

PLEASE RECYCLE

THIS BUDGET

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

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*Town of*



# AMHERST *Massachusetts*

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To: Select Board  
Finance Committee

From: Paul Bockelman  
Town Manager

Date: January 11, 2018

Subject: Town Manager's Proposed FY19 Municipal Budget

In accordance with the Amherst Town Government Act, I am pleased to submit my proposed budget for the fiscal year beginning July 1, 2018 (FY19).

## **The Big Picture**

This budget looks forward as we actively address the many opportunities and challenges facing the Town of Amherst. With the guidance and support of the Select Board, here are some of the key initiatives we will be working on in FY19:

- Embracing the philosophy of sustainability and developing a broad policy and goals to reduce energy use in the face of climate change;
- Addressing the backlog of paving needs for roads, sidewalks, and crosswalks including funding for ongoing maintenance;
- Taking strides to invest in the Town's built infrastructure including maintenance of existing buildings and building new DPW and Fire Department headquarters;
- Working with stakeholders to develop a shared vision for the development of the downtown and village centers;
- Developing a plan to meet the Town's obligation to provide reasonable health insurance for its retirees, employees, and their families;
- Utilizing the fire staffing study to determine appropriate service and staffing levels for the Fire Department while continuing to monitor call volume and plans of neighboring communities;
- Continuing to evaluate and analyze the Town's operations to identify paths to greater efficiency; and,
- Cultivating strategies to make the Town an age-friendly community.

In addition to these initiatives, Town staff will be dedicated to moving forward on numerous projects that have been funded. These include:

- The renovation of the North Common – the most treasured piece of public real estate in Town – along with the reconstruction of the Main Street parking lot;
- The renewal of Groff Park to accommodate active play areas such as a playground and spray park;
- Locating and developing a dog park;
- Permitting and constructing a solar array on the North Landfill and environmental mitigation efforts on the South Landfill;
- Installing new BikeShare stations; and,
- Assess future plans for Puffers Pond, Cherry Hill Golf Course, and water system supply and resiliency.

### **The Budget**

Budgets are about priorities and choices. Priorities reflect the Town's values, the level of services we want as a community, and how we treat our employees. Choices are about how much we are willing and have the capacity to pay for the services we want and what we will and will not choose to fund.

We are fortunate that the Town of Amherst has a strong tax base. This tax base, along with significant new growth in the form of new construction projects, gives the Town the resources it needs to do its work in these important areas.

This budget permits the Town to continue to meet the high expectations of the public for core services such as professional police, fire, and emergency medical services; safe roads, water, and wastewater; strong financial management and planning; superb libraries; and excellent schools. It speaks to the need for more affordable housing to address the very real needs in the community and continues to focus on the maintenance and care of open space and conservation areas.

My proposed FY19 municipal budget is funded at \$23,844,470, an overall increase of 3.5%. It aligns with the Select Board's Budget Policy Guidelines and complies with the Finance Committee's revised guideline of no more than a 3.5% increase.

It is a level-services budget with funds included to meet the Town's contractual obligations and a significant increase to cover the employer share of the health insurance program offered to employees and retirees. Revenue streams, especially from new growth, continue to be strong and, therefore, will be utilized to meet this budgetary challenge. However, numerous requests from departments for services and programs to meet the needs of the residents of the Town could not be included due to budget limitations.

The Town has a finely tuned, coherent process for developing and reviewing its budget. Once this budget is submitted, the Finance Committee meets weekly with individual department heads in public session to discuss every aspect of their operations and requests for funding. I encourage members of the public to attend those sessions or view them on the local cable access channel.

### **FY19: Meeting the Challenge**

This FY19 budget is built on a number of assumptions, the most important of which is that residents want the same high level of services that we currently provide. This includes a strong commitment to public services and a dedication to prudent fiscal management. The solid financial foundation established over decades of strong fiscal management gives us the tools to move the Town of Amherst forward along a steady and prudent financial path and meet the challenges of increased health care costs without significant cuts in service.

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.

In short, this budget sustains core Town services and meets our budget challenges. Increases in the budget have been made only to cover benefits such as health insurance, contractual payroll requirements, and adjustments in departmental expenses. Expenses, in general, are flat and no additional staff positions are proposed.

### **FY17: Moving On**

Coming off a difficult FY16, FY17 proved to be a “no drama” year. The Town concluded its fiscal year without any financial issues and no transfers required of the Finance Committee.

Throughout FY17 and the first half of FY18, Town staff continued to make progress on many important initiatives and priorities. Some of the more noteworthy accomplishments:

- Managed major staff changes, always one of the biggest challenges facing a Town Manager:
  - Long-time LSSE director Linda Chalfant retired and we found her successor, Barb Bilz, within our own ranks. Her appointment catalyzed LSSE into reviewing its entire operations with exciting changes being planned and implemented.
  - Facilities Director Ron Bohonowicz's retirement presented the task of finding a person with the background, temperament, and skills to fill this unique position that is shared with the School Department. While no one will ever fill Ron's shoes, we are pleased to have hired an experienced manager in Jim McPherson.
- Concluded the FY17 fiscal year without incident and 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.
- Completed construction of the roundabout at the intersection of Triangle and East Pleasant Streets which has improved traffic flow dramatically without hindering pedestrian or bike activity. And continued work on the Amherst Woods sewer project.
- Coordinated Town efforts related to medical marijuana dispensaries and, more recently, adult use marijuana and successfully passed a series of bylaws at Town Meeting.

- Utilized the first-in-the-state tax incentive for affordable housing to support the North Square at the Mill District development in North Amherst. Beacon Communities will add 130 residential units, including 20% that are deeply affordable, plus 22,000 square feet of non-residential space, 304 parking spaces, and site improvements.
- Implemented rate increases to the employer and employee shared health plan premiums, following dramatic change in health insurance claims experience, to support the Health Claims Trust Fund. Modest plan design changes in FY17 were the first step. Additional increases were required in the current year to prevent a FY18 year-end deficit in the Health Trust Fund. The 14 member Health Insurance Advisory Committee, comprised of representatives of every bargaining unit, non-union employees, and school and Town retirees, continues to work collaboratively to address the increased claims experience and the future of the Trust. It is highly likely that an additional appropriation will be needed in FY18.
- Successfully negotiated a new 10-year contract with Amherst Media for public, educational, and government public access cable services.
- Completed the Fire Staffing Study and assembled a working group to review the recommendations in the context of the overall Fire Department operations.
- Worked with the Downtown Parking Working Group to update rates, hours and hardware in downtown parking facilities in accordance with principles of demand based parking. In addition to replacing lot meters, we added a mobile payment option for parking patrons and introduced a new winter parking ban system.
- 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 and all businesses in the Town.
- Launched multiple community outreach efforts including the Town Hall Road Show, Cuppa Joe with Paul breakfast meetings, employee meet-ups with the manager, and expanded social media presence to better connect with employees and make Town government more accessible to the public

### **FY19: Revenues**

This budget projects strong revenue growth for FY19 with Property Tax revenues increasing by 4.1% and Local Receipts increasing by 4.3%. I have been very conservative in projecting increases in State Aid.

Significant new revenue growth will be generated by local sources, specifically property taxes and local fees and receipts. This increase speaks to the significant impact that new construction has on the operations of the Town. New growth in the value of property in Town is projected to add \$2 million to revenues. This budget utilizes this timely increase in revenues to address the health insurance costs and allows us to budget a 3.5% increase in the operating budgets for the Town, Schools and Library.

New growth, in particular, is projected to add \$830,000 to the levy, which is 53% above the 10-year median for new growth (conservatively estimated as the timing of several projects remains unknown). This increase is augmented by growth in other revenues (local receipts) of 4.3%, as a result of steady excise tax year over year levy, and strong departmental receipts for Inspections and the Building Department.

State Aid is conservatively projected to increase only 1.8%, 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 1.0% and unrestricted general government aid by 2.5%.

No reserves are utilized to support the budget nor is an override proposed.

In conjunction with my budget proposal, I submitted recommendations to the Select Board at its January 8<sup>th</sup> meeting for an increase to sewer rates (no change in water rates) to support those services.

### **FY19: Budget**

My recommended FY19 Town of Amherst Municipal Budget includes the following:

- General Fund                   \$23,844,470
- Water Fund                    4,472,188
- Sewer Fund                    4,525,876
- Solid Waste Fund            487,270
- Transportation Fund        1,164,370

My proposed FY19 General Fund is budgeted at \$23,844,470, an overall increase of 3.5%. As we analyzed our expenses for the coming year, it became clear the increased cost of providing health care insurance to our employees would consume the entire increase allowed by a traditional 2.5% year over year growth projection. The challenge of the Health Claims Trust Fund is the major financial hurdle facing the Town, which all three employers (Town, Schools and Library) are working hard to manage utilizing existing resources. Although compromise and difficult choices will still be needed, a 3.5% increase allows each of these entities to make decisions and set priorities with significantly fewer cuts to services and staff.

### **General Fund Expenses**

Within the General Fund, operating budgets increase as follows:

	FY19 Recommendation	Dollar Change from FY18	Percent Change from FY18
General Government	\$7,855,219	\$785,115	11.1%
Public Safety	\$10,446,161	\$86,689	0.8%
Public Works	\$2,355,505	\$28,871	1.2%
Conservation & Development	\$1,439,099	\$18,038	1.3%
Community Services	<u>\$1,748,486</u>	<u>(\$112,378)</u>	<u>-6.0%</u>
Total	\$23,844,470	\$806,335	3.5%

It should be noted that General Government retains the accounts for employee benefits and benefits for employees of all General Fund functional areas are consolidated in this line. In addition, salary reserve for unsettled contracts – including two Public Safety contracts that have yet to be settled - are also included, funds that get allocated to the department once negotiations are completed.

Without Employee Benefits, the increase for the General Government functional area is 2.2%, a level services budget covering payroll adjustments.

The 6% reduction in Community Services results from three significant changes:

- the reorganization of Leisure Services and Supplemental Education following the retirement of Linda Chalfant,
- the Health Director's position being scaled down to 0.8 FTE from 1.0 FTE (at the employee's request), and
- the amount Town Meeting added in FY18 (\$60,000) as an amendment.

Additional budget highlights:

- There is a \$29,653 increase in the Elections budget due to extra elections in the coming year.
- The General Services budget decreased \$25,000 following favorable results from re-bidding property and liability insurance. The total savings of \$100,000 is shared proportionally with the schools, library, and enterprise funds.
- FY19 will be the sixth academic year that UMass will 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.
- The Fire Chief and a small working group are meeting regularly to develop a strategy to implement portions of the Fire Staffing Study. The study called for additional firefighters during a day shift.
- This budget is premised on the assumption that the Town of Hadley will continue to contract with Amherst for ambulance services. If Hadley moves to a private ambulance service, the Town will lose an estimated \$490,000 in revenue from ambulance fees.
- The Public Works budget increased by 1.2% due to payroll costs, maintaining core services. Public Works Administration will continue to analyze productivity and work effectiveness data for the department.
- The Conservation and Development budget increased by 1.3% due to payroll costs.
- The 6.0% reduction in the Community Services budgets reflects the three significant changes to the functional area, as described above. The Leisure Services and Supplemental Education (LSSE) budget continues to include \$105,000 in fee subsidies for LSSE programs.
- We continue to fund long-term retiree health insurance costs, according to a 2012 plan. Over the past five years, the Other Post-Employment Benefits (OPEB) Trust Fund has been funded

consistently, and the fund balance was \$3.89 million as of June 30, 2017. Investment in OPEB in the FY19 budget is again recommended, adhering to the plan to increase the budget appropriation by \$100,000 per year, up to \$500,000 in FY19. The Water, Sewer, and Transportation Funds will cover their Annual Required Contributions for OPEB, an amount that fully funds the prorated 15% share of the Town's long-term liability.

### Enterprise Funds Budgets

- The Water Fund budget of \$4,472,188 represents an increase of 2.3%. The current water rate is \$3.80 per 100 cubic feet, with no projected increase in FY19. 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 \$4,525,876, an increase of 5.2%. The sewer rate is recommended to increase by \$0.15 to \$3.90 per 100 cubic feet, a 4% increase. The budget includes use of the fund balance of \$92,376, in addition to the rate increase, to remain in balance. This also includes an appropriation to the OPEB Trust Fund.
- The Solid Waste Fund budget of \$487,270 increased by \$17,408, equivalent to 3.7%. The increase is attributable to salary and benefit cost increases.
- The Transportation Fund revenue budget of \$1,164,370 is an increase of \$139,870, roughly 13.7%. This budget increase begins the reconstruction the Main Street parking lot in conjunction with the rehabilitation of the North Common. Significant parking changes implemented in FY18 were designed to increase parking turnover in the most highly visible spaces in our downtown. FY19 will be spent measuring the impact of these changes and watching for indications of success or more work needed. All parking lot meters were replaced this November and have been well received by our users. The Transportation Fund balance is depleted following these important investments. A steady approach to expenses is necessary to recover the fund balance to the recommended level of 25% of annual operating expenses.

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.

Budget-related information will be continuously updated and posted on the Town's website at [www.amherstma.gov/budget](http://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.

The budget process starts in November with early financial projections and weekly budget hearings with each department head and their staff. It is a grueling process, but one that results in a budget that has been tested and challenged and brought into alignment with our financial resources.

I want to acknowledge 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 such a wonderful place to make a home.

**FY 18 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS**

TOWN OF AMHERST - TOWN MANAGER'S PROPOSED FY 18 MUNICIPAL BUDGET  
 FY 19 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS IF FUNDS AVAILABLE\*

Date Last Revised:

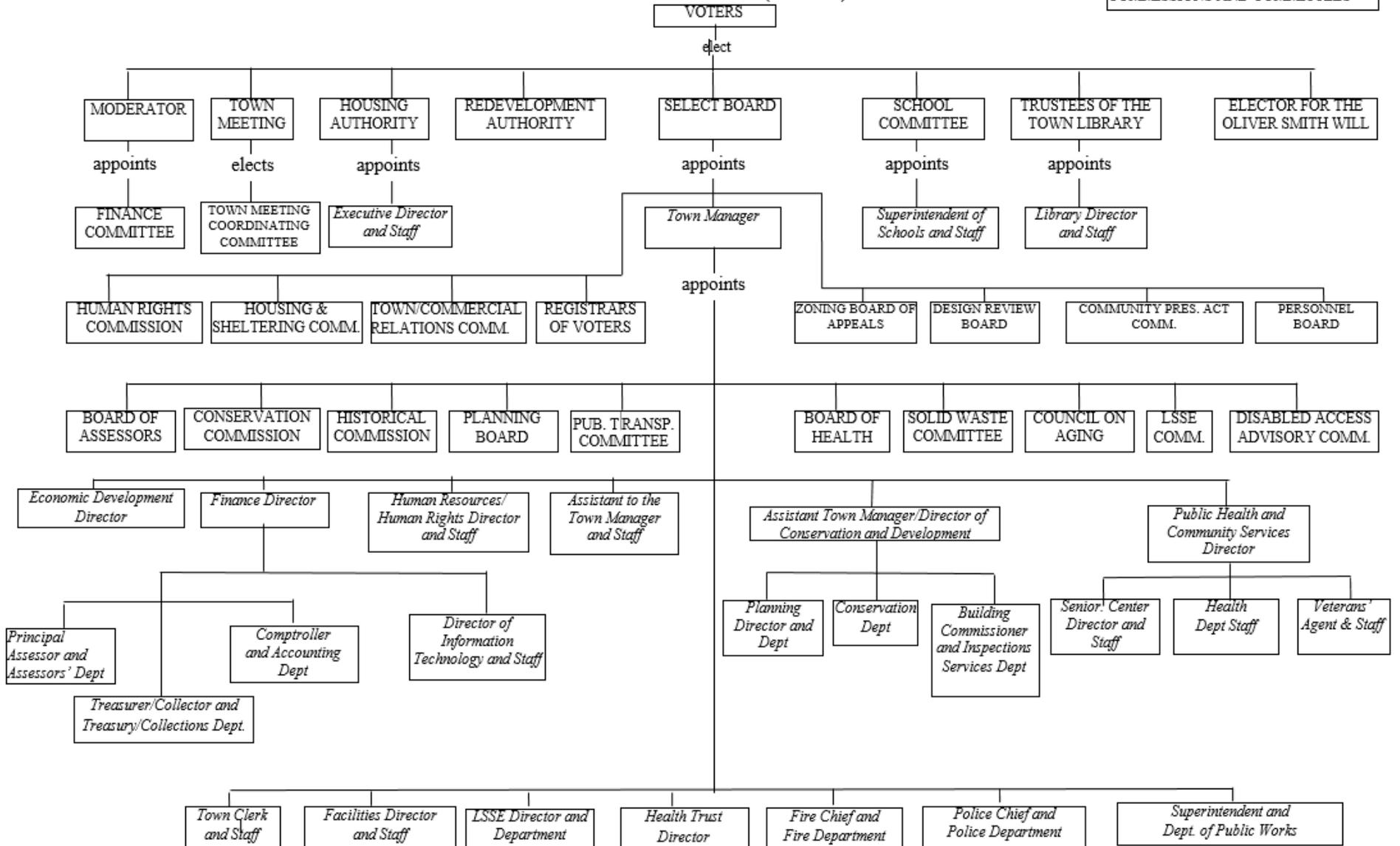
*DRAFT - For Discussion Purposes Only*

Department	Description	# FTE	Personnel Services	Employee Benefits	Operating Expenses	\$ Total	Cumulative Restore/Add	Manager Budget	Change FY 18 - 19
								<b>23,844,470</b>	<b>3.5%</b>
								<b>Recommended</b>	
Fire	FF/PM level 1, 5% ed inc	2	111,039	23,426		\$ 134,465.00			
						\$ -			
Personnel	Extra Help wage increase		10,000			\$ 10,000.00			
							<u>144,465</u>	<b>23,988,935</b>	<b>4.1%</b>

\* 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



## CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

	FY 19 General Fund	FY 19 Community Preserv. Act	FY 19 Water Fund
<b>REVENUES</b>			
Property Tax	52,797,650	930,000	0
Local Receipts	7,470,934	0	4,472,188
State Aid	15,713,281	159,960	0
Other Financing Sources	3,919,183	165,254	0
<b>TOTAL REVENUES</b>	<b>79,901,048</b>	<b>1,255,214</b>	<b>4,472,188</b>
<b>EXPENDITURES</b>			
<b><u>OPERATING BUDGET</u></b>			
Town	23,844,470	0	2,981,625
Elementary Schools	23,227,365	0	0
A-P Regional School District (Assessment)	16,045,304	0	0
Jones Library (Tax Support)	1,993,466	0	0
<b>Subtotal OPERATING BUDGET</b>	<b>65,110,605</b>	<b>0</b>	<b>2,981,625</b>
<b><u>CAPITAL BUDGET</u></b>			
Debt Service - Debt Exclusion	0	0	0
Debt Service - Current	1,925,220	370,343	453,100
Debt Service - Projected	284,740	0	0
Cash Capital (Tax Support)	2,541,829	0	0
<b>Subtotal Tax Funded Capital</b>	<b>4,751,789</b>	<b>370,343</b>	<b>453,100</b>
Community Preservation Act	0	884,871	0
Cash Capital (Non-Tax Support)	0	0	215,000
<b>Subtotal CAPITAL</b>	<b>4,751,789</b>	<b>1,255,214</b>	<b>668,100</b>
<b><u>MISCELLANEOUS</u></b>			
Assessment - Retirement System	5,565,471	0	267,853
Assessment - Regional Lockup Facility	35,928	0	0
Other	0		
OPEB	500,000	0	79,000
Reserve Fund	100,000	0	0
<b>Subtotal MISCELLANEOUS</b>	<b>6,201,399</b>	<b>0</b>	<b>346,853</b>
<b>Total APPROPRIATIONS</b>	<b>76,063,792</b>	<b>1,255,214</b>	<b>3,996,578</b>
<b><u>UNAPPROPRIATED USES</u></b>			
Reserve for Abatements & Exemptions	527,977	0	0
State Assessments (Cherry Sheet)	3,259,061	0	0
Cherry Sheet Offsets	436,173	0	0
Other Amounts to be Raised	15,955	0	475,610
<b>Subtotal UNAPPROPRIATED USES</b>	<b>4,239,166</b>	<b>0</b>	<b>475,610</b>
<b>TOTAL BUDGET PLAN</b>	<b>80,302,958</b>	<b>1,255,214</b>	<b>4,472,188</b>
<b>\$ Change from Prior year</b>			<b>100,042</b>
<b>% Change from Prior Year</b>			<b>2.3%</b>

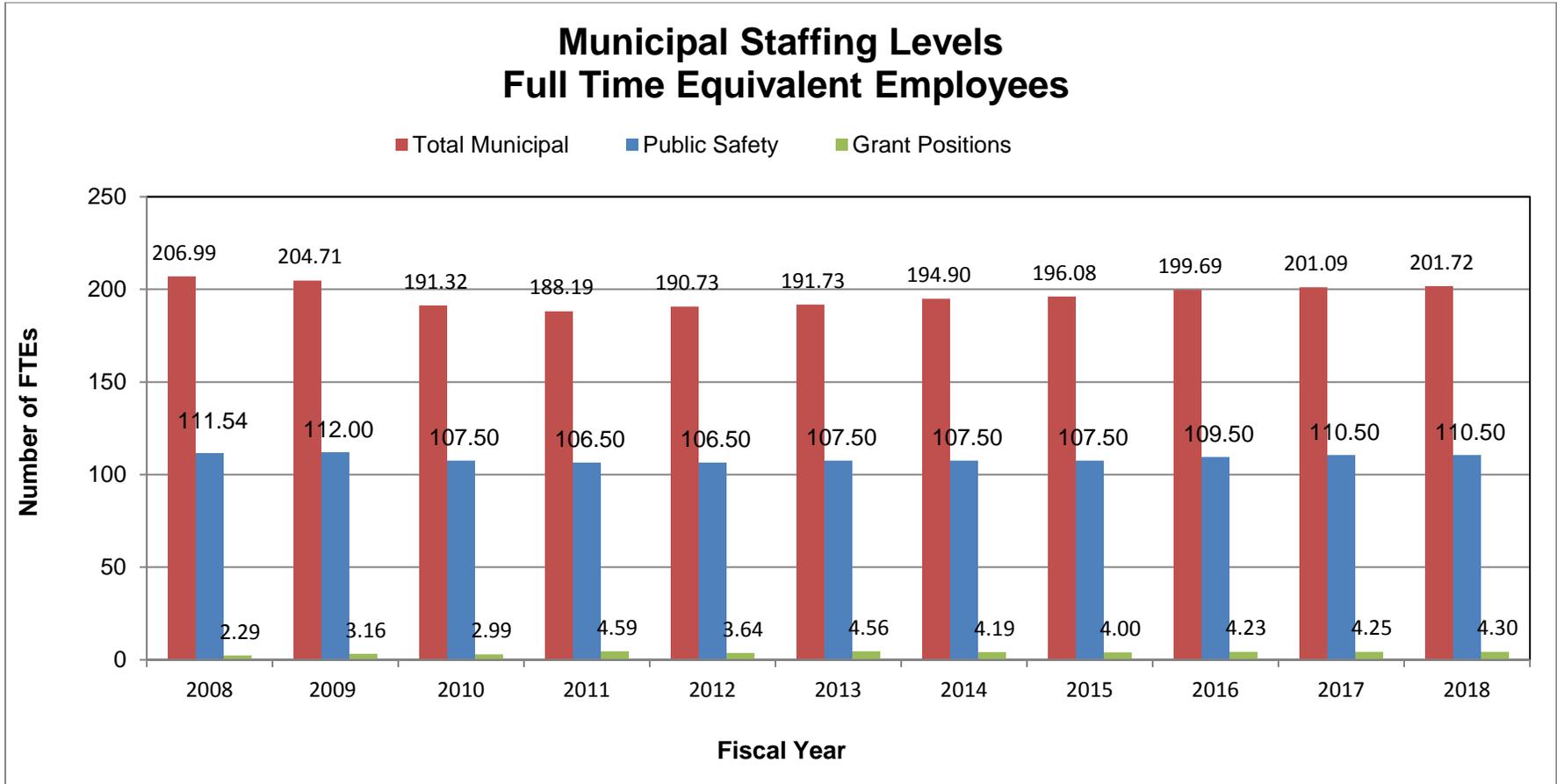
**CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY**

<b>FY 19 Sewer Fund</b>	<b>FY 19 Solid Waste Fund</b>	<b>FY 19 Transportation Fund</b>	<b>FY 19 COMBINED FUNDS (memo only)</b>	<b>FY 18 COMBINED FUNDS (memo only)</b>
0	0	0	53,727,650	51,642,795
4,433,500	487,270	1,164,370	18,028,262	17,295,551
0	0	0	15,873,241	15,628,471
92,376	0	0	4,176,813	5,713,267
<b>4,525,876</b>	<b>487,270</b>	<b>1,164,370</b>	<b>91,805,966</b>	<b>90,280,084</b>
2,882,491	442,273	579,756	30,730,615	29,750,656
0	0	0	23,227,365	22,523,222
0	0	0	16,045,304	15,502,710
0	0	0	1,993,466	1,926,054
<b>2,882,491</b>	<b>442,273</b>	<b>579,756</b>	<b>71,996,750</b>	<b>69,702,642</b>
0	0	0	0	32,250
619,771	0	89,875	3,458,309	2,953,212
	0	0	284,740	172,000
0	0	0	2,541,829	2,342,767
<b>619,771</b>	<b>0</b>	<b>89,875</b>	<b>6,284,878</b>	<b>5,500,229</b>
0	0	0	884,871	1,076,357
255,000	0	110,000	580,000	872,666
<b>874,771</b>	<b>0</b>	<b>199,875</b>	<b>7,749,749</b>	<b>7,449,252</b>
270,404	44,997	62,588	6,211,313	5,736,615
0	0	0	35,928	35,928
				1,451,633
150,000	0	26,902	755,902	662,600
0	0	0	100,000	100,000
<b>420,404</b>	<b>44,997</b>	<b>89,490</b>	<b>7,103,143</b>	<b>7,986,776</b>
<b>4,177,666</b>	<b>487,270</b>	<b>869,121</b>	<b>86,849,641</b>	<b>85,138,670</b>
0	0	0	527,977	517,647
0	0	0	3,259,061	3,106,300
0	0	0	436,173	436,173
348,210	0	295,249	1,135,024	1,131,294
<b>348,210</b>	<b>0</b>	<b>295,249</b>	<b>5,358,235</b>	<b>5,191,414</b>
<b>4,525,876</b>	<b>487,270</b>	<b>1,164,370</b>	<b>92,207,876</b>	<b>90,330,084</b>
<b>223,609</b>	<b>17,408</b>	<b>139,870</b>		
<b>5.2%</b>	<b>3.7%</b>	<b>13.7%</b>		

## POSITIONS IN FULL TIME EQUIVALENTS

Department	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Budget	FY 19 Manager	Change FY 18 - 19
<b>MUNICIPAL BUDGET</b>						
Select Board/Town Manager	2.50	3.50	3.50	3.50	3.50	0.00
Finance	13.00	13.00	13.00	13.30	13.30	0.00
Human Resources/Human Rights	1.50	1.83	1.83	1.50	1.50	0.00
Information Technology	4.00	4.00	4.84	4.84	4.84	0.00
Town Clerk	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
Facilities Maintenance	4.88	4.88	5.25	5.25	5.25	0.00
<b>TOTAL GENERAL GOVERNMENT</b>	<b>28.88</b>	<b>30.21</b>	<b>31.42</b>	<b>31.39</b>	<b>31.39</b>	<b>0.00</b>
Police Facility	1.00	1.00	1.00	1.00	1.00	0.00
Police	47.50	49.50	50.50	50.50	50.50	0.00
Fire/EMS	47.00	47.00	47.00	47.00	47.00	0.00
Communications Center	11.00	11.00	11.00	11.00	11.00	0.00
Animal Welfare	1.00	1.00	1.00	1.00	1.00	0.00
<b>TOTAL PUBLIC SAFETY</b>	<b>107.50</b>	<b>109.50</b>	<b>110.50</b>	<b>110.50</b>	<b>110.50</b>	<b>0.00</b>
Public Works Administration	3.36	4.04	4.04	4.04	4.04	0.00
Highway	13.00	13.00	13.00	13.00	13.00	0.00
Street and Traffic Lights				0.34	0.34	0.00
Equipment Maintenance	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	0.00
<b>TOTAL PUBLIC WORKS</b>	<b>26.86</b>	<b>27.54</b>	<b>27.54</b>	<b>27.88</b>	<b>27.88</b>	<b>0.00</b>
Conservation	4.50	4.50	4.50	4.83	4.83	0.00
Planning Department	4.80	4.40	4.40	4.40	4.40	0.00
Inspections	8.00	10.00	9.00	10.00	10.00	0.00
<b>TOTAL CONSERVATION &amp; DEVELOPMENT</b>	<b>17.30</b>	<b>18.90</b>	<b>17.90</b>	<b>19.23</b>	<b>19.23</b>	<b>0.00</b>
Public Health	4.54	2.54	2.54	1.54	1.34	(0.20)
Senior Center	3.00	3.00	3.20	3.20	3.20	0.00
Leisure Services & Supplemental Education	6.45	6.45	6.45	6.45	6.45	0.00
Pools	0.20	0.20	0.20	0.20	0.35	0.15
Golf Course	1.35	1.35	1.35	1.35	1.20	(0.15)
<b>TOTAL COMMUNITY SERVICES</b>	<b>15.54</b>	<b>13.54</b>	<b>13.74</b>	<b>12.74</b>	<b>12.54</b>	<b>(0.20)</b>
<b>TOTAL GENERAL FUND</b>	<b>196.08</b>	<b>199.69</b>	<b>201.10</b>	<b>201.74</b>	<b>201.54</b>	<b>(0.20)</b>
Water Supply and Distribution	17.98	18.73	18.82	18.84	18.84	0.00
<b>TOTAL WATER FUND</b>	<b>17.98</b>	<b>18.73</b>	<b>18.82</b>	<b>18.84</b>	<b>18.84</b>	<b>0.00</b>
Sewer Maintenance	2.00	2.00	2.00	2.00	2.00	0.00
Wastewater Treatment Plant	16.33	16.48	16.31	16.32	16.32	0.00
<b>TOTAL SEWER FUND</b>	<b>18.33</b>	<b>18.48</b>	<b>18.31</b>	<b>18.32</b>	<b>18.32</b>	<b>0.00</b>
Sanitary Facilities	3.40	3.00	3.00	3.00	3.00	0.00
<b>TOTAL SOLID WASTE FUND</b>	<b>3.40</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>0.00</b>
Parking Facilities	4.20	4.60	4.60	4.65	4.65	0.00
<b>TOTAL TRANSPORTATION FUND</b>	<b>4.20</b>	<b>4.60</b>	<b>4.60</b>	<b>4.65</b>	<b>4.65</b>	<b>0.00</b>
<b>TOTAL</b>	<b>239.99</b>	<b>244.50</b>	<b>245.83</b>	<b>246.55</b>	<b>246.35</b>	<b>-0.20</b>

**POSITIONS IN FULL TIME EQUIVALENTS**



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

The Town has reduced its workforce by 5.27 positions since FY08, or 2.55%.

Public Safety personnel have been reduced by 1.04 FTEs, or 0.93%.

Non-public safety positions have been reduced by 4.22 FTEs, or 4.42%.

Town of



# Amherst Massachusetts

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 OFFICE OF THE SELECT BOARD
 

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

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 Fax: (413) 259-2405  
[selectboard@amherstma.gov](mailto:selectboard@amherstma.gov)  
[www.amherstma.gov](http://www.amherstma.gov)

To: Paul Bockelman, Town Manager

From: Doug Slaughter, Select Board Chair

Date: December 4<sup>th</sup>, 2017

Re: FY19 Budget Policy Guidelines

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At our December 4<sup>th</sup> meeting the Select Board unanimously approved the following Budget Policy Guidelines for FY19. 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 FY19:**

- 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, 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. In FY19 the rising cost of health care will require renewed focus on cost mitigation strategies to keep the Health Insurance Trust Fund resilient;
- h) We need to recognize the costs, including for debt repayment, for the major capital projects that we are now considering: Elementary School, Jones Library, South Fire Station, and Public Works facility. Additionally, the next generation of significant capital projects such as a Community/Senior Center, Parking Garage, North Amherst Library renovation, Amherst center recreational facilities renovations, etc. need to appear on the long-term capital planning projections;
- i) 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;
- j) If the revenue projection changes significantly, we will need prioritized recommendations for service adjustments;
- k) Intense evaluation of the current range of municipal services and their delivery methods is critical for ensuring that we are spending every dollar wisely;
- l) 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;
- m) This budget will be constructed without knowing whether the Town will have chosen a new form of government or not. Any increases in expenses for the implementation of a new form of government (e.g., one additional election) should be identified;
- n) Several Town Meeting actions in the past year will have implications for the creation of the budget for FY19 as well as future budgets. Considering these actions into the existing budget processes as well as understanding the potential impacts on other Town services is important to creating strategies for developing sustainable budgets in FY19 and the years ahead.

**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 and commerce;
- 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;

- 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 maintaining our physical assets and in capital improvements. We remain 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 as well as other capital investments in maintenance of our existing assets and infrastructure.

**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 30, 2017

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

From: Finance Committee

Re: Preliminary Fiscal Year 2019 Budget Guidelines

At the Four Board Meeting on October 12, Town Manager, Paul Bockelman and Co-Finance Directors, Sonia Aldrich and Claire McGinnis, presented the Preliminary Projections for FY19 Budget Planning (July 1, 2018-June 30, 2019). As a result of this meeting, the Finance Committee developed its Budget Guidelines based on these projections.

Operating budgets should be developed with an increase in Town support of 2.5% or less. That includes the Town budget, Library's support from the Town and the Amherst-Pelham Regional School District assessment. The budget increase for the Regional School District will then be determined by the assessment method that uses the new formula developed by the Assessment Committee working with the School Department's Finance Director (assuming the method is approved, by each of the Towns in the Region). The Elementary Schools support is 2% after Charter assessment and School Choice adjustments of .5%. When including these, the budget would effectively be 2.5% for the Elementary School.

The actual amount anticipated that the Town will raise and appropriate would be \$23,614,088 for the Town budget; \$22,965,635 for the Elementary Schools; \$15,890,277 for Amherst's assessment to the Regional Schools; and \$1,974,205 for the Jones Library. These are preliminary Budget Guidelines, based on the projections and are found at the top of Page 2 of the General Fund Financial Projections, attached to these Guidelines.

## **Revenue**

Aldrich projected an overall revenue increase of 2.6% over FY18. The largest revenue source is the property tax, which is expected to increase by 3.6%, reflecting the allowable 2.5% increase plus new growth. This revenue is stable and predictable.

The second largest source of revenue is state aid, which is conservatively projected at no increase for FY19. 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 2018, which will be the first indication of the amount of state aid the Town might actually receive. The Finance Committee is using that cautious zero increase for its preliminary estimate for its Budget Guidelines.

At the Four Boards Meeting, the Co-Finance Director and Town Manager also estimated that revenues for FY19 from local receipts and other financing sources would have minimal growth. Local receipts, such as motor vehicle excise, fines and fees, and payments in lieu of taxes, are estimated to increase by 3.5%. Other financing sources, which include ambulance receipts and enterprise fund indirect costs, are estimated to decrease by 2.6%. No use of reserves is projected to help finance the FY19 budget.

The Finance Committee requests that the Town Manager, School Superintendent, and Library Director begin developing operating budgets using these preliminary Guidelines. The word "preliminary" is emphasized. 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 it reviews and recommends final budgets.

### **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 adopted in 2008, recognizes that it is essential to maintain and improve infrastructure, including Town buildings and the equipment required to provide services, as well as to invest in recreation fields and facilities, open space, and other Town priorities. Starting at 7.2% of the tax levy ten years ago, the Capital Budget has gradually increased to 9% of the levy for FY19. The Finance committee believes that getting to the 10% of levy for capital spending is necessary in order to help finance debt service necessary for the four major capital projects being proposed in the near future. The Town will need to achieve its 10% goal for capital, continue to build its reserves, and control operational spending in order to make these affordable.

Some appropriations will increase that are not part of the operating budget and not under the Town's control. The assessment for the Retirement System, for instance, is expected to rise by 6% over FY18 levels. Employee health insurance will continue to increase for all budgets (Town which includes Elementary, Region and Library). This explains why, even with a 2.6% increase in overall revenue, the Town will have a shortfall of \$138,348, and is why the Committee is recommending an overall spending increase of only 2.5% or less.

### **Other Post-Employment Benefits (OPEB)**

The Finance Committee proposes including an allocation of \$500,000 to the OPEB Trust Fund in the FY19 budget. The June 30, 2016, actuary report estimated the Town of Amherst's liability at \$100.5 million. By law, Amherst is required to fund pensions, but as of now, the OPEB obligation is not required. However, the Government Accounting Standards Board (GASB), rules 74 and 75, require that the Town report OPEB liabilities on the Town's Balance Sheet. Town Meeting has begun to put money into the OPEB Trust Fund. Town Meeting has annually transferred into the OPEB Trust Fund, Amherst's share of the Medicare Part D reimbursements received because the Town provides drug benefits to retirees through its health plan. Since its inception, the Town has allocated \$3.9 million to OPEB. Beginning in FY15 funds have been included in the operating budget, and for FY19 it is budgeting \$500,000 for OPEB. The Town recognizes this debt and assumes responsibility by continuing to allocate funds for it.

Standard and Poors included this unfunded liability in its 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 has maintained a AA+ rating, which reduces borrowing costs. Given the trend in federal and state budgets, the Town 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 \$5,162,239 as of July 1, 2017. That plus the Stabilization Fund of \$7,595,350, comprise the Town's reserves of \$12,757,589 million, which is 16.5% of FY18 General Fund operating revenues. This Committee will propose at the November 6 Special Town Meeting, that it allocates 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.

With the uncertainty about state aid for FY19, the Town Manager is not projecting the use of Town Reserves for recurring expenditures or using an override for operating expenses.

### **Requested budget information**

Budgets reflect changes in programs, services and/or staffing, which can be a combination of reductions, eliminations and/or additions. The Finance Committee requests information about projected cost increases/decreases and changes in operations for FY19, and the effect that a 2.5% or less increase in Town funding will have on programs. It was noted at the Four Board meeting that the Town population has grown approximately 12% from about 35,000 in 2008 to a little less than 40,000 in 2016. Although the population has increased the number of family households with children has decreased from 2,500 in 2008 to 1,800 in 2016, which also may affect current budgetary needs. As FY19 budgets are developed, the Finance Committee asks that key population and demographic changes be clearly defined and indicate what present

challenges they present to budgets. In addition to gross population statistics, the Committee asks you to identify subsets of population growth or decline (e.g. elderly; students; special needs, both physical and financial; non-resident users of the Jones Library, Senior Center and LSSE that come from other towns, etc.)

The Committee also requests information describing new or possible changes in grants and other revenue expected and whether those new and possible changes can be sustained when the funding is no longer available. In addition, budgets should include expected health insurance and contractual salary increases. New positions must be accommodated within the proposed budgets. In order to fulfill its responsibilities, the Finance Committee needs this information, which also will be used to inform the Budget Coordinating Group (BCG) discussions of overall priorities, and will help prepare for budget adjustments, if necessary.

The Finance Committee tries to achieve uniformity in the descriptions of programs and budgets in its Annual Town Meeting Report in the Spring. That Report will present each operating budget with a five-part budget narrative: (*See last year's Finance Committee Report to Town Meeting for types of data and information.*)

Spring Finance Committee Report Budget Format:

1. Budget and Finance Committee recommendation, (Recommended, Not Recommended or No Recommendation)
2. Basic functions and all relevant data,
3. Summary for the next fiscal year, including all relevant changes from the current year,
4. Full-time-equivalent employees for the next fiscal year and change from current year,
5. Services provided by and for other departments,
6. Other information of interest.

The Finance Committee recognizes the difficulty of defining “full-time-equivalent” employees in a uniform way that works well for all budget areas. Year-to-year uniformity within each budget area and an explanation of projected change for the next year is helpful. 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.

The Finance Committee has been interested in the services provided by each department to assist other departments. This teamwork is important to Amherst, as it helps all parts of the Town be efficient and effective. The Committee includes this information in its Report to Town Meeting.

Please provide all of the requested budget information with the written budgets which are submitted to the Finance Committee prior to your scheduled meeting, as the Committee will ask for this information when you meet to present your budgets. As in prior years, the Committee may have other questions as it reviews budgets and meets with you.

**Schedule**

The Finance Committee requests that you submit budgets according to the Budget Coordinating Group's budget development calendar, which is attached. In some cases, the budgets may be executive budgets that require review by elected policy boards and are subject to revision.

**Conclusion**

High-quality services are provided by the Town, Libraries and Schools. Finding creative approaches to providing quality services economically is a challenge that will continue for the foreseeable future, particularly as the Town pursues the four major capital projects: a new Department of Public Works Facility, a new Fire Station, a new Elementary School Project and the Jones Library Expansion, which will take careful financial planning. In addition, to these four, the budget big picture going forward in the next ten years includes roads, Senior Center, parking facilities and other capital improvements.

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 a responsible budget can be presented to Town Meeting.

The Committee also thanks Sonia Aldrich and Claire McGinnis, the Co-Finance Directors, and Paul Bockelman, the Town Manager and Town staff, in providing for all the information necessary in developing the Budget Guidelines.

Joseph Jayne  
Bernard Kubiak  
Timothy Neale  
Sharon Povinelli  
Janice Ratner, Vice Chair  
Anurag Sharma  
Marylou Theilman, Chair

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

**DRAFT**  
**For Discussion Purposes Only**  
**Town Manager's Forecast**  
**FY19 Budget Projection**  
**Thursday, December 14, 2017**  
**Assumptions**

	<b>FY 17 Recap</b>	<b>FY 17 Actual</b>	<b>FY 18 Projected</b>	<b>FY 18 Recap</b>	<b>FY 19 Projected</b>	<b>\$ Chg</b>	<b>% Chg</b>	<b>FY 20 Projected</b>	<b>% Chg</b>	<b>FY 21 Projected</b>	<b>% Chg</b>	
<b>REVENUES</b>												
<b>PROPERTY TAX</b>												
Base Levy	46,573,832	46,573,832	48,750,452	48,750,452	50,700,146	1,949,694	4.0%	52,567,650	3.7%	54,481,841	3.6%	
2.5% Allowable Increase	1,164,346	1,164,346	1,218,761	1,218,761	1,267,504	48,743	4.0%	1,314,191	3.7%	1,362,046	3.6%	
Estimated New Growth	1,012,274	1,012,274	600,000	730,933	830,000	99,067	13.6%	600,000	-27.7%	600,000	0.0%	increased per Assessors calculations for 2019
General Override	0	0	0	0	0			0		0		median is \$600,000
Levy Limit	48,750,452	48,750,452	50,569,213	50,700,146	52,797,650	2,097,504	4.1%	54,481,841	3.2%	56,443,887	3.6%	
Debt Exclusion	76,709	76,709	32,250	32,250	0	(32,250)	-100%	680,000	#DIV/0!	875,600	29%	
Maximum Allowable Levy	48,827,161	48,827,161	50,601,463	50,732,396	52,797,650	2,065,254	4.1%	55,161,841	4.5%	57,319,487	3.9%	
Excess Levy capacity	(21,468)	(21,467)	0	(19,601)	0			0		1		
<b>Subtotal PROPERTY TAX</b>	<b>48,805,693</b>	<b>48,805,694</b>	<b>50,601,463</b>	<b>50,712,795</b>	<b>52,797,650</b>	<b>2,084,855</b>	<b>4.1%</b>	<b>55,161,841</b>	<b>4.5%</b>	<b>57,319,488</b>	<b>3.9%</b>	
<b>LOCAL RECEIPTS</b>												
Motor Vehicle Excise	1,630,000	1,833,759	1,720,925	1,720,925	1,775,000	54,075	3.1%	1,819,375	2.5%	1,864,859	2.5%	Car sales data shows increased sales.
Hotel/Motel and Meals Excise	666,126	708,601	677,126	677,126	687,000	9,874	1.5%	704,175	2.5%	721,779	2.5%	Conservative based on FY17 actual revenue
Penalties and Interest	188,000	260,469	188,000	188,000	181,000	(7,000)	-3.7%	181,000	0.0%	181,000	0.0%	Conservative based on FY17 actual revenue
PILOT	948,476	950,525	948,476	948,476	948,476	0	0.0%	948,476	0.0%	948,476	0.0%	Largest source is Enterprise Funds PILOTs
Rentals	99,850	131,392	99,850	99,850	155,195	55,345	55.4%	155,195	0.0%	155,195	0.0%	JPM Health Center added
Departmental Revenue	1,032,152	1,419,010	1,032,152	996,115	1,048,680	52,565	5.3%	1,048,680	0.0%	1,048,680	0.0%	Recurring department revenue
Licenses and Permits	1,054,401	1,190,837	1,099,471	1,099,471	1,202,628	103,157	9.4%	1,202,628	0.0%	1,202,628	0.0%	Conservatively increased FY17 actual revenue
Special Assessments	855,521	878,930	912,130	912,130	920,255	8,125	0.9%	920,255	0.0%	920,255	0.0%	PVTA assessment: UMass/5 College Inc.
Fines and Forfeits	120,565	101,928	120,565	97,700	97,700	0	0.0%	97,700	0.0%	97,700	0.0%	Changed Police enforcement policies based on trend
Investment Income	70,000	90,117	70,000	70,000	80,000	10,000	14.3%	80,000	0.0%	80,000	0.0%	Conservative increase based on trend
Miscellaneous(see notes section)	250,000	403,311	350,000	350,000	375,000	25,000	7.1%	375,000	0.0%	375,000	0.0%	Amherst College(\$130,000 ), Umass (\$120,000 and \$125,000 H/M Fee)
<b>Subtotal LOCAL RECEIPTS</b>	<b>6,915,091</b>	<b>7,968,879</b>	<b>7,218,695</b>	<b>7,159,793</b>	<b>7,470,934</b>	<b>311,141</b>	<b>4.3%</b>	<b>7,532,484</b>	<b>0.8%</b>	<b>7,595,573</b>	<b>0.8%</b>	
<b>STATE AID</b>												
Chapter 70	6,020,943	6,020,943	6,055,023	6,055,023	6,115,573	60,550	1.0%	6,115,573	0.0%	6,115,573	0.0%	Assumes 1% increase in ch79 aid
Charter Assessment Reimbursement	269,411	271,611	162,476	162,476	162,476	0	0.0%	162,476	0.0%	162,476	0.0%	
Unrestricted General Govt Aid	8,094,716	8,094,716	8,410,410	8,410,410	8,620,670	210,260	2.5%	8,620,670	0.0%	8,620,670	0.0%	Assumes 2.5% increase in UGGA
Veterans Benefits	181,595	170,455	180,131	180,131	180,131	0	0.0%	180,131	0.0%	180,131	0.0%	
Exempt Vets, Blind, Surv. Spouses, Elderly	35,999	16,242	33,523	33,523	33,523	0	0.0%	33,523	0.0%	33,523	0.0%	
State Owned Land	164,892	164,892	164,735	164,735	164,735	0	0.0%	164,735	0.0%	164,735	0.0%	
Offset Receipts												
School Lunch	0	6,334	0	0	0			0		0		State pays School Department directly
School Choice Tuition	336,133	344,496	344,496	344,496	344,496	0	0.0%	344,496	0.0%	344,496	0.0%	State pays School Department directly
Public Libraries	83,750	90,574	91,677	91,677	91,677	0	0.0%	91,677	0.0%	91,677	0.0%	State pays Jones Library directly
<b>Subtotal STATE AID</b>	<b>15,187,439</b>	<b>15,180,262</b>	<b>15,442,471</b>	<b>15,442,471</b>	<b>15,713,281</b>	<b>270,810</b>	<b>1.8%</b>	<b>15,713,281</b>	<b>0.0%</b>	<b>15,713,281</b>	<b>0.0%</b>	
<b>OTHER FINANCING SOURCES</b>												
Ambulance Fund	2,594,380	2,594,380	2,599,780	2,599,780	2,800,114	200,334	7.7%	2,870,117	2.5%	2,941,870	2.5%	Reimburse Gen Fund for Public Safety and Admin
Reserve for Debt Service - WW Roof	0	0	0	0	0	0		0		0		
Community Preservation Act (debt service only)												
Enterprise Fund Reimbursements	1,077,643	1,192,643	1,115,369	1,115,339	1,119,069	3,730	0.3%	1,119,069	0.0%	1,119,069	0.0%	Enterprise Funds reimburse Gen Fund
Overlay Surplus	0	115,000	0	0	0	0		0		0		
Miscellaneous	0	0	0	0	0	0		0		0		
Free Cash	40,000	1,328,964	210,000	1,561,633	0	(1,561,633)		0		0		
Stabilization Fund	0	0	0	0	0	0		0		0		
<b>Subtotal OTHER FINANCING SOURCES</b>	<b>3,712,023</b>	<b>5,230,987</b>	<b>3,925,149</b>	<b>5,276,752</b>	<b>3,919,183</b>	<b>(1,357,569)</b>	<b>-25.7%</b>	<b>3,989,186</b>	<b>1.8%</b>	<b>4,060,939</b>	<b>1.8%</b>	
<b>TOTAL REVENUES</b>	<b>74,620,246</b>	<b>77,185,822</b>	<b>77,187,778</b>	<b>78,591,811</b>	<b>79,901,048</b>	<b>1,309,237</b>	<b>1.7%</b>	<b>82,396,792</b>	<b>3.1%</b>	<b>84,689,281</b>	<b>2.8%</b>	

	<u>FY 17</u> <u>Recap</u>	<u>FY 17</u> <u>Actual</u>	<u>FY 18</u> <u>Projected</u>	<u>FY 18</u> <u>Recap</u>	<u>FY 19</u> <u>Projected</u>	<u>\$</u> <u>Chg</u>	<u>%</u> <u>Chg</u>	<u>FY 20</u> <u>Projected</u>	<u>%</u> <u>Chg</u>	<u>FY 21</u> <u>Projected</u>	<u>%</u> <u>Chg</u>	
<b>EXPENDITURES</b>												
<b>OPERATING BUDGET</b>												
Town	22,406,961	21,753,641	23,038,135	23,038,135	23,844,470	806,335	3.5%	24,321,359	2.0%	24,807,786	2.0%	
Elementary Schools	22,147,324	21,993,924	22,523,222	22,523,222	23,227,365	704,143	3.1%	23,691,912	2.0%	24,165,750	2.0%	Net increase 3.1% (3.5% less Choice/Charter)
A-P Regional School District (Assessment)	15,196,144	15,033,646	15,502,710	15,502,710	16,045,304	542,595	3.5%	16,366,211	2.0%	16,693,535	2.0%	
A-P Regional Capital "Stabilization" (Assessment)												
Jones Library (Tax Support)	1,879,077	1,879,077	1,926,054	1,926,054	1,993,466	67,412	3.5%	2,033,335	2.0%	2,074,002	2.0%	
<b>Subtotal OPERATING BUDGET</b>	<b>61,629,506</b>	<b>60,660,288</b>	<b>62,990,121</b>	<b>62,990,121</b>	<b>65,110,605</b>	<b>2,120,484</b>	<b>3.4%</b>	<b>66,412,817</b>	<b>2.0%</b>	<b>67,741,073</b>	<b>2.0%</b>	
<b>CAPITAL BUDGET</b>												
Debt Service - Debt Exclusion	76,709	76,709	32,250	32,250	0	(32,250)	-100.0%	680,000	#DIV/0!	875,600	28.8%	
Debt Service - Current	1,914,320	1,951,420	1,833,617	1,833,617	1,925,220	91,603	5.0%	1,354,913	-29.6%	1,238,369	-8.6%	
Debt Service - Projected	42,100	5,000	172,000	172,000	284,740	112,740	65.5%	10,000	-96.5%	91,000	810.0%	
Cash Capital (Tax Support)	1,908,615	1,928,616	2,292,766	2,342,767	2,541,829	199,062	8.5%	3,810,862	49.9%	4,315,020	13.2%	
<b>Subtotal Tax Funded Capital</b>	<b>3,941,744</b>	<b>3,961,745</b>	<b>4,330,633</b>	<b>4,380,634</b>	<b>4,751,789</b>	<b>371,155</b>	<b>8.5%</b>	<b>5,855,775</b>	<b>23.2%</b>	<b>6,519,989</b>	<b>11.3%</b>	
<b>Tax Capital Less Debt Exclusion</b>	<b>3,865,035</b>	<b>3,885,036</b>	<b>4,298,383</b>	<b>4,348,384</b>	<b>4,751,789</b>	<b>403,405</b>	<b>9.3%</b>	<b>5,175,775</b>	<b>8.9%</b>	<b>5,644,389</b>	<b>9.1%</b>	Town Financial Policy goal is 10% of tax levy
<b>% Net Tax Levy</b>	<b>7.9%</b>	<b>8.0%</b>	<b>8.50%</b>	<b>8.6%</b>	<b>9.00%</b>			<b>9.50%</b>		<b>10.00%</b>		
Community Preservation Act (debt service only)			-	50,000	-	(50,000)		-		-		
Cash Capital (Free Cash)	30,000	30,000										
Cash Capital (Ambulance Fund)	0	0	0	0	0	0		0		0		
<b>Subtotal CAPITAL</b>	<b>3,971,744</b>	<b>3,991,745</b>	<b>4,330,633</b>	<b>4,380,634</b>	<b>4,751,789</b>	<b>371,155</b>	<b>8.5%</b>	<b>5,855,775</b>	<b>23.2%</b>	<b>6,519,989</b>	<b>11.3%</b>	
<b>MISCELLANEOUS</b>												
Assessment - Retirement System	4,722,520	4,694,157	5,157,420	5,157,420	5,565,471	408,051	7.9%	5,843,745	5.0%	6,135,932	5.0%	Per HCERS assessment tables, CEM 11/8/17
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
Other	0	0	150,000	1,451,633	0	(1,451,633)						
OPEB	300,000	300,000	400,000	400,000	500,000	100,000	25.0%	600,000	20.0%	700,000	16.7%	Building OPEB funding into annual budget
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
<b>Subtotal MISCELLANEOUS</b>	<b>5,158,448</b>	<b>5,030,085</b>	<b>5,843,348</b>	<b>7,144,981</b>	<b>6,201,399</b>	<b>(943,582)</b>	<b>-13.2%</b>	<b>6,579,673</b>	<b>6.1%</b>	<b>6,971,860</b>	<b>6.0%</b>	
<b>Total APPROPRIATIONS</b>	<b>70,759,698</b>	<b>69,682,118</b>	<b>73,164,102</b>	<b>74,515,736</b>	<b>76,063,792</b>	<b>1,548,057</b>	<b>2.1%</b>	<b>78,848,264</b>	<b>3.7%</b>	<b>81,232,922</b>	<b>3.0%</b>	
<b>UNAPPROPRIATED USES</b>												
Reserve for Abatements & Exemptions	480,146	480,146	505,692	517,647	527,977	10,330	2.0%	544,818	3.2%	564,439	3.6%	Target: 1% of tax levy
State Assessments (Cherry Sheet)	2,944,704	2,904,232	3,106,300	3,106,300	3,259,061	152,761	4.9%	3,340,538	2.5%	3,424,051	2.5%	Charter & Choice Tuition, PVTA, etc.
Cherry Sheet Offsets	419,883	441,403	436,173	436,173	436,173	0	0.0%	436,173	0.0%	436,173	0.0%	See Offset Receipts in Revenue above
Other Amounts to be Raised	15,815	10,670	15,815	15,955	15,955	0	0.0%	15,955	0.0%	15,955	0.0%	PVPC and Tax Title
<b>Subtotal UNAPPROPRIATED USES</b>	<b>3,860,548</b>	<b>3,836,451</b>	<b>4,063,980</b>	<b>4,076,075</b>	<b>4,239,166</b>	<b>163,091</b>	<b>4.0%</b>	<b>4,337,484</b>	<b>2.3%</b>	<b>4,440,618</b>	<b>2.4%</b>	
<b>TOTAL BUDGET PLAN</b>	<b>74,620,246</b>	<b>73,518,569</b>	<b>77,228,082</b>	<b>78,591,811</b>	<b>80,302,958</b>	<b>1,711,147</b>	<b>2.2%</b>	<b>83,185,748</b>	<b>3.6%</b>	<b>85,673,539</b>	<b>3.0%</b>	
					<b>3,074,876</b>			<b>2,882,790</b>		<b>2,487,791</b>		
<b>SURPLUS / (SHORTFALL)</b>	<b>0</b>	<b>3,667,254</b>	<b>(40,303)</b>	<b>1</b>	<b>(401,910)</b>			<b>(788,956)</b>		<b>(984,259)</b>		