

TOWN OF
AMHERST
MASSACHUSETTS

FISCAL YEAR 2020

**PROPOSED
BUDGET**

JULY 1, 2019 - JUNE 30, 2020

PLEASE RECYCLE

THIS BUDGET

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

TABLE OF CONTENTS

TABLE OF CONTENTS	ii
TOWN MANAGER'S LETTER OF TRANSMITTAL	iv
ORGANIZATION CHART	ix
CONSOLIDATED RESOURCES/EXPEDITURES SUMMARY	x
POSITIONS IN FULL TIME EQUIVALENTS	xii
"FY20 Budget Policy Guidelines", Select Board (October 29, 2018)	xiv
"Preliminary Fiscal Year 2020 Budget Guidelines", Finance Committee (November 6, 2018)	xviii
FY 20 MANAGER'S FORECASTED BUDGET REVENUE AND EXPENDITURE SUMMARY	xxiv
GENERAL FUND	
GENERAL FUND RESOURCES SUMMARY	2
GENERAL FUND RESOURCES DETAIL	4
GENERAL FUND EXPENDITURES SUMMARY	12
GENERAL GOVERNMENT SUMMARY	14
TOWN COUNCIL	16
TOWN MANAGER'S OFFICE	18
TOWN MEETING/FINANCE COMMITTEE	21
FINANCE DEPARTMENT	22
LEGAL SERVICES	27
HUMAN RESOURCES/HUMAN RIGHTS	29
EMPLOYEE BENEFITS	32
INFORMATION TECHNOLOGY	35
TOWN CLERK'S OFFICE	38
ELECTIONS & REGISTRATION	41
FACILITIES MAINTENANCE	44
GENERAL SERVICES	47
PUBLIC SAFETY SUMMARY	49
POLICE FACILITY	50
POLICE	52
FIRE / EMS	56
COMMUNICATIONS CENTER	60
ANIMAL WELFARE	63
PUBLIC WORKS SUMMARY	67
PUBLIC WORKS ADMINISTRATION	68
HIGHWAY	71
SNOW AND ICE REMOVAL	73
STREET & TRAFFIC LIGHTS	75
EQUIPMENT MAINTENANCE	77
TREE AND GROUND MAINTENANCE	79
PLANNING/CONSERVATION/INSPECTION SERVICES SUMMARY	83
CONSERVATION	84
PLANNING	87
INSPECTION SERVICES	90
COMMUNITY SERVICES SUMMARY	95
PUBLIC HEALTH	96
SENIOR CENTER	99
VETERANS' SERVICES	102
SOCIAL SERVICES	105
LEISURE SERVICES & SUPPLEMENTAL EDUCATION	107
MUNICIPAL POOLS	110
GOLF COURSE	113

TABLE OF CONTENTS

DEBT SERVICE	115
OTHER EXPENDITURES	117
OTHER ASSESSMENTS	119
WATER FUND	
WATER FUND SUMMARY	123
RESOURCES	124
WATER SUPPLY AND DISTRIBUTION	126
GENERAL FUND SERVICES	128
DEBT SERVICE & INTEREST	130
CAPITAL PROGRAM SUMMARY	132
SEWER FUND	
SEWER FUND SUMMARY	137
RESOURCES	138
SEWER MAINTENANCE	140
WASTEWATER TREATMENT PLANT	142
GENERAL FUND SERVICES	145
DEBT SERVICE & INTEREST	147
CAPITAL PROGRAM SUMMARY	149
SOLID WASTE FUND	
SOLID WASTE SUMMARY	153
RESOURCES	154
SOLID WASTE FACILITIES	156
GENERAL FUND SERVICES	158
DEBT SERVICE & INTEREST	160
CAPITAL PROGRAM SUMMARY	162
TRANSPORTATION FUND	
TRANSPORTATION SUMMARY	167
REVENUES	168
PARKING MANAGEMENT	170
GENERAL FUND SERVICES	173
DEBT SERVICE & INTEREST	175
CAPITAL PROGRAM SUMMARY	177
APPENDICES	
A. GRANT PROGRAMS AND POSITIONS	180
B: MAINTENANCE COSTS BY MUNICIPAL FACILITY	182
C: FEE-BASED RECREATION PROGRAMS	183
D: DEBT OBLIGATIONS	187
E: COMMUNITY DEVELOPMENT BLOCK GRANT	191
F: TRANSPORTATION FUND DATA	192
G: AMHERST HISTORICAL FINANCIAL DATA	196
H: GLOSSARY	203



Office of the Town Manager
 (413) 259-3002
 townmanager@amherstma.gov

To: Town Council

From: Paul Bockelman
 Town Manager

Date: May 1, 2019

Subject: Town Manager's Proposed FY20 Municipal Budget

I am pleased to submit my proposed municipal budget for the fiscal year beginning July 1, 2019 (FY20).

Executive Summary

The municipal budget includes expenses for all municipal government operations including general government, public safety, public works, planning/conservation/inspections, community services, water fund, sewer fund, solid waste fund, transportation fund, and debt and other expenditures and assessments. Budgets for the Library, Elementary Schools, and Regional School are presented separately.

The FY20 municipal budget continues to offer the same services as in FY19. No new positions are included. There are, however, positions that have been reallocated to general government from the health trust. Economies have been gained by partnering with the Schools and Library to share management services. Additional expenses associated with the new 13-member Town Council have been added.

Budget Process and Priorities

The Town has a finely-tuned, coherent process for developing and reviewing its budget. Town staff review and develop annual budgets for each department, reviewing each department's mission, recent accomplishments, current challenges, long-range objectives, FY20 objectives, service levels, and staffing. These department-by-department budgets are reviewed within the larger context of budget constraints and finalized into a comprehensive municipal budget for presentation to the Finance Committee and the Town Council.

The FY20 budget process has been a transitional one, and reflects the recommendations, guidelines, and goals from various sources including:

- Select Board Town Manager performance goals (September 12, 2018);
- Select Board budget policy guidelines (October 29, 2018);
- Finance Committee budget guidelines (November 6, 2018);
- Town Council draft goals (February 2019);
- Collected priorities from Town boards and committees;

- New initiatives and budget adjustments developed by the Town's professional staff; and,
- Comments from the public.

Priorities established in the budget include:

- Maintaining the high-quality services that are delivered every day by the employees of the Town;
- Implementing efficiencies and utilizing existing staff to address management challenges (maintenance, capital, licensing, Town Council clerk, etc.)
- Embracing the philosophy of sustainability as we introduce initiatives to reduce energy use, utilize renewable energy, and plan for climate change;
- Addressing the backlog of paving needs for roads, sidewalks, and crosswalks including funding for ongoing maintenance and making travel safety a high priority;
- Taking strides to invest in the Town's built infrastructure including maintenance of existing buildings and developing plans for new DPW and Fire Department headquarters;
- Working with stakeholders to develop a shared vision for the development of the downtown and village centers;
- 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 including:

- Developing options to address the parking constraints downtown;
- Completing the renewal of Groff Park as a complete recreational facility with active play areas such as a playground and spray park;
- Developing a dog park and planning for its ongoing maintenance;
- Finalizing construction of a solar array on the north landfill and environmental mitigation efforts on the south landfill;
- If approved by the Town Council, renovating the North Common and reconstructing the Main Street parking lot; and,
- Assessing future plans for Puffers Pond, Cherry Hill Golf Course, and water system supply and resiliency.

The FY20 budget maintains the high level of services currently provided. Decades of strong municipal management and fiscal stewardship have provided Amherst with the tools needed to move forward along a steady and prudent financial path to meet our expected service levels and the annual challenges presented by regional, state and federal economies.

FY20: Budget Highlights

The proposed FY20 municipal budget is a level-services budget funded at \$24,584,061, an overall increase of 2.8% which includes new funds for the operations of the Town Council.

Here are some key highlights:

- **Budget for the Town Council:** A new budget amount is added for the Town Council and set at \$100,000. Section 10.7(r) of the Amherst Home Rule Charter (Charter) established salaries for Town Councilors at \$5,000, \$7,500 for the President. There is a budget of \$32,500 for travel, training, and attendance at meetings and conferences. The \$8,000 corresponding budget for the Select Board is now deleted.

- **Shared Services:** Town departments have worked to find efficiencies of operations and utilize our talented staff to take on additional responsibilities. Some of these include:
 - Capital planning: the School Finance Director is now the lead on capital planning for all Town projects.
 - Procurement: the Town's procurement officer is dedicating a portion of his time to support procurement at the Schools.
 - Maintenance: the Library maintenance manager has taken on responsibility for overseeing maintenance of all Town buildings including Town Hall, Bangs Community Center, Police Station, and Munson Memorial Library. Town maintenance staff are available to assist in the library buildings when necessary.
 - Customer service: the customer service associate at LSSE has been reallocated to work part of her hours in the Treasurer/Collector's office.
 - Licensing: the new licensing function has been reassigned to the Inspections Department.
- **Public Safety:** I have maintained the Town's continued commitment to strong public safety. The Town of Hadley terminated its emergency medical services contract with the Town, choosing to use a private ambulance service. This has reduced the revenue into the ambulance fund by approximately \$600,000. Although ambulance receipts and calls are down significantly, I have maintained current staffing levels for the Fire Department.
- **Health Insurance:** Group health insurance rates will increase just 0.6% for FY20 after the switch to a fully insured program from being self-insured. I commend the leadership of our bargaining units and retirees for being intimately involved with the difficult decision assisting in the transition. This change eliminated funding for 1½ positions that had previously been paid out of the health trust but are still needed to support town services. These salaries have now been incorporated into this operating budget.

FY20: Budget

My recommended FY20 Town of Amherst Municipal Budget includes the following:

- General Fund \$24,584,061
- Water Fund 4,492,576
- Sewer Fund 4,507,578
- Solid Waste Fund 493,662
- Transportation Fund 1,071,617

General Fund Expenses

Within the General Fund, operating budgets increase/(decrease) as follows:

	FY20 Recommendation	Dollar Change from FY19	Percent Change from FY19
General Government	\$8,010,791	520,436	6.9%
Public Safety	\$10,881,989	\$110,601	1.0%
Public Works	\$2,401,666	\$40,152	1.7%
Conservation & Development	\$1,522,077	\$68,315	4.7%
Community Services	<u>\$1,767,538</u>	<u>\$(59,913)</u>	<u>-3.3%</u>
Total	\$24,584,061	\$679,591	2.8%

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, a salary reserve for unsettled contracts is also included. These funds are allocated to the department once negotiations are completed.

The 4.7% increase in Conservation & Development is the result of additional funding for small capital purchases from the capital plan. This budget also includes \$5,000 for extra help with trails and \$5,000 for legal ads.

The 3.3% reduction in Community Services results from the reorganization of Leisure Services and the reduction of \$60,000 in Social Services budget.

Additional budget highlights:

- 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 \$4.96 million as of June 30, 2018. Investment in OPEB in the FY20 budget is again recommended, adhering to the plan to stabilize the investment at \$500,000 annually. 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.
- Additional funds for social services included in last year's budget by Town Meeting are not included in this year's budget. I would welcome a policy discussion with the Town Council on the Town's role and commitment to social service funding when the Town Council sets its goals later this year.
- A salary reserve is included for unsettled collective bargaining agreements. Currently, five out of six agreements are in negotiation.
- Funding compensation for all employees at or above minimum wage. The biggest impact is on the seasonal LSSE budget for lifeguards and camp and sports instructors and the Library.
- The budget accommodates small (\$5,000 - \$7,000) additions to the Fire, Public Works, and Police budgets so those agencies can address small building repairs without going through the capital planning process.

Enterprise Funds Budgets

- The Water Fund budget is \$4,492,576, an increase of 0.5% from the FY19 budget. The current water rate is \$3.80 per 100 cubic feet and is projected to increase to \$3.90 per 100 cubic feet after no increase in FY19. The Town's water/sewer rates remain below comparable state and regional averages. The Water Fund Free Cash balance was \$1,774,408 (41% of operating revenue). The budget includes an appropriation to the OPEB Trust Fund for the retiree health insurance costs of this department.
- The Sewer Fund budget is \$4,507,578, an increase of 1.3% from the FY19 budget. The current sewer rate is \$3.90 per 100 cubic feet and is projected to increase to \$4.00 per 100 cubic feet, an increase of 2.6%. The Town's water/sewer rates remain below comparable state and regional averages. The Sewer Fund Free Cash balance was \$1,492,380 (36% of operating revenue). The budget includes an appropriation to the OPEB Trust Fund for the retiree health insurance costs of this department.

- The Solid Waste Fund budget of \$493,662 increased by \$6,392, equivalent to 1.3%. The increase is attributable to salary and benefit cost increases.
- The Transportation budget of \$1,071,617 is an overall decrease of 9.5%, mainly due to the reduction of \$53,000 for extended bus service. Town Meeting voted the increase in FY 19; this did not carry over to FY 20. Significant parking changes implemented were designed to increase parking turnover in the most highly visible spaces in our downtown. We continue to watch the impact of these changes. A steady approach to expenses is necessary to recover the fund balance to the recommended level of 25% of annual operating expenses. The current balance is \$133,246 (12% of operating revenue).

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

Conclusion

This budget represents my recommendation to the Town for funds needed to deliver superior government services to the Town's residents, businesses, institutions, and visitors. It incorporates the priorities identified by the Town's elected officials.

Acknowledgements

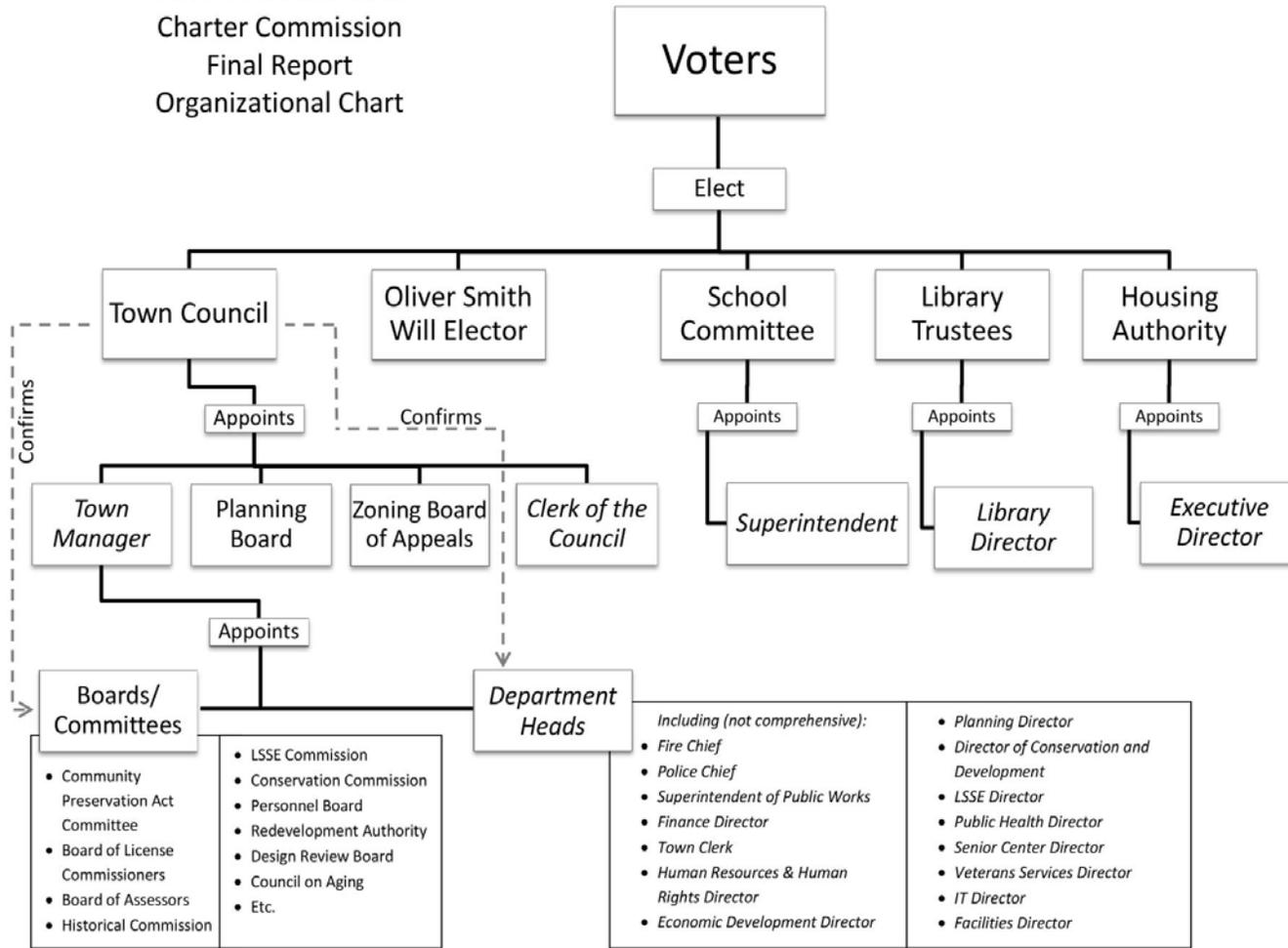
The development of the Town's budget plan is a team effort that starts at the very core – funding basic services delivered by dedicated employees. It is the needs and insights provided at the ground level that informs the decisions made in this budget planning document.

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 Finance Director Sonia Aldrich, Assistant Comptroller Holly Bowser – who took on even more this year, and Assistant Town Manager David Ziomek. More than ever, this document is the collective effort by this experienced and talented team.

Lastly, I want to thank every Town employee, committee volunteer, resident, elected official, 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.

Town of Amherst
 Charter Commission
 Final Report
 Organizational Chart



Italics = Town employees

CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

	FY 20 General Fund	FY 20 Water Fund	FY 20 Sewer Fund	FY 20 Solid Waste Fund
REVENUES				
Property Tax	54,907,326	0	0	0
Local Receipts	7,840,439	4,492,576	4,492,000	487,270
State Aid	16,321,539	0	0	0
Other Financing Sources	4,377,482		15,578	6,392
TOTAL REVENUES	83,446,786	4,492,576	4,507,578	493,662
EXPENDITURES				
<u>OPERATING BUDGET</u>				
Town	24,584,061	2,991,796	2,875,694	445,947
Elementary Schools	23,838,855	0	0	0
A-P Regional School District (Assessment)	16,444,279	0	0	0
Jones Library (Tax Support)	2,043,302	0	0	0
Subtotal OPERATING BUDGET	66,910,497	2,991,796	2,875,694	445,947
<u>CAPITAL BUDGET</u>				
Debt Service - Current	1,581,378	442,900	698,537	0
Debt Service - Projected	351,102	0	0	0
Cash Capital (Tax Support)	3,503,810	0	0	0
Subtotal Tax Funded Capital	5,436,290	442,900	698,537	0
Cash Capital (Non-Tax Support)	0	190,000	120,000	0
Subtotal CAPITAL	5,436,290	632,900	818,537	0
<u>MISCELLANEOUS</u>				
Assessment - Retirement System	5,868,847	291,555	286,023	47,715
Assessment - Regional Lockup Facility	35,928	0	0	0
OPEB	500,000	79,000	150,000	0
Reserve Fund	0	0	0	0
Subtotal MISCELLANEOUS	6,404,775	370,555	436,023	47,715
Total APPROPRIATIONS	78,751,562	3,995,251	4,130,254	493,662
<u>UNAPPROPRIATED USES</u>				
Reserve for Abatements & Exemptions	549,073	0	0	0
State Assessments (Cherry Sheet)	3,455,630	0	0	0
Cherry Sheet Offsets	674,417	0	0	0
Other Amounts to be Raised	16,104	497,325	377,324	0
Subtotal UNAPPROPRIATED USES	4,695,224	497,325	377,324	0
TOTAL BUDGET PLAN	83,446,786	4,492,576	4,507,578	493,662
\$ Change from Prior year		20,388	(18,298)	6,392
% Change from Prior Year		0.5%	-0.4%	1.3%

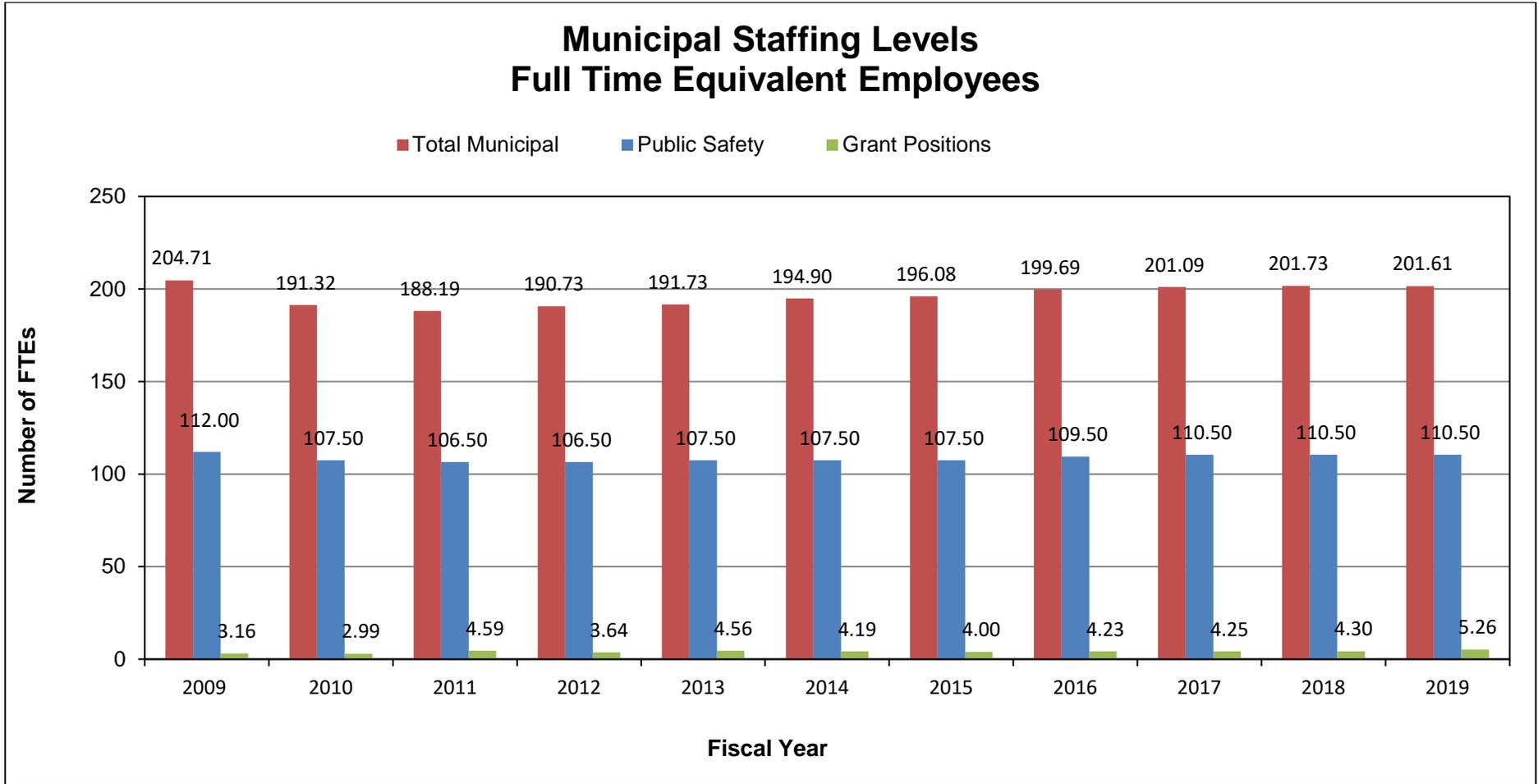
CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

FY 20 Transportation Fund	FY 20 COMBINED FUNDS (memo only)	FY 19 COMBINED FUNDS (memo only)	Change FY 19 - 20	Percent Change
0	54,907,326	52,765,104	2,142,222	4.1%
1,071,617	18,383,902	18,011,288	372,614	2.1%
0	16,321,539	16,030,019	291,520	1.8%
0	4,399,452	4,724,275	(324,823)	-6.9%
1,071,617	94,012,219	91,530,686	2,481,533	2.7%
571,135	31,468,633	30,843,615	625,018	2.0%
0	23,838,855	23,242,365	596,490	2.6%
0	16,444,279	16,045,304	398,975	2.5%
0	2,043,302	1,993,466	49,836	2.5%
571,135	73,795,070	72,124,750	1,670,320	2.3%
96,500	2,819,315	3,086,716	(267,401)	-8.7%
0	351,102	263,874	87,228	33.1%
0	3,503,810	2,884,789	619,021	21.5%
96,500	6,674,227	6,235,379	438,848	7.0%
10,000	320,000	530,000	(210,000)	-39.6%
106,500	6,994,227	6,765,379	228,848	3.4%
69,107	6,563,247	6,211,313	351,934	5.7%
0	35,928	35,928	0	0.0%
26,902	755,902	755,902	0	0.0%
0	0	100,000	(100,000)	-100.0%
96,009	7,355,077	7,103,143	251,934	3.5%
773,644	88,144,374	85,993,272	2,151,102	2.5%
0	549,073	525,280	23,793	4.5%
0	3,455,630	3,130,246	325,384	10.4%
0	674,417	729,842	(55,425)	-7.6%
297,973	1,188,726	1,152,046	36,680	3.2%
297,973	5,867,846	5,537,414	330,432	6.0%
1,071,617	94,012,220	91,530,686	2,481,534	2.7%
(112,626)				
-9.5%				

POSITIONS IN FULL TIME EQUIVALENTS

Department	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Manager	FY 20 Manager	Change FY 19 - 20
MUNICIPAL BUDGET						
Select Board/Town Manager	3.50	3.50	3.50	3.50	3.40	-0.10
Finance	13.00	13.00	13.30	13.30	13.60	0.30
Human Resources/Human Rights	1.83	1.83	1.50	1.50	2.50	1.00
Information Technology	4.00	4.83	4.83	4.83	5.33	0.50
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	5.25	5.25	5.25	5.27	0.02
TOTAL GENERAL GOVERNMENT	30.21	31.41	31.38	31.38	33.10	1.72
Police Facility	1.00	1.00	1.00	1.00	1.00	0.00
Police	49.50	50.50	50.50	50.50	50.00	-0.50
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
TOTAL PUBLIC SAFETY	109.50	110.50	110.50	110.50	110.00	-0.50
Public Works Administration	4.04	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	0.34	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
TOTAL PUBLIC WORKS	27.54	27.54	27.88	27.88	27.88	0.00
Conservation	4.50	4.50	4.83	4.83	4.83	0.00
Planning Department	4.40	4.40	4.40	4.40	4.50	0.10
Inspections	10.00	9.00	10.00	10.00	10.00	0.00
TOTAL CONSERVATION & DEVELOPMENT	18.90	17.90	19.23	19.23	19.33	0.10
Public Health	2.54	2.54	1.54	1.34	1.50	0.16
Senior Center	3.00	3.20	3.20	3.28	3.29	0.01
Leisure Services & Supplemental Education	6.45	6.45	6.45	6.45	5.85	-0.60
Pools	0.20	0.20	0.20	0.35	0.35	0.00
Golf Course	1.35	1.35	1.35	1.20	1.20	0.00
TOTAL COMMUNITY SERVICES	13.54	13.74	12.74	12.62	12.19	-0.43
TOTAL GENERAL FUND	199.69	201.09	201.73	201.61	202.50	0.89
Water Supply and Distribution	18.73	18.82	18.83	18.83	18.85	0.02
TOTAL WATER FUND	18.73	18.82	18.83	18.83	18.85	0.02
Sewer Maintenance	2.00	2.00	2.00	2.00	2.00	0.00
Wastewater Treatment Plant	16.48	16.31	16.32	16.32	16.34	0.02
TOTAL SEWER FUND	18.48	18.31	18.32	18.32	18.34	0.02
Sanitary Facilities	3.00	3.00	3.00	3.00	3.00	0.00
TOTAL SOLID WASTE FUND	3.00	3.00	3.00	3.00	3.00	0.00
Parking Facilities	4.60	4.60	4.65	4.65	4.70	0.05
TOTAL TRANSPORTATION FUND	4.60	4.60	4.65	4.65	4.70	0.05
TOTAL	244.50	245.82	246.53	246.41	247.39	0.98

POSITIONS IN FULL TIME EQUIVALENTS

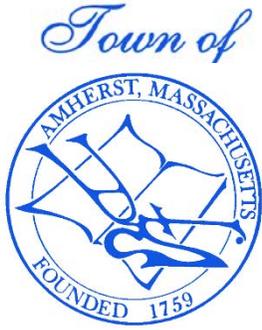


Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

The Town has reduced its workforce by 3.17 positions since FY09, or 1.55%.

Public Safety personnel have been reduced by 1.50 FTEs, or 1.34%.

Non-public safety positions have been reduced by 1.67 FTEs, or 1.8%.



Amherst Massachusetts

OFFICE OF THE SELECT BOARD

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

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

To: Paul Bockelman, Town Manager

From: Doug Slaughter, Select Board Chair

Date: October 29th, 2018

Re: FY20 Budget Policy Guidelines

At our October 29th meeting the Select Board unanimously approved the following Budget Policy Guidelines for FY20. 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 FY20:

- 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, efficiencies in operations, and regular "New Growth" that provides new taxes in addition to the allowable 2.5% increase in the levy limit have all been an important part of keeping within the Prop 2 ½ requirements;
- h) We need to recognize the costs, including for debt repayment, for the major capital projects that we are continuing to consider: one Elementary School, Jones Library, South Fire Station, and Public Works facility. Financial analysis has determined it is only feasible to build one elementary school building to replace the existing Fort River and Wildwood schools. 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. It is clear that the costs of the 4 major capital projects coupled with the ongoing capital needs of the Town are such that we cannot afford to execute these without the significant support of outside grants such as those of the Massachusetts School Building Authority (MSBA) and the Massachusetts Board of Library Commissioners (MBLC);
- 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, the Council 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) Several Town Meeting actions in the past year will have implications for the creation of the budget for FY20 as well as future budgets. Integrating 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 FY20 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

November 6, 2018

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

From: Finance Committee

Re: Preliminary Fiscal Year 2020 Budget Guidelines

As with past years, these Guidelines assume a final balanced budget, with all sources of revenue providing the needed funds necessary to meet expense projections. As such, operating budgets should be developed with an increase in Town support of 2.5% or less over the FY19 budget. 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 2.6%, as aid for Charter assessment and School Choice adjustments assessed to the Town by the State is less than anticipated and has been considered in the percent allocated to the Elementary Schools.

The amount anticipated that the Town will raise and appropriate would be \$24,502,081 for the Town budget; \$23,838,854 for the Elementary Schools; \$16,446,437 for Amherst's assessment to the Regional Schools; and \$2,043,302 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.

At the Four Board Meeting on October 18, Town Manager Paul Bockelman, Comptroller/Interim Finance Director Sonia Aldrich, Assistant Comptroller Holly Bowser and Acting Collector Jennifer LaFountain presented the Preliminary Projections for FY20 Budget Planning (July1, 2019-June 30, 2020). Although early in the budget process, even with the Town's estimated 3.5% projected overall increase in revenue, the Town will have a preliminary shortfall of a little over \$1 million, which normally is a \$600,000 deficit at this point in time. This year's shortfall is driven in part by the following preliminary assumptions:

- Property tax revenue assumes the allowable 2.5% increase to the levy and estimates new growth to be the historic ten-year average amount of \$600,000.

- Unrestricted General Government Aid (UGGA) would increase 2.5%. Conservatively, other State Aid is projected to see no increase in FY20.
- Revenues from the ambulance fund are projected to be less, which in great part is due to the loss of the contract with the Town of Hadley.
- Health insurance continues to be a challenge.
- Funding for capital expenditures is projected to increase from 9.0% of the tax levy to 9.5%.
- Other Post-Employment Benefits (OPEB) contribution is projected to be \$500,000.
- The budget again provides \$100,000 for the Reserve Fund.
- Retirement System assessment increase of 8% over FY19 (not under Town control).

Although early in the budget process, some appropriations may increase. Because of the above assumptions and preliminary shortfall, all these factors explain why the Committee is recommending an overall spending increase of only 2.5% or less. General comments about Revenues and expenses follow.

Revenue

An overall revenue increase of 3.5% over FY19 is needed from all sources, some of which include property tax, state aid, payments in lieu of taxes, meals tax, motor vehicle excise, fees, etc.

The largest revenue source is the property tax representing 65% of the total budget. It is expected to increase by 3.6%, reflecting the allowable 2.5% increase plus new growth. This revenue is stable and predictable. Last year, property tax revenues from the new buildings being developed downtown resulted in a significant increase over the projected revenues. As these buildings become more fully online, and development growth continues both downtown and throughout Amherst in the Mill River District in North Amherst, University Drive, Spring Street, etc., the projections will be revisited and included in preliminary budgets to reflect the positive impact of the actual development in process and planned, rather than basing the projection on a historic ten-year average of \$600,000.

Note: A 1982 Massachusetts Statute, Proposition 2 1/2, limits property tax assessments. Under the statute, all cities and towns are subject to two property tax Levy limits:

- 1) The Levy Ceiling is the total annual property tax revenue raised by the Town which cannot exceed 2.5% of the assessed value of all taxable property in Town.*
- 2) The Levy Limit is the annual increase in property tax which cannot exceed 2.5% over the previous year's levy limit plus new growth.*

Amherst's 2018 tax rate is \$21.14 per thousand and cannot exceed \$25 per thousand. An operating budget override falls under the Levy Limit, which does not allow the Town to exceed \$25 per thousand. Only debt exclusions, capital expenditure exclusion or Stabilization Fund overrides allow a Town to exceed the \$25 as they are time limited and not permanent additions to the levy.

In 2010 the Town's tax rate was \$16.95 per thousand and in 2018 it is \$21.14 or an increase of \$4.19 (24.7%) over an eight-year period. Although the tax rate fluctuates a little over time with the overall property value, it also steadily increases. The projected rate for 2019 is \$21.80. Commercial property is 11% of the taxable property in Town, and 30% of the Town's total valuation is tax exempt.

The second largest source of revenue is state aid. It is 20% of the total budget, which is conservatively projected at no increase except for an increase of 2.5% for Unrestricted General Government Aid (UGGA). 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 2019, which will be the first indication of the amount of state aid the Town might actually receive.

Other revenue sources, such as local receipts and other financing sources are estimated by the Town Manager to have minimal growth. Local receipts, such as motor vehicle excise, meals tax, fines, fees, payments in lieu of taxes, etc. are estimated to increase conservatively. Receipts for FY18 from UMass were \$283,241, Amherst College \$155,000 and Hampshire College none and for FY20 are estimated to remain the same. Ambulance receipts are expected to decrease by \$335,000 due to the Town of Hadley establishing its own paramedic service.

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, additional information may become available necessitating adjustments to the preliminary assessment of the amounts recommended for allocation from the General Fund.

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 9.5% of the Levy for FY20. The Finance committee believes that getting to the 10% of Levy for capital spending is necessary in order to help finance debt service 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.

Other Post-Employment Benefits (OPEB)

Based on prudent fiscal management, the Finance Committee once again recommends including an allocation of \$500,000 to the OPEB Trust Fund in the FY20 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 began to put money into the OPEB Trust Fund, and 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 in FY15, the Town has allocated \$4.9 million to OPEB.

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. 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 of operating revenues, as per State Department of Revenue (DOR) Guidelines.

As of July 1, 2018, the DOR has certified the Town's Free Cash at \$3,140,413. That plus the Stabilization Fund of \$9,416,997, comprise the Town's current reserves of \$12,557,410, which is 15.6% of FY19 General Fund operating revenues. Although the reserves slightly exceed the Finance Committee's Financial Policy's percentage range, the Committee considers this wise so as to help toward funding the four major capital projects being proposed. This Committee recommends that the Town continue to allocate some of the free cash, the amount greater than 5% of General Fund operating revenues, to a Stabilization Fund. That action will not affect total reserves.

The Town Manager is not projecting the use of Town Reserves for recurring expenditures or an override for operating expenses for FY20.

Requested budget information

Budgets reflect changes in programs, services and/or staffing, which can be a combination of reductions, eliminations and/or additions. Information is requested about projected cost increases/decreases and changes in operations for FY20, and the effect that a 2.5% or less increase in Town funding will have on programs. That information should be part of the budget. As FY20 budgets are developed, the following information also should be included in all budget information: key population data with clearly defined demographic changes, and the challenges they present to budgets. In addition to gross population statistics, identify subsets of population growth or decline, e.g. elderly; students; special needs, both physical and financial; non-resident users of the Senior Center, LSSE and the Jones Library who come from other towns, etc. For example: 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. To offset some

decrease, the District accepts Choice-in students on a space available basis. How does that affect current budgetary needs.

Also requested is 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. This information is needed and will be used in discussions of overall priorities, and will help prepare for budget adjustments, if necessary.

Uniformity in the descriptions of programs and budgets will be helpful in developing a Financial Report. Previous Financial Reports included a five-part budget narrative:

See FY19 Finance Committee Report to Town Meeting for types of data and information.

Budget Report Format for Departments

1. Basic functions and all relevant data
2. Summary for the next fiscal year, including all relevant changes from the current year
3. Full-time-equivalent employees for the next fiscal year and change from current year
4. Services provided by and for other departments
5. Other information of interest

Defining “full-time-equivalent” (FTE) employees in a uniform way that works well for all budget areas is difficult. 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 non-benefited staff.

There continues to be interest 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.

Schedule

See Attached: Town of Amherst, FY2020 Draft Budget Development Calendar

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, an Elementary School Project and the Jones Library Renovation/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 to develop responsible budgets for the betterment of the Town as a whole.

The Committee also thanks Town Manager Paul Bockelman, Comptroller/Interim Finance Director Sonia Aldrich, Assistant Comptroller Holly Bowser and Acting Collector Jennifer LaFountain, and Town staff for providing the information necessary in developing the Budget Guidelines.

Finally, we thank everyone who has been involved with the Town's Budgets while we have served as the Town's Finance Committee.

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

cc: Amherst Town Council

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

DRAFT
For Discussion Purposes Only
ongoing version with FY19 recap balanced
FY20 Budget Projection
INCLUDES HWM BUDGET
Monday, April 29, 2019
Assumptions

	FY 18 Recap	FY 18 Actual	FY 19 Projected	FY 19 Recap	FY 20 Projected	\$ Chg	% Chg	FY 21 Projected	% Chg	FY 22 Projected	% Chg	
REVENUES												
PROPERTY TAX												
Base Levy	48,750,452	50,939,949	50,700,146	50,700,146	52,787,635	2,087,489	4.1%	54,907,326	4.0%	56,880,009	3.6%	
2.5% Allowable Increase	1,218,761	0	1,267,504	1,267,504	1,319,691	52,187	4.1%	1,372,683	4.0%	1,422,000	3.6%	
Estimated New Growth	730,933	0	830,000	819,985	800,000	(19,985)	-2.4%	600,000	-25.0%	600,000	0.0%	updated estimate 3/25/19 per Assessor
General Override	0	0	0	0	0	0		0		0		
Levy Limit	50,700,146	50,939,949	52,797,650	52,787,635	54,907,326	2,119,691	4.0%	56,880,009	3.6%	58,902,009	3.6%	
Debt Exclusion	32,250	32,250	0	0	0	0		0		0		
Maximum Allowable Levy	50,732,396	50,972,199	52,797,650	52,787,635	54,907,326	2,119,691	4.0%	56,880,009	3.6%	58,902,009	3.6%	
Excess Levy capacity	(19,601)	0	0	(22,531)	0	0		0		0		
Subtotal PROPERTY TAX	50,712,795	50,972,199	52,797,650	52,765,104	54,907,326	2,142,222	4.1%	56,880,009	3.6%	58,902,009	3.6%	
LOCAL RECEIPTS												
Motor Vehicle Excise	1,720,925	1,916,204	1,800,000	1,875,000	1,973,859	98,859	5.3%	1,973,859	0.0%	1,973,859	0.0%	Conservative based on FY18 actual revenue
Hotel/Motel and Meals Excise	677,126	745,742	687,000	687,000	687,000	0	0.0%	687,000	0.0%	687,000	0.0%	Conservative based on FY18 actual revenue
Penalties and Interest	188,000	330,465	197,229	197,229	197,229	0	0.0%	197,229	0.0%	197,229	0.0%	Conservative based on FY18 actual revenue
PILOT	948,476	977,397	948,476	948,476	951,277	2,801	0.3%	951,277	0.0%	951,277	0.0%	Largest source is Enterprise Funds PILOTS
Rentals	99,850	137,726	155,195	155,195	155,195	0	0.0%	155,195	0.0%	155,195	0.0%	JPM Health Center added in FY19
Departmental Revenue	1,038,115	1,221,496	1,148,680	1,148,680	1,149,680	1,000	0.1%	1,149,680	0.0%	1,149,680	0.0%	Recurring department revenue
Licenses and Permits	1,057,471	926,576	1,102,628	954,552	984,344	29,792	3.1%	984,344	0.0%	984,344	0.0%	based on FY18 actual revenue
Special Assessments	912,130	913,056	920,255	920,255	974,155	53,900	5.9%	974,155	0.0%	974,155	0.0%	PVTA assessment: UMass5 College Inc.
Fines and Forfeits	97,700	127,331	97,700	97,700	97,700	0	0.0%	97,700	0.0%	97,700	0.0%	based on trend
Investment Income	70,000	101,309	80,000	80,000	80,000	0	0.0%	80,000	0.0%	80,000	0.0%	based on trend
Miscellaneous(see notes section)	350,000	370,391	400,000	370,000	590,000	220,000	59.5%	590,000	0.0%	590,000	0.0%	Amherst College(\$100,000), Umass (\$120,000 and \$150,000 H/M Fee),Hopkinton \$220,000
Subtotal LOCAL RECEIPTS	7,159,793	7,767,691	7,537,163	7,434,087	7,840,439	406,352	5.5%	7,840,439	0.0%	7,840,439	0.0%	
STATE AID												
Chapter 70	6,055,023	6,055,023	6,076,903	6,088,203	6,122,223	34,020	0.6%	6,122,223	0.0%	6,122,223	0.0%	used HWM budget for 2020
Charter Assessment Reimbursement	162,476	113,706	230,571	177,979	194,217	16,238	9.1%	194,217	0.0%	194,217	0.0%	used HWM budget for 2020
Unrestricted General Govt Aid	8,410,410	8,410,410	8,704,774	8,704,774	8,939,803	235,029	2.7%	8,939,803	0.0%	8,939,803	0.0%	used HWM budget for 2020
Veterans Benefits	180,131	152,080	111,888	111,888	162,954	51,066	45.6%	162,954	0.0%	162,954	0.0%	used HWM budget for 2020
Exempt Vets, Blind, Surv. Spouses, Elderly	33,523	32,723	31,719	31,719	33,388	1,669	5.3%	33,388	0.0%	33,388	0.0%	used HWM budget for 2020
State Owned Land	164,735	164,735	185,268	185,614	194,537	8,923	4.8%	194,537	0.0%	194,537	0.0%	used HWM budget for 2020
Offset Receipts												
School Lunch	0	6,788	0	0	0	0	0.0%	0		0		State pays School Department directly
School Choice Tuition	344,496	637,683	569,714	637,683	581,299	(56,384)	-8.8%	581,299	0.0%	581,299	0.0%	State pays School Department directly
Public Libraries	91,677	92,899	90,671	92,159	93,118	959	1.0%	93,118	0.0%	93,118	0.0%	State pays Jones Library directly
Subtotal STATE AID	15,442,471	15,666,047	16,001,508	16,030,019	16,321,539	291,520	1.8%	16,321,539	0.0%	16,321,539	0.0%	
OTHER FINANCING SOURCES												
Ambulance Fund	2,599,780	2,599,780	2,800,114	2,800,114	2,483,396	(316,718)	-11.3%	2,545,481	2.5%	2,609,118	2.5%	Reimburse Gen Fund for Public Safety and Admin
Community Preservation Act (debt service only)	0	0	320,843	320,843	421,465	100,622	31.4%	387,738		328,060		
Enterprise Fund Reimbursements	1,115,339	1,115,339	1,119,069	1,135,942	1,172,621	36,679	3.2%	1,172,621	0.0%	1,172,621	0.0%	
Overlay Surplus	0	0	300,000	300,000	300,000	0	0.0%	0		0		
Miscellaneous	0	0	0	0	0	0	0.0%	0		0		
Free Cash	1,561,633	3,561,633	0	75,000	0	(75,000)	-100.0%	0		0		
Stabilization Fund	0	0	0	0	0	0	0.0%	0		0		
Subtotal OTHER FINANCING SOURCES	5,276,752	7,276,752	4,540,026	4,631,899	4,377,482	(254,417)	-5.5%	4,105,840	-6.2%	4,109,799	0.1%	
TOTAL REVENUES	78,591,811	81,682,688	80,876,347	80,861,109	83,446,786	2,585,677	3.2%	85,147,827	2.0%	87,173,786	2.4%	

	FY 18 Recap	FY 18 Actual	FY 19 Projected	FY 19 Projected	FY 20 Projected	\$ Chg	% Chg	FY 21 Projected	% Chg	FY 21 Projected	% Chg	
EXPENDITURES												
OPERATING BUDGET												
Town	23,038,135	22,949,526	23,844,470	23,904,470	24,584,061	679,592	2.8%	25,198,663	2.5%	25,828,630	2.5%	increase of .3% equals net cost for Council
Elementary Schools	22,523,222	22,522,642	23,227,365	23,242,365	23,838,855	596,490	2.6%	24,434,826	2.5%	25,045,697	2.5%	Net increase 2.6% (2.5% less Choice/Charter level for FY20)
A-P Regional School District (Assessment)	15,502,710	15,502,710	16,045,304	16,045,304	16,444,279	398,975	2.5%	16,855,386	2.5%	17,276,771	2.5%	
Jones Library (Tax Support)	1,926,054	1,926,054	1,993,466	1,993,466	2,043,302	49,837	2.5%	2,094,385	2.5%	2,146,745	2.5%	
Subtotal OPERATING BUDGET	62,990,121	62,900,932	65,110,605	65,185,605	66,910,497	1,724,892	2.6%	68,583,260	2.5%	70,297,842	2.5%	
CAPITAL BUDGET												
Debt Service - Debt Exclusion	32,250	32,380	0	0	0	0	0.0%	0	0.0%	0	0.0%	
Debt Service - CPA			320,843	320,843	421,465	100,622	31.4%	387,738	-8.0%	328,060	0.0%	
Debt Service - Current	1,833,617	1,904,684	1,603,127	1,603,127	1,159,913	(443,214)	-27.6%	1,046,370	-9.8%	569,952	0.0%	
Debt Service - Projected	172,000	142,734	263,874	263,874	351,102	87,228	33.1%	562,590	60.2%	981,272	74.4%	
Cash Capital (Tax Support)	2,325,018	2,303,896	2,884,788	2,884,789	3,503,810	619,021	21.5%	3,881,773	10.8%	4,136,777	6.6%	
Subtotal Tax Funded Capital	4,362,885	4,383,694	5,072,632	5,072,633	5,436,290	363,657	7.2%	5,878,471	8.1%	6,016,061	2.3%	
Tax Capital Less Debt Exclusion, CPA, Other	4,330,635	4,351,314	5,393,475	4,451,790	5,014,825	563,035	12.6%	5,490,733	9.5%	5,688,001	3.6%	Town Financial Policy goal is 10% of tax levy
% Net Tax Levy	8.5%	8.5%	10.22%	8.43%	9.50%			10.00%		10.00%		
Cash Capital (Free Cash)	50,000	50,000										
Cash Capital (Ambulance Fund)	0	0	0	0	0	0	0.0%					
Subtotal CAPITAL	4,380,635	4,433,694	5,072,632	5,072,633	5,436,290	363,657	7.2%	5,878,471	8.1%	6,016,061	2.3%	
MISCELLANEOUS												
Assessment - Retirement System	5,157,420	5,157,420	5,565,471	5,565,471	5,868,847	303,376	5.5%	6,338,355	8.0%	6,845,423	8.0%	Per HCRS assessment
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	1,451,633	0	0	0	0	0	0.0%					
OPEB	400,000	400,000	500,000	500,000	500,000	0	0.0%	500,000	0.0%	500,000	0.0%	Building OPEB funding into annual budget
Reserve Fund	100,000	100,000	100,000	100,000	0	(100,000)	-100.0%	0	#DIV/0!	0	#DIV/0!	Finance Committee Reserve Fund
Subtotal MISCELLANEOUS	7,144,981	5,693,348	6,201,399	6,201,399	6,404,775	203,376	3.3%	6,874,283	7.3%	7,381,351	7.4%	
Total APPROPRIATIONS	74,515,737	73,027,973	76,384,635	76,459,637	78,751,562	2,291,925	3.0%	81,336,014	3.3%	83,695,254	2.9%	
UNAPPROPRIATED USES												
Reserve for Abatements & Exemptions	517,647	517,648	527,977	525,280	549,073	23,793	4.5%	568,800	3.6%	589,020	3.6%	Target: 1% of tax levy
State Assessments (Cherry Sheet)	3,106,300	2,975,724	3,287,395	3,130,246	3,455,630	325,384	10.4%	3,542,021	2.5%	3,630,571	2.5%	Charter & Choice Tuition, PVTA, etc.
Cherry Sheet Offsets	436,173	737,370	660,385	729,842	674,417	(55,425)	-7.6%	674,417	0.0%	674,417	0.0%	See Offset Receipts in Revenue above
Other Amounts to be Raised	15,955	9,357	15,955	16,104	16,104	0	0.0%	16,104	0.0%	16,104	0.0%	PVPC and Tax Title
Subtotal UNAPPROPRIATED USES	4,076,075	4,240,098	4,491,712	4,401,472	4,695,224	293,752	6.7%	4,801,342	2.3%	4,910,112	2.3%	
TOTAL BUDGET PLAN	78,591,812	77,268,072	80,876,347	80,861,109	83,446,786	2,585,678	3.2%	86,137,356	3.2%	88,605,366	2.9%	
					2,585,678			2,690,569		2,468,011		
SURPLUS / (SHORTFALL)	0	4,414,617	0	0	0			(989,528)		(1,431,580)		

This page is left intentionally blank.