



TO: Paul Bockelman, Town Manager

CC: Michael Morris, Superintendent of Schools
Amherst and Regional School Committees
Sharon Sharry, Library Director
Library Trustees

FROM: Town Council

DATE: December 21, 2020

RE: FY22 Budget Policy Guidelines

The Town Council provides these guidelines to assist you in developing a budget for FY22 to present to the Council on May 1, 2021. This budget year will require all of us to make difficult decisions. These Guidelines are presented based upon current projections for FY22. The Council may provide subsequent guidance as new information becomes available.

The Guidelines refer to the Town Charter and to the “Town of Amherst Financial Management Policies & Objectives” adopted January 2008 and updated in 2012. These source documents will be cited as “Charter” and “Financial Management Policies”. Another important source document for these Guidelines is the “Financial Projections for FY 22 Budget Planning” presented on November 9, 2020 to a joint meeting of the Town Council, School Committee, and Jones Library Trustees, to be cited as “November Financial Projections”.

I. Overall philosophy and concerns for FY22

These Guidelines assume that revenue will be as presented in the November Financial Projections. We are fully cognizant that these are projections and will inevitably change during the next several months, but we base our guidance on the information you provided to the Town Council in November.

Fiscal sustainability is a primary budget goal, so all revenue and expenditure plans should be viewed in a multi-year context. Information such as school population and decisions such as agreements made through collective bargaining have multi-year impacts.

The services currently provided are important for many residents and businesses. However, we should continually seek improvements to enhance efficiency and effectiveness. We also need to evaluate those services, the need for them, the Town’s capacity to support them, and their consistency with community values as well as sustainability and social justice/equity goals adopted by the Town Council. Intense evaluation of the current range of municipal, library and school services and their delivery methods are critical to ensure that every dollar is allocated appropriately between departments and spent wisely.

Last year, the initial FY 21 Council Budget Guidelines supported maintaining a level services budget. When confronted with the Covid-19 pandemic and its effect on revenues and

expenses, the Council adopted amended Guidelines in May that only supported level funding. That was a necessary reduction that challenged you to absorb increases within budgets as programs had to change to respond to Covid-19 concerns. There were limited opportunities to address additional initiatives. The amended FY21 budget also significantly reduced the budget for capital to avoid cuts in services. As a result, we delayed expenditures and now face an even larger back-log than typical going into FY22. This Covid-19 period will extend into FY22 and beyond. It is a highly unusual situation and requires difficult choices as we may not be able to continue to avoid cuts to services in FY22.

Growth in state aid continues to be less than needed to support cost increases for services, investment in the replacement, repair or maintenance of building, roads, and other capital needs. As a result, Amherst relies heavily on residential property taxes and on new growth. We recognize that there is also pressure on the residential property taxpayer to meet their property tax obligations.

The Council supports continuation of the policy that reserve funds should not be used to support recurring expenses which require recurring revenue sources. The Amended FY21 Council Budget Guidelines adopted in May 2020 assumed that reserves could be used if revenues were less than projected from state aid or other sources, although that may not be necessary. Looking forward, if there is a significant reduction of projected revenue for FY22 from state aid or other sources, we suggest that the Budget Coordinating Group provide advice. We would consider the use of reserves as possibly necessary for FY22 to avoid disruption in services if adequate planning for service reduction is not possible. However, we encourage planning to begin now for such service reductions if they are necessary. Should use of reserves be required, we would not support the ongoing use of reserves to continue to support budgets after FY22.

Because of good planning and fiscal discipline, there has been no need to ask voters to consider a Proposition 2 ½ operating budget override since 2010. That law, passed by voter initiative in 1980, limits the amount that a city or town can increase total property taxation without an override of the limit passed by voters. Additional information about this law can be found in a Division of Local Services publication found at <https://www.mass.gov/doc/levy-limits-a-primer-on-proposition-2-12-0/download>. Amherst voters approved a \$1.68 million override for FY11 that was phased in over two years. Since then, strong management of expenses such as health care, contract renewals, and efficiencies in operations have been combined with regular “New Growth” that provides new tax revenues in addition to the allowable 2.5% increase in the levy limit and modest growth in state aid to allow property taxes to remain within the limits of Proposition 2 ½ requirements.

The Council is committed to addressing four major capital investments by renovation and repair or replacement: a new elementary school to replace the Fort River and Wildwood Schools, Jones Library, Central Fire/EMS Station, and Public Works facility. At least two of these projects, the School and the Library, will require decisions over the next five years. And, while we may be tempted to delay these projects again, the long-term view of the projects needs to be considered when allocating revenues between capital and operating expenses in tough fiscal years like this one.

To strengthen the Town’s ability to finance such major capital needs, it has built-up reserves and paid down debt service. Pre-COVID we expected to be able to allocate 10 percent

of the estimated property tax levy to capital which would help finance debt service obligations from major building projects over multiple years.

Given restricted resources, the Council may need to ask voters to approve a debt exclusion override. We recognize that this is a difficult period for our taxpayers. The Council needs to carefully decide whether to ask voters to consider an override. We must consider the costs of the projects individually and together rather than one project at a time.

A strong bond rating allows the Town to borrow funds at favorable rates and is validation of sound financial management. The Council encourages steps that will maintain the Town's present AA+ rating and, possibly, improve its rating. That includes managing finances to assure that the Town can continue to meet immediate obligations, maintain the level of services expected by residents, and meet future financial obligations.

Reserves will be needed as a planned and strategic way to mitigate the large peaks in capital expenditures during the first few years of execution of the four large capital investments when debt payments are likely to be greater than in subsequent years. It is not prudent to use reserve funds for ongoing expenses. The use of reserves allows for effective management but, as previously noted, should not become ongoing support for any program or the budget as a whole. Maintaining a responsible reserve balance is prudent fiscal management and contributes to the Town's strong bond rating.

Reserves may be needed for that "rainy day" when there is a loss of revenue or increase in expenses that could not be anticipated. We were prepared to use reserves for the FY21 budget if necessary and realize that they might be needed in FY22. Careful and strategic reserve use as a source of bridge funding, one-time investments, or start-up costs for programs that will generate new revenue or expense reductions are also reasonable uses of one-time funds. See Financial Management Policies Section B-3.

The Council supports expense reduction strategies and initiatives including the responsible reassignment of services outside of the General Fund. Other strategies include regionalization and reorganization within and among Town Departments that reduce costs and create efficiencies; expense reduction via "ordinary" means such as aggressive cost-comparison that reduces waste and seeks greater efficiency; negotiation of fair labor contracts that the Town can afford and sustain and that reflect the current national, state, and local economic crisis; and green initiatives that reduce long-term operating expenses. The benefits of the predictable energy costs provided by comprehensive solar projects is appreciated. These initiatives must only be pursued with due consideration of the implications and mindful of Financial Management Policies Sections B-4 and B-8.

Sustainable economic development is an important financial management strategy. Responsible and appropriate expansion of our commercial sector from the current level of about 10% and expansion of the tax base in accordance with the community's goals as expressed in the Master Plan can grow the property tax base in net-positive ways. Pursuing solar power generation and other green initiatives will over time reduce Greenhouse Gas Emissions, advance the Climate Action goals, and are opportunities for economic development to support future budgets.

You are encouraged to 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. Robust contributions from tax-exempt organizations are essential for the health of the Town. The UMass Strategic Partnership Agreement provides an important opportunity to ensure that all relevant categories of costs incurred by the Town are reviewed regularly and supported by the university and that both parties consider the economic health of the Town and the University in all decisions. It serves as a model for working with the other two institutions of higher education. The Council appreciates that the University is supporting the cost to educate children in our public schools who live in University-owned housing that does not pay property taxes. It is critical that this support continue. We also appreciate that UMass has invested in the health of our community by providing robust Covid-19 screening of its faculty, staff and students; the Town's first responders; and now, supported by a state contract, free asymptomatic testing of all residents. Working with the Town's non-profit partners including the University of Massachusetts provides the potential to develop more models for public and private partnerships, especially around the creation of housing, retail, restaurants, and other commerce that can generate new revenue, particularly after losses due to Covid-19. We need to remind our partners that all of us need a town that includes a full range of businesses and is a vibrant community that will attract students and their families, new faculty and other employees, and investors in joint ventures with our partners. Our partners need to avoid actions that compete with the businesses.

There are other means to generate new revenue. The Town should regularly evaluate service fees to assure they are in line with costs. Aggressive pursuit of grants to offset costs and expand services produces new revenue. However, when grants involve funding of new personnel or committing to ongoing operating or maintenance costs, there should be a clearly communicated understanding whether and how those positions and services will be continued when the grant funding is no longer available. The Town, through the Council and the Executive should advocate for State legislation that improves the State's ability to support municipal budgets through the State income tax, provides local taxation options, increases aid to Amherst and the Regional School District, and mitigates mandated costs. Amherst should also support strong local advocacy for the state-wide effort to increase funding for road and sidewalk work, municipal buildings besides schools and libraries, transportation infrastructure improvements, climate initiatives, and other emerging initiatives and services. The Town should continue to advocate for increased State revenues, such as more progressive taxation including higher income tax on those earning higher incomes and those with large resources, in order to increase funds available for local aid to all communities and for funding to offset the financial impact of Charter Schools and School Choice.

II. Revenue

The Council adopts the revenue projections from the November Financial Projections (page 30 and 36) with an overall revenue increase of 3.2% over FY21 assumed from all sources including property tax, local receipts, state aid, and other financing sources. There is uncertainty for these projections because of the Covid-19 effect on federal, state and local budgets, and the transition in Washington. That is the basis of our request that the Town Manager convene the Budget Coordinating Group, if necessary, by March 2021. We realize that reserves may be required in FY22 if revenue estimates are not met and expense budgets cannot be reduced without undue disruption of services.

The largest revenue source is the property tax representing 70% of the total budget. It is expected to increase by 3.4%, reflecting the allowable 2.5% increase plus new growth. This revenue is stable and predictable. The new growth projection for FY21 was reduced by 25% from the initial estimate due largely to the recession resulting from Covid-19. You project an increase for FY22 but not to the amount initially estimated for FY21. Business activity including construction has not fully recovered and there is uncertainty about what to expect. That is one reason why you and we feel less certain about these revenue projections.

The second largest source of revenue is state aid. It is 20% of the total FY22 budget proposed in the Preliminary Financial Projections, which is conservatively projected at no dollar increase over FY20. Every year, this is an area of uncertainty. The Governor and the Legislature have demonstrated their commitment to supporting local government but will have many pressing needs to consider. The Federal budget and state revenue projections will influence the Governor's budget recommendation and legislative decisions. Without federal support from new stimulus funding and economic recovery to support income and sales taxes, state revenue may be inadequate to support all needs. The Governor will propose a State budget in January 2021 for FY22, which will be the first indication of the amount of state aid the Town might receive. Because of the seating of a new Congress, two Senate elections in January, the inauguration of a new President, and the uncertainty about the continued impact of Covid-19 and the recovery from the recession, the Governor will propose a budget in a period of great uncertainty.

Other revenue sources, such as local receipts and other financing sources are similarly uncertain. You forecast that receipts will continue to be \$2 million below the pre-COVID era despite a modest recovery from the steep decline in the past year. We don't know how quickly we will recover from the COVID-caused recession locally and don't know what the "new normal" will be after COVID can be controlled through effective vaccines and treatments. The projection for local receipt revenue is also affected by the uncertainty of payments from marijuana establishments (fees from host community agreements and excise taxes), taxes on short-term rentals, and the University since a new Strategic Partnership Agreement does not appear to be under negotiations. All revenue projections will need to be reviewed regularly and revised as appropriate.

III. Expenses for operations

The overall budget philosophy of these Guidelines anticipates a final balanced budget, with all sources of revenue providing the funds necessary to meet expense projections. Financial Projections suggest that operating budgets be developed with level funding and capital at 8% of the expected property tax levy. The Council assumes and suggests level funding for the Town's Regional School assessment, in line with the suggested level funding of all other Town departments and the continued reduction in capital funding. The Regional School budget assessment will be determined by agreement of member towns to a budget and assessment method proposed by the Regional School Committee. It is important that we again achieve an agreement that is sensitive to the needs of all member towns and the Regional School District. The December 5, 2020 four Towns Meeting illustrates the challenge to achieving such an agreement. The Council seeks to work with you and the Finance Director to explain the financial stress on Amherst and to work with the other towns and the Region to assure that the assessment for Amherst is consistent with these Guidelines, including the stated desire to treat all

departments equally and to avoid using reserves. We will need to consider the choices that will be required if the assessment is greater than these Budget Guidelines.

These level-funding targets will be a challenge as operating budgets must also fund health insurance for employees and retirees. The Financial Projections (page 31) anticipate a 5% increase for health insurance which will add to the pressure on budgets across the board. This will be the second year of level funding for operating costs, which we recognize puts stress on all departments and will likely cause cuts to services.

Consistent with the Council's overall budget philosophy, if there is a change in revenue or there is a deficit as you develop the budget to present to the Council on May 1, the Council requests that you convene the Budget Coordinating Group (BCG) and consider an adjustment strategy to recommend to you and the Council.

The Council recognizes that revenue is insufficient to address all needs of the Town. We also recognize that the goals we established for FY21 as Policy Goals in the "Performance Objective Goals for the Town Manager" will require financial investments. They include Climate Action, Community Health and Safety, Economic Vitality, the Four Major Capital Investments, Housing Affordability, and Racial Equity and Social Justice. These goals should be considered in the development of the FY22 budget with explicit recognition of instances where recommended budget allocations or decisions reflect the goals. We recognize that making progress on multiple fronts that require investments— including climate action, and social justice will not be achieved in a single year.

In July, when adopting the FY21 budget, the Town Council and you agreed to freeze two positions while the Town, through the Community Safety Working Group, explores alternative approaches to address concerns about community safety and social justice. There has been public comment and recommendations on these issues, most recently at the November 19, 2020 Budget Forum and at subsequent Council and Finance Committee meetings. Public comment since June has included suggestions to reduce funding for the Police Department. You appointed a Community Safety Working Group that will study two of the goals, Community Health and Safety and Racial Equity and Social Justice. Its recommendations could affect goals as well as FY22 and future budget decisions. The Council will want the Working Group recommendations considered in budgets.

Similarly, the Town's Energy and Climate Action Committee will be making recommendations as it drafts a climate action plan that have budget implications. We ask that you consider its recommendations as you develop budgets. Finding ways to support initiatives not previously funded will require difficult decisions and intensified efforts to secure grants. When possible flexibility in all decisions including the budget you are developing will help. We note, explicitly, that adding new initiatives – be it investments in climate action or racial justice – will mean that there will have to be reductions in other areas of the budget. We recognize that we have not provided guidance on what to reduce and rely on the best judgement of you and your staff.

As noted, municipal services provided by the Town are valued and the Town has an obligation to address capital needs. Consistent with the budget philosophy discussed above, the Council will want these issues considered as you develop a budget to propose on May 1.

IV. Expenses for capital

The capital budget includes debt service obligations for prior capital projects 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 streets and sidewalks, Town buildings, and the equipment required to provide services. We also need to invest in recreation fields and facilities, and other possible needs, as suggested at the November 14, 2020 Council retreat.

Starting at 7.2% of the tax levy ten years ago, the Town purposefully increased the Capital Budget to 9.5% of the Levy for FY20. In its original FY21 Guidelines, the Council suggested that we finally achieve the goal and appropriate 10% of the Levy for capital spending. We were all disappointed that the appropriation had to be reduced to 5% of the Levy in the Amended Budget Guidelines and final FY21 budget. The proposed allocation, 8% of the Levy for FY22, is necessary to begin to catch-up. Yet, this lower level will make it more difficult to finance debt service for any new major projects while continuing to repair roads, sidewalks, purchase vehicles, upgrade technology, and maintain existing buildings. We will also face the challenge and difficult choices regarding how to finance debt service costs for the four major capital investments while addressing other essential capital needs. If revenue projections increase over the next months, we encourage you to consider increasing the percentage of the levy dedicated to capital above the current guideline of 8%. With the plans for four major projects and to address the goals for the policy noted above, the Town needs to achieve the 10% goal as soon as possible. That will signal to the community that we are committed to long-term stability.

As previously noted, the Council is committed to addressing the four major capital investments capital as identified on page 2, above. Two Councilors serve on the School Building Committee that is required by the Massachusetts School Building Authority (MSBA). The Council will consider the Massachusetts Board of Library Commissioners (MBLC) grant project recommended by the Jones Library Board of Trustees in 2021. Funding these projects will require the Town to incur long-term debt, which will be repaid from capital budgets in future years. Regardless of how the problems with these buildings will be addressed, they need significant investment whether as new construction, renovation or making major repairs to correct persistent building problems.

It is also recognized that there are other significant needs including maintaining and improving Town roads and sidewalks, replacing equipment as needed to continue to provide essential services, and maintaining existing buildings and those to be added in the future. The costs of the four major capital investments coupled with the ongoing capital needs are great. Depending on the approach taken to address building challenges, it will be difficult for the Town to afford to proceed without the significant support of outside grants such as those of the MSBA and the MBLC. Funding capital investments is supported by means other than the capital budget, including 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. We believe that Town municipal needs should receive strong consideration for funding from the Community Preservation Act and CDBG funds.

The Council recognizes the perils of inadequate investment in maintaining its physical assets and in capital improvements. In the Preliminary Financial Projections for FY 22 Budget Planning at pages 31, 32, and 38, you propose that the percentage of the property tax levy allocated to capital as 8%. The Council is concerned that the needs for the four major projects, maintenance of roads and sidewalks, other facilities, and equipment will not be adequately met. The allocation to capital in FY21 was reduced to 5% as a result of the budget adopted after the Covid-19 crisis. That postponed planned investments and increased the backlog of unmet needs. It is important that future budgets consider the goals and policy outlined in Financial Management Policies section C-7. That may require other difficult decisions.

V. Other budget needs

There are required financial obligations including repayment of debts, assessments for the Hampshire County Retirement System, and the regional lockup facility. The Town is not presently required to allocate funds to address a major obligation for Other Post-Employment Benefits (OPEB), principally promises made to provide health insurance after retirement. Based on prudent fiscal management, the Council is concerned about this obligation. We agree with your recommendation to allocate \$250,000 to the OPEB Trust Fund in the FY22 budget, half the amount contributed in recent pre-Covid years. The Town will soon receive an updated actuary report estimating the Town's liability. The June 30, 2016, actuary report estimated the Town of Amherst's liability at \$100.5 million. 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 its Balance Sheet. Adding to the OPEB Trust, even in this difficult time, is necessary and demonstrates to bond rating agencies that we are planning for this large liability. The Council and its Finance Committee should assess our long-term plan to meet the OPEB obligation after we receive the new actuary report.

The Council recognizes that revenue is insufficient to address all needs of the Town. Finding a way to support something not previously funded will thus require difficult decisions and, in some cases, will require envisioning the Town budget appropriate for a post COVID era. Nevertheless, the Council would like to work with you to consider the need, cost, other challenges and benefits of addressing some important unmet needs. These include making some progress on overarching goals listed above including sustainability, health and public safety, and social justice/equity initiatives. Consistent with the Budget Philosophy discussed above, the Council will want these issues considered as you develop a short and prioritized list for budget additions or reprioritization.

VI. Budget process

The FY21 budget process was unique. We welcome the opportunity to return to one that is consistent with the schedule established by the Charter. But as noted, this will be a difficult year with much uncertainty about revenue and demands on the expense side of the budget. The timing with the municipal budget not released until May 1, 2021 provides you with the ability to adjust the budget as more information becomes available.

The Finance Committee is prepared to meet twice weekly in May to review the budget you will send to the Council on May 1, 2021. It would like to meet with the Library Director and Superintendent in April to review the budgets as approved by Library Trustees and School

Committees. If these budgets change prior to your submission on May 1, 2021 there could be a second meeting in May. We will ask that Department presentations do not repeat information provided in the budget.

We are aware that you and your finance team are developing a new budget format that is based on best practices in municipal finance. We ask that you consider providing information for the FY22 budget, in the budget document or otherwise, about: (1) unique challenges and accomplishments to address Covid-19 challenges since March, 2020, (2) Covid-19 challenges anticipated to continue into FY22, (3) department actions and goals regarding energy sustainability, and (4) changes in staff or services to address social justice/equity and health and public safety goals.

VII. Conclusion

The Council appreciates the collaboration on the budget and Town financial management between you and the Town Council. It also appreciated the efforts of you, Sean Mangano, Sonia Aldrich and many other members of the staff to inform Councilors about the budget, the challenge to manage Town finances, and efforts to generate revenue to meet expenses and achieve the community's goals. The Council looks forward to continued collaboration as you develop and manage future budgets.

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	FY 20	FY 21	FY 22	\$	%	
	ACTUAL	BUDGET	BUDGET	Chg	Chg	<i>Assumptions</i>
REVENUES						
PROPERTY TAX						
Base Levy	52,787,635	54,963,386	56,787,470	1,824,084	3.3%	
2.5% Allowable Increase	1,319,691	1,374,084	1,419,687	45,603	3.3%	<i>2.5% increase</i>
Estimated New Growth	856,060	450,000	500,000	50,000	11.1%	<i>Increased FY21 estimate</i>
General Override						
Levy Limit	54,963,386	56,787,470	58,707,157	1,919,687	3.4%	
Debt Exclusion						
Maximum Allowable Levy	54,963,386	56,787,470	58,707,157	1,919,687	3.4%	
Excess Levy capacity	(24,002)		-			
Subtotal PROPERTY TAX	54,939,384	56,787,470	58,707,157	1,919,687	3.4%	
LOCAL RECEIPTS						
Motor Vehicle Excise	1,724,121	1,462,500	1,462,500	-	0.0%	<i>May improve, waiting for more data</i>
Hotel/Motel and Meals Excise	680,343	175,000	400,000	225,000	128.6%	<i>Predicting slow recovery that continues in FY22</i>
Cannabis Tax	206,135	-	-	-	-	<i>Waiting for more trend data</i>
Penalties and Interest	263,699	232,229	232,229	-	0.0%	<i>level</i>
PILOT	978,728	951,277	821,958	(129,319)	-13.6%	<i>Pilot agreement ended in FY21 - shifted to new growth</i>
Fees	206,967	-	-	-	0.0%	<i>waiting for more trend data - expenditures restricted</i>
Rentals	146,442	51,005	90,655	39,650	77.7%	<i>Predicting partial recovery of rental revenues</i>
Departmental Revenue	876,600	308,530	514,351	205,821	66.7%	<i>Return of leisure service revenues</i>
Licenses and Permits	880,764	616,125	792,688	176,563	28.7%	<i>Predicting slow recovery that continues in FY22</i>
Special Assessments	985,547	988,937	985,547	(3,390)	-0.3%	<i>PVTA assessment to colleges/university</i>
Fines and Forfeits	57,428	37,700	37,700	-	0.0%	<i>level</i>
Investment Income	276,896	35,000	60,000	25,000	71.4%	<i>Interest rates on CDs down</i>
Miscellaneous(see notes section)	609,067	60,000	145,020	85,020	141.7%	<i>Predicting return of Umass Hotel occupancy fees</i>
Subtotal LOCAL RECEIPTS	7,892,737	4,918,303	5,542,648	624,345	12.7%	
STATE AID						
Chapter 70	6,122,223	6,122,223	6,122,223	-	0.0%	<i>Level</i>
Charter Assessment Reimbursement	142,588	225,220	225,220	-	0.0%	<i>Level</i>
Unrestricted General Govt Aid	8,939,803	8,939,803	8,939,803	-	0.0%	<i>Level</i>
Veterans Benefits	95,001	162,954	162,954	-	0.0%	<i>Level</i>
Exempt Vets, Blind, Surv. Spouses, Elderly	12,550	33,388	33,388	-	0.0%	<i>Level</i>
State Owned Land	203,540	203,540	203,540	-	0.0%	<i>Level</i>
Offset Receipts						
School Lunch						
School Choice Tuition		619,152	619,152	-	0.0%	<i>Level</i>
Public Libraries		88,272	88,272	-	0.0%	<i>Level</i>
Subtotal STATE AID	15,515,705	16,394,552	16,394,552	-	0.0%	
OTHER FINANCING SOURCES						
Ambulance Fund	2,483,396	1,862,547	2,000,000	137,453	7.4%	<i>Call volumes recover</i>
Community Preservation Act (debt service only)	421,465	449,888	388,148	(61,740)	-13.7%	<i>offset</i>
Enterprise Fund Reimbursements	927,783	920,679	920,679	-	0.0%	<i>Level</i>
Overlay Surplus	300,000	-	-	-		
Miscellaneous	-	-	-	-		
Free Cash	2,945,393	-	-	-		

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	FY 20 ACTUAL	FY 21 BUDGET	FY 22 BUDGET	\$ Chg	% Chg	<i>Assumptions</i>
EXPENDITURES					0.0%	
OPERATING BUDGET						
Town	23,432,642	24,584,061	24,584,061	-	0.0%	
Elementary Schools	23,457,334	23,912,452	23,848,310	(64,142)	-0.3%	<i>Net charter tuition up \$80,000 due to drop in reimbursements, choice out tuition down</i>
A-P Regional School District (Assessment)	16,444,279	16,404,120	16,404,120	-	0.0%	
Jones Library (Tax Support)	2,043,302	2,043,302	2,043,302	-	0.0%	
Subtotal OPERATING BUDGET	65,377,557	66,943,935	66,879,793	(64,142)	-0.1%	
CAPITAL BUDGET						
Debt Service - Debt Exclusion	-	-	-	-	-	
Debt Service - OTHER NOT TAX FUNDED (CPA)	421,465	449,888	388,148	(61,740)	-13.7%	<i>offset</i>
Debt Assessment - Region		342,141	395,118	52,977	15.5%	<i>Increase for FY21 projects</i>
Debt Service - Current	1,159,913	1,005,259	542,252	(463,007)	-46.1%	<i>Paid off roads borrowing</i>
Debt Service - Projected	313,940	30,000	117,500	87,500	291.7%	
Cash Capital (Tax Support)	3,503,810	1,406,651	3,821,700	2,415,049	171.7%	
Subtotal Tax Funded Capital	5,399,128	3,233,939	5,264,718	2,030,779	62.8%	
<i>Tax Capital Less Debt Exclusion, CPA, Other</i>	4,977,663	2,784,051	4,876,570			<i>8% of FY20 levy</i>
% Not Tax Levy	9.1%	4.9%	8.3%			
Cash Capital (Prior FY vote in Current FY)						
Cash Capital (Free Cash)						
Cash Capital (Ambulance Fund)						
Subtotal CAPITAL	5,399,128	3,233,939	5,264,718	2,030,779	62.8%	
MISCELLANEOUS						
Assessment - Retirement System	5,850,699	6,192,108	6,625,556	433,448	7.0%	<i>actual figures expected by end of November</i>
Assessment - Regional Lockup Facility	35,928	35,928	35,928	-	0.0%	
Other	2,563,391	-	-	-	-	
OPEB	882,002	250,000	250,000	-	0.0%	<i>level</i>
Reserve Fund						
Subtotal MISCELLANEOUS	9,332,020	6,478,036	6,911,484	433,448	6.7%	
Total APPROPRIATIONS	80,108,705	76,655,910	79,055,994	2,400,084	3.1%	
UNAPPROPRIATED USES						
Reserve for Abatements & Exemptions	525,979	567,875	587,072	19,197	3.4%	<i>1% of levy</i>
State Assessments (Cherry Sheet)	3,106,959	3,385,974	3,385,974	-	0.0%	<i>Level</i>
Cherry Sheet Offsets	-	707,424	707,424	-	0.0%	<i>offset</i>
Other Amounts to be Raised	16,256	16,256	16,256	-	0.0%	<i>offset</i>
Subtotal UNAPPROPRIATED USES	3,649,194	4,677,529	4,696,726	19,197	0.4%	
TOTAL BUDGET PLAN	83,757,899	81,333,439	83,752,720	2,419,281	3.0%	
SURPLUS / (SHORTFALL)	1,667,965	(0)	200,465			