team provided consolation and showed a path forward. The steady hand and strong shoulder offered by the leadership team is a true testament to the character and quality of Town staff.

The Select Board conducted a search for a Temporary Town Manager and chose Peter Hechenbleikner, an experienced manager who brought stability and insight to Town operations earned over decades of managing local government. After an extensive search, the Select Board hired me in August 2016 to become the Town's sixth Town Manager, a true honor for me.

Throughout FY16 and the first half of FY17, the office of the Town Manager continued to make progress on many important initiatives and priorities. Some of the more noteworthy accomplishments:

- Added Comptroller Sonia Aldrich and Treasurer/Collector Claire McGinnis to the leadership team as co-finance directors following the resignation of Sandy Pooler. They have provided financial direction and proven to be valuable additions to the Town's leadership team.
- Worked closely with the Department of Public Works to implement and manage an outdoor water use ban in the summer in response to the serious drought, strengthening already strong working relationships with our institutional partners in the process.
- Maintained strong budgetary performance and management of the Town's financial processes as recognized by Standard and Poor's assignment of a bond rating of AA+ with a Stable Outlook. With just one exception, all operating and capital budget items were adopted as recommended at the Annual Town Meeting, providing services in a fiscally sustainable manner and financing capital to minimize property tax burden.
- Presented an achievable financing plan for managing the four major capital projects (school, fire, library, and public works) facing the Town.
- Successfully negotiated a new contract with Comcast for town-wide cable access, supported by the Cable Advisory Committee.
- Provided leadership during the natural gas moratorium public hearing process representing the interests of the Amherst community.
- Coordinated Town efforts related to medical marijuana dispensaries and more recently recreational marijuana.
- Led by Economic Development Director Geoff Kravitz, raised the profile of Amherst in the region by developing stronger relationships with UMass, the Chamber of Commerce, the Amherst Business Improvement District (BID), property owners, businesses, developers, nonprofits, cultural institutions, community members, neighborhood groups, and others focused on economic development.

- Worked closely with the Assistant Town Manager and Economic Development Director during the first full year of University-Town of Amherst Collaborative, including creation of subcommittees on housing, economic development and culture, arts and living.
- Continued collaboration with Pioneer Valley Planning Commission, Northampton, Springfield, Holyoke, South Hadley, and UMass to bring a regional BikeShare program to the area.
- Advanced plans for solar development on the north landfill.
- Launched the Transportation Advisory Committee and the Downtown Parking Working Group.
- Continued working with the business community by serving on the Amherst BID Board of Directors and developing creative marketing, beautification, transportation, and special events to promote the downtown as a great place to live, work, and play.

FY18: Revenues

I prepared this budget utilizing the guidelines established by the Finance Committee. Most of our revenue growth will come from local sources, specifically property taxes and local fees and receipts. I estimate that State Aid will grow very modestly at 1.3%. No reserves are utilized to support the budget nor is an override proposed. Overall Town revenues will grow by 3.5%, and will be shared by the Town, Schools and Libraries.

Within the Town General Fund, revenue for FY18 is projected 2.5% higher than last year. This budget proposal assumes that the Town will levy to the property tax levy limit allowed under Proposition 2 ½, or \$50.7 million. New growth added to the levy is estimated by our Assessors at \$600,000. Overall tax revenue will increase by 3.9%. That increase is enhanced by growth in local receipts of 7.8% as a result of the Strategic Partnership Agreement with the University of Massachusetts and the new Comcast payment. (Note: due to a ruling by the Department of Revenue, funds coming to the Town from Comcast for public, educational, and government (PEG) cable access must now be recognized in our budget. To offset this new revenue, an equal amount is budgeted as a PEG expense, having a net zero impact on the budget.) Motor vehicle excise tax, licenses and permits, and special assessments are projected to grow modestly according to historic trend.

State Aid is conservatively projected to increase only 1.3%, given the uncertainty in state revenues and Governor Baker's plans to balance the state budget within those limits. There will be more information when the Governor files his proposed state budget in late January, to be followed by House and Senate budget proposals. Only two components of state aid are projected to increase, Chapter 70 aid for education by 0.5% and unrestricted general government aid by 2.0%.

In conjunction with my budget proposal, I submitted recommendations to the Select Board at its January 9, 2017 meeting for an increase to water rates (no change in sewer rates) to support those services. An increase to the parking permit fee is included to support parking services, which will be recommended to the Select Board later in the spring.

FY18: Budget

My recommended FY18 Town of Amherst Municipal Budget includes the following:

• General Fund	\$22,967,135	+2.5%
• Water Fund	4,372,146	+2.0%
• Sewer Fund	4,302,267	+3.7%
• Solid Waste Fund	469,862	+1.4%
• Transportation Fund	1,164,233	+16.0%

General Fund Expenses

My proposed FY18 municipal budget is funded at \$22,967,135, an overall increase of 2.5%. It complies with the Finance Committee's guideline of a 2.5% increase from FY17. My proposal also adheres to the Select Board's FY18 Budget Policy Guidelines to the Town Manager dated November 2, 2016 (both documents are included in the Introduction section of the budget).

Both Fire and Police Departments had significant senior level turnover in FY17, resulting in lower overall payroll costs as high level positions were filled with talented staff by promotion. The effect cascades, as mid-level promotions result in new hires to the staff at entry level salaries. The 1.4% increase planned for Public Safety should be understood as a consistent number of positions throughout the functional area, without any reductions in operating cost budgets. There is also one large public safety union that does not have a signed contract at this writing. Funds to support any changes to that contract are budgeted in General Government.

The comparatively large increase to the Conservation and Development functional area is mostly the result of the transfer of one position from Public Health to the Inspection Services Department. Plus, to allow the Assistant Town Manager to fully attend to his strategic work, this budget includes a modest addition of staff hours in the Conservation Department.

Increased employer paid health benefit costs for all Town employees are planned in General Government, as is the custom in the budget process. This inflates the percentage increase for General Government mathematically, and understates all other functional areas. Without Employee Benefits, the increase for the General Government functional area is 0%.

Portions of two staff salaries are moved from the Enterprise Funds (Water and Sewer) to the General Fund to accurately assign cost based on work performed.

Additional budget highlights:

- General Government increases by 3.8%, entirely attributable to salary, benefits, and a reserve for the unsettled collective bargaining agreement. The Select Board/Town Manager budget is reduced slightly due to staff turnover. The Town Meeting/Finance Committee budget increases to fund rented buses for the TMCC tour prior to Town Meetings. The Finance Department budget drops slightly, \$7,799, due to salary adjustments. The Human Resources and Human Rights Department decreases \$10,509, reflecting a reduction of 0.33 FTE as the three year Amherst Together initiative completes its work. After several years of near level funding, employee/retiree benefits increase \$259,743 in FY18, or 7.9%. This increase in health insurance premiums is necessary, following a year of larger than typical claims

experience, which will be shared by the employers and active employees. The Information Technology Department budget increases \$14,991 to cover software support costs, an area of the budget historically underfunded. There is a \$13,635 decrease in the Elections budget due to fewer elections in the coming year. The General Services budget increases \$10,000 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 1.4%. 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. Any decisions regarding staffing changes in Fire and EMS await results of an independent analysis, due in February. FY18 will be the fifth 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. In FY16 the Police Department budget added two new positions, and in FY17 a third. The Police Department budget increases \$50,586 to cover salary increases and training overtime. As the patrol officer collective bargaining agreement is not signed, funds to support changes are not reflected in the Public Safety budget. The Fire Department budget increases \$69,698, to cover salary increases. Although salary increases total a significantly higher number, the total is offset by savings resulting from retirements. The Communications Department budget increases by \$16,221 to cover salary increases. Animal Welfare remains at current service levels, increasing slightly to cover salary increases.
- The Public Works budget increases by 3.2% due to payroll costs, maintaining core services. Public Works Administration will continue to analyze productivity and work effectiveness data for the department. The Highway Division budget increases by \$20,349, also for step increases and staffing changes. Snow and Ice is level funded. Street and Traffic Lights budget increases by \$23,319 as a third of a Lead Electrician is moved to the General Fund from the Enterprise Funds, acknowledging the important work done within the General Fund mission. Vehicles and equipment used for road maintenance, snow plowing, tree care, park maintenance, leaf pickup as well as water and wastewater (with appropriate reimbursements assessed) are maintained, repaired, and serviced by a three-person Equipment Maintenance crew.
- The Conservation and Development budget increases by 10.1% and is the result of staff reorganization. The Conservation Department budget increase, \$32,867, allows additional hours for the Sustainability Coordinator, increasing her work in conservation programs and shifting of duties from the Assistant Town Manager to this position, as well as step increases for the other staff. The Planning Department budget will continue to use the Community Development Block Grant (CDBG) to offset the cost of staffing, the increase, \$11,057, is due to step increases. The Inspection Services budget increase of \$85,936 is due to step and salary increases for the department, the relocation of a management assistant from the Health Department to Inspection Services, and additional hours to assist with electrical inspections due to increased demand.
- The 2.2% reduction in the Community Services budgets reflects the relocation of administrative staff to Inspection Services, as described above, resulting in a decrease in the Health Department. The Health Department continues focusing on key public health issues

as its core mission. The Leisure Services and Supplemental Education (LSSE) budget continues to include \$105,000 to support fee subsidies for LSSE programs.

- We continue to work to fund long-term retiree health insurance costs. Over the past four years, the Other Post-Employment Benefits (OPEB) Trust Fund has been funded consistently, and the fund balance has grown to \$2.8 million as of June 30, 2016. Investment in OPEB in the FY18 budget is again recommended, adhering to the plan to increase the budget appropriation by \$100,000 per year, up to \$400,000 in FY18. The Water, Sewer, and Transportation Funds will cover their Annual Required Contributions (ARC) for OPEB, an amount that fully funds the prorated 15% share of the Town's long-term liability.

Enterprise Funds Expenses

- The Water Fund budget of \$4,372,146 is recommended to increase by 2.0%, offset by a recommended increase in water rates. The current water rate is \$3.65 per 100 cubic feet and an increase of \$0.15 per 100 CF is recommended for FY18. This would result in an estimated \$18 annual increase, or 4.1%, to the water bill of the average four-person household. The small rate increase will fund normal operating cost inflation and will maintain the Water Fund's balance, which is projected to be lower in the coming years without such an increase. Annual changes in weather can drastically affect water usage and revenue to these funds. The long-term financial implications of the drought and resulting outdoor water use ban of 2016 and anticipated reduction in use in 2017 are not yet fully understood. This budget includes an appropriation to the OPEB Trust Fund for the retiree health insurance costs of this department.
- The recommended Sewer Fund budget is \$4,302,267, an increase of 3.7%. The sewer rate is recommended to remain unchanged at \$3.65 per 100 cubic feet. The budget includes use of the fund balance of \$33,017, an acceptable number as the fund balance is quite healthy (over 40% of operating). Again, this budget includes an appropriation to the OPEB Trust Fund for the retiree health insurance costs of this department.
- The Solid Waste Fund budget of \$469,862 increases by \$6,444, equivalent to 1.4%. The increase is attributable to salary changes in operating costs. 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 \$1,164,233 increases by \$160,483, about 16.0%, to fund capital. The meters in downtown lots are nearing the end of their useful life and are recommended for replacement. The budget funds this capital expense from the fund balance in the amount of \$139,733.

There are many more requests for funding from Town departments than can be accommodated responsibly. While many of these requests are worthy, they do not fit the financial plan presented. However, I have attached a prioritized list of budget additions that I may recommend if funds become available. One, in particular, deserves serious consideration and that is the procurement officer position that would be shared by the General Government, Enterprise Funds, and the School Department at a cost to General Government of \$19,958.

Budget-related information will be continuously updated and posted on the Town's award-winning website at www.amherstma.gov/budget.

Conclusion

This budget represents my recommendation to the Town for funds needed to deliver superior government services, efficiently and effectively, to the Town's residents, businesses, institutions, and visitors. It incorporates the priorities identified by the Town's elected officials as we move forward. This budget achieves these goals of progress with intelligent financial stewardship by utilizing strong financial practices and standing on sound financial underpinnings.

Acknowledgements

The development of the Town's budget plan is a team effort that starts at the very core – funding basic services delivered by dedicated employees. It is the needs and insights provided at the ground level that informs the decisions made in this budget planning document.

I must acknowledge the amazing skills and work ethic of my principal support staff in the production of this proposal: Financial Analyst Maria Racca, Interim Co-Finance Directors Sonia Aldrich and Claire McGinnis, Assistant Town Manager David Ziomek, and Human Resources and Human Rights Director Deborah Radway. More than ever, this document is the collective effort by this experienced and talented team.

I thank the Select Board for its support to me and to all Town staff for your guidance on Town priorities. I thank the Finance Committee for its tireless dedication and focus on the long term fiscal health of our Town. And, I want to thank every Town employee, committee volunteer, resident, 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, work, play, and raise a family.

FY 18 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS

TOWN OF AMHERST - TOWN MANAGER'S PROPOSED FY 18 MUNICIPAL BUDGET Date Last Revised: 1/4/2017
 FY 18 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS IF FUNDS AVAILABLE*

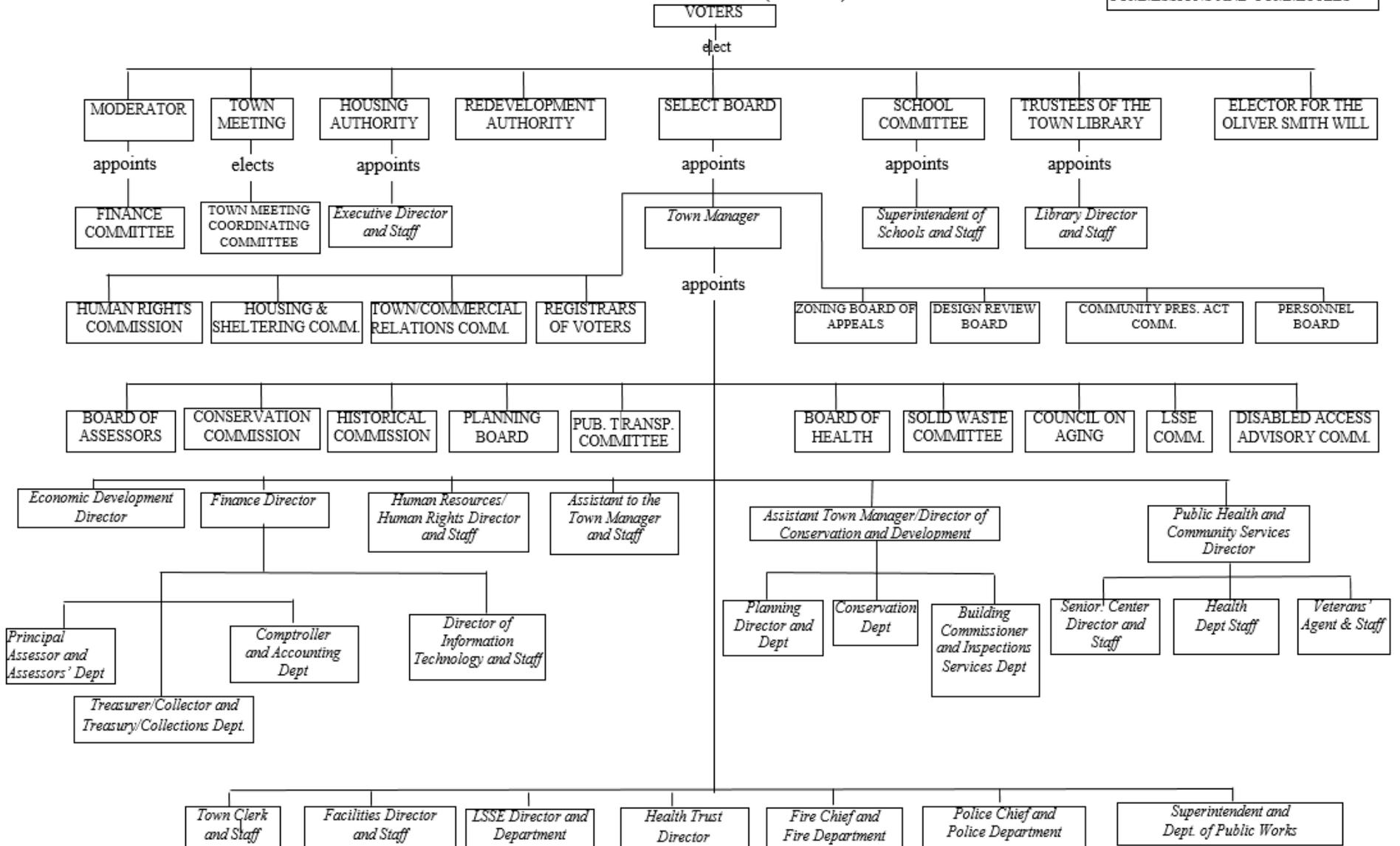
DRAFT - For Discussion Purposes Only

Department	Description	# FTE	Personnel Services	Employee Benefits	Operating Expenses	\$ Total	Cumulative Restore/Add	Manager Budget	Change FY 16 - 17
								22,967,135	2.5%
	Recommended								
Finance	Procurement Officer shared between General Fund, school, Water Fund, Sewer Fund and Transportation Fund)	0.35	16,701	3,257		19,958	19,958		
Communications Center	Overtime: Contractual time off		20,000			20,000	20,000		
DPW Admin	Solid Waste Enforcement Officer (50% funded by a matching grant)	1.00	22,000	5,428		27,428	67,386		
							<u>67,386</u>	23,034,521	2.8%

* 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



This page is left intentionally blank.

CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

	FY 18 General Fund	FY 18 Community Preserv. Act	FY 18 Water Fund
REVENUES			
Property Tax	50,707,403	930,000	0
Local Receipts	7,457,520	0	4,372,146
State Aid	15,379,438	186,000	0
Other Financing Sources	3,715,149	263,765	0
TOTAL REVENUES	77,259,510	1,379,765	4,372,146
EXPENDITURES			
<u>OPERATING BUDGET</u>			
Town	22,967,135	0	2,922,163
Elementary Schools	22,523,222	0	0
A-P Regional School District (Assessment)	15,576,048	0	0
Jones Library (Tax Support)	1,926,054	0	0
Subtotal OPERATING BUDGET	62,992,459	0	2,922,163
<u>CAPITAL BUDGET</u>			
Debt Service - Debt Exclusion	138,190	0	0
Debt Service - Current	1,833,617	303,408	348,100
Debt Service - Projected	172,000	0	0
Cash Capital (Tax Support)	2,292,766	0	0
Subtotal Tax Funded Capital	4,436,573	303,408	348,100
Community Preservation Act	0	1,076,357	0
Cash Capital (Non-Tax Support)	0	0	302,666
Subtotal CAPITAL	4,436,573	1,379,765	650,766
<u>MISCELLANEOUS</u>			
Assessment - Retirement System	5,157,420	0	255,037
Assessment - Regional Lockup Facility	35,928	0	0
Cable Television PEG Access	300,000	0	0
OPEB	400,000	0	79,000
Reserve Fund	100,000	0	0
Subtotal MISCELLANEOUS	5,993,348	0	334,037
Total APPROPRIATIONS	73,422,380	1,379,765	3,906,966
<u>UNAPPROPRIATED USES</u>			
Reserve for Abatements & Exemptions	505,692	0	0
State Assessments (Cherry Sheet)	2,895,741	0	0
Cherry Sheet Offsets	419,883	0	0
Other Amounts to be Raised	15,815	0	465,180
Subtotal UNAPPROPRIATED USES	3,837,131	0	465,180
TOTAL BUDGET PLAN	77,259,510	1,379,765	4,372,146
\$ Change from Prior year			86,468
% Change from Prior Year			2.0%

CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

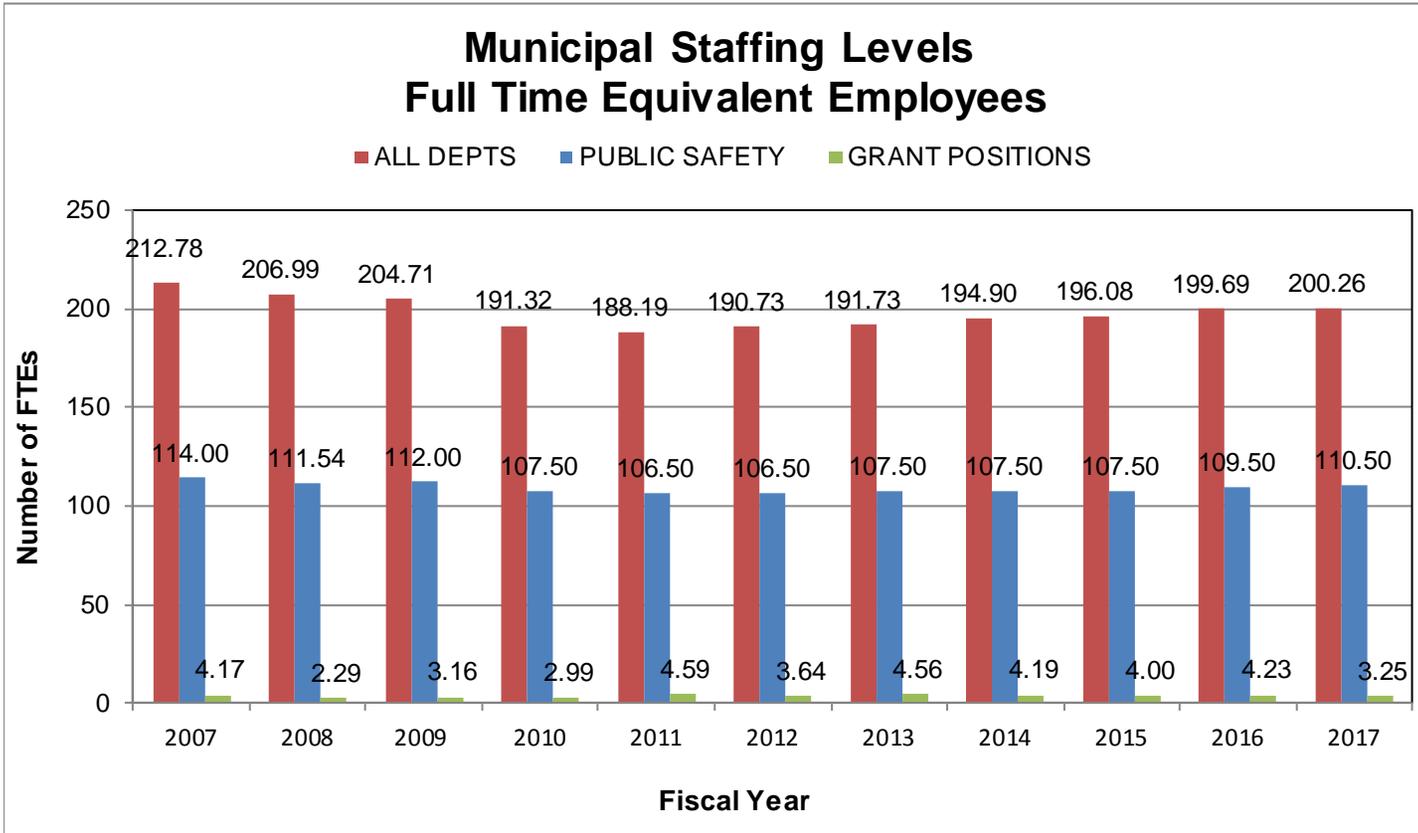
FY 18 Sewer Fund	FY 18 Solid Waste Fund	FY 18 Transportation Fund	FY 18 COMBINED FUNDS (memo only)	FY 17 COMBINED FUNDS (memo only)
0	0	0	51,637,403	49,725,693
4,269,250	469,862	1,024,500	17,593,278	16,818,095
0	0	0	15,565,438	15,371,439
33,017	0	139,733	4,151,664	4,694,793
4,302,267	469,862	1,164,233	88,947,783	86,610,020
2,806,629	426,634	557,095	29,679,656	29,073,689
0	0	0	22,523,222	22,147,324
0	0	0	15,576,048	15,196,144
0	0	0	1,926,054	1,879,077
2,806,629	426,634	557,095	69,704,980	68,296,234
0	0	0	138,190	76,709
376,062	0	92,025	2,953,212	3,060,509
0	0	0	172,000	42,100
0	0	0	2,292,766	1,938,615
376,062	0	92,025	5,556,168	5,117,933
0	0	0	1,076,357	1,773,416
405,000	0	115,000	822,666	502,666
781,062	0	207,025	7,455,191	7,394,015
227,832	43,228	53,098	5,736,615	5,289,732
0	0	0	35,928	35,928
0	0	0	300,000	0
150,000	0	33,600	662,600	555,920
0	0	0	100,000	100,000
377,832	43,228	86,698	6,835,143	5,981,580
3,965,523	469,862	850,818	83,995,314	81,671,829
0	0	0	505,692	480,146
0	0	0	2,895,741	2,944,704
0	0	0	419,883	419,883
336,744	0	313,415	1,131,154	1,093,458
336,744	0	313,415	4,952,470	4,938,191
4,302,267	469,862	1,164,233	88,947,783	86,610,020
152,109	6,444	160,483		
3.7%	1.4%	16.0%		

POSITIONS IN FULL TIME EQUIVALENTS

Department	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 Budget	FY 18 Manager	Change FY 17 - 18
MUNICIPAL BUDGET							
Select Board/Town Manager	2.50	2.50	2.50	3.50	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	1.83	1.83	1.50	(0.33)
Information Technology	4.00	4.00	4.00	4.00	4.84	4.84	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	5.25	5.25	0.00
TOTAL GENERAL GOVERNMENT	28.88	28.88	28.88	30.21	31.42	31.09	(0.33)
Police Facility	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Police	47.50	47.50	47.50	49.50	50.50	50.50	0.00
Fire/EMS	47.00	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	107.50	107.50	107.50	109.50	110.50	110.50	0.00
Public Works Administration	3.73	3.36	3.36	4.04	4.04	4.04	0.00
Highway	13.00	13.00	13.00	13.00	13.00	13.00	0.00
Street and Traffic Lights						0.34	0.34
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	26.86	26.86	27.54	27.54	27.88	0.34
Conservation	4.30	4.30	4.50	4.50	4.50	4.83	0.33
Planning Department	3.82	3.82	4.80	4.40	4.40	4.40	0.00
Inspections	5.00	8.00	8.00	10.00	9.00	10.00	1.00
TOTAL CONSERVATION & DEVELOPMENT	13.12	16.12	17.30	18.90	17.90	19.23	1.33
Public Health	4.00	4.54	4.54	2.54	2.54	1.54	(1.00)
Senior Center	3.00	3.00	3.00	3.00	3.20	3.20	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	15.54	15.54	13.54	13.74	12.74	(1.00)
TOTAL GENERAL FUND	191.73	194.90	196.08	199.69	201.10	201.44	0.34
Water Supply and Distribution	16.48	17.98	17.98	18.73	18.82	18.65	(0.17)
TOTAL WATER FUND	16.48	17.98	17.98	18.73	18.82	18.65	(0.17)
Sewer Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Wastewater Treatment Plant	15.83	16.33	16.33	16.48	16.31	16.14	(0.17)
TOTAL SEWER FUND	17.83	18.33	18.33	18.48	18.31	18.14	(0.17)
Sanitary Facilities	4.00	3.40	3.40	3.00	3.00	3.00	0.00
TOTAL SOLID WASTE FUND	4.00	3.40	3.40	3.00	3.00	3.00	0.00
Parking Facilities	4.20	4.20	4.20	4.60	4.60	4.60	0.00
TOTAL TRANSPORTATION FUND	4.20	4.20	4.20	4.60	4.60	4.60	0.00
TOTAL	234.24	238.81	239.99	244.50	245.83	245.83	0.00

POSITIONS IN FULL TIME EQUIVALENTS

12 - Municipal Staffing Levels



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

The Town has reduced its workforce by 12.52 positions since FY07, or -5.88%. Public Safety personnel have decreased by 3.5 FTEs, or -3.07%. Non-public safety positions have been reduced by 9.02 FTEs, or -9.13%.

Town of



Amherst Massachusetts

 OFFICE OF THE SELECT BOARD

Select Board
 Town Hall
 4 Boltwood Avenue
 Amherst, MA 01002-2351

Phone: (413) 259-3001
 Fax: (413) 259-2405
selectboard@amherstma.gov
www.amherstma.gov

To: Paul Bockelman, Town Manager

From: Alisa Brewer, Select Board Chair

Date: November 2, 2016

Re: FY18 Budget Policy Guidelines

At our Tuesday, November 1, 2016, meeting the Select Board unanimously approved the following Budget Policy Guidelines for FY18. 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 FY18:

- a) Overall fiscal sustainability is the primary budget goal, so all revenue and expenditure plans should 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 new growth, to fund Town services;
- d) A rate of housing production below that needed to meet the high housing demand, and rising housing costs, has 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. We welcome a short and prioritized list, with rationales, for budget additions should funds become available;
- f) Reserve funds must not be used to support recurring expenses, which require recurring revenue sources (see VI. Reserves);

- g) Thanks to Town staff's good planning, Town Meeting's fiscal discipline, and current projected revenues we have no need to consider 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) We need to recognize the costs, including for debt repayment, for the major capital projects that we are now considering: Wildwood School, Jones Library, South Fire Station and Public Works facility;
- i) Continuation of the seasonal shelter for homeless individuals is an important community need and we anticipate continued staff support (e.g., inspections, public safety) even though we no longer provide direct financial assistance to that 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 maintaining our reserves;
- k) If the revenue projection changes significantly, we will 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 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 services they require.

II. EXPENSE REDUCTION: The Select Board continues to support a number of expense reduction strategies and initiatives including the responsible reassignment of services outside of the general fund. Reassignment must be made with due consideration of the implications 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 energy 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; and,
- c) Pursuing solar power generation and other green initiatives as opportunities for economic development is important in supporting future budgets.

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 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 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 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 and sidewalk work, and transportation infrastructure improvements;
- 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 continue to catch up on the 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, MassWorks, and other grant opportunities and through shared purchasing and ownership with other towns or entities;
- b) Major projects are usually funded with borrowing and issuance of bonds;
- c) In support of a key community concern, we would like to see additional money put toward road and sidewalk paving; and,

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 costs 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;
- d) Reserves may be needed for that “rainy day” when there is a loss of revenue or increase in expenses that could not be anticipated. The use of reserves is to allow for effective management but should not become ongoing support for any program or the budget as a whole. Section B-3 expands on this; and,
- e) Reserves may be needed for capital as a planned and strategic way to mitigate the large peaks in capital expenditures during the first few years of execution of the 4 large capital projects.

Town of



AMHERST *Massachusetts*

Town Hall – 4 Boltwood Avenue – Amherst, MA 01002

October 28, 2016

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

From: Finance Committee

Re: Preliminary Fiscal Year 2018 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 as a base, with a percentage based on ability to pay (assuming the method is approved, by each of the towns in the region). In FY17 the four towns agreed to 10% based on an ability to pay factor. Ability to pay was calculated using each town's EQV (property values from the State's RECAP files). 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 \$22,967,135 for the municipal budget; \$22,523,222 for the elementary schools; \$15,576,048 for Amherst's assessment to the regional schools; and \$1,926,054 for the Jones Library. The apparently smaller percentage increase shown for the elementary schools, 1.7%, 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 Co-Finance Director Sonia Aldrich and Town Manager Paul Bockelman presented at the Four Boards Meeting on October 13.

Revenue

Aldrich projected an overall revenue increase of 2.9% from FY17. The largest revenue source is the property tax, which is expected to increase by 3.3%, 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. Aldrich 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 2017, 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 Co-Interim Finance Director and Town Manager also estimated revenues for FY18 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 increase by 3.8%, in part because UMass agreed to pay a fee in lieu of Hotel/Motel Tax. Other financing sources, which include reserves, decrease by .8%; the FY17 budget included \$40,000 that Town Meeting transferred from Free Cash to support the Schools Library paraprofessionals. There is no use of reserves projected to help finance the FY18 budget.

The Finance Committee asks the 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. The Committee 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 8% of the levy for FY17. The Finance Committee recommends that 8.5% of the levy be used for FY18, with a greater percentage of the levy used in future years if financial circumstances allow. The Finance Committee feels that getting to the 10% of Levy for Capital spending is necessary in order to afford the four major capital projects being proposed in the near future: the new elementary school building, Jones Library renovation/expansion, new Fire Station, and new Public Works facility. These projects will take careful financial planning. In addition to achieving our 10% goal for capital, we will need to continue to build our reserves, and control operational spending in order to make these affordable.

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 8.0% from FY17 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)

The Finance Committee proposes including an allocation of \$400,000 to the OPEB Trust in the FY18 budget. The June 30, 2014, actuary report estimated the Town of Amherst's liability at \$95.7 million. Amherst is required by law to fund pensions, however, as of now, not its OPEB obligation. Town Meeting has begun to put money into the OPEB Trust, starting with \$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, for FY17, it was \$300,000. Given the size of the OPEB obligation, the allocation of \$400,000 for FY18, 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 Poors 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 \$4,818,684 as of July 1, 2016. That plus the Stabilization Fund \$6,390,203 comprise the Town's reserves of \$11,208,887 million, which is 15% of FY17 General Fund operating revenues. This Committee will propose that the November 14 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 FY18, we would not be wise to use any reserves to fund recurring expenses in FY18. 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 FY18, 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 and relevant data,
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 Town Manager and Library Director to present budgets to the Finance Committee no later than January 19 and the Superintendent in February. 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, particularly as we pursue the four major capital projects discussed earlier.

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, Vice Chair

Joseph Jayne

Bernard Kubiak

Timothy Neale

Janice Ratner

Anurag Sharma

Marylou Theilman, Chair

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

DRAFT
For Discussion Purposes Only
Town Manager's Forecast
FY18 Budget Projection
Wednesday, January 5, 2017
Assumptions

	<u>FY 16</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 17</u>	<u>FY 18</u>	<u>\$</u>	<u>%</u>	<u>FY 19</u>	<u>%</u>	<u>FY 20</u>	<u>%</u>	
	<u>Recap</u>	<u>Actual</u>	<u>Projected</u>	<u>Recap</u>	<u>Projected</u>	<u>Chg</u>	<u>Chg</u>	<u>Projected</u>	<u>Chg</u>	<u>Projected</u>	<u>Chg</u>	
REVENUES												
PROPERTY TAX												
Base Levy	44,828,489	44,828,489	46,549,201	46,573,832	48,750,452	2,176,620	4.7%	50,569,213	3.7%	52,433,444	3.7%	
2.5% Allowable Increase	1,120,712	1,120,712	1,163,730	1,164,346	1,218,761	54,415	4.7%	1,264,230	3.7%	1,310,836	3.7%	
Estimated New Growth	624,631	624,631	850,000	1,012,274	600,000	(412,274)	-40.7%	600,000	0.0%	600,000	0.0%	Median \$600,000 for Fiscal Years 2018 - 2020
General Override	0	0	0	0	0			0		0		
Levy Limit	46,573,832	46,573,832	48,562,931	48,750,452	50,569,213	1,818,761	3.7%	52,433,443	3.7%	54,344,280	3.6%	
Debt Exclusion	125,378	125,378	76,709	76,709	138,190	61,481	80%	835,600	505%	2,043,220	145%	Last yr of High School debt and short term interest for the Amherst Elementary School Project
Maximum Allowable Levy	46,699,210	46,699,210	48,639,640	48,827,161	50,707,403	1,880,242	3.9%	53,269,043	5.1%	56,387,500	5.9%	
Excess Levy capacity	(5,315)	0	0	(21,468)	0			0		0		
Subtotal PROPERTY TAX	46,693,895	46,699,210	48,639,640	48,805,693	50,707,403	1,901,710	3.9%	53,269,043	5.1%	56,387,500	5.9%	
LOCAL RECEIPTS												
Motor Vehicle Excise	1,624,290	1,865,700	1,663,779	1,630,000	1,670,750	40,750	2.5%	1,712,519	2.5%	1,755,332	2.5%	Car sales data shows increased sales.
Hotel/Motel and Meals Excise	703,492	695,976	703,492	666,126	666,126	0	0.0%	682,779	2.5%	699,849	2.5%	Equals FY16 actual revenue
Penalties and Interest	223,000	203,416	223,000	188,000	188,000	0	0.0%	188,000	0.0%	188,000	0.0%	Equals FY16 actual revenue
PILOT	948,476	948,435	948,476	948,476	948,476	0	0.0%	948,476	0.0%	948,476	0.0%	Largest source is Enterprise Funds PILOTs
Rentals	89,550	102,243	99,850	99,850	99,850	0	0.0%	99,850	0.0%	99,850	0.0%	
Departmental Revenue	1,112,420	1,548,636	1,085,824	1,032,152	1,032,152	0	0.0%	1,032,152	0.0%	1,032,152	0.0%	Recurring department revenue
Licenses and Permits	1,077,927	1,529,475	1,054,401	1,054,401	1,099,471	45,070	4.3%	1,099,471	0.0%	1,099,471	0.0%	Conservatively increased FY15 actual revenue
Special Assessments	772,102	763,033	864,590	855,521	912,130	56,609	6.6%	912,130	0.0%	912,130	0.0%	PVTA assessment: UMass/5 College Inc.
Fines and Forfeits	204,570	129,758	149,565	120,565	120,565	0	0.0%	120,565	0.0%	120,565	0.0%	Changed Police enforcement policies
Investment Income	83,400	107,336	70,000	70,000	70,000	0	0.0%	70,000	0.0%	70,000	0.0%	Equals FY17 projected revenue
Miscellaneous(see notes section)	260,000	488,533	250,000	250,000	650,000	400,000	160.0%	650,000	0.0%	650,000	0.0%	Amherst College(\$130,000), UMass (\$220,000),
Subtotal LOCAL RECEIPTS	7,099,227	8,382,541	7,112,977	6,915,091	7,457,520	542,429	7.8%	7,515,942	0.8%	7,575,824	0.8%	PEG Cable Access funds (\$300,000)
STATE AID												
Chapter 70	5,954,998	5,954,998	6,020,943	6,020,943	6,051,048	30,105	0.5%	6,081,303	0.5%	6,111,710	0.5%	FY17 Governors budget increased 0.5%
Charter Assessment Reimbursement	141,367	126,388	192,520	269,411	269,411	0	0.0%	269,411	0.0%	269,411	0.0%	Based on trend data
Unrestricted General Govt Aid	7,760,993	7,760,993	8,094,716	8,094,716	8,256,610	161,894	2.0%	8,504,308	3.0%	8,759,438	3.0%	Reduced to 2.0% given talk of cuts in state aid
Veterans Benefits	180,268	167,264	181,595	181,595	181,595	0	0.0%	181,595	0.0%	181,595	0.0%	Based on 75% of paid benefits
Exempt Vets, Blind, Surv. Spouses, Elderly	33,240	29,245	35,999	35,999	35,999	0	0.0%	35,999	0.0%	35,999	0.0%	No change
State Owned Land	166,877	166,877	165,510	164,892	164,892	0	0.0%	164,892	0.0%	164,892	0.0%	No change
Offset Receipts												
School Lunch	0	6,694	0	0	0			0		0		State pays School Department directly
School Choice Tuition	338,073	336,133	319,432	336,133	336,133	0	0.0%	336,133	0.0%	336,133	0.0%	State pays School Department directly
Public Libraries	80,470	87,520	84,566	83,750	83,750	0	0.0%	83,750	0.0%	83,750	0.0%	State pays Jones Library directly
Subtotal STATE AID	14,656,286	14,636,111	15,095,281	15,187,439	15,379,438	191,999	1.3%	15,657,392	1.8%	15,942,927	1.8%	
OTHER FINANCING SOURCES												
Ambulance Fund	2,592,292	2,592,292	2,594,380	2,594,380	2,599,780	5,400	0.2%	2,664,775	2.5%	2,731,394	2.5%	Updated contracts with towns and UMass
Reserve for Debt Service - WW Roof	17,879	0	0	0	0	0		0		0		
Community Preservation Act (debt service only)												
Enterprise Fund Reimbursements	1,067,358	1,067,358	1,068,574	1,077,643	1,115,369	37,726	3.5%	1,115,369	0.0%	1,115,369	0.0%	Enterprise Funds reimburse Gen Fund
Overlay Surplus	0	0	0	0	0	0		0		0		
Miscellaneous	0	0	0	0	0	0		0		0		
Free Cash	836,675	836,675	10,000	40,000	0	(40,000)	-100.0%	0		0		
Stabilization Fund	105,000	105,000	0	0	0	0		0		0		
Subtotal OTHER FINANCING SOURCES	4,619,204	4,601,325	3,672,954	3,712,023	3,715,149	3,126	0.1%	3,780,144	1.7%	3,846,763	1.8%	
TOTAL REVENUES	73,068,612	74,319,187	74,520,852	74,620,246	77,259,510	2,639,264	3.5%	80,222,520	3.8%	83,753,015	4.4%	

	<u>FY 16</u> <u>Recap</u>	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Projected</u>	<u>FY 17</u> <u>Recap</u>	<u>FY 18</u> <u>Projected</u>	<u>\$</u> <u>Chg</u>	<u>%</u> <u>Chg</u>	<u>FY 19</u> <u>Projected</u>	<u>%</u> <u>Chg</u>	<u>FY 20</u> <u>Projected</u>	<u>%</u> <u>Chg</u>	
EXPENDITURES												
OPERATING BUDGET												
Town	21,704,749	21,704,749	22,406,961	22,406,961	22,967,135	560,174	2.5%	23,541,313	2.5%	24,129,846	2.5%	
Elementary Schools	21,869,835	21,869,835	22,147,324	22,147,324	22,523,222	375,898	1.7%	23,086,303	2.5%	23,663,460	2.5%	
A-P Regional School District (Assessment)	14,825,506	14,825,506	15,196,144	15,196,144	15,576,048	379,904	2.5%	15,965,449	2.5%	16,364,585	2.5%	
Jones Library (Tax Support)	1,833,246	1,833,246	1,879,077	1,879,077	1,926,054	46,977	2.5%	1,974,205	2.5%	2,023,560	2.5%	
Subtotal OPERATING BUDGET	60,233,336	60,233,336	61,629,506	61,629,506	62,992,459	1,362,953	2.2%	65,122,500	3.4%	66,747,752	2.5%	
CAPITAL BUDGET												
Debt Service - Debt Exclusion	125,378	125,378	76,709	76,709	138,190	61,481	80.1%	835,600	504.7%	2,043,220	144.5%	Last yr of High School debt and short term Interest for the Amherst Elementary School Project
Debt Service - Current	1,807,892	1,807,892	1,914,319	1,914,320	1,833,617	(80,703)	-4.2%	1,451,277	-20.9%	1,008,713	-30.5%	
Debt Service - Projected	10,000	10,000	42,100	42,100	172,000	129,900	308.6%	180,333	4.8%	836,933	364.1%	Sunderland Montague Rds land purchase
Cash Capital (Tax Support)	1,690,574	1,672,695	1,908,615	1,908,615	2,292,766	384,151	20.1%	3,087,400	34.7%	3,317,061	7.4%	
Subtotal Tax Funded Capital	3,633,844	3,615,965	3,941,743	3,941,744	4,436,573	494,829	12.6%	5,554,610	25.2%	7,205,927	29.7%	
Tax Capital Less Debt Exclusion	3,508,466	3,490,587	3,865,034	3,865,035	4,298,383	433,348	11.2%	4,719,010	9.8%	5,162,707	9.4%	
% Net Tax Levy	7.5%	7.5%	8%	7.9%	8.50%			9.00%		9.50%		Town Financial Policy goal is 10% of tax levy
Community Preservation Act (debt service on	0	0	0		-			-		-		
Cash Capital (Free Cash)				30,000		(30,000)	-100.0%					
Cash Capital (Ambulance Fund)	77,000	0		0	0			0		0		
Subtotal CAPITAL	3,710,844	3,615,965	3,941,743	3,971,744	4,436,573	464,829	11.7%	5,554,610	25.2%	7,205,927	29.7%	
MISCELLANEOUS												
Assessment - Retirement System	4,528,702	4,508,523	4,722,520	4,722,520	5,157,420	434,900	9.2%	5,415,291	5.0%	5,686,056	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	200,000	296,345	300,000	300,000	400,000	100,000	33.3%	500,000	25.0%	600,000	20.0%	Building OPEB funding into annual budget
Cable Television PEG Access					300,000	300,000	--	300,000	0.0%	300,000	0.0%	New DOR requirement how we handle PEG funds
Reserve Fund	100,000	0	100,000	100,000	100,000	0	0.0%	100,000	0.0%	100,000	0.0%	Finance Committee Reserve Fund
Subtotal MISCELLANEOUS	4,864,630	4,840,796	5,158,448	5,158,448	5,993,348	834,900	16.2%	6,351,219	6.0%	6,721,984	5.8%	
Total APPROPRIATIONS	68,808,810	68,690,097	70,729,697	70,759,698	73,422,380	2,662,682	3.8%	77,028,329	4.9%	80,675,662	4.7%	
UNAPPROPRIATED USES												
Reserve for Abatements & Exemptions	467,928	465,738	485,629	480,146	505,692	25,546	5.3%	524,334	3.7%	543,443	3.6%	Target: 1% of tax levy
State Assessments (Cherry Sheet)	2,520,833	2,581,618	2,825,113	2,944,704	2,895,741	(48,963)	-1.7%	2,968,134	2.5%	3,042,338	2.5%	Charter & Choice Tuition, PVTA, etc.
Cherry Sheet Offsets	418,543	430,346	403,998	419,883	419,883	0	0.0%	419,883	0.0%	419,883	0.0%	See Offset Receipts in Revenue above
Other Amounts to be Raised	15,823	9,581	15,815	15,815	15,815	0	0.0%	15,815	0.0%	15,815	0.0%	PVPC and Tax Title
Subtotal UNAPPROPRIATED USES	3,423,127	3,487,283	3,730,555	3,860,548	3,837,131	(23,417)	-0.6%	3,928,166	2.4%	4,021,478	2.4%	
TOTAL BUDGET PLAN	72,231,937	72,177,380	74,460,252	74,620,246	77,259,510	2,639,265	3.5%	80,956,495	4.8%	84,697,140	4.6%	
								3,696,985		3,740,645		
SURPLUS / (SHORTFALL)	836,675	2,141,807	60,600	0	0			(733,975)		(944,125)		