

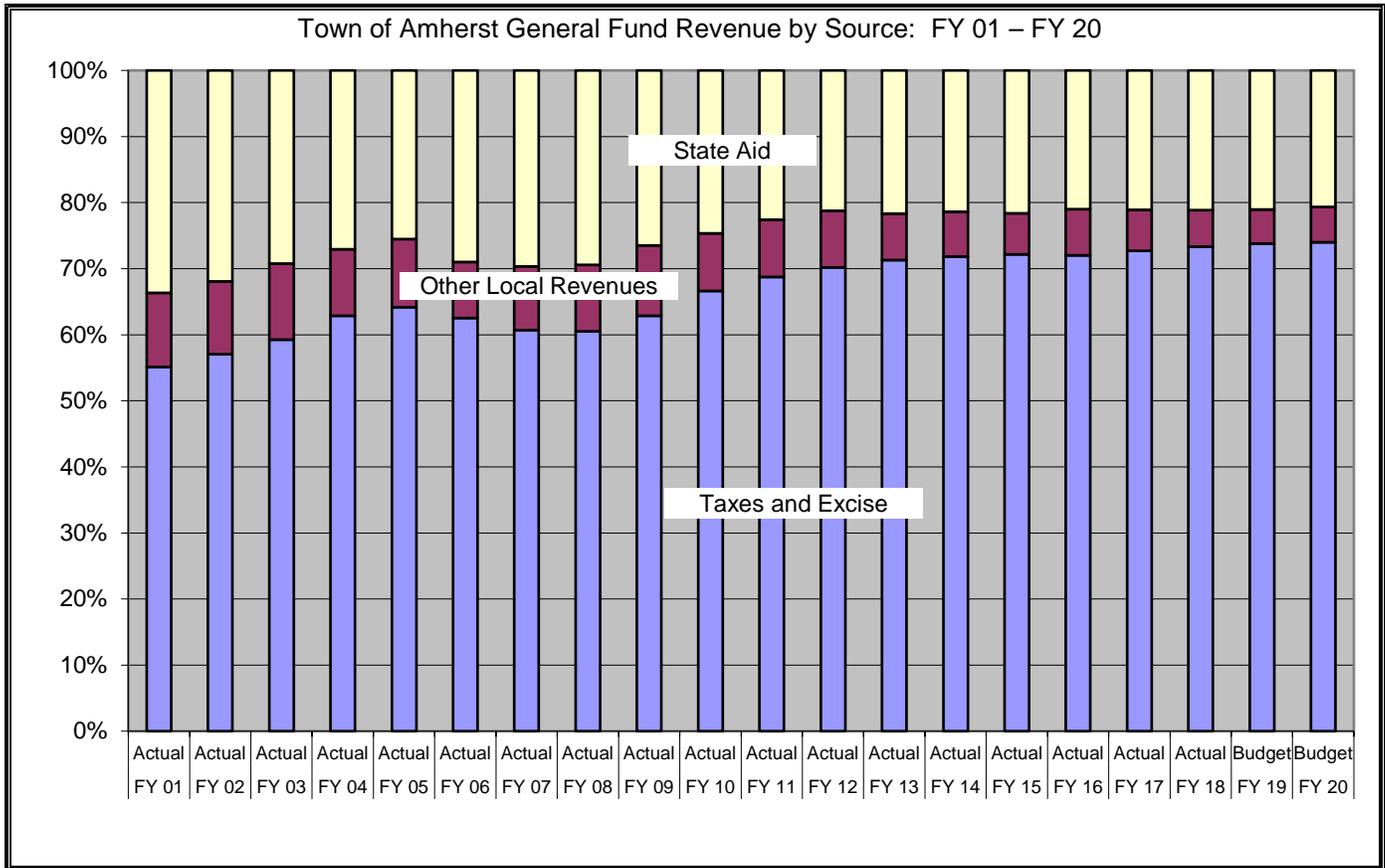
**GENERAL  
FUND**

## 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 14</b>	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
<u>As % of Total Resources</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Taxes	62	63	63	63	62
Other Local Source Revenues	11	10	11	10	10
State Revenues	20	20	20	20	19
Other Financing Sources	7	7	6	7	9



## GENERAL FUND RESOURCES SUMMARY

	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Budget	FY 20 Manager	Change FY 19 - 20	Percent Change
Property Tax	46,699,210	48,805,694	50,712,795	52,765,104	54,907,326	2,142,222	4.1%
Local Receipts	8,382,541	7,968,879	7,767,691	7,434,087	7,840,439	406,352	5.5%
State Aid	14,636,111	15,180,262	15,666,047	16,030,019	16,321,539	291,520	1.8%
Other Financing Sources	4,601,325	5,230,987	7,276,752	4,631,899	4,377,482	(254,417)	-5.5%
	<u>74,319,187</u>	<u>77,185,822</u>	<u>81,423,284</u>	<u>80,861,109</u>	<u>83,446,786</u>	<u>2,585,677</u>	<u>3.2%</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.

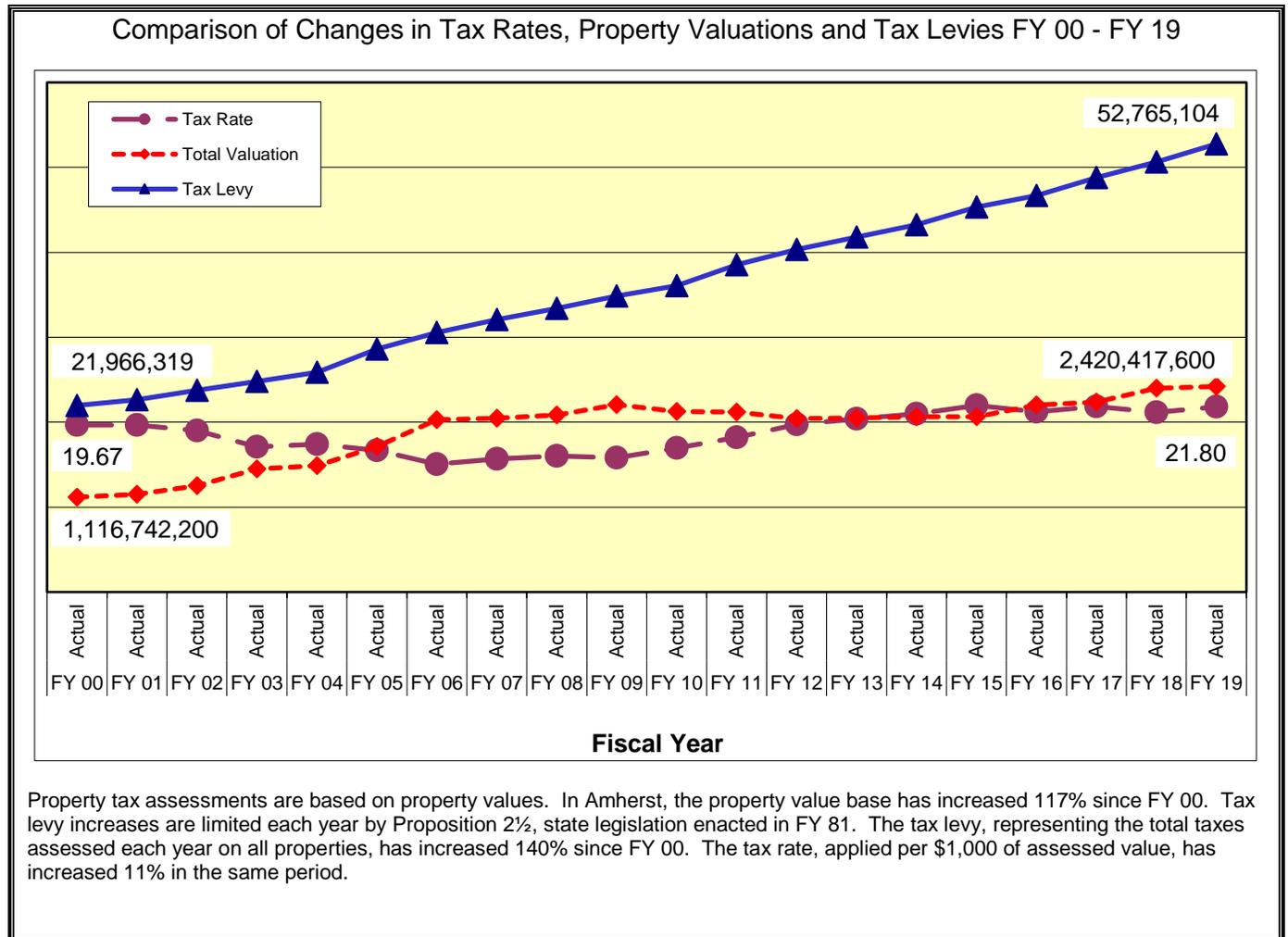
**CONTINUING OBJECTIVES:**

- To manage and grow the tax levy within constraints of Proposition 2½.

**FY 20 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 14</b>	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Taxes as % of Total Resources					
Real and Personal Property Taxes	62	63	63	63	62



## RESOURCES

## PROPERTY TAX

	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Budget	FY 20 Manager	Change FY 19 - 20	Percent Change
Base Levy	44,828,489	46,573,832	48,750,452	50,700,146	52,787,635	2,087,489	4.1%
2.5% Allowable Increase	1,120,712	1,164,346	1,218,761	1,267,504	1,319,691	52,187	4.1%
New Growth	624,631	1,012,274	730,933	819,985	800,000	(19,985)	-2.4%
Levy Limit	46,573,832	48,750,452	50,700,146	52,787,635	54,907,326	2,119,691	4.0%
Debt Exclusion	125,378	76,709	32,250	0	0	0	0.0%
Maximum Allowable Levy	46,699,210	48,827,161	50,732,396	52,787,635	54,907,326	2,119,691	4.0%
Excess Levy Capacity	0	(21,467)	(19,601)	(22,531)	0	22,531	-100.0%
Subtotal PROPERTY TAX	46,699,210	48,805,694	50,712,795	52,765,104	54,907,326	2,142,222	4.1%

**MAJOR COMPONENTS:**

Real and Personal Property Taxes are the Town's largest source of revenue. This budget assumes that the Town will use its full tax levy capacity in FY 20. Property taxes will increase at the allowable 2.5% limit per year (+\$1,319,691). New growth added to property tax is estimated at \$800,000.

**SIGNIFICANT BUDGET CHANGES:**

None.

## RESOURCES

## LOCAL RECEIPTS

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

**FY 20 OBJECTIVES:**

- To review current fee levels in relation to FY 20 costs of services.

**SERVICE LEVELS:**

	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Revenues as % of Local Source Revenues					
Other Taxes	41	44	42	44	47
Departmental Revenue	14	19	19	18	16
Rentals	1	1	1	2	2
Licenses and Permits	14	18	18	15	12
Special Assessments	7	10	9	11	12
Fines and Forfeits	3	2	2	1	1
Penalties and Interest	4	3	2	3	4
Investment Income	1	1	1	1	1
Miscellaneous	15	2	6	5	5

**MAJOR COMPONENTS:**

Departmental Revenue

General Government

Assessing Services	\$ 20,000
Certificate of Municipal Lien	12,500
Collector's Fees	15,000
Certified Copy Fees	22,000
Passport Application Fees	12,000
Other Departmental Fees	31,993

Public Safety

Police Off Duty Service	15,000
Fire Department Inspections	100,000
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	254,000
Pools	70,000
Cherry Hill	227,638
Medicaid Reimbursement	<u>260,549</u>
Total Departmental Revenues	\$1,149,680

Special Assessments

UMass PVT Assessment	\$720,614
Five College PVT Assessment	<u>253,541</u>
Total Special Revenue Funds	\$974,155

Licenses & Permits

General Government

CATV License	\$ 3,600
Town Clerk Licenses	6,500

Public Safety

Dog Licenses	8,000
Other Permits	31,000

Public Works

Inspection Services and Health	9,500
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Alcohol Licenses

Alcohol Licenses	164,500
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Building Permits

Building Permits	354,792
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Electrical Permits

Electrical Permits	147,427
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Rental Registration

Rental Registration	110,000
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Other Licenses and Permits

Other Licenses and Permits	<u>149,025</u>
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Total Licenses & Permits

Total Licenses & Permits	\$984,344
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Miscellaneous

Amherst College	\$100,000
UMass Strategic Partnership	120,000
UMass Hotel/Motel Occupancy	150,000
Hopkinton Bill Revenue	<u>220,000</u>
Total Miscellaneous	\$590,000

## RESOURCES

## LOCAL RECEIPTS

	FY 16	FY 17	FY 18	FY 19	FY 20	Change	Percent
	Actual	Actual	Actual	Budget	Manager	FY 19 - 20	Change
Motor Vehicle Excise	1,865,700	1,833,759	1,916,204	1,875,000	1,973,859	98,859	5.3%
Hotel/Motel and Meals Excise	695,976	708,601	745,742	687,000	687,000	0	0.0%
Penalties and Interest	203,416	260,469	330,465	197,229	197,229	0	0.0%
PILOT	948,435	950,525	977,397	948,476	951,277	2,801	0.3%
Rentals	102,243	131,392	137,726	155,195	155,195	0	0.0%
Departmental Revenue	1,548,636	1,531,291	1,221,496	1,148,680	1,149,680	1,000	0.1%
Licenses and Permits	1,529,475	1,078,556	926,576	954,552	984,344	29,792	3.1%
Special Assessments	763,033	878,930	913,056	920,255	974,155	53,900	5.9%
Fines and Forfeits	129,758	101,928	127,331	97,700	97,700	0	0.0%
Investment Income	107,336	90,117	101,309	80,000	80,000	0	0.0%
Miscellaneous	488,533	403,311	370,391	370,000	590,000	220,000	59.5%
<b>Subtotal LOCAL RECEIPTS</b>	<b>8,382,541</b>	<b>7,968,879</b>	<b>7,767,691</b>	<b>7,434,087</b>	<b>7,840,439</b>	<b>406,352</b>	<b>5.5%</b>

**SIGNIFICANT BUDGET CHANGES:**

Motor vehicle excise revenues are estimated at \$1,973,859, an increase of 5.3% from the FY 19 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 \$29,792 or 3.1% from the FY 19 budget. We remain conservative on these estimates due to the uncertain nature of the economy and building construction.

Special Assessments increase by \$53,900. 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 the Five Colleges and the Town.

Miscellaneous receipts increased by \$220,000; this is a one-time supplemental tax assessment for construction in progress that does not apply to the New Growth calculation.

**RESOURCES**

**STATE AID**

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

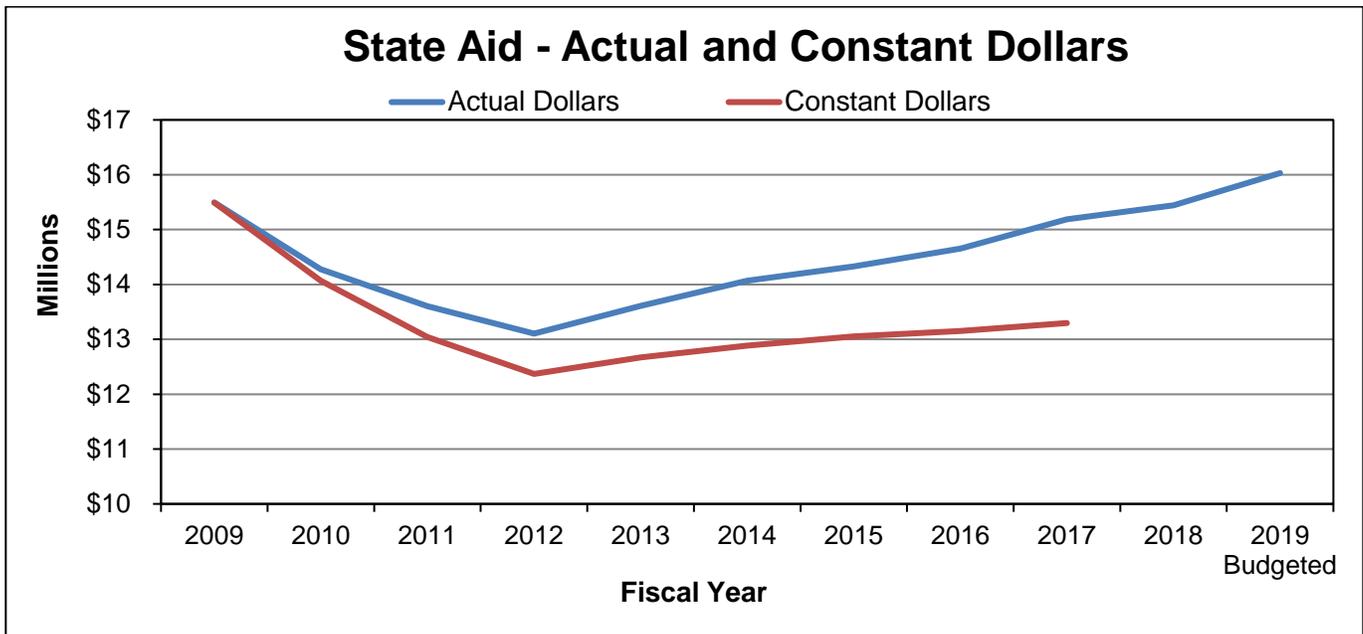
**CONTINUING OBJECTIVES:**

- 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>	<b>FY 14 Actual</b>	<b>FY 15 Actual</b>	<b>FY 16 Actual</b>	<b>FY 17 Actual</b>	<b>FY 18 Actual</b>
State revenues as a % of Total Resources	21	20	20	20	19

**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 has consistently increased since 2012 and in FY 19 we have reached pre-recession levels.

## RESOURCES

## STATE AID

	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Budget	FY 20 Manager	Change FY 19 - 20	Percent Change
Chapter 70	5,954,998	6,020,943	6,055,023	6,088,203	6,122,223	34,020	0.6%
Charter Tuition Assessment							
Reimbursement	126,388	271,611	113,706	177,979	194,217	16,238	9.1%
Unrestricted General Govt Aid	7,760,993	8,094,716	8,410,410	8,704,774	8,939,803	235,029	2.7%
Veterans Benefits	167,264	170,455	152,080	111,888	162,954	51,066	45.6%
Exempt: Vets, Blind, Surv. Spouses, Elderly	29,245	16,242	32,723	31,719	33,388	1,669	5.3%
State Owned Land	166,877	164,892	164,735	185,614	194,537	8,923	4.8%
Offset Receipts							
School Lunch	6,694	6,334	6,788	0	0	0	0.0%
School Tuition	336,133	344,496	637,683	637,683	581,299	(56,384)	0.0%
Public Libraries	87,520	90,574	92,899	92,159	93,118	959	0.0%
Subtotal STATE AID	14,636,111	15,180,262	15,666,047	16,030,019	16,321,539	291,520	1.8%

**SIGNIFICANT BUDGET CHANGES:**

Assumes a moderate increase in state aid based on the State House Ways and Means Committee Budget released mid-April 2019. These estimates will be revised as the state budget process unfolds; the final Cherry Sheets will be out early July 2019.

## 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 20 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 20 budget, if possible.

**SERVICE LEVELS:**

	<b>FY 14</b>	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>
% of Total Resources					
Special Revenue Funds	3	4	4	3	3
Overlay Reserve Account	0	0	0	0	0
Surplus Funds:					
Free Cash	2	2	1	2	4
Stabilization	0	0	0	0	0
Other Interfund Transactions	2	2	1	2	1

## RESOURCES

## OTHER FINANCING SOURCES

	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Budget	FY 20 Manager	Change FY 19 - 20	Percent Change
Ambulance Fund	2,592,292	2,594,380	2,599,780	2,800,114	2,483,396	(316,718)	-11.3%
Community Preservation Act (debt service only)				320,843	421,465	100,622	31.4%
Enterprise Fund Reimbursements	1,067,358	1,192,643	1,115,339	1,135,942	1,172,621	36,679	3.2%
Overlay Surplus	0	115,000	0	300,000	300,000	0	0.0%
Free Cash	836,675	1,328,964	3,561,633	75,000	0	(75,000)	-100.0%
Stabilization Fund	105,000	0	0	0	0	0	0.0%
Subtotal OTHER FINANCING SOURCES	4,601,325	5,230,987	7,276,752	4,631,899	4,377,482	(254,417)	-5.5%

**SIGNIFICANT BUDGET CHANGES:**

A total of \$2,483,396 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). This is a significant decrease due to the loss of a contract with the Town of Hadley to provide emergency medical services. We estimate our overall loss in revenue to be approximately \$600,000 in total. There have been no cuts in the Fire/EMS services budget, however, based on findings of the Fire staffing study.

Consistent with Finance Committee budget guidelines, no contribution from Free Cash/Stabilization Fund reserves is included to balance the FY 20 budget. 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. In FY 18, \$3,561,633 of Free Cash was appropriated: \$1,301,633 was transferred to the stabilization fund, \$15,000 to Elementary School Budget, \$60,000 to Community Services Budget, and \$2,000,000 to the Health Claims Trust Fund which was subsequently repaid.

## GENERAL FUND EXPENDITURES SUMMARY

	FY16	FY17	FY18	FY19	FY20	Change	%
	Actual	Actual	Actual	Budget	Manager	FY 19-20	Change
General Government	\$ 6,407,518	6,356,383	7,282,011	7,490,355	8,010,791	520,436	6.9%
Public Safety	\$ 9,856,588	10,057,411	10,221,788	10,771,388	10,881,989	110,601	1.0%
Public Works	\$ 2,101,281	2,364,678	2,379,343	2,361,514	2,401,666	40,152	1.7%
Conservation & Development	\$ 1,252,602	1,318,526	1,402,003	1,453,762	1,522,077	68,315	4.7%
Community Services	\$ 1,843,387	1,753,155	1,664,381	1,827,451	1,767,538	(59,913)	-3.3%
<b>TOTAL APPROPRIATION</b>	<b>\$ 21,461,375</b>	<b>21,850,154</b>	<b>22,949,526</b>	<b>23,904,470</b>	<b>24,584,061</b>	<b>679,591</b>	<b>2.8%</b>

### SIGNIFICANT BUDGET CHANGES:

#### RECOMMENDED BUDGET:

The Town Manager's proposed FY 20 municipal budget is a level services budget that includes increases necessary to fund contractual costs. The budget is funded at \$24,584,061, which exceeds the Finance Committee's guideline of a 2.5% increase from FY 19, to a 2.8% increase. The increase is to fund the Town Council for FY 20.

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

None identified at this time.