

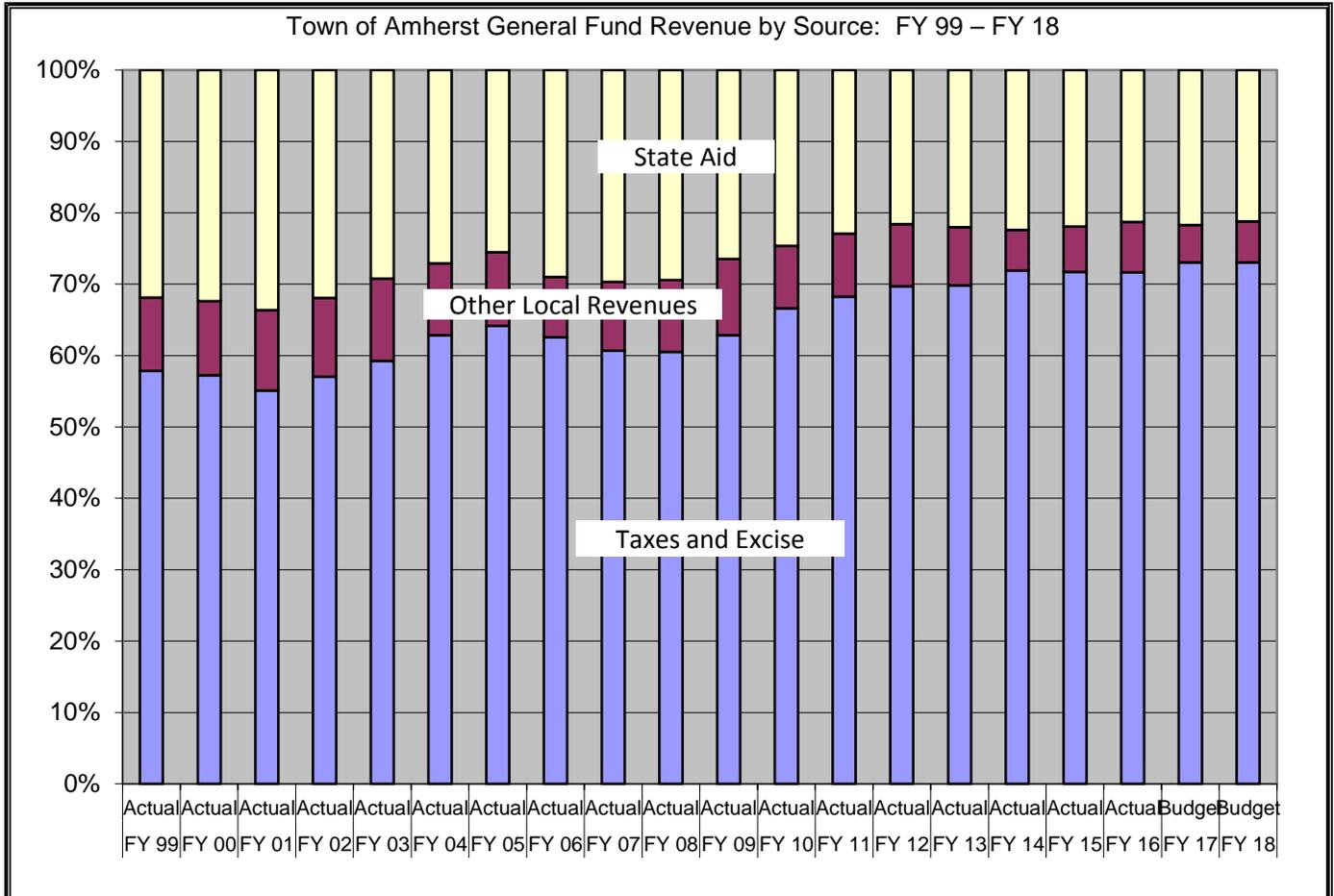
**GENERAL
FUND**

GENERAL FUND RESOURCES SUMMARY

MISSION STATEMENT: To identify funds to support General Fund services.

- CONTINUING OBJECTIVES:**
- To manage and grow the tax levy within constraints of Proposition 2½.
 - To monitor state aid distributions and formulas.
 - To monitor availability of Federal and State Grants.
 - To develop equitable fees, charges, and other local sources of funding wherever possible.

SERVICE LEVELS:	FY 12 <u>Actual</u>	FY 13 <u>Actual</u>	FY 14 <u>Actual</u>	FY 15 <u>Actual</u>	FY 16 <u>Actual</u>
As % of Total Resources					
Taxes	62	62	62	63	63
Other Local Source Revenues	13	12	11	10	11
State Revenues	20	21	20	20	20
Other Financial Sources	5	5	7	6	6



GENERAL FUND RESOURCES SUMMARY

	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 Budget	FY 18 Manager	Change FY 17 - 18	Percent Change
Property Tax	43,254,058	44,993,435	46,699,210	48,805,693	50,707,403	1,901,710	3.9%
Local Receipts	6,886,866	7,437,747	8,382,541	6,915,091	7,457,520	542,429	7.8%
State Aid	14,204,022	14,471,581	14,636,111	15,187,439	15,379,438	191,999	1.3%
Other Financing Sources	4,997,590	5,539,306	4,601,325	3,712,023	3,715,149	3,126	0.1%
	<u>69,342,536</u>	<u>72,442,069</u>	<u>74,319,187</u>	<u>74,620,246</u>	<u>77,259,510</u>	<u>2,639,264</u>	<u>3.5%</u>

MAJOR COMPONENTS:

Revenues include all local sources of taxation and fees that are constitutionally allowed and assessed on an annual basis. Other Financing Sources include funds available for expenditure by the General Fund that are drawn from reserves or represent assessments to other operating funds of the Town. These may be funds available only once, e.g., when an asset is sold, or they may be available each year that the services are provided to other funds.

SIGNIFICANT BUDGET CHANGES:

See following pages.

RESOURCES

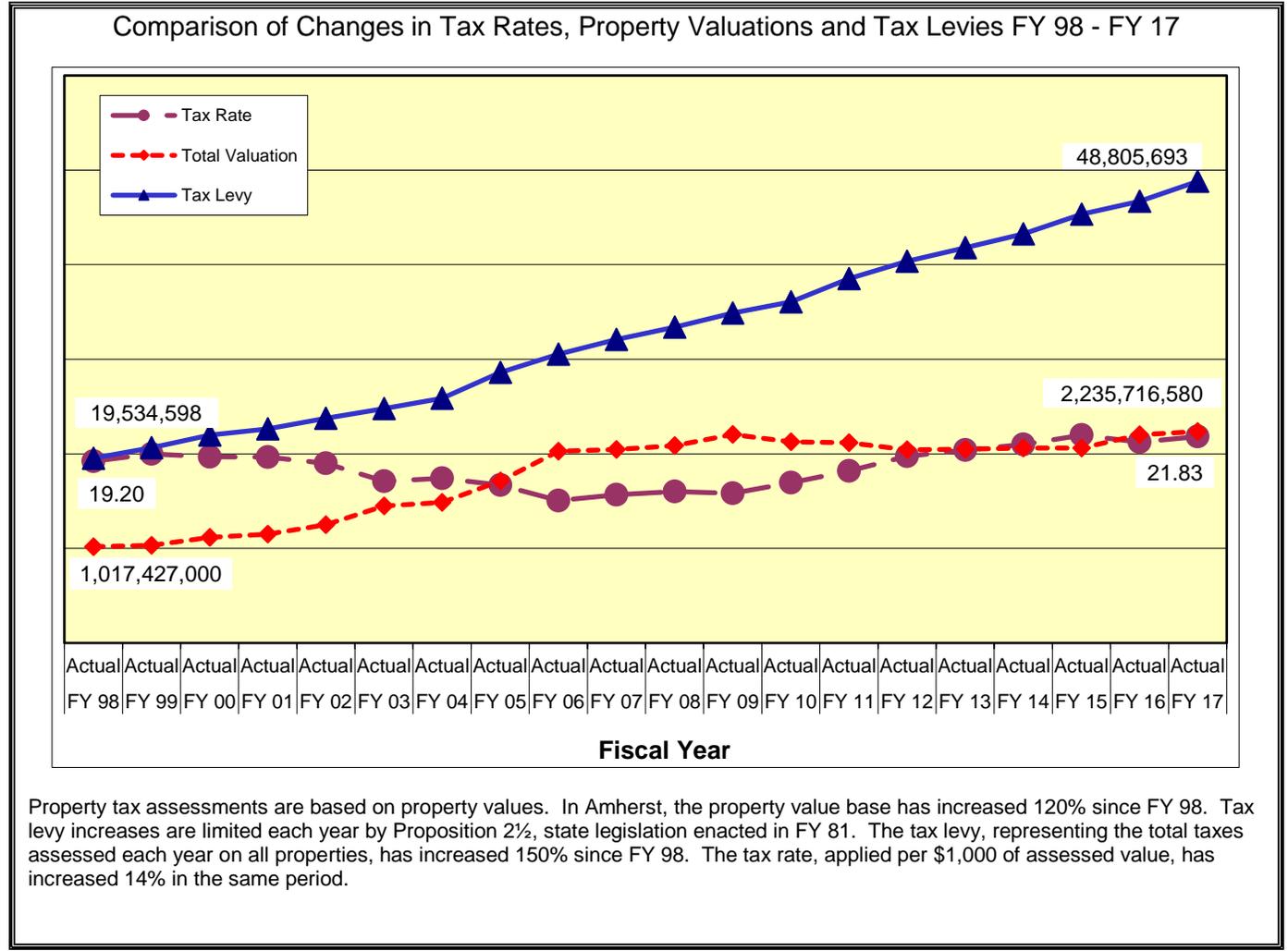
PROPERTY TAX

MISSION STATEMENT: To provide tax support for General Fund services.

CONTINUING OBJECTIVES:
To manage and grow the tax levy within constraints of Proposition 2½.

FY 18 OBJECTIVES:
To accurately estimate the property tax levy capacity, including new growth, in order to provide the resources necessary to support the Town's programs and services.

SERVICE LEVELS:	FY 12 Actual	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Actual
Taxes as % of Total Resources					
Real and Personal Property Taxes	62	62	62	63	63



RESOURCES

PROPERTY TAX

	FY 14	FY 15	FY 16	FY 17	FY 18	Change	Percent
	Actual	Actual	Actual	Budget	Manager	FY 17 - 18	Change
Base Levy	41,550,978	43,044,827	44,828,489	46,573,832	48,750,452	2,176,620	4.7%
2.5% Allowable Increase	1,038,774	1,076,121	1,120,712	1,164,346	1,218,761	54,415	4.7%
New Growth	455,075	707,541	624,631	1,012,274	600,000	(412,274)	-40.7%
Levy Limit	43,044,827	44,828,489	46,573,832	48,750,452	50,569,213	1,818,761	3.7%
Debt Exclusion	213,522	171,480	125,378	76,709	138,190	61,481	80.1%
Maximum Allowable Levy	43,258,349	44,999,969	46,699,210	48,827,161	50,707,403	1,880,242	3.9%
Excess Levy Capacity	(4,291)	(6,534)	0	(21,468)	0		
Subtotal PROPERTY TAX	43,254,058	44,993,435	46,699,210	48,805,693	50,707,403	1,901,710	3.9%

MAJOR COMPONENTS:

Real and Personal Property Taxes are the Town's largest source of revenue.

SIGNIFICANT BUDGET CHANGES:

This budget assumes that the Town will use its full tax levy capacity in FY 18. Property taxes will increase at the allowable 2.5% limit per year (+\$1,218,761). New growth added to property tax is estimated at \$600,000, which is 14% above the 10 year median for new growth. FY 18 is the last payment for the amount added to the levy via a debt exclusion override in 1994 for renovations and additions to Amherst Pelham Regional High School (\$32,250) and the first year of payment to rebuild the elementary schools (\$105,940).

RESOURCES

LOCAL RECEIPTS

MISSION STATEMENT: To provide revenues to support General Fund services.

FY 18 OBJECTIVES: To review current fee levels in relation to FY 18 costs of services.

SERVICE LEVELS:

	<u>FY 12</u> <u>Actual</u>	<u>FY 13</u> <u>Actual</u>	<u>FY 14</u> <u>Actual</u>	<u>FY 15</u> <u>Actual</u>	<u>FY 16</u> <u>Actual</u>
Revenues as % of Local Source Revenues					
Other Taxes	37	38	41	44	42
Departmental Revenue	16	18	14	19	19
Rentals	1	1	1	1	1
Licenses and Permits	11	13	14	18	18
Special Assessments	8	8	7	10	9
Fines and Forfeits	3	3	3	2	2
Penalties and Interest	3	3	4	3	2
Investment Income	1	1	1	1	1
Miscellaneous	21	15	15	2	6

MAJOR COMPONENTS:Departmental Revenue

General Government	\$117,073
Public Safety	32,200
Public Works	6,000
Conservation, Planning, Inspections	80,100
Community Services	536,230
Medicaid Reimbursement	<u>260,549</u>
Total Departmental Revenues	\$1,032,152

Special Assessments:

UMass PVTA Assessment	\$682,129
Five College PVTA Assessment	<u>230,001</u>
Total Special Revenue Funds	\$ 912,130

Licenses & Permits

General Government	\$ 177,950
Public Safety	120,000
Public Works	10,000
Inspection Services and Health	<u>791,521</u>
Total Licenses & Permits	\$1,099,471

Miscellaneous

Amherst College	\$130,000
UMass Strategic Partnership	120,000
UMass Hotel/Motel Occupancy	100,000
Cable Television PEG Access	<u>300,000</u>
Total Miscellaneous	\$650,000

RESOURCES

LOCAL RECEIPTS

	FY 14	FY 15	FY 16	FY 17	FY 18	Change	Percent
	Actual	Actual	Actual	Budget	Manager	FY 17 - 18	Change
Motor Vehicle Excise	1,540,811	1,624,290	1,865,700	1,630,000	1,670,750	40,750	2.5%
Hotel/Motel and Meals Excise	796,176	703,492	695,976	666,126	666,126	0	0.0%
Penalties and Interest	303,430	223,077	203,416	188,000	188,000	0	0.0%
PILOT	947,025	948,735	948,435	948,476	948,476	0	0.0%
Rentals	97,954	85,965	102,243	99,850	99,850	0	0.0%
Departmental Revenue	1,092,364	1,428,148	1,548,636	1,032,152	1,032,152	0	0.0%
Licenses and Permits	1,102,441	1,301,754	1,529,475	1,054,401	1,099,471	45,070	4.3%
Special Assessments	583,126	741,867	763,033	855,521	912,130	56,609	6.6%
Fines and Forfeits	232,437	147,562	129,758	120,565	120,565	0	0.0%
Investment Income	53,610	96,608	107,336	70,000	70,000	0	0.0%
Miscellaneous	137,492	136,250	488,533	250,000	650,000	400,000	160.0%
Subtotal LOCAL RECEIPTS	6,886,866	7,437,747	8,382,541	6,915,091	7,457,520	542,429	7.8%

SIGNIFICANT BUDGET CHANGES:

Motor vehicle excise revenues are estimated at \$1,670,750, an increase of 2.5% from the FY 17 budget. We remain conservative on these estimates due to the uncertain nature of the economy and vehicle purchases.

Departmental revenue is consistent with long-term actual receipts.

Licenses and permits increase by \$45,070 or 4.3% from the FY 17 budget. We remain conservative on these estimates due to the uncertain nature of the economy and building construction.

Special Assessments increase by \$56,609. These payments are made by UMass and Five Colleges, Inc. to reimburse the Town for their share of the Pioneer Valley Transit Authority (PVTA) annual assessments. The assessments and the reimbursement amounts change year-to-year based on PVTA's costs and on the ridership from UMass, the Five Colleges, and the Town.

Miscellaneous receipts increased by \$400,000. There are two parts to this increase, the first being \$100,000 estimated for the fees collected from UMass in lieu of Hotel/Motel taxes. The second is \$300,000 estimated payments to the Town from Comcast for cable television Public, Education, and Government (PEG) access. Effective FY 18, the Department of Revenue (DOR) will require the Town to account for the fees collected from Comcast differently than in the past. Per the DOR, these funds can be appropriated for cable-related purposes consistent with the franchise agreement including, but not limited to, the support of public, educational or governmental access cable television services; to monitor compliance of the cable operator and the franchise agreement; and to prepare for renewal of the franchise license.

RESOURCES

STATE AID

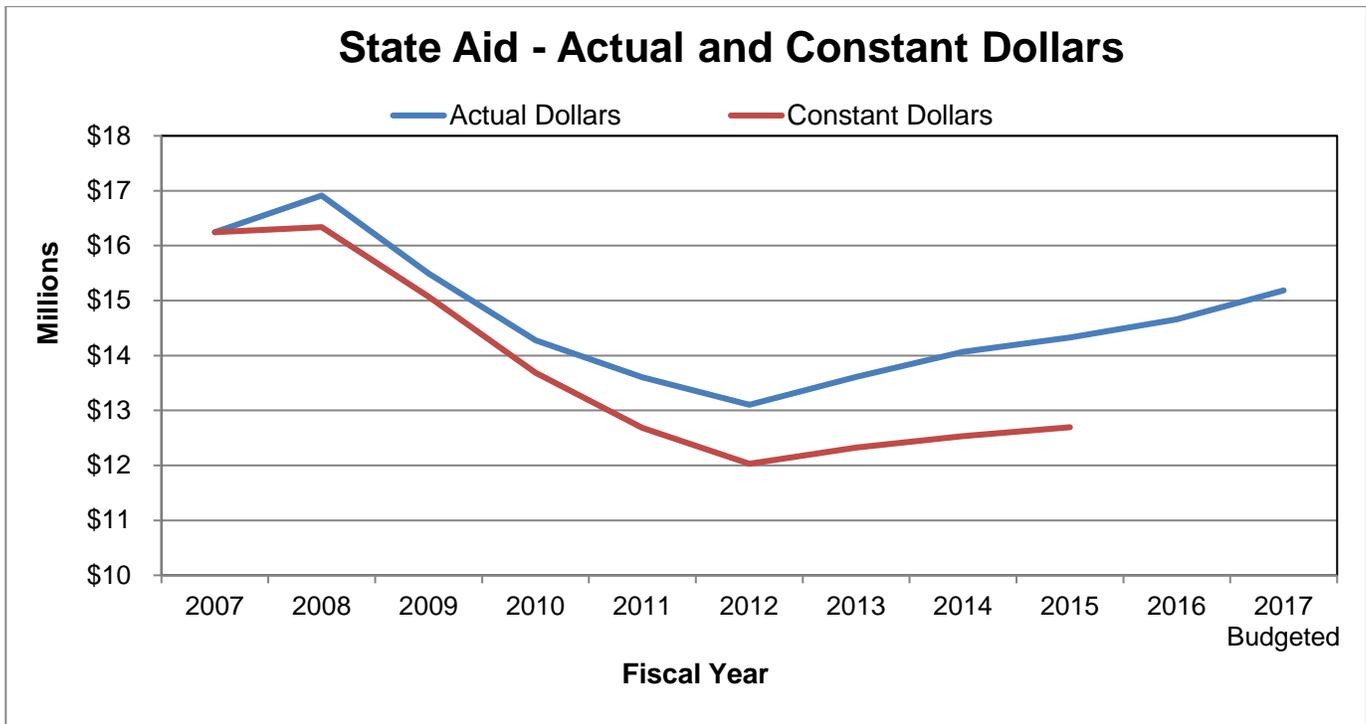
MISSION STATEMENT: To administer state revenues received for general purposes and purposes related to specific grants.

CONTINUING OBJECTIVES:
To review and monitor State Aid distributions, the availability of other State and Federal funds, and the State Aid and Education Reform formulas.

SERVICE LEVELS:	<u>FY 12 Actual</u>	<u>FY 13 Actual</u>	<u>FY 14 Actual</u>	<u>FY 15 Actual</u>	<u>FY 16 Actual</u>
State revenues as a % of Total Resources	20	21	21	20	20

State Aid - Actual and Constant Dollars

Reductions in State Aid are considered a warning indicator, particularly if the Town does not have adequate reserves or other revenues to offset cuts.



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	X

Reliance on state aid for funding has both an upside and a downside. While increases in state aid may permit additional services, increased state aid as a percentage of operating revenue may be difficult to manage when there is a reduction in this funding.

State Aid to the Town is lower in FY 17 than in FY 08 in both actual and inflation adjusted dollars, with cuts of over \$1.7 million since FY 08.

RESOURCES

STATE AID

	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 Budget	FY 18 Manager	Change FY 17 - 18	Percent Change
Chapter 70	5,895,073	5,925,198	5,954,998	6,020,943	6,051,048	30,105	0.5%
Charter Tuition Assessment							
Reimbursement	300,229	334,378	126,388	269,411	269,411	0	0.0%
Unrestricted General Govt Aid	7,289,164	7,491,306	7,760,993	8,094,716	8,256,610	161,894	2.0%
Veterans Benefits	221,335	172,743	167,264	181,595	181,595	0	0.0%
Exempt: Vets, Blind, Surv. Spouses, Elderly	13,052	35,427	29,245	35,999	35,999	0	0.0%
State Owned Land	155,965	166,877	166,877	164,892	164,892	0	0.0%
Offset Receipts							
School Lunch	6,443	6,412	6,694	0	0	0	0.0%
School Tuition	255,276	255,276	336,133	336,133	336,133		
Public Libraries	67,485	83,964	87,520	83,750	83,750	0	0.0%
Subtotal STATE AID	14,204,022	14,471,581	14,636,111	15,187,439	15,379,438	191,999	1.3%

SIGNIFICANT BUDGET CHANGES:

Assumes state aid increase of 0.5% in Chapter 70 education and a conservative 2% increase in Unrestricted General Government Aid based on current information about the State budget. All other aid estimates are level funded. These estimates will be revised as the state budget process unfolds, beginning with the release of the Governor's FY 18 state budget proposal on January 25, 2017. Per the chart on the previous page and the table above, please note that state aid has been cut by over \$1.7 million since FY 08. State aid, when adjusted for inflation, is below FY 02 levels.

RESOURCES

OTHER FINANCING SOURCES

MISSION STATEMENT: To make use of sources other than recurring revenues to finance government services and specific major capital projects.

CONTINUING OBJECTIVES:

- To transfer appropriate amounts from Enterprise Funds for services provided by General Fund departments.
- To manage debt financing in accordance with the Capital Plan.

FY 18 OBJECTIVES:

- To maximize Ambulance Fund receipts to support Emergency Medical Services (EMS) operating and capital costs and thereby minimize tax support needed.
- To not use reserves (Free Cash and/or Stabilization Fund) to balance the FY 18 budget, if possible.

SERVICE LEVELS:

	<u>FY 12 Actual</u>	<u>FY 13 Actual</u>	<u>FY 14 Actual</u>	<u>FY 15 Actual</u>	<u>FY 16 Actual</u>
<u>% of Total Resources</u>					
Special Revenue Funds	4	4	3	4	4
Overlay Reserve Account	1	0	0	0	0
Surplus Funds:					
Free Cash	1	3	2	2	1
Stabilization	0	0	0	0	0
Other Interfund Transactions	1	1	2	2	1

RESOURCES

OTHER FINANCING SOURCES

	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 Budget	FY 18 Manager	Change FY 17 - 18	Percent Change
Ambulance Fund	2,355,028	2,839,433	2,592,292	2,594,380	2,599,780	5,400	0.2%
Enterprise Fund Reimbursements	880,193	1,050,777	1,067,358	1,077,643	1,115,369	37,726	3.5%
Overlay Surplus	160,028	0	0	0	0	0	0.0%
Free Cash	1,602,341	1,649,096	836,675	40,000	0	(40,000)	0.0%
Stabilization Fund	0	0	105,000	0	0	0	0.0%
Subtotal OTHER FINANCING SOURCES	4,997,590	5,539,306	4,601,325	3,712,023	3,715,149	3,126	0.1%

SIGNIFICANT BUDGET CHANGES:

A total of \$2,599,780 in support from the Ambulance Fund is allocated to the Fire Department operating budget including recently settled collective bargaining agreements and other administrative support costs (billing, IT, and the Communications Center).

Consistent with Finance Committee budget guidelines, no contribution from Free Cash/Stabilization Fund reserves is included to balance the FY 18 budget. In FY 14, \$1,602,341 of Free Cash was appropriated: \$30,000 to pay for a joint Town-Gown study with UMass, \$90,000 to provide social service program funds, \$156,118 was transferred to OPEB, and \$1,326,223 was transferred to the stabilization fund. In FY 15, \$1,649,096 of Free Cash was appropriated: \$125,000 to support social services, \$170,073 was transferred to OPEB, and \$1,354,023 was transferred to the stabilization fund. In FY 16, \$836,675 of Free Cash was appropriated: \$185,973 was transferred to OPEB, and \$650,702 was transferred to stabilization. Town Meeting also voted to support subsidies for LSSE's programs, \$105,000 of Stabilization was appropriated.

GENERAL FUND EXPENDITURES SUMMARY

		FY 14	FY 15	FY16	FY 17	FY 18	Change	%
		Actual	Actual	Actual	Budget	Manager	FY 17-18	Change
General Government	\$	6,000,196	5,986,388	6,407,517	6,799,048	7,059,104	260,056	3.8%
Public Safety	\$	9,140,796	9,580,832	9,856,588	10,221,048	10,359,472	138,424	1.4%
Public Works	\$	2,202,600	2,310,082	2,101,281	2,254,654	2,326,634	71,980	3.2%
Conservation & Development	\$	973,550	1,124,037	1,252,602	1,291,201	1,421,061	129,860	10.1%
Community Services	\$	1,713,245	1,847,984	1,843,387	1,841,046	1,800,864	(40,182)	-2.2%
TOTAL APPROPRIATION	\$	20,030,387	20,849,323	21,461,374	22,406,997	22,967,135	560,138	2.5%

SIGNIFICANT BUDGET CHANGES:

RECOMMENDED BUDGET:

The Town Manager's proposed FY 18 municipal budget is funded at \$22,967,135 and meets the Finance Committee's guideline of a 2.5% increase from FY 17. This is a level services budget with some increases necessary to fund increased contractual costs and minor staffing adjustments resulting in an overall increase of .34 full time equivalent positions (FTE).

POSSIBLE BUDGET RESTORATIONS AND ADDITIONS IF ADDITIONAL FUNDS AVAILABLE:

The Finance Committee budget guideline assumes a modest increase of 2.1% in state aid in FY 18. This budget uses a more conservative estimate of state aid increase at 1.3%. Once the Governor releases his budget on January 25, 2017, revenue estimates will become more definitive. A prioritized list of budget additions for FY 18 is included in the Town Manager's Letter of Transmittal should additional funds become available.