

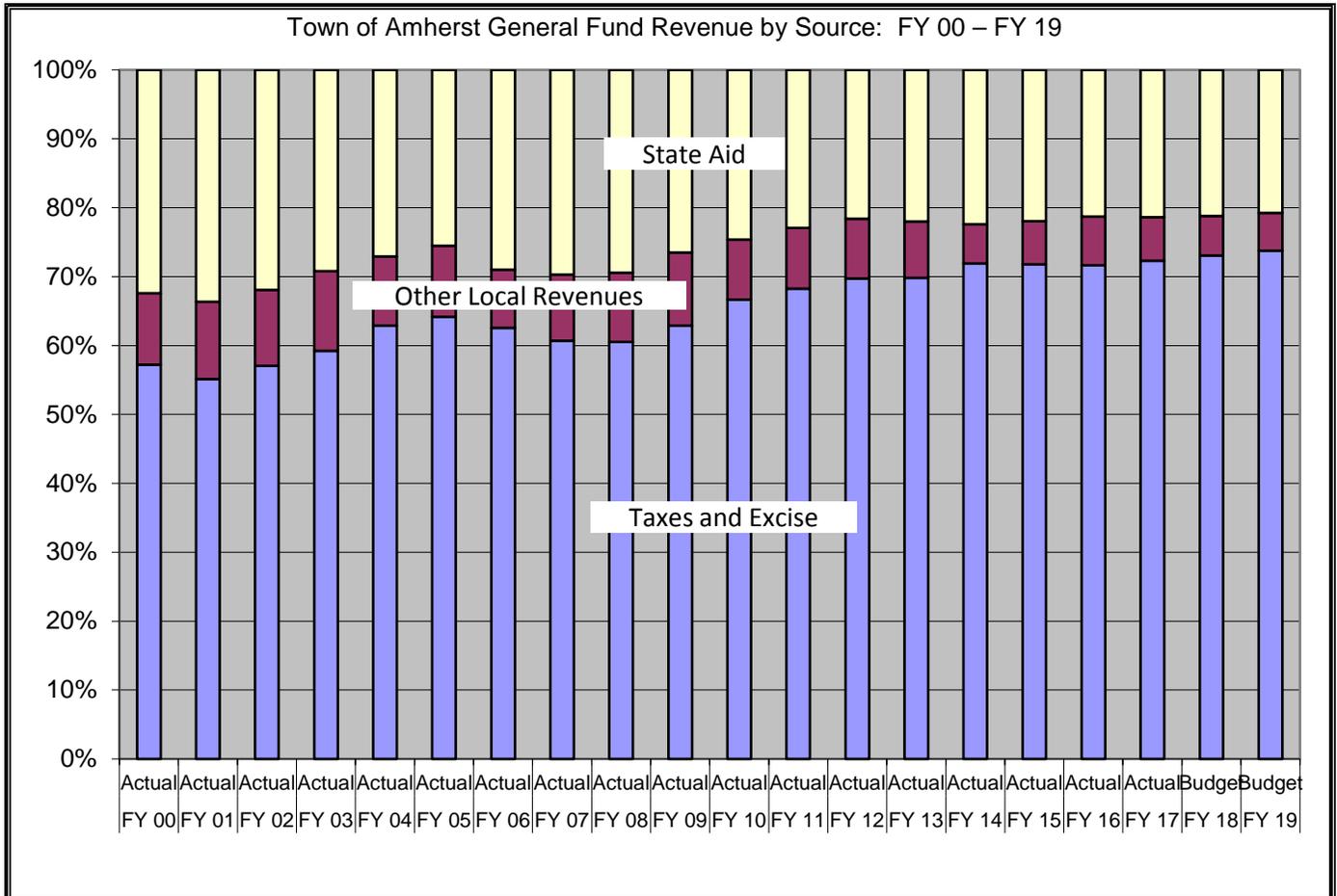
**GENERAL  
FUND**

## 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.

<b>SERVICE LEVELS:</b>	<b>FY 13 Actual</b>	<b>FY 14 Actual</b>	<b>FY 15 Actual</b>	<b>FY 16 Actual</b>	<b>FY 17 Actual</b>
<u>As % of Total Resources</u>					
Taxes	62	62	63	63	63
Other Local Source Revenues	12	11	10	11	10
State Revenues	21	20	20	20	20
Other Financial Sources	5	7	7	6	7



## GENERAL FUND RESOURCES SUMMARY

	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Budget	FY 19 Manager	Change FY 18 - 19	Percent Change
Property Tax	44,993,435	46,699,210	48,805,694	50,712,795	52,797,650	2,084,855	4.1%
Local Receipts	7,437,747	8,382,541	7,968,879	7,159,793	7,470,934	311,141	4.3%
State Aid	14,471,581	14,636,111	15,180,262	15,442,471	15,713,281	270,810	1.8%
Other Financing Sources	5,539,306	4,601,325	5,230,987	5,276,752	3,919,183	(1,357,569)	-25.7%
	<u>72,442,069</u>	<u>74,319,187</u>	<u>77,185,822</u>	<u>78,591,811</u>	<u>79,901,048</u>	<u>1,309,237</u>	<u>1.7%</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:

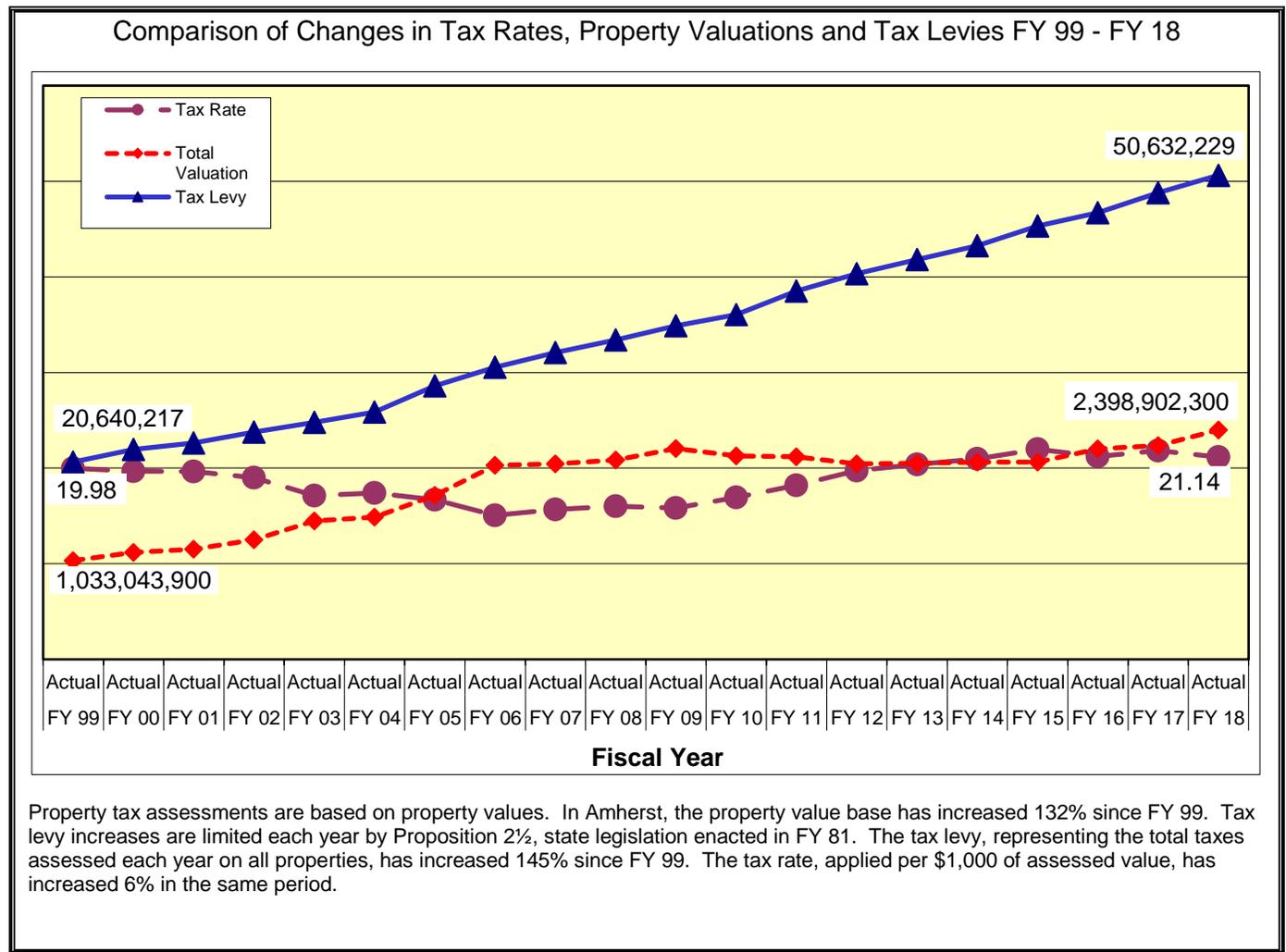
See following pages.

**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 19 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.

<b>SERVICE LEVELS:</b>	<b>FY 13 Actual</b>	<b>FY 14 Actual</b>	<b>FY 15 Actual</b>	<b>FY 16 Actual</b>	<b>FY 17 Actual</b>
Taxes as % of Total Resources					
Real and Personal Property Taxes	62	62	63	63	63



## RESOURCES

## PROPERTY TAX

	FY 15	FY 16	FY 17	FY 18	FY 19	Change	Percent
	Actual	Actual	Actual	Budget	Manager	Fz 18 - 19	Change
Base Levy	43,044,827	44,828,489	46,573,832	48,750,452	50,700,146	1,949,694	4.0%
2.5% Allowable Increase	1,076,121	1,120,712	1,164,346	1,218,761	1,267,504	48,743	4.0%
New Growth	707,541	624,631	1,012,274	730,933	830,000	99,067	13.6%
Levy Limit	44,828,489	46,573,832	48,750,452	50,700,146	52,797,650	2,097,504	4.1%
Debt Exclusion	171,480	125,378	76,709	32,250	0	(32,250)	-100.0%
Maximum Allowable Levy	44,999,969	46,699,210	48,827,161	50,732,396	52,797,650	2,065,254	4.1%
Excess Levy Capacity	(6,534)	0	(21,467)	(19,601)	0		
Subtotal PROPERTY TAX	44,993,435	46,699,210	48,805,694	50,712,795	52,797,650	2,084,855	4.1%

**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 19. Property taxes will increase at the allowable 2.5% limit per year (+\$1,267,504). New growth added to property tax is estimated at \$830,000, which is 58% above the 10 year median for new growth. FY 18 was 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.

## RESOURCES

## LOCAL RECEIPTS

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

**FY 19 OBJECTIVES:** To review current fee levels in relation to FY 19 costs of services.

**SERVICE LEVELS:**

	<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>	<u>FY 17</u> <u>Actual</u>
Revenues as % of Local Source Revenues					
Other Taxes	38	41	44	42	44
Departmental Revenue	18	14	19	19	18
Rentals	1	1	1	1	2
Licenses and Permits	13	14	18	18	15
Special Assessments	8	7	10	9	11
Fines and Forfeits	3	3	2	2	1
Penalties and Interest	3	4	3	2	3
Investment Income	1	1	1	1	1
Miscellaneous	15	15	2	6	5

**MAJOR COMPONENTS:**Departmental Revenue

## General Government

Assessing Services	\$ 20,000
Certificate of Municipal Lien	12,500
Collector's Fees	15,000
Certifies Copy Fees	22,000
Passport Application Fees	12,000
Other Departmental Fees	31,993
Public Safety	
Police Off Duty Service	15,000
Dispatch Center Use	15,000
Other Departmental Fees	9,200
Public Works	6,500
Conservation, Planning, Inspections	
Planning Board Fees	14,000
Certificates of Inspections	50,000
Other Departmental Fees	29,300

## Community Services

LSSE	238,000
Pools	70,000
Cherry Hill	227,638
Medicaid Reimbursement	260,549
Total Departmental Revenues	\$1,048,680

Special Assessments

UMass PVTA Assessment	689,328
Five College PVTA Assessment	230,927
Total Special Revenue Funds	\$920,255

Licenses & Permits

## General Government

Alcohol Licenses	\$ 164,500
Other Select Board Licenses	18,650
Town Clerk Licenses	6,500
Public Safety	
Fire Department Inspections'	100,000
Dog Licenses	8,000
Other Permits	31,000
Public Works	9,500
Inspection Services and Health	
Building Permits	400,000
Electrical Permits	220,503
Rental Registration	110,000
Other Licenses and Permits	133,975
Total Licenses & Permits	\$1,202,628

Miscellaneous

Amherst College	\$130,000
UMass Strategic Partnership	120,000
UMass Hotel/Motel Occupancy	125,000
Total Miscellaneous	\$375,000

## RESOURCES

## LOCAL RECEIPTS

	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Budget	FY 19 Manager	Change Fz 18 - 19	Percent Change
Motor Vehicle Excise	1,624,290	1,865,700	1,833,759	1,720,925	1,775,000	54,075	3.1%
Hotel/Motel and Meals Excise	703,492	695,976	708,601	677,126	687,000	9,874	1.5%
Penalties and Interest	223,077	203,416	260,469	188,000	181,000	(7,000)	-3.7%
PILOT	948,735	948,435	950,525	948,476	948,476	0	0.0%
Rentals	85,965	102,243	131,392	99,850	155,195	55,345	55.4%
Departmental Revenue	1,428,148	1,548,636	1,419,010	996,115	1,048,680	52,565	5.3%
Licenses and Permits	1,301,754	1,529,475	1,190,837	1,099,471	1,202,628	103,157	9.4%
Special Assessments	741,867	763,033	878,930	912,130	920,255	8,125	0.9%
Fines and Forfeits	147,562	129,758	101,928	97,700	97,700	0	0.0%
Investment Income	96,608	107,336	90,117	70,000	80,000	10,000	14.3%
Miscellaneous	136,250	488,533	403,311	350,000	375,000	25,000	7.1%
<b>Subtotal LOCAL RECEIPTS</b>	<b>7,437,747</b>	<b>8,382,541</b>	<b>7,968,879</b>	<b>7,159,793</b>	<b>7,470,934</b>	<b>311,141</b>	<b>4.3%</b>

**SIGNIFICANT BUDGET CHANGES:**

Motor vehicle excise revenues are estimated at \$1,775,000, an increase of 3.1% from the FY 18 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 \$103,157 or 9.4% from the FY 18 budget. We remain conservative on these estimates due to the uncertain nature of the economy and building construction.

Special Assessments increase by \$8,125. 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 \$25,000, this is an adjustment to the fees UMass pays in lieu of Hotel/Motel taxes.

**RESOURCES**

**STATE AID**

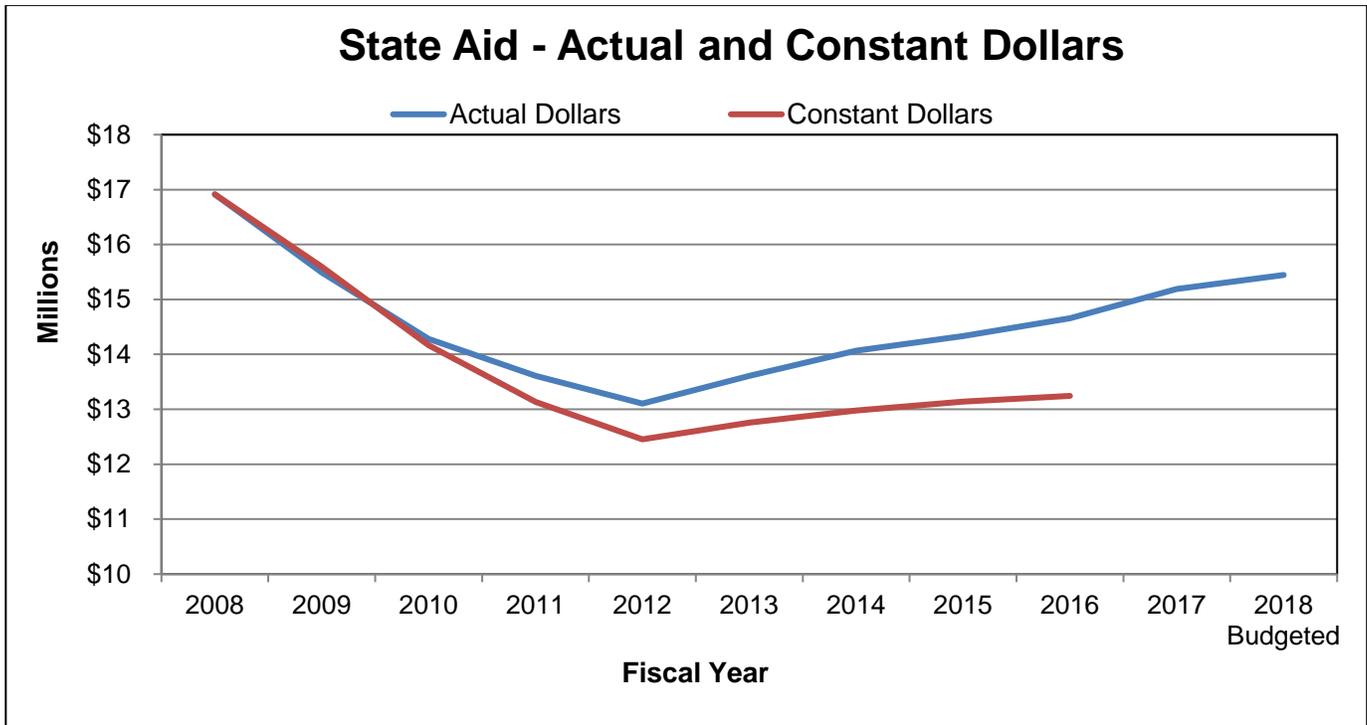
**MISSION STATEMENT:** To administer state revenues received for general purposes and purposes related to specific grants.

**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.

<b>SERVICE LEVELS:</b>	<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>	<u>FY 17</u> <u>Actual</u>
State revenues as a % of Total Resources	21	21	20	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.



<b>Amherst Trend</b>	
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 FY18 than in FY08 in both actual and inflation adjusted dollars, with cuts of over \$1.4 million since FY08.

## RESOURCES

## STATE AID

	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Budget	FY 19 Manager	Change Fz 18 - 19	Percent Change
Chapter 70	5,925,198	5,954,998	6,020,943	6,055,023	6,115,573	60,550	1.0%
Charter Tuition Assessment							
Reimbursement	334,378	126,388	271,611	162,476	162,476	0	0.0%
Unrestricted General Govt Aid	7,491,306	7,760,993	8,094,716	8,410,410	8,620,670	210,260	2.5%
Veterans Benefits	172,743	167,264	170,455	180,131	180,131	0	0.0%
Exempt: Vets, Blind, Surv. Spouses, Elderly	35,427	29,245	16,242	33,523	33,523	0	0.0%
State Owned Land	166,877	166,877	164,892	164,735	164,735	0	0.0%
Offset Receipts							
School Lunch	6,412	6,694	6,334	0	0	0	0.0%
School Tuition	255,276	336,133	344,496	344,496	344,496		
Public Libraries	83,964	87,520	90,574	91,677	91,677	0	0.0%
<b>Subtotal STATE AID</b>	<b>14,471,581</b>	<b>14,636,111</b>	<b>15,180,262</b>	<b>15,442,471</b>	<b>15,713,281</b>	<b>270,810</b>	<b>1.8%</b>

**SIGNIFICANT BUDGET CHANGES:**

Assumes a moderate increase in state 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 19 state budget proposal in January, 2018. Per the chart on the previous page and the table above, please note that state aid has been cut by over \$1.4 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 19 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 19 budget, if possible.

**SERVICE LEVELS:**

	<b>FY 13</b> <b><u>Actual</u></b>	<b>FY 14</b> <b><u>Actual</u></b>	<b>FY 15</b> <b><u>Actual</u></b>	<b>FY 16</b> <b><u>Actual</u></b>	<b>FY 17</b> <b><u>Actual</u></b>
<u>% of Total Resources</u>					
Special Revenue Funds	4	3	4	4	3
Overlay Reserve Account	0	0	0	0	0
Surplus Funds:					
Free Cash	3	2	2	1	2
Stabilization	0	0	0	0	0
Other Interfund Transactions	1	2	2	1	2

## RESOURCES

## OTHER FINANCING SOURCES

	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Budget	FY 19 Manager	Change Fz 18 - 19	Percent Change
Ambulance Fund	2,839,433	2,592,292	2,594,380	2,599,780	2,800,114	200,334	7.7%
Enterprise Fund Reimbursements	1,050,777	1,067,358	1,192,643	1,115,339	1,119,069	3,730	0.3%
Overlay Surplus	0	0	115,000	0	0	0	0.0%
Free Cash	1,649,096	836,675	1,328,964	1,561,633	0	(1,561,633)	0.0%
Stabilization Fund	0	105,000	0	0	0	0	0.0%
Subtotal OTHER FINANCING SOURCES	5,539,306	4,601,325	5,230,987	5,276,752	3,919,183	(1,357,569)	-25.7%

**SIGNIFICANT BUDGET CHANGES:**

A total of \$2,800,114 in support from the Ambulance Fund is allocated to the Fire Department operating budget 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 19 budget. 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. In FY 17 \$1,498,964 of Free Cash was appropriated: \$202,802 was transferred to OPEB, \$1,086,162 was transferred to the stabilization fund, \$150,000 to Special Education Reserve Fund, and \$60,000 to Community Services Budget.

## GENERAL FUND EXPENDITURES SUMMARY

	FY 15	FY16	FY 17	FY 18	FY 19	Change	%
	Actual	Actual	Actual	Budget	Manager	FY 18-19	Change
General Government	\$ 6,262,466	6,407,518	6,356,383	7,070,104	7,855,219	785,115	11.1%
Public Safety	\$ 9,580,832	9,856,588	10,057,411	10,359,472	10,446,161	86,689	0.8%
Public Works	\$ 2,310,082	2,101,281	2,364,678	2,326,634	2,355,505	28,871	1.2%
Conservation & Development	\$ 1,124,037	1,252,602	1,318,526	1,421,061	1,439,099	18,038	1.3%
Community Services	\$ 1,847,984	1,843,387	1,753,155	1,860,864	1,748,486	(112,378)	-6.0%
<b>TOTAL APPROPRIATION</b>	<b>\$ 21,125,401</b>	<b>21,461,375</b>	<b>21,850,154</b>	<b>23,038,135</b>	<b>23,844,470</b>	<b>806,335</b>	<b>3.5%</b>

### SIGNIFICANT BUDGET CHANGES:

#### RECOMMENDED BUDGET:

The Town Manager's proposed FY 19 municipal budget is a level services budget that includes increases necessary to fund contractual costs. The budget is funded at \$23,844,470, which exceeds the Finance Committee's guideline of a 2.5% increase from FY 18, to a 3.5% increase. This is to mitigate a portion of the large increases in health insurance costs effective in FY 18.

#### POSSIBLE BUDGET RESTORATIONS AND ADDITIONS IF ADDITIONAL FUNDS AVAILABLE:

The Finance Committee budget guideline assumes 0% increase in state aid in FY 19. This budget uses a modest estimate of state aid increase at 1.8%, based on best information available at this time. Once the Governor releases his budget on January 24, 2018, revenue estimates will become more definitive. A prioritized list of budget additions for FY 19 is included in the Town Manager's Letter of Transmittal should additional funds become available.